# Promoting Inclusive Basic Service Delivery in the Federal Context of Nepal: A Policy Position Paper from the Experience of Karnali Province

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## Abstract

This policy recommendation paper explores the implementation of inclusive basic service delivery (IBSD) within Nepal's federal structure, focusing specifically on Karnali Province. The study examines the opportunities and challenges arising from decentralization since Nepal became a federal democratic republic in 2015. The primary objective is to assess how federalism can enhance service delivery by tailoring it to diverse communities, drawing on global best practices such as Brazil's Bolsa Família program and India's National Rural Health Mission (NRHM). The methodology includes a qualitative analysis of existing policies, challenges, and opportunities in Karnali Province, with a review of international case studies. Key findings reveal that while decentralization has the potential to improve service delivery, challenges such as resource constraints, political interference, inconsistent policy application, and socio-cultural barriers persist. The paper recommends empowering local governments with more autonomy and resources, fostering community participation, and establishing robust monitoring and evaluation systems to address these issues. These strategies aim to enhance the efficiency and inclusiveness of basic service delivery in Nepal's federal context. Adapting successful international models to Nepal's unique context, while addressing systemic barriers, is essential for improving public services and promoting greater inclusivity in Karnali Province and across the country. Strengthening decentralized governance is crucial for achieving equitable outcomes and enhancing public trust.

*Keywords:* Evidence-based policymaking, federalism, inclusive basic service delivery (IBSD).

## Introduction

The primary purpose of this policy position paper is to examine the effectiveness and inclusivity of basic service delivery within the federal framework of Nepal, with a specific focus on Karnali Province. The paper aims to explore the opportunities and challenges presented by Nepal's federal system in improving service delivery to diverse and marginalized communities. By analyzing global best practices and local realities, the paper seeks to provide actionable recommendations to enhance the effectiveness, equity, and inclusiveness of basic public services within the federal context. Ultimately, the goal is to offer insights and strategies that can guide policy and program

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interventions to address historical inequalities and improve governance and service delivery in Nepal.

The scope of this paper primarily encompasses a detailed examination of Nepal's federal structure and its implications for basic service delivery. It includes some agendas, as given below:

**Contextual Analysis:** An exploration of the historical and socio-political context of Nepal's transition to federalism and its impact on local governance and service delivery.

**Opportunities and Challenges:** A discussion of the potential benefits and obstacles associated with decentralization, with particular attention to resource constraints, political interference, and inconsistencies in policy implementation.

**Policy Review:** An assessment of existing policies and legal frameworks designed to promote inclusive service delivery, including constitutional provisions and relevant legislation.

**Review of Global Best Practices:** A comparative analysis of international models of service delivery, highlighting successful examples from Brazil, India, Kenya, Sweden, and Singapore.

**Policy Recommendations:** Proposals for strengthening decentralized governance, enhancing local empowerment, improving resource allocation, ensuring consistent policy implementation, and addressing socio-cultural barriers.

The paper focuses on Karnali Province as a case study to illustrate the specific challenges and opportunities faced by remote and underdeveloped regions in Nepal. However, the findings and recommendations are intended to be applicable across the broader federal system.

## Methodology

The methodology of this paper employs a multi-faceted approach to gather and analyze data, ensuring a comprehensive understanding of the issues at hand.

## Literature Review

A thorough review of existing literature, including academic articles, policy reports, and governmental documents, to understand the theoretical foundations, historical context, and the current state of federalism in Nepal. Key sources include works by Hachhethu (2017), Paudel (2019), and Sharma (2017), among others.

**Policy Analysis:** An evaluation of relevant policies and legal frameworks, such as the Constitution of Nepal (2015), the Local Government Operation Act (2017), and the National

Inclusive Policy (2017). This analysis aims to identify gaps and areas for improvement in the current policy landscape.

**Case Studies:** An examination of global best practices through case studies of successful service delivery models, including Brazil's Bolsa Família program, India's National Rural Health Mission, Kenya's M-Pesa program, Sweden's parental leave system, and Singapore's public housing program. These case studies provide valuable insights into effective strategies and implementation practices.

**Field Research:** Where applicable, field research and interviews with local officials, community leaders, and stakeholders in Karnali Province were conducted to gain firsthand insights into the challenges and opportunities in the region. This primary data helps ground the recommendations in real-world experiences.

**Comparative Analysis:** A comparison of Nepal's federal system with international models to draw lessons and best practices that can be adapted to the local context. This involves analyzing the effectiveness of different approaches and their applicability to Nepal's unique socio-economic and geographic conditions.

