Nepal, a new Constitution and Implications for Development Investment

Craig Irwin[1]; Carolyn O'Donnell[2]; Pranaya Sthapit[2]; Hiroki Uematsu3

[1] DFID Nepal
[2] The Asia Foundation Nepal
[3] World Bank Nepal

Abstract:

The Constitution of Nepal, adopted in 2015 and implemented through elections in 2017 and 2018 has dramatically changed the data ecosystem in Nepal. The demand for evidence from local and provincial government has significantly increased. Not only federal but now provincial and local government officials need fit for purpose evidence for planning, monitoring and resource allocation. However, the quality of data and evidence available at provincial and local government levels is often poor or non-existent.

The United Kingdoms Department for International Development (DFID) has been supporting Nepal's data ecosystem through its Evidence for Development (E4D) programme. However, with successful implementation of Nepal's new constitution this investment needed to adapt to meet changing demands. Through this change in focus DFID has broadened its support to include local and provincial government and non-government actors outside Kathmandu.

This paper discusses some (but in no way all) of the key issues and how DFID is working in partnership locally with organisations including the World Bank and The Asia Foundation to support the government in addressing these.

Keywords: <Data>; <Evidence>; <Governance>; <Ecosystem>; <Use>

2020 Asia–Pacific Statistics Week
A decade of action for the 2030 Agenda: Statistics that leaves no one and nowhere behind
15-19 JUNE 2020 | Bangkok, Thailand

1. Introduction:

As a result of federalism in Nepal, supporting data and evidence generation and use in local and provincial government as well as federal government is becoming increasingly important.

Data can play a critical role for successful implementation of federalism. Governments' core activities – including policy development, program implementation, and performance monitoring – all require data. This need for data is amplified as federalism brings the decision-making power to provinces and local governments. Already there is high demand from local and provincial governments for evidence to ensure decisions on service delivery and planning are made based on robust evidence.

This paper discusses issues faced by the data ecosystem in Nepal due to a change in the nature of governance in the country and how DFID is adapting its Evidence for Development (E4D) programme to support the government in addressing these.

2. Background:

The Nepal Data Ecosystem
The 2015 Constitution set out a new federal structure for Nepal with three spheres of government, i.e. federal, provincial and local. In this new federal set up, seven provinces and 753 local bodies were created with new administrative boundaries. Previously Nepal was divided into five development regions, fourteen administrative zones, 75 districts and almost 4,000 Village Development Committees. Nepal's data ecosystem has traditionally been centralised and managed from Kathmandu as part of a unitary state. Nepal's National Statistical System (NSS) as per the Statistics Act is officially a centralised system with the Central Bureau of Statistics (CBS) as the main data producer. However, in practise the NSS is decentralised with many national government agencies producing official data and statistics through surveys, Management Information Systems (MIS) and other data registries.

Data production has primarily been top-down with central government agencies determining what data is produced. In addition, international development agencies, international and national non-governmental organizations (I/NGOs), media and private sector have been producing data, but this has been mainly collected to serve audiences in Kathmandu. Among civil society, media and private sector, there are various organisations that act as data intermediaries, but these have all been concentrated in the capital.

Data production has traditionally been conducted by either Kathmandu-based enumerators (e.g. the census and national household surveys) or district (pre-constitution) government authorities (e.g. in the case of management information systems). As a result, data produced by the center is often considered by subnational actors to be unreliable and inaccurate in reflecting the local realities of demographic, socio-economic and other development indicators.

Data Ecosystems in the New Federal Nepal
The 2015 Constitution and transition to federalism significantly expanded the scope of Nepal's data ecosystem. The Constitution of Nepal now allows all three layers of government (federal, provincial, and local), under both exclusive and concurrent power, to autonomously enact their laws, formulate policies, and create programs related to statistics.

All provincial and local governments have joined the ranks of data producers and users in Nepal's data ecosystem as they need quality data to generate robust evidence for provincial and local planning. The potential number of government officials who need to use data in public sector decision-making is not merely doubling or tripling. It is expanding potentially hundred-fold.

Until now, the federal government has produced only limited provincial data, and there is a lack of comprehensive local government data that covers a wide range of areas. In the case of local governments, the data-needs vary greatly from municipality to municipality, as more established municipalities tend to have more accurate and reliable data. Newly-established municipalities, especially those that were mergers of Village Development Committees, often lack basic data on key metrics such as population, literacy rates, health services, and educational attainment.

While policy making and planning processes at the provincial and municipal level are not yet fully clear, provincial and local governments have started to develop policies (e.g. approach papers, 5-year plans and annual strategic plans), and annual budgets and need accurate and reliable data to ensure that these are grounded in evidence.

