National Governance Symposium 2024

DIGITAL GOVERNANCE FOR ENHANCED SERVICE DELIVERY

Strengthening Subnational Governance for Inclusive Economic Development

SESSION BRIEF

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Executive Summary

Nepal's digital governance landscape faces critical challenges that hinder efficiency and citizen-centric service delivery. Data fragmentation and interoperability issues result in isolated records across government levels, forcing redundant data collection and weakening public service sustainability. Essential documents such as birth certificates and voter IDs must be integrated into a unified system to eliminate inefficiencies and improve accessibility.

Beyond data structure, fragmented digital solutions and software sustainability remain major concerns. Independent applications for revenue management and registration often lack long-term viability due to inaccessible source codes, inconsistent security measures, and renewal-based dependencies. A centralized digital framework can mitigate these weaknesses, ensuring long-term interoperability and interagency coordination.

Systemic inefficiencies are further exacerbated by bureaucratic hurdles and institutional silos. Reluctance among departments, such as the National ID authority and transportation agencies to share vital data forces citizens into repetitive documentation processes, weakening service reliability. Coupled with institutional memory loss due to frequent personnel changes, Nepal must institutionalize digital governance practices to preserve operational continuity.

Finally, the digital divide continues to limit grassroots accessibility, as evidenced by research in Dhankuta district (Phuyal, 2024). Low digital literacy, poor service quality, and inadequate data security create barriers that prevent equitable adoption of digital services. Addressing these gaps through targeted inclusion programs and capacity-building initiatives is essential to ensure that technology-driven governance benefits all citizens.

A comprehensive policy overhaul focusing on data integration, sustainable digital solutions, bureaucratic streamlining, and digital inclusion will position Nepal's governance framework toward efficiency, transparency, and long-term viability. By implementing structured reforms, the government can create a resilient digital infrastructure that meets both institutional needs and public expectations.

I. Introduction

Integrating digital technologies enhances efficiency, transparency, and accessibility of public services by reducing bureaucratic delays, minimizing human intervention, and enabling real-time data sharing. A World Bank study (2020) found that e-governance can reduce corruption by 25% in developing nations by digitizing processes like procurement and service delivery. For example, India's "Digital India" initiative improved service delivery efficiency by 40% through online portals (UN e-Government Survey, 2022). In Nepal, digitizing land registration reduced processing time from 30 days to 7 days in pilot areas (MoCIT Report, 2021), demonstrating the tangible benefits of digital strategies.

Nepal's 16th National Periodic Plan (2024–2028) prioritizes digitization to achieve SDGs and improve governance. The National Planning Commission (NPC) emphasizes digital infrastructure as a "cross-cutting enabler" for development, validated by Chief Secretary Shankar Das Bairagi's 2023 speech highlighting digitization as a "cornerstone of Nepal's federal governance."

From the nation's first comprehensive IT policy aimed at promoting ICT infrastructure and e-governance to recent policy explorations in Artificial Intelligence, Nepal is steadily laying the groundwork for integrated digital service frameworks across sectors including healthcare, education, financial services, and public administration.

The Nagarik App is a prime example of how integrated digital platforms can consolidate multiple services from licensing to fine payments, reducing the need for citizens to visit government offices physically. This streamlined approach not only enhances service efficiency but also directly connects government services with the public. Building on these initiatives, this policy brief examines persistent challenges and identifies reform areas essential for achieving enhanced, integrated digital governance.

Rational for Action on the Problem

To unlock the full potential of digital governance in Nepal, several systemic barriers must be tackled with urgency. The fragmentation of essential records, such as birth certificates and voter IDs—across federal, provincial, and local systems leads to redundancy in data collection and inefficiencies in service delivery. A well-integrated data ecosystem is essential to ensure that once information is gathered at the grassroots level, it remains accessible across all agencies, streamlining processes for citizens and enhancing the sustainability of public services. Similarly, digital solutions for functions like revenue management and registration, though useful in isolation, often lack long-term interoperability due to constraints such as annual renewals, inaccessible source codes, and inconsistent security measures. A unified and sustainable software framework can mitigate these inefficiencies, allowing for better interagency coordination. Beyond technical infrastructure, bureaucratic hurdles significantly impede the smooth exchange of data. Institutional silos discourage collaboration—for example, when departments like the National ID authority hesitate to share relevant data with transportation agencies, citizens are forced to repeatedly submit the same information. This disjointed approach weakens operational efficiency and service reliability while further exacerbating the loss of institutional knowledge as key personnel change over time.