**Consultative Workshops:** Engagement with experts, policymakers, and community representatives through workshops and consultations to validate findings and refine recommendations. This collaborative approach ensures that the recommendations are practical and aligned with the needs of various stakeholders.

By employing these methodologies, the paper aims to provide a robust and evidence-based analysis of inclusive basic service delivery within Nepal's federal framework, offering actionable insights and strategies for improving governance and service provision.

## The Developing Context

Nepal's transition to a federal democratic republic was solidified by the 2015 Constitution, which decentralizes power across the three levels of government: federal, provincial, and local. This shift aims to enhance local governance and make service delivery more inclusive and responsive to local needs (World Bank, 2020). The decentralization is intended to address historical inequalities and bring governance closer to the people (Constitution of Nepal, 2015).

Nepal's diverse geography and ethnic composition present unique challenges for service delivery. Karnali Province, characterized by its rugged terrain, underdeveloped infrastructure, economic disadvantage, lower access to higher education, unemployment, and other impediments, faces significant hurdles in accessing basic services (Gurung, 2018). The province's remoteness exacerbates issues such as limited healthcare, education, and social services from the perspective of public service delivery.

In Hachhethu (2017), a comprehensive analysis of Nepal's federal structure is presented, focusing on its theoretical foundations, constitutional provisions, and practical implications. The study critically

examines the expected role of federalism in addressing the country's historical and socio-political challenges by decentralizing power and promoting inclusive governance. Hachhethu argues that federalism in Nepal is driven by the need to manage the country's ethnic diversity and historical centralization, which has often marginalized various ethnic and regional groups (Hachhethu, 2017). In this regard, Lijphart (1999) confirms that federalism serves as a medium to ensure more inclusive governance by bringing decision-making closer to the people and allowing for greater local participation.

The 2015 Constitution of Nepal delineates the distribution of power at the federal, provincial, and local levels. Each level has specific competencies, with the constitution detailing the jurisdiction of each (Constitution of Nepal, 2015). At the same time, the constitution emphasizes both the autonomy of provincial and local governments and their accountability, aiming to balance power distribution with oversight mechanisms (Sharma, 2017).

Despite constitutional provisions, Hachhethu (2017) notes that the practical implementation of federalism faces several challenges, including resource constraints, lack of capacity at the local level, and political interference. Later, Paudel (2019) observes that early indicators of the success of federalism in Nepal include improved local governance and greater community participation. However, Paudel argues that concurrent issues, such as uneven resource distribution and political manipulation, hinder effective service delivery (Paudel, 2019).

The rise in public expectations is one of the most prominent developing contexts in Nepal in recent years. Public expectations for inclusive public service delivery in Nepal have been significantly influenced by the political promises made during the transition to federalism. The commitment to decentralize power and enhance local governance raised hopes for more responsive and inclusive services. However, this has also led to heightened public expectations, sometimes surpassing the current capacity of local governments to deliver effectively.

The introduction of federalism was intended to bring governance closer to the people, making public services more accessible and inclusive (Centre for Social Change, 2022). The federal structure was seen as a solution to the historical neglect of marginalized communities and remote areas. As a result, there has been an increase in demand for equitable service delivery that addresses the needs of various demographic groups, including women, ethnic minorities, and those in geographically isolated regions (World Bank, 2020).

At the same time, the political landscape of Nepal has played a critical role in shaping these expectations. Politicians have often made extensive commitments to improve service delivery, raising public hopes but also creating challenges in meeting these promises. For instance, local governments have been tasked with providing comprehensive services in an integrated manner, despite facing significant resource constraints and low capacity issues (United Nations Nepal, 2022). The disparity between political promises and actual service delivery capabilities has led to public dissatisfaction and a trust deficit in local governance structures (Centre for Social Change, 2022; World Bank, 2020).

## Discussion

### Opportunities and Challenges

The federal structure of Nepal presents both significant opportunities and notable challenges for enhancing local governance and service delivery. On one hand, decentralization allows for more tailored services that can better meet the specific needs of diverse communities, fostering increased responsiveness and accountability. Local empowerment through federalism enables communities to actively participate in governance and development, potentially leading to more effective and inclusive outcomes. Additionally, the federal framework facilitates a more equitable allocation of resources and supports capacity-building at the local level. However, these opportunities are tempered by several challenges. Local governments often grapple with resource constraints, including financial limitations and inadequate human resources, which can undermine their ability to deliver services effectively. Political interference and inconsistencies in policy implementation further exacerbate these issues, leading to inefficiencies and disparities in service provision. Addressing these challenges while leveraging the opportunities presented by federalism is crucial for achieving a more inclusive and equitable governance system in Nepal.

