

# Restructuring National Planning Commission in Nepal

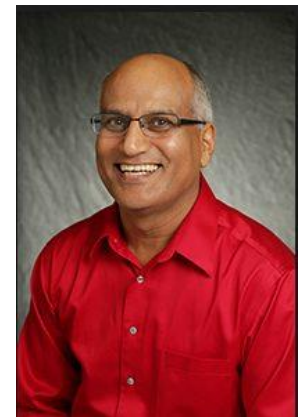
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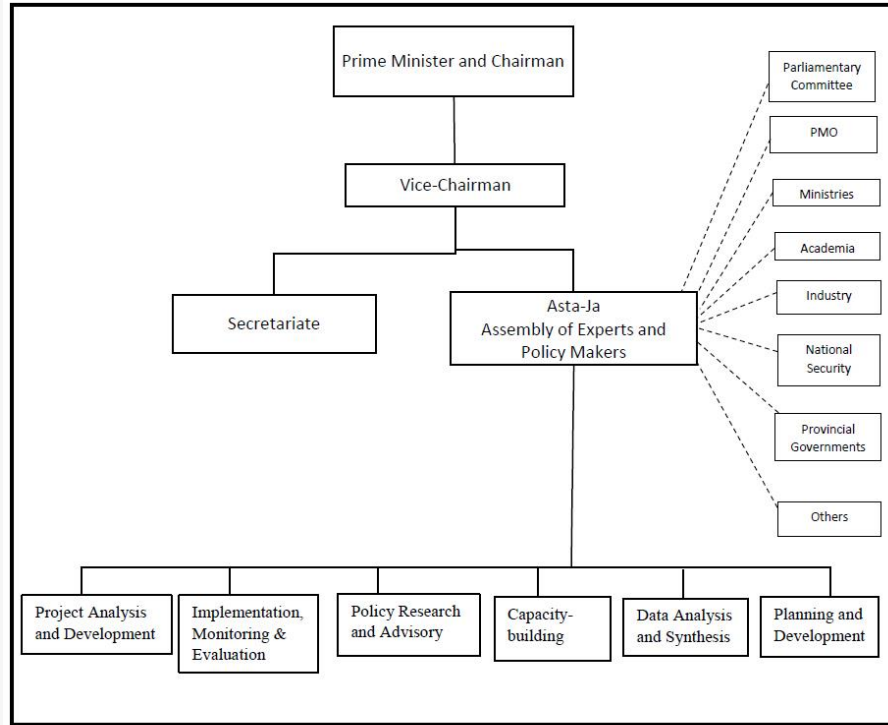
Failure of planning and implementation has remained a major problem from the advent of planning in Nepal. According to Levi (1959), the First Five-Year Plan was criticized of being very broad encompassing almost every aspect of economic life, too ambitious, underestimating the need for training of administrators and technical experts, neglecting the utilization of immediately available resources for economic growth, and undermining the political difficulties for project implementation. The plan was not able to create effective administrative machinery, failed to reach out to the villagers, and the Planning Commission was not functional due to high staff turnover; however, some progress was made mainly due to help from foreign countries as 75 percent of the projects were funded by foreign powers (Levi, 1959). Similarly, Gaige (1971) stated that ineffective administration was the major reason for implementation failure of the Third Five-Year Plan (1965-1970). According to Wildavsky (1972), planning failure in Nepal was due to insufficient information available for planning, lack of competent project proposals, inability for effective planning of foreign aid, opposition of the Finance Ministry, and incapable administration for development. Schloss (1980) also cited lack of planning information, lack of skilled manpower, poor communication system, mismatch between planning and financing, lack of coordination among administrative units, and high degree of centralized decision making as some of the major causes of planning failure in Nepal. In recent years, planning and implementation is suffering largely from disconnection between budgeting and projects, too short time for planning and implementation (as Nepal has entered into Three-Year Plan mode after the Tenth Five-Year Plan), lack of proper monitoring and evaluation, political influence, and lack of manpower (Wagle, 2017). In addition, severe politicization of the bureaucracy, political instability, and widespread corruption include additional factors responsible for these failures. Federalization of the country has added additional challenges for successful planning and implementation. Effective functioning of local bodies due to their small sizes (i.e., on average 4,000 residents) is another major concern for successful planning and implementation (Payne and Basnyat, 2017).



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Nepal government made several efforts in the past in reorganization of planning apparatus and the formation of new organizational procedures (Schloss, 1980; NPC, 2017). One of the early efforts of a particular interest include the establishment of the Janch Bujh Kendra (JBK) (i.e., Research and Enquiry Center) in 1971 and the formation of the National Development Council (NDC) in 1972. The JBK, headed by then Crown Prince Birendra Bir Bikram Shah Dev, was originally established as public complaints investigation unit, which later developed into the Palace's special investigative unit for all administrative malpractices in the country, a "think tank," and policy research body. The JBK drew young officials from civil service as well as from outside and studied broad spectrum of policy issues including industrial policy, education schemes, and district and regional development. Similarly, the NDC, which was originally headed by King Mahendra himself, was an assembly of ministers, former prime ministers, Chairman of the Council of State, Chairman of the Standing Committee of National Assembly, members of NPC, representatives from District Panchayats and National Federation of Industries and Commerce, and some members nominated by the King (Schloss, 1980). The NDC reviewed the national developmental strategies and provided guidelines to the NPC for developing national plans. The Fifth Five-Year Plan (1975-1980) was developed within the framework of this new planning structure and was quite impressive (Schloss, 1980).