Nepal's National Statistics System
In terms of the supply of data, a key challenge is that the dynamics of the NSS in the new federal structure remain unclear. In March 2019, a new National Statistical Development Strategy was adopted, which states that the Central Bureau of Statistics will be renamed the National Bureau of Statistics and there will be statistical units at district, provincial and local level. However, the Strategy does not clarify their specific roles and responsibilities. The new Statistics Act that has been drafted will hopefully shed light on these issues. The Government have recently registered this new Act in the National Assembly but due to COVID related priorities it is not clear when they will focus on this. Although the vision of the CBS is not entirely clear, there are plans for the establishment of CBS provincial offices whose role would be to oversee data collection for national surveys and provide statistical support to provincial governments. In addition, the 33 CBS district offices would provide support to municipalities in their data collection efforts.

The lack of clarity on data governance has resulted in a high risk of data duplication between different spheres of government; data production based on different methodologies and quality standards; and a proliferation of non-interoperable data management systems.

Stakeholders in the Nepal Data Ecosystem
The data ecosystem also includes a number of other stakeholders including an emerging group of private firms and nonprofit organisations working to enhance the production, supply, and use of data in Nepal. A growing collaborative of government agencies, for-profit initiatives, civil society organizations, and think tanks is contributing to a nascent yet emerging open data community in Nepal. Nepalese citizens are also playing an increasingly important role in the growing data ecosystem of Nepal. They are actively engaged in generating data for monitoring changes in their environment and improving safety and government accountability. Development partners play a significant supporting role in Nepal's data ecosystem. The types of support they provide ranges from financial and technical support to CBS for surveys and censuses to a range of technical assistance programs.

3. Priorities for future investment in the Nepal data ecosystem

To support the development of the data ecosystem in federal Nepal DFID are focusing on the following four areas: NSS strengthening, data generation, data use and further developing the open data ecosystem.

NSS Strengthening:
The new federal structure must have a revamped statistical infrastructure at the core of the NSS. The CBS has continued to operate its 33 district branch offices to support its data-collection efforts. These 33 branch offices do not have a formal mandate to support provincial or local governments. The Constitution has made provisions for a statistical or data office to be established in each province to provide leadership for local government statistical operations and to meet data needs of the provincial

and local government planners. This has yet to materialize, however. The establishment of such units should be a priority along with clarity around the leadership and coordination roles of CBS across the tiers of government.

Data generation

The CBS should continue the successful implementation of core statistical activities including national surveys and the Population and Housing Census. For example, the 2021 (COVID dependent) Population and Housing Census offers an extremely important opportunity for Nepal to establish statistical benchmarks for the central, provincial, and local governments. It will also allow the government to build a statistical platform for data integration and for program monitoring and evaluation. The main statistical censuses will need to be reinforced to remain authoritative data sources and to serve the purposes of subnational jurisdictions to avoid parallel data collection.

Nepal would also benefit from developing a set of common, foundational, national databases on people, places, and business to form the backbone of the new data ecosystem, with links to sectoral management information systems (MIS). For example, a national ID scheme embedded in a strengthened Civil Registration System could be the foundation for an integrated system of data on people. Similarly, on the business side, a statistical business register that combines data from the National Economic Census and administrative data sets from the Company Registrar and Inland Revenue Department could be a starting point, with the potential of evolving into a powerful information tool for industrial policy and private sector development. Finally, the usefulness of these core registers of people and businesses would be further amplified if they could be linked to a land and property register (Cadaster) via a national address database.

Data collection through surveys and censuses is one area to which development partners have provided intensive support. Most of the nationally representative surveys in Nepal are supported by development partners. But development partner interventions are not limited to large-scale, nationally representative surveys and censuses. A World Bank analysis revealed that there have been at least 200 surveys conducted in Nepal since 2010, and at least 75 percent of them were funded by development partners.

A quick analysis of these surveys reveals some important trends. The overwhelming majority are not archived in the international databases of household surveys. About 80 percent of the survey data identified were not available for public access so it is extremely difficult to find information about existing surveys. This leads to researchers or funding agencies in need of data often choosing to conduct their own survey simply because they do not know similar surveys already exist. There is an urgent need for coordination among development partners as they are the major funding sources of these surveys.

The reality of development partner involvement is likely much more complex. Many sectoral projects supported by development partners typically have a component to improve administrative data management and management information systems that are not captured in the analysis above. Some development partners have already started supporting provincial and local governments, and this trend is likely to increase in the coming years.