A recent study has revealed that inclusive basic service delivery (IBSD) is critical for ensuring that all citizens have access to essential services, regardless of their background or location (Breen & Thomas, 2024). These scholars have argued that the United Nations Development Programme (UNDP), as a responsible international development organization, can play a pivotal role by facilitating the development and implementation of inclusive area-based and participatory planning processes. These processes should be integrated into decision-making structures to ensure that the voices of local communities, particularly marginalized groups, are heard and considered. Working directly with local levels, women, and marginalized groups to design and deliver capacity-building programs will further underpin technical assistance efforts. Additionally, establishing shared systems for citizen-centric services, with direct accountability and responsiveness mechanisms, can significantly improve service delivery outcomes and foster greater public trust in governance systems (Breen & Thomas, 2024).

Different studies and discourses confirm that decentralized governance, local empowerment, and strengthened local capacity are key opportunities created by the inception of federalism in Nepal (Nepal Administrative College [NASC], 2022; Nepal Development Forum [NDF], 2022; Sharma and Koirala, 2021; Upreti, 2021; Mahat, 2020; Bhattarai, 2019; Karki, 2018).

      **a. Decentralized Governance:** The federal structure of Nepal provides opportunities to tailor services to the specific needs of local communities. Decentralization allows for localized decision-making, which can enhance responsiveness and accountability. Studies confirm that decentralization can lead to improved service delivery and governance by bringing decision-making closer to the people it affects (Mahat, 2020; Karki, 2018), with their notable concurrent participation in the processes.

      **b. Local Empowerment:** Federalism in Nepal promotes local empowerment by enabling local governments and communities to play a greater role in their development agenda. This

participatory approach can lead to more inclusive decision-making processes and increased community ownership of development projects. Research indicates that local empowerment under federal systems can improve service delivery and development outcomes by involving stakeholders who are directly affected by policies (Upreti, 2021; Bhattarai, 2019).

**c. Enhanced Local Resources Allocation:** Federalism facilitates a more equitable allocation of resources across different regions. This localized approach can help address regional disparities and direct funds to areas in greatest need. Effective resource allocation in a federal system can improve equity and address specific regional challenges (NDF, 2022; Sharma & Koirala, 2021).

**d. Strengthened Local Capacity:** The federal framework encourages capacity-building at the local level. Training and technical assistance can be more effectively tailored to local needs, enhancing the capabilities of local officials and improving governance. Capacity-building initiatives have been shown to enhance the implementation of policies and services (NASC, 2022; Pradhan & Shrestha, 2021).

**e. Consistency of Purpose:** The prevailing culture in Nepal would be better transformed if we could more effectively promote the consistency of purpose at periodic and annual planning, as well as uniform mindsets across political leadership and consistent structural priorities. These are key drivers of the effective implementation of basic service delivery throughout the country at all levels of governance. The prevailing system adopted by Nepal supports these facets.

At the same time, there are numerous challenges facing Nepal's move to a federal structure. For example, several studies confirm that resource constraints, political interference, inconsistent implementation policies, lack of coordination, and socio-cultural barriers are key impediments facing the mission of federal implementation (Joshi & Gautam, 2023; Nepal Law Commission [NLC], 2022; Sharma, 2022; Singh & Sharma, 2022; Bista, 2021; Chaudhary & Yadav, 2021; Koirala & Joshi, 2021; Poudel, 2021; Gurung, 2020; Adhikari, 2019).

**a. Resource Constraints:** Local governments in Nepal often face significant resource constraints that impede their ability to deliver services effectively. Financial limitations and inadequate human resources can affect the quality of service provision. Research has documented these constraints and their impact on local governance and service delivery (Bista, 2021; Adhikari, 2019).

**b. Political Interference:** Poudel (2021) and Gurung (2020) have warned that political interference can undermine local governance by introducing favoritism, corruption, and conflicts over resources. According to these scholars, these issues can erode public trust and hinder effective service delivery. Studies highlight the negative effects of political interference on local governance and service outcomes.

**c. Inconsistent Implementation of Policies:** Although policies to promote inclusion are in place, their implementation can be inconsistent across different regions. This variability can result in unequal access to services, particularly for marginalized and vulnerable groups. Research has

pointed out the challenges in policy implementation and its impact on equity (NLC, 2022; Chaudhary & Yadav, 2021).

**d. Lack of Coordination:** According to Sharma (2022) and Koirala and Joshi (2021), effective service delivery often requires coordination between various levels of government and sectors. In the federal context, achieving this coordination can be challenging due to overlapping responsibilities and bureaucratic barriers. Research-backed evidence confirms that difficulties in coordination adversely affect service delivery.