In the new federalized environment, the NPC should be able to formulate fully coordinated and realistic national plans, adopt bottom-up planning approach, serve as a "think tank," ensure implementation and the accountability of the projects, and achieve national targets and goals. The NPC should be capable for fulfilling its central coordinating role for project planning and implementation, monitoring and evaluation, and capacity-building. Holistic approach in planning and management is essential for a small country like Nepal where natural resources such as rivers, national parks, and forest reserves cross-cut local and provincial boundaries within a very narrow range of geographical distances (Poudel, 2011). A new structure of the NPC has been presented in Figure 2 (Figure 2. Proposed Organizational Structure of the National Planning Commission of Nepal) which contains an Asta-Ja Assembly of Experts and Policy Makers and forms six units: Project Analysis and Development; Project Implementation, Monitoring and Evaluation; Policy Research and Advisory, Capacity-building; Data Analysis and Synthesis; and Planning. Of particular importance in this new structure includes the formation of the Asta-Ja Assembly of Experts and Policy Makers from the members identified and recommended by a nonpartisan Parliamentary Committee and ex-officio members from PMO, line ministries, academia, industry, national security, provincial governments, and other stakeholders. This provision will replace the current mechanism of NPC members coming directly from the political parties in the government. The NPC members recommended by the Parliamentary Committee will have a five-year appointment coinciding with the election cycle. Interestingly, the proposed six units to be formed by the Assembly of Experts and Policy Makers here closely match with the four divisions: Sectoral Program Coordination, Plan Implementation and Administration, Resource Planning and Evaluation, and Economic Research and Regional Policy identified in 1968 for making changes in the planning structure of Nepal (Schloss, 1980).



**Figure 2. Proposed Organizational Structure of the National Planning Commission of Nepal**

NPC will work closely with the planning and implementation units of respective ministries and departments in terms of the development and implementation of sectoral plans. The NPC will work collaboratively with line agencies in program monitoring and evaluation and capacity-building. It is expected that the planning cells under each line ministries and provincial as well as local governments across the nation will be established/strengthened and equipped with data collection, data analysis, synthesis, reporting, and planning and development facilities.

Unified approach in planning leads to the development of horizontally and vertically integrated national plans and facilitate unity among various organizations in relation to resource sharing and successful implementation (US Department of Homeland Security, 2016).

The NPC will regularly collect planning information from the local and provincial governments and utilize in formulating national plans. Asta-Ja Log Frames (Poudel, 2016) should be used as one of the several instruments for collecting planning information from local and provincial levels. Asta-Ja Log Frame consists of a matrix of Asta-Ja resources (Jal, Jamin, Jungle, Jadibuti, Janashakti, Janawar, Jarajuri, and Jalabayu), and the eight principles of Asta-Ja (community awareness, capacity-building, public decision making, interrelationships and linkages, comprehensive assessment, sustainable technologies and practices, institutions, trade and governance, and sustainable community development and socio-economic transformation). Table 1 (A Hypothetical Example of Asta-Ja Log Frame for the City of Kathmandu, Nepal) below shows a hypothetical Asta-Ja Log Frame for Kathmandu Metropolitan City. Asta-Ja Log Frame captures emerging issues and concerns related to natural resource in the city, serves as an instrument for resource planning and management, and educates local communities and stakeholders in natural resources planning and management. Information generated through log frames must be archived and undergo periodic analysis and synthesis.