Additionally, at the grassroots level, the digital divide remains a critical concern. A recent study in Dhankuta district (Phuyal, 2024) highlights the challenges of low digital literacy, inconsistent data security, and uneven service quality, all of which hinder the ability of citizens to effectively engage with digital systems. Addressing these gaps through targeted digital literacy and inclusion efforts is crucial to ensuring equitable access. The Citizen app is often highlighted as a one-stop solution, but the local government's problem/concern is how much the app is connected with the grassroots and their local needs.

All of the aforementioned problems call out a comprehensive policy framework, the one that prioritizes data governance, strengthens intergovernmental coordination, and invests in capacity-building initiatives. can pave the way for a more secure, efficient, and citizen-centric digital governance model.

Solutions

The successful implementation of the Nagarik App—which now serves over 16 million users by offering 60+ services and cutting processing times by 70% (MoCIT, 2023) demonstrates the transformative potential of digital platforms for public service delivery. Complementing this, Nepal's digital landscape includes 85 government-operated platforms, from e-passport systems and land registration to the Government Integrated Office Management System (GIOMS). While these efforts signal a strong commitment to digitization, it remains essential to assess their effectiveness critically and identify strategies to further elevate public service performance.

Supporting these technological advancements are foundational policy frameworks such as the Digital Nepal Framework 2019, which prioritizes sectors like e-health and smart agriculture, alongside key legislative measures like the Electronic Transactions Act (2008) and the Cybersecurity Policy (2021). Furthermore, recent developments in monitoring and evaluation protocols underscore an institutional drive towards accountability and continuous improvement in service delivery, ensuring that the legal and regulatory environment keeps pace with dynamic digital needs.

In tandem with these policy measures, robust cybersecurity and data management initiatives are being deployed to secure the digital ecosystem. The Ministry of Communication and Information Technology (MoCIT) is administering application security audits, establishing dedicated data centers, and rolling out unified systems like the integrated GIOMS across all levels of government. These efforts are designed to protect governmental data, ensure privacy, and enhance interoperability across various digital platforms which is paving the way for a more secure and seamless exchange of information.

Ultimately, all these initiatives feed into the development of an overarching e-governance blueprint that integrates digital identity, payment systems, and, critically, a data exchange and consent layer to eliminate redundancy. Currently undergoing final restructuring, this blueprint aims to link big data processing, security measures, and interdepartmental coordination, addressing challenges such as data sharing limitations from the Statistics Bureau. With a dedicated four-year team allocated to institutionalize these changes, political commitment and continuous awareness-raising are key to ensuring sustainable, citizen-centric digital governance in Nepal.

Proposed Policy Options

Nepal's e-governance trajectory is being reshaped by a series of targeted policy initiatives aimed at overcoming longstanding challenges in data synchronization and system integration. The e-Governance Commission's draft e-governance act is designed to eliminate fragmented data systems so that critical records, such as those from birth registrations—are captured once and reused across governmental functions, thus enhancing interoperability and streamlining service delivery.

Complementing this, public administration reforms in the FY 2024/25 agenda emphasize the maximization of information technology to drive good governance, while recent fiscal allocations underscore the government's commitment to strengthening digital infrastructure through investments like those outlined in the Digital Nepal Framework, the establishment of a Knowledge Park, and the development of an IT hub via public–private partnerships.

At the local level, challenges in data management persist even as MoFAGA holds extensive ward-level data. The need for a centralized system that facilitates seamless data synchronization is critical, as evidenced by trial deployments of the GIOMS system and recent executive orders linking local data access platforms with the Nagarik App.

Reinforcing these efforts is an array of regulatory measures, from updating the personal data policy and business continuity plans to the proposed National ID initiative aimed at unifying digital, payment, and consent layers. Together, these policy options infer a multidimensional approach that integrates legal, technological, and institutional reforms to bridge gaps in intergovernmental coordination and actualize the promise of efficient digital governance.