**e. Socio-Cultural Barriers:** Socio-cultural factors such as language barriers and cultural norms can impact the accessibility and effectiveness of services. Addressing these barriers requires culturally sensitive approaches and community engagement to ensure that all groups benefit equitably from public services (Joshi & Gautam, 2023; Singh & Sharma, 2022), especially the basic public services for the more vulnerable groups, including children, women, senior citizens, displaced populations, physically disadvantaged individuals, and minorities.

**Prevailing Policy Premises in Nepal**

Nepal has enacted several policies to promote inclusive service delivery. For example, the Constitution of Nepal, 2015, guarantees fundamental rights to education, health, and social security for all citizens, with specific provisions for marginalized and vulnerable groups (Government of Nepal, 2015). The Local Government Operation Act of 2017 mandates that local development plans prioritize marginalized communities, ensuring their needs are addressed in governance and service delivery (Government of Nepal, 2017). In addition, the National Inclusive Policy, 2017, outlines strategies to address the needs of marginalized groups across various sectors, aiming to reduce disparities and promote equal opportunities (Government of Nepal, 2017). The Social Security Act, 2018, establishes social security schemes to benefit vulnerable populations, including the elderly, single women, and persons with disabilities (Government of Nepal, 2018).

In summary, while federalism in Nepal offers significant opportunities for enhancing local governance and service delivery, it also presents challenges that need to be addressed. Effective resource allocation, reducing political interference, and improving policy implementation are crucial for achieving inclusive and equitable service delivery.

**Concurrent Research in Karnali: Informing Evidence-based Policymaking**

Through a household survey, a series of focus group discussions (FGDs), key informant interviews (KIIs), and community-level dialogues conducted in Chaurjahari Municipality of Rukum-West and Birendranagar Municipality of Surkhet, as well as provincial policy dialogue conducted at Birendranagar, Surkhet, and a national policy dialogue conducted in Kathmandu, significant steps toward achieving enhanced socio-economic status and community involvement were made, particularly in the truthful representation of deprived sections of society. This research highlights the findings of these discourses, underscoring the positive changes and ongoing challenges in empowering women and other deprived groups through education, training, and leadership (Rijal et al., 2024).

The survey conducted in Birendranagar highlighted the perspectives of both service providers and receivers regarding inclusive service delivery. From the providers' perspective, key areas for improvement included upgrading technology and office infrastructure to enhance efficiency, increasing staffing levels to manage service requests effectively, and allocating adequate resources for staff training. Providers also emphasized the need for creating help desks and public information points to assist citizens, streamlining service delivery procedures, promoting non-discriminatory services, conducting public awareness campaigns, and reassessing budget allocations to reflect the specific needs of marginalized areas, while minimizing political interference to maintain fairness.

From the receivers' perspective, three main improvements were suggested: upgrading basic utility services, improving communication and information dissemination to ensure all residents are aware of available services through community meetings and door-to-door visits, enhancing infrastructure for better accessibility in remote and high-risk areas by building small bridges and improving roads, and developing tailored support programs for the economic empowerment of disabled individuals and marginalized communities through subsidies, training, and employment opportunities in collaboration with local businesses and vocational training centers. These suggestions aim to ensure equitable and effective service delivery for all residents, especially those in vulnerable situations.

Based on the household survey and FGDs from the Birendranagar municipality and its ward offices, several grievance-handling mechanisms are in place to address complaints from service receivers. The primary method reported is the placement of a 'Grievance/Complaint Drop-Box,' which appears to be the most widely used mechanism. Additionally, the municipality has established a socio-psychosocial counseling system and a formal grievance/complaint response system. The appointment of Public Information Officers is another strategy employed to handle grievances effectively. However, the effectiveness of these mechanisms seems to be a concern among residents, as there are numerous reports of complaints not being adequately addressed. Many respondents noted the need to escalate their grievances from the ward office to the municipality and even to district police offices, often after considerable effort and confrontation. The involvement of community-based organizations like Tol Bikas Samiti and public hearings indicates a decentralized approach to grievance management. However, the recurring theme of non-responsiveness suggests a gap between the existence of these mechanisms and their practical efficacy in resolving citizens' issues.

From the KII and provider survey, it was revealed that the Birendranagar municipality and its ward offices employ various methods to address public grievances and complaints. A key approach is through public hearings where officials answer questions and discuss issues, challenges, and client concerns. Counseling services are provided when necessary to assist individuals in resolving their grievances. Additionally, the institution uses verbal communication and written responses to manage complaints effectively. Another notable method involves reconciling disputes by mediating between the conflicting parties. The judiciary team's chairperson, who also serves as the deputy mayor, plays a crucial role in this process. If issues cannot be resolved at the ward or municipality level, a recommendation letter is issued to escalate the matter to the court for further investigation. This structured approach indicates a commitment to addressing public grievances comprehensively, utilizing both informal and formal mechanisms to ensure that concerns are adequately addressed.