**Table 1**  
A Hypothetical Example of Asta-Ja Log Frame for the City of Kathmandu, Nepal.

	Community awareness	Capacity-building	Policy decision making	Interrelationships and linkages	Comprehensive assessment	Sustainable technologies and practices	Institutions, governance, and trade	Sustainable community development and socio-economic transformation
<b>Jal (Water)</b>	Drinking water, drainage, flooding	Water conservation, test labs	Drinking water projects	Ground water depletion and subsidence	Ground water	Water saving technologies, waste water recycling	Municipal Water Supply, Bottle Water Companies	Clean rivers, groundwater recharge
<b>Jamin (Land)</b>	Land-use, dust	Land-use, land protection	Open space, dust control	Congested living and public health	Land degradation	Green belt, lawn and grass cover	Soil Conservation Office, Land Office	Climate smart communities, recreational areas
<b>Jungle (Forest)</b>	Urban trees, sacred grooves	Tree nurseries, parks, community forestry	Green city, sacred grooves	Forest and water resources	Forest species and wildlife	Urban tree management, soil erosion control	Municipality Office, Soil Conservation Office	Green environment, tourism development
<b>Jadibuti (Medicinal and aromatic plants)</b>	Ayurvedic medicine, herbs	Memory bank, remnants	Domesticating herbs, processing industries	Medicinal and aromatic plants and riparian buffers	Inventory of medicinal and aromatic plants	Medicinal and aromatic plant nurseries, chemical extraction	Department of Medicinal and Aromatic Plants, District Agricultural Office	Community gardens, tourism, Plant ID tours
<b>Janshakti (Manpower)</b>	Education, capacity-building, employment	Schools, training centers	Public education, private schools	Education and employment	Education and ethnicity	Teaching practices, online education	Department of Education, Municipal Government	Practical education, employment
<b>Janawar (Animals)</b>	Dairy, pets, chicken	Market, veterinary services	Commercial production, collection centers	Climate change and livestock	Livestock productivity	Sustainable livestock production, organic production	Department of Agriculture, Veterinary Services	Income generation, import substitution
<b>Jarajuri (Crop plants)</b>	Vegetable production, organic produce	Market, technical assistance, IPM	Commercial production, loans	Soil condition and crop productivity	Crop productivity	Sustainable crop production technologies, fertilizer	Department of Agriculture, Cooperatives	Income generation, employment
<b>Jalabayu (Climate)</b>	Drought, main events	Flood control, crop diversification	Climate-smart agriculture, flood	Climate change and wildlife	Climate change impacts	Climate-smart agriculture, drought resistant varieties,	Department of Meteorology, Municipality Office	Climate resilient communities, resource conservation

Within the new NPC structure, the main function of the Project Analysis and Development Unit will be generating highly competent, innovative, and high-impact development projects for accelerated economic growth. The Implementation, Monitoring and Evaluation Unit's main function will be the supervision and guidance for project implementation, especially large and of national significance projects, and their monitoring and evaluation. The Policy Research and Advisory Unit will focus on review and analysis of existing policies, formulation of new policies, policy implementation, and policy training and research. The new NPC should serve as a bank for policies and strategies so that future governments have opportunities for picking and choosing policies and programs as they like. The Capacity-building Unit's main function will be building necessary expertise and managerial skills for timely implementation of developmental project. Institutional incompetence of local governments for the implementation of local development projects was evident as early as during the Sixth Five-Year Plan (1980-1985), when the central government had allocated Rs. 2,400 million for local development and only a small fraction of the total projects were implemented (Khadka, 1988). Capacity-building entails not just training and supply of materials rather it is a continuous process (Poudel, 2012). The main function of the Data Analysis and Synthesis Unit will be developing NPC as the central repository for national statistics, geospatial data, natural resources and environmental information, and other related fact and figures. Computer models and appropriate statistical tools and techniques should support project analysis and policy decision-making. While early planning periods lacked planning information due to insufficient data and statistics and reaching district reports to the center very late due to poor transportation and communication systems (Wildavsky, 1972), this digital age of the 21st Century presents many opportunities for information sharing and analysis including high speed computers, real-time data sharing technology, and mass communication system. Cutting-edge information technologies such as GIS, Remote Sensing, World Wide Web, social media, and other communication systems are widely available for effective information collection, analysis, and dissemination. The Planning and Development Unit will be responsible for developing periodic and long-range developmental plans, while working closely with line agencies and other governmental entities in project formulation, finance and budgeting, audit, foreign aid coordination, spending of the funds, and budget adjustment. Long-range planning and development is critical for sustainable development, utilization, and conservation of Asta-Ja resources (Poudel, 2011).

## Conclusions

While some countries have adopted centralized national planning system, others have followed uncontrolled or free-market approaches for economic growth. Yet, there are many countries following mixed approach. Despite its vast Asta-Ja resources, Nepal is suffering from increasing negative balance of payments, poverty, lack of infrastructures, unemployment, and massive outmigration of youths. Nepal must fully capitalize the potentials of its vast Asta-Ja resources for accelerated economic growth and fast-paced socio-economic transformation. Nepal Vision 2040 is an opportunity for sustainable utilization, conservation, and development of Asta-Ja resources, and, thereby achieving accelerated economic growth and fast-paced socio-economic transformation while reaching at the par of a developed nation by 2040. Appropriate restructuring of NPC is necessary for the success of Nepal Vision 2040. Proposed NPC structure with Asta-Ja Assembly of Experts and Policy Makers will be capable of developing highly coordinated and integrated national development plans following bottom-up approach within the federalized condition. It will effectively serve as a “think tank” for the government, strengthen further its role as an apex advisory policy making body, successfully implement programs and projects, and be able to help capacity-building of local and provincial governments, line agencies, private sector, and other stakeholders. The new Planning Commission will be a robust, active and dynamic institution capable of providing strong leadership role for accelerated economic growth and fast-paced socio-economic transformation of the nation while materializing Nepal Vision 2040.