Policy Recommendations

1. Strengthen Policy Frameworks and Regulatory Oversight:
The 16th Periodic Plan and current fiscal agenda emphasize digital transformation as a major driver of job creation and economic growth. In response, it is crucial to update existing policies—such as the IT Policy (2015) to incorporate emerging technologies like AI and blockchain, along with a robust consent-based data exchange framework. Establishing a National Data Exchange Policy that standardizes data sharing across federal tiers is equally essential, as is enforcing cybersecurity regulations that mandate local data storage and regular audits under systems like GIOMS. Such measures will create a secure and future-ready regulatory environment, ensuring that legal frameworks keep pace with technological advances in public service delivery.

2. Enhance Digital Infrastructure and Interoperability:
A unified digital infrastructure is key to eliminating service delivery redundancies and ensuring seamless citizen engagement. Efforts should focus on integrating the nation's 85 digital systems using standardized APIs that facilitate interoperability between sectors such as health, education, and voter registration. By leveraging local research and contextual analyses, Nepal can tailor integration strategies that address its unique challenges rather than relying solely on foreign models. Rigorous monitoring and evaluation, coupled with the public disclosure of performance metrics that will further drive continuous improvement across digital platforms.

3. Build Local Capacity and Advance Digital Literacy:
Empowering local governance is fundamental to sustainable digital transformation. Allocating dedicated budgets for local IT officers and capacity-building initiatives will help municipal bodies maintain and enhance digital systems effectively. At the same time, expansive digital literacy campaigns are needed, especially in rural areas, to bridge the digital divide. Integrating IT education into school curricula from the primary level is a long-term investment that will foster a society adept at navigating digital environments, thereby strengthening grassroots-level capabilities and citizen engagement.

4. Foster Collaborative Governance and Public–Private Partnerships:
Effective digital governance hinges on robust interagency collaboration and strong partnerships with the private sector. Creating inter-governmental task forces dedicated to data synchronization can streamline coordination between federal, provincial, and local agencies. Simultaneously, leveraging public–private partnerships will accelerate technological innovation, supporting initiatives ranging from AI-driven service tools to secure digital payment platforms. Such collaboration not only enhances the quality and accessibility of public services but also builds public trust by ensuring that service delivery remains inclusive, responsive, and aligned with citizen needs.

Conclusion

Nepal's digital governance journey hinges on addressing fragmentation, building trust, and prioritizing citizen needs. By unifying systems under the NID, enhancing literacy, and adopting global best practices, Nepal can achieve the 16th National Plan vision of IT-driven economic growth. Success requires political will, bureaucratic accountability, and inclusive collaboration.

About NGS

National Governance Symposium (NGS), an annual event organized by Governance Lab (Govlab) at the Daayitwa Abhiyaan, has been convening government, private sector, civil society and academia stakeholders since 2022 to foster discussions on and create a collaborative community for governance innovations and inclusive development in Nepal. This year, with the theme of **"Strengthening Subnational Governance for Inclusive Economic Development**," the Symposium was organized on December 19-20, 2024 in partnership with Nepal Administrative Staff College (NASC) and with support from government partners Office of the Prime Minister and Council of Ministers, National Planning Commission and Ministry of Finance, as well as organizing partners Daayitwa and Nepal Leadership Academy.

Session 5: Digital Governance for Enhanced Service Delivery
Chair: Ms. Radhika Aryal, Secretary, Ministry of Communication and Information Technology
Presentation: Mr. Saroj Bista, Director of Governance and Impact, Young Innovations
Panelists
- Mr. Asgar Ali, IT Adviser to the Hon. Prime Minister
- Ms. Bimala Rai, Mayor, Halesi Tuwachung Municipality, Khotang
- Mr. Dipesh Bista, CEO, e-Governance Commission, Government of Nepal
- Mr. Rudra Singh Tamang, Provincial and Local Governance Support Program, Ministry of Federal Affairs and General Administration
Moderator: Ms. Shrinkhala Khatiwada, CEO, Gaatha
Knowledge Partner: Young Innovations

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