Furthermore, insights drawn from the KII with officials of the Municipality CAO and Ward Chairman in Birendranagar reveal that public services are designed to be citizen-centered, environmentally friendly, and service-oriented, with a goal to become paperless and technology-based. However, geographical distances between wards pose challenges for technology integration. A separate committee within the Social Development Branch addresses the needs of targeted groups, such as women, Dalits, people with disabilities, children, and senior citizens, with programs and budget planning initiated at the ward level. The population surge from an expected 150,000 to nearly 400,000 residents creates significant service delivery challenges. Additionally, the lack of an administrative building hampers the adoption of new technology, although ongoing construction aims to centralize services and improve efficiency. Mobile services are being provided in hilly wards for certain health and clearance services. In Ward 6, 95% of services are citizen-centric and inclusive of all targeted groups. The smaller geographic area and population facilitate easier service delivery and recipient access, with budget allocations managed effectively within municipal guidelines, resulting in minimal challenges.

In Chaurjahari Municipality, a one-stop service delivery system was initiated to streamline and integrate various software programs related to women, children, economics, education, and health into a unified system. This integration allows users to access comprehensive information about municipal services without having to visit multiple offices. The system began with a service satisfaction form, evolving to include a 24-hour call center for inquiries and complaints, and now features a token system and time cards to track service progress. The implementation includes an integrated service delivery center where token numbers and progress updates are displayed. A satisfaction survey for service recipients is also conducted to ensure continuous improvement. The system aims to be well-organized and user-friendly, providing inclusive services to all citizens, including those with disabilities.

Similarly, the community discussion held at Chaurjahari Municipality focused on inclusive basic service delivery. Key points included healthcare improvements with better facilities and health insurance for 1,200 households, educational advancements with free education up to grade 5 and teacher rewards, and support for single women and disabled individuals through financial aid and local services. Agricultural challenges highlighted the need for consistent resources and policies promoting quality production. Concerns about declining moral values led to suggestions for local curricula and a "Day Home Care System." Despite progress, participants noted financial constraints, insufficient facilities for disabled individuals, and the need for better-targeted programs, emphasizing collective efforts for effective federalism.

The findings of the Key Informant Interviews (KII) and FGD at Chaurjahari revealed significant insights into the current practices and new initiatives in dispute settlement and grievance handling. The existing system features a five-scale complaint management mechanism where service recipients rate their experiences as very good, good, okay, bad, or very bad, which helps in gathering feedback effectively. This feedback mechanism is crucial as it is free of charge, and gender-disaggregated data is maintained, recording the number of men and women who utilize these services.

Recently, the municipality has started implementing an advanced complaint management system equipped with audio and video facilities to expedite resolution within 10-15 minutes. This proactive

approach not only ensures swift grievance redressal but also increases transparency and accountability. Special groups, including mothers, children, senior citizens, long-term patients, and disabled individuals, receive tailored services through dedicated service provision rooms with seating and multimedia amenities. Additionally, service providers are dispatched to the locations of these special groups based on the nature of their needs, ensuring accessibility and convenience. Regular discussions in each ward and neighborhood involving stakeholders further enhance this system by addressing complaints through open suggestions, ensuring that the services remain inclusive and responsive to the community's needs.

The policy dialogues conducted at the provincial and national levels revealed the need for strengthening intergovernmental relations (IGR) at all levels, continuity of data management and evidence-based systems to promote informed policymaking and implementation, and empowerment of gender equality and social inclusion— all of which are crucial for achieving inclusive basic service delivery at all levels of national governance, administration, and social welfare and development in action.

**Exemplary Practices in the Global Arena**

Examining global practices reveals several exemplary models of service delivery that offer valuable insights for improving governance and public services. For example, Brazil's Bolsa Família program, initiated in 2003, exemplifies an effective conditional cash transfer system aimed at reducing poverty and enhancing access to education and healthcare. This program has been successful in promoting social inclusion and reducing income disparities through targeted financial support (de Souza, 2019).

In India, the National Rural Health Mission (NRHM) demonstrates the benefits of decentralized planning and community involvement in improving healthcare access in rural areas. By focusing on maternal and child health, the NRHM has achieved notable improvements in health indicators, showcasing the effectiveness of localized service delivery (Singh, 2020).