There is a critical need for a long-term production schedule for national census and surveys. Such a schedule would help avoid bunching of large-scale data production activities as observed in recent years. The government could use this to plan ahead and to strategically align donor support to ensure that these core activities cater to the data needs of the country over the long run. This is one area where development partner coordination is critical. Provinces and local governments are planning to conduct or already are conducting surveys and censuses on their own. In the short run, it is important to develop guidelines for subnational data collection in order to minimize duplication and to maximize comparability of otherwise disparate data production efforts.

OFFICIAL

For example there is an urgent need to update official data on poverty. In 2015, with only a single data point on poverty over a 7-year period (2004-13), Nepal scored low on the metric of periodicity of key statistics in the World Bank's Statistical Capacity Indicator; and it was one of 44 countries worldwide that had only a single data point (Serajuddin et al, 2015). This hasn't improved with a planned Living Standards Survey being postponed to allow way for a third MICs in ten years leaving policy makers in Nepal with a significant gap in poverty related data at a crucial time with the onset of the COVID-19 pandemic. This points to a lack of both sufficient donor-coordination, and a systematic government-led process to ensure that the calendar of surveys is designed for Government of Nepal needs and not the maintenance of Development Partners delivery targets.

Data use:
To support Nepal's transition to federalism, it is critical to strengthen local data and information ecosystems that involve and respond to the data needs of various local stakeholders. Provincial and local governments need to be supported in their short-term immediate data needs by helping them access and use existing statistics and data, but at the same time there is a need to develop their skills in data management, governance and use of data for policy making, planning and budgeting. In addition, they need to be supported in their technical capacity for data production, processing, analysis and use for evidence-based decision-making as well as become connected to other actors within the local data ecosystem who can support them in these areas. Furthermore, they will need support in ensuring that their evidence-based policy making processes are deliberative and responsive to local needs of concerned stakeholders.

Open Data
There is a vibrant open data community in Nepal formed of civil society and private sector organisations that are working to strengthen demand, supply and use of open data. Various general and specialized open data portals have been developed that share open data and statistics on a wide range of issues such as disability, hydropower, taxation and more. The demand for (open) data among citizens and other data users has grown in urban areas, however the use of data - due to various constraints relating to data literacy, timeliness, and quality remains limited.

An updated government data dissemination policy will help boost data use. While privately collected data are often proprietary, data collected through public funds should be a public good. Data are not considered a public good unless no one is excluded from accessing them. In Nepal today, data products are disseminated in an ad-hoc manner. Development partners contribute to literally hundreds of surveys but few of them are available for public access online. There is no clear overview of existing data products. In such an environment, those in need of data may choose to conduct their own survey simply because they do not know similar surveys already exist. The short-term priority should therefore be to develop a more open and transparent approach to data access and dissemination.

4. Conclusion: How has this changed the focus of DFID's investment in Nepal's data ecosystem

To support the GoN across these four areas DFID have developed a programme of support working with a number of in-country partners through the Evidence for Development (E4D) programme.

The first phase of E4D worked with the World Bank on support to the National Statistics System and data generation and use primarily with the federal government and academic institutions in Kathmandu. The Asia Foundation and Development Initiatives have worked alongside more than 30 local partners to support interventions aimed at building the open data ecosystem through growing the demand, sharing and use of open development data. Work with UNDP has focused on strengthening the Ministry of Finance and other GoN stakeholders to effectively and efficiently plan, manage and coordinate Official Development Assistance (ODA).

Phase two of E4D has only recently got underway and has been designed to have a greater emphasis on developing the wider data ecosystem across all tiers of government and across Nepal.

The World Bank will continue technical assistance and capacity building support to the CBS and will flex in response to the new subnational demand, broadening their reach to include support to provincial governments and working with The Asia Foundation and Development initiatives on support to local government.

The Asia Foundation (TAF) and Development Initiatives (DI) will continue to support the development of the open data ecosystem. They will also provide support for evidence generation and use by local and provincial governments. The Asia Foundation and Development Initiatives will work closely with local government and in partnership with the World Bank at provincial level.

UNDP will continue to deliver on similar themes but will also look to build capacity on evidence-based policymaking and aid effectiveness. It will look to facilitate more south-south learning and improve engagement with stakeholders including local and provincial government, development partners, parliament and civil society.

DFID will also support UNFPA to deliver the preparatory phase of the 12th Nepal Population and Housing Census (PHC) which will take place in June 2021. This will support GoN with the technical planning and logistics for the 2021 PHC including substantive engagement with provincial and local governments on their data needs.

References:
1. To be added
2.
3.
.
.
n.

(NOTE: PAPER SHOULD NOT EXCEED 3,000 WORDS OR SIX PAGES inclusive of references, tables, and charts)