Kenya's M-Pesa program, a mobile money transfer service, has transformed financial inclusion by enabling secure and accessible financial transactions through mobile phones, particularly in underserved regions (Jack & Suri, 2011).

Sweden's extensive parental leave system highlights the role of comprehensive family policies in promoting gender equality and supporting work-life balance, resulting in improved family well-being and child development (Bekkengen, 2014).

Additionally, Singapore's public housing program, managed by the Housing and Development Board, illustrates how strategic planning and effective policy implementation can address housing needs and reduce social inequalities, ensuring homeownership and social cohesion among its population (Phang, 2007).

These case studies underscore the potential of targeted and well-implemented programs to address various social and economic challenges, providing valuable lessons for designing effective service delivery models.

**Bolsa Família Program:** Initiated in 2003, Brazil's Bolsa Família program is a conditional cash transfer initiative designed to reduce poverty and improve access to essential services such as education and healthcare. By providing financial assistance to low-income families, the program incentivizes school attendance and regular health check-ups. The Bolsa Família program has been lauded for its role in reducing income inequality and enhancing social inclusion. It has also contributed to improvements in educational attainment and health outcomes among the poorest segments of Brazilian society (de Souza, 2019). The program's success demonstrates the effectiveness of targeted financial support in achieving broader social objectives. Nepal can benchmark such practices in transforming the lives of highly marginalized and endangered communities, such as the Raute, Raji, Kusunda, Surel, Hayu, Lopcha, Kushwadia, Meche, Kisan, Jirel, and others.

**National Rural Health Mission (NRHM):** Launched in 2005, India's National Rural Health Mission (NRHM) aims to enhance healthcare access and quality in rural areas through decentralized planning and community participation. The mission focuses on improving maternal and child health by strengthening primary healthcare infrastructure and engaging local communities in health initiatives. The NRHM has significantly improved health indicators, such as reductions in maternal and child mortality rates, by addressing healthcare delivery gaps in underserved areas (Singh, 2020). Its success highlights the importance of localized and community-driven approaches in achieving health improvements. Nepalese local governments can implement similar systems at the ward level to provide access to essential health services right at the grassroots level.

**M-Pesa Mobile Money Program:** In 2007, Kenya launched M-Pesa, a mobile money transfer and payment service that revolutionized financial inclusion in the country. By providing a secure and accessible platform for financial transactions via mobile phones, M-Pesa has expanded banking services to remote and underserved populations. The program has been instrumental in increasing financial inclusion, facilitating economic activities, and enhancing access to financial services among low-income and rural communities (Jack & Suri, 2011). M-Pesa's success underscores the potential of mobile technology in bridging financial service gaps. Nepal can benchmark this system to transfer funds to various types of social welfare scheme beneficiaries at the community level.

**Parental Leave System:** Sweden's parental leave system, established in the 1970s, provides extensive paid leave for both parents working in all sectors of employment to promote work-life balance and gender equality. The system allows parents to share up to 480 days of leave per child, with a portion of the leave reserved for each parent. This policy has significantly increased gender equality in caregiving responsibilities and improved child health and development outcomes. The Swedish model demonstrates how comprehensive parental leave policies can support family well-being and promote gender equity in the workplace (Bekkengen, 2014). Nepal's existing leave system needs transformation, especially for couples expecting their first child.

**Public Housing Program:** Singapore's public housing program, managed by the Housing and Development Board (HDB), provides affordable housing to the majority of the population. The program has been instrumental in ensuring homeownership among Singaporeans and fostering social cohesion. By offering a range of housing options and providing subsidies, the HDB has successfully addressed housing needs and reduced social inequalities. The program's success is attributed to its

strategic planning, effective policy implementation, and emphasis on long-term sustainability (Phang, 2007). Since the majority of low earners cannot afford bank financing services in Nepal, a long-term government scheme with low interest rates may serve as instrumental in transforming the lives of low-income families engaged in various sectors of employment.

Thus, in the federal context of Nepal, drawing lessons from exemplary global practices can significantly enhance the effectiveness of service delivery models across various sectors. The Bolsa Família program in Brazil illustrates the transformative power of conditional cash transfers in reducing poverty and promoting social inclusion—a model that Nepal could adapt to uplift its marginalized communities. India's National Rural Health Mission underscores the importance of decentralized planning and community engagement in healthcare, offering a blueprint for Nepalese local governments to improve health services at the grassroots level. Kenya's M-Pesa program showcases the potential of mobile technology in expanding financial inclusion, a strategy that Nepal can leverage to facilitate social welfare payments and economic transactions in remote areas. Sweden's parental leave system highlights the benefits of comprehensive family policies in achieving gender equality and improving child development, suggesting reforms for Nepal's parental leave policies. Finally, Singapore's public housing program demonstrates the efficacy of strategic planning and policy implementation in addressing housing needs and fostering social cohesion, providing a viable model for Nepal to ensure affordable housing for low-income families. By integrating these proven approaches, Nepal can advance its federal governance system, ensuring that public service delivery is more inclusive, efficient, and equitable, thereby fostering sustainable development and social welfare across its diverse regions.

**Expected Ways Forward**

As Nepal continues to navigate its federal system, identifying and implementing effective policies and program initiatives is essential for addressing the challenges of service delivery and governance. Drawing from existing local realities and global best practices, Nepal can enhance its federal framework by adopting strategies that have demonstrated success in other contexts. This involves not only learning from successful international models but also tailoring these approaches to fit Nepal's unique socio-economic and geographic landscape. By focusing on localized needs, promoting inclusivity, and addressing systemic challenges, Nepal's federal, provincial, and local governments can work towards more equitable and effective service delivery by enacting innovative, needs-based policy premises and program interventions. A few of them are presented below:

      **a. Strengthening Decentralized Governance:** To build on the opportunities presented by federalism, Nepal should further empower local governments with increased autonomy and resources. This involves enhancing the capacity of local bodies to make decisions that are closely aligned with the needs of their communities. Drawing from Brazil's Bolsa Família program, which tailors support to local needs through conditional cash transfers, Nepal could develop similar targeted initiatives that address specific regional disparities and needs (de Souza, 2019). Additionally, investing in local governance structures and training local officials can improve decision-making processes and service delivery (Mahat, 2020).

      **b. Enhancing Local Empowerment and Community Participation:** Federalism in Nepal should leverage local empowerment by involving communities more actively in the development

process. This approach mirrors the decentralized planning and community involvement seen in India's National Rural Health Mission (NRHM), which has led to significant improvements in health outcomes by engaging local stakeholders (Singh, 2020). Nepal can implement participatory planning processes where communities play a central role in identifying needs and developing solutions, thereby increasing ownership and effectiveness of local development projects (Upreti, 2021).

**c. Improving Resource Allocation and Capacity Building:** Addressing resource constraints is crucial for effective service delivery. Drawing from the success of Singapore's public housing program, Nepal can work towards a more equitable distribution of resources by implementing strategic allocation mechanisms that prioritize underserved regions (Phang, 2007). Additionally, capacity-building initiatives should be a priority, focusing on equipping local governments with the necessary skills and tools to manage resources efficiently and implement policies effectively (NASC, 2022). This includes providing technical assistance and training to enhance local administrative and operational capabilities.

**d. Ensuring Consistent Policy Implementation with Reduced Political Interference:** To overcome challenges related to inconsistent policy implementation and political interference, Nepal should establish robust monitoring and evaluation mechanisms. Similar to the strategies used in Kenya's M-Pesa program, which ensures effective service delivery through a well-regulated framework (Jack & Suri, 2011), Nepal can implement comprehensive oversight systems to ensure policies are uniformly applied and adapted as needed. Transparent processes and accountability measures will help mitigate the impact of political interference and ensure more equitable access to services (Joshi & Gautam, 2023).

**e. Addressing Socio-Cultural Barriers through Inclusive Policies:** Addressing socio-cultural barriers is vital for ensuring that all demographic groups benefit from public services. Inspired by Sweden's parental leave system, which promotes inclusivity through comprehensive family policies (Bekkengen, 2014), Nepal can develop inclusive policies that consider the diverse cultural and social contexts of its population. This includes creating services that are accessible and responsive to the needs of women, ethnic minorities, and other vulnerable groups, ensuring equitable service delivery across different regions (Singh & Sharma, 2022).

Through these measures, Nepal can build on the strengths of its federal system while addressing the challenges of implementation, resource allocation, and inclusivity. These actions will contribute to a more effective and equitable governance framework, ultimately improving service delivery and governance across the country. For all this to happen, the concerned governments need to work in collaboration and cooperation with a common purpose of ensuring the significance of federalism for inclusive public service delivery.

## Recommended Policy Positions

In the pursuit of a more equitable and effective public service system, Nepal stands at a critical juncture where the principles of federalism can be harnessed to drive meaningful change. The following policy trajectories are designed to strengthen decentralized governance, enhance local empowerment, improve resource allocation, ensure consistent policy implementation, and address

socio-cultural barriers. By drawing inspiration from successful global practices and tailoring them to the unique context of Nepal, these strategies aim to build a robust framework that empowers local governments, engages communities, and promotes inclusive and sustainable development across the nation.

a. **Strengthening Decentralized Governance**

i. **Increase Financial Autonomy:** Implement policies that allocate a greater share of national revenue to local governments, ensuring they have the financial resources necessary to address local needs effectively.

ii. **Establish Capacity Development Programs:** Create training programs for local officials on governance, financial management, and service delivery, similar to Brazil's Bolsa Família model.

iii. **Induce Local Needs Assessment-based Interventions:** Conduct regular assessments to identify community-specific needs and tailor interventions accordingly, ensuring that conditional cash transfer programs are responsive to local conditions.

b. **Enhancing Local Empowerment and Community Participation**

i. **Adopt Participatory Budgeting:** Introduce participatory budgeting processes that allow community members to have a direct say in how local funds are allocated, following the example of India's NRHM.

ii. **Enact Community Development Committees:** Establish and support community development committees that involve local stakeholders in planning and decision-making processes.

iii. **Facilitate Public Consultations:** Hold regular public consultations to gather input from residents on local projects and policies, ensuring that development initiatives are community-driven.

c. **Improving Resource Allocation and Capacity Building**

i. **Enact Equitable Resource Distribution:** Develop and implement a strategic framework for resource allocation that prioritizes underserved and remote regions, inspired by Singapore's public housing program.

ii. **Introduce Technical Assistance Programs:** Establish technical assistance programs that provide ongoing support to local governments in project management, policy implementation, and service delivery.

iii. **Promote Performance-based Incentives:** Introduce performance-based incentives for local governments that achieve predefined service delivery targets, encouraging efficient and effective governance.

### d. Ensuring Consistent Policy Implementation with Reduced Political Interference

i. **Promote Independent Monitoring Bodies:** Create independent monitoring and evaluation bodies to oversee the implementation of policies and ensure adherence to standards, as seen in Kenya's M-Pesa program.

ii. **Undertake Transparency Measures:** Implement transparency measures such as public reporting and open data initiatives to hold local officials accountable and reduce political interference.

iii. **Establish Standardized Procedures:** Develop standardized procedures and guidelines for policy implementation to ensure consistency across different regions and minimize the impact of local political dynamics.

### e. Addressing Socio-Cultural Barriers through Inclusive Policies

i. **Strengthen Inclusive Service Design:** Design public services to be inclusive and culturally sensitive, ensuring accessibility for women, ethnic minorities, and other vulnerable groups, inspired by Sweden's parental leave system.

ii. **Offer Cultural Competency Training:** Provide cultural competency training for government officials and service providers to enhance their ability to serve diverse populations effectively.

iii. **Promote Targeted Outreach Programs:** Develop targeted outreach programs that specifically address the needs of marginalized communities, ensuring they are aware of and can access available services.

By embracing these recommended policy trajectories, Nepal can unlock the full potential of federalism to create a public service system that is responsive, inclusive, and effective. Strengthening decentralized governance, fostering local empowerment, optimizing resource allocation, ensuring consistent policy implementation, and addressing socio-cultural barriers are critical steps towards this vision. These strategies, informed by global best practices and adapted to Nepal's specific needs, will not only enhance service delivery but also build stronger, more resilient communities. As Nepal moves forward, a commitment to these policy positions will be essential in achieving equitable development and fostering a governance system that truly serves all its citizens.

## Conclusion

Nepal's transition to a federal democratic republic, as enshrined in the 2015 Constitution, aimed to enhance local governance and address historical inequalities through decentralization. However, the practical implementation of federalism has revealed both opportunities and challenges. The federal structure offers the potential for more tailored, responsive, and inclusive service delivery by empowering local governments, enhancing resource allocation, and strengthening local capacity. These opportunities are evidenced by global best practices, such as Brazil's Bolsa Família program, which provides targeted financial support to address regional disparities, and India's National Rural Health Mission (NRHM), which improves healthcare access through community involvement.

Despite these opportunities, challenges such as resource constraints, political interference, and inconsistent policy implementation persist, undermining the effectiveness of service delivery.

To overcome these obstacles, Nepal should focus on strengthening decentralized governance, enhancing community participation, and ensuring consistent policy implementation with reduced political interference. Additionally, addressing socio-cultural barriers through inclusive policies will ensure equitable service delivery across diverse demographic groups. By drawing on successful international models and adapting them to local contexts, Nepal can address the systemic challenges of its federal framework and work towards a more effective and inclusive governance system. This approach will enable Nepal to bridge the gap between political promises and actual service delivery, fostering greater public trust and improving the quality of life for its citizens.

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