



National Governance Symposium 2025

'DOING DEVELOPMENT DIFFERENTLY'

TECH: Strengthening Governance through Pragmatic Digital Reform in Nepal

STUDIO BRIEF





L-R (Ms. Anoushka Pant, Mr. Adesh Khadka, Dr. Pukar Malla, Mr. Gaurav Pandey, Dr. Krishna Hari Pushkar, Mr. Prince Shah Chaudhary, Mr. Dipesh Tripathi, Mr. Bibhushan Bista)

Executive Summary

Nepal is at a critical juncture in its digital governance journey. Core digital systems for taxation, customs, labour migration, licensing, and citizen services are already in place, and initiatives such as the Nagarik App signal meaningful progress. However, discussions at the NGS 2025 Technology Policy Studio revealed that Nepal's central challenge is no longer technological capability, but **the governance of digital reform itself**.

Digital initiatives have largely been approached as software procurement exercises rather than institutional reforms. This has resulted in fragmented platforms, incomplete digital transactions that still require physical follow-up, weak accountability for service performance, limited interoperability, and growing dependence on external vendors. These patterns undermine citizen trust and dilute the public value of digital investments.

This policy brief argues for a **governance-first Digital Public Infrastructure (DPI)** approach. Rather than expanding the number of digital platforms, reform efforts should prioritize legal and procedural finality of digital actions, institutional stewardship of services, interoperability across systems, reduction of vendor lock-in, and performance measurement centered on citizen outcomes. The objective is to ensure that digital systems strengthen public trust and translate into tangible improvements in service quality and state capability.

Rationale for Public Action on the Problem

Despite visible progress in e-government, Nepal's current digital trajectory risks entrenching inefficiency and public distrust if left unchanged. Insights from the Technology Policy Studio point to six structural governance failures that justify a shift in approach.

1. Persistent trust deficits in digital services

Citizens frequently experience digital processes that stop short of completion, requiring in-person verification or resubmission of documents. This signals institutional reluctance to rely on digital systems and discourages repeated use (Phuyal, 2024; Rajkarnikar, 2025).

2. Digitalisation without administrative and behavioural reform

Many digital initiatives replicate existing bureaucratic procedures rather than re-engineering them. Without changes in workflows, incentives, and accountability structures, technology alone cannot improve service delivery (Bagale, 2025; Verma & Singh, 2025).

3. Weak institutional ownership and accountability

Digital platforms are often built as time-bound projects, with unclear long-term ownership by line ministries. This results in limited responsibility for service reliability, upgrades, and user experience once systems are deployed (World Bank, 2022; Verma & Singh, 2025).

4. Fragmentation and lack of interoperability

Siloed systems force citizens to repeatedly submit the same information and prevent government agencies from sharing data efficiently. Interoperability remains aspirational rather than enforceable (Phuyal, 2024; Rajkarnikar, 2025).

5. Legal recognition without practical finality

Although Nepal's laws recognize electronic records and digital signatures, inconsistent implementation means that digital transactions rarely achieve procedural finality, particularly across agencies and courts (Bagale, 2025; MyRepublica, 2025).

6. Vendor dependency and sustainability risks

Heavy reliance on external vendors, combined with weak knowledge transfer requirements, exposes digital systems to lock-in, rising costs, and operational fragility (World Bank, 2022; Verma & Singh, 2025).

Policy Recommendations

To realign digital reform with public value and institutional strength, six interlinked policy action areas are proposed.

1. Legal and procedural finality of digital transactions

Digital processes must result in binding administrative outcomes. If a transaction is completed digitally, it should be recognized as final unless explicitly exempted by law.

2. Institutional stewardship of digital services

Each major digital service should have a clearly designated line ministry or agency responsible for performance, continuity, and user experience.

3. Interoperability as a binding governance requirement

Common standards and data-sharing protocols should be enforced across government systems to prevent fragmentation and duplication.

4. Procurement reform to reduce vendor lock-in

Digital procurement should prioritize modularity, documentation, and knowledge transfer to ensure long-term adaptability and state control.

5. Shared digital infrastructure as public goods

Foundational systems such as identity, payments, registries, and verification services should be governed for reuse across sectors and tiers of government.

6. Institutionalized citizen voice and feedback

Digital platforms must include formal mechanisms for grievance redress, response obligations, and accountability to ensure citizen engagement translates into service improvement.

Policy and Legal Alignment: Priority Reform Areas

1. Electronic Transactions Act, 2063

Gap: Digital records and signatures are legally recognized but inconsistently enforced.

Policy Action: Mandate practical legal finality for digital transactions across agencies and courts, with narrowly defined exceptions.

2. Digital Nepal Framework 2019

Gap: Promotion of online services without enforceable completion standards.

Policy Action: Require end-to-end digital service delivery where services are designated as digital, eliminating parallel physical steps.

3. Institutional ownership of digital services

Gap: Lack of long-term accountability for system performance.

Policy Action: Formally assign service stewardship to line ministries with responsibility for quality, reliability, and evolution.

4. Public procurement and ICT outsourcing practices

Gap: Weak safeguards against vendor lock-in and knowledge loss.

Policy Action: Embed modular design, documentation, and knowledge transfer requirements in ICT procurement rules.

5. Interoperability frameworks

Gap: Interoperability remains voluntary and uneven.

Policy Action: Make compliance with interoperability standards a condition for system approval and funding.

6. Governance of shared digital infrastructure

Gap: Sector-specific development limits reuse and coherence.

Policy Action: Establish public-goods governance models for shared digital infrastructure layers.

7. Monitoring and evaluation practices

Gap: Emphasis on inputs and outputs rather than citizen outcomes.

Policy Action: Shift performance measurement toward time saved, visits reduced, service reliability, and user trust.

8. Citizen feedback mechanisms

Gap: Feedback is collected without guaranteed response or resolution.

Policy Action: Institutionalize response timelines, escalation pathways, and resolution tracking for digital grievances.

• What “Doing Development Differently” Means in Technology

The Technology Policy Studio rejected both incremental software layering and overly ambitious, centralized digital overhauls. Instead, participants converged on a **pragmatic, governance-first DPI paradigm** that repositions digital reform as an institutional process rather than a technical one. This approach emphasizes:

- Legal and procedural trust in digital actions
- Clear institutional stewardship and accountability
- Interoperability as a governance rule, not a technical option
- Digital infrastructure as a public good rather than a project output
- Measurement of public value and citizen trust, not just system delivery

Conclusion

Nepal's digital reform agenda must move beyond technology deployment toward **governance reform that embeds trust, accountability, and public value into digital systems**. Without this shift, digitalization risks reinforcing the very inefficiencies it seeks to eliminate. A governance-first DPI approach offers a credible and contextually grounded pathway to ensure that digital reform strengthens institutions, improves service delivery, and rebuilds citizens' trust in the state.

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Tech Studio Brief Prepared by:

Ms. Anoushka Pant

Daayitwa Fellow 2025 (MoICS)

About National Governance Symposium

The National Governance Symposium (NGS) 2025 was convened on 12th December 2025 at the Nepal Administrative Staff College (NASC), Lalitpur, as a multi-stakeholder policy dialogue platform bringing together senior government officials, private sector leaders, civil society actors, researchers, and practitioners. Organized jointly by Governance Lab and NASC in collaboration with the Office of Prime Minister and Council of Minister, Ministry of Finance and National Planning Commission, the Symposium focused on the overarching question: **“How can we Do Development Differently?”**

The Symposium was structured around four interconnected Policy Studios: People, Money, Data, and Technology - reflecting the core resources required to strengthen public institutions and improve development outcomes in Nepal. Each studio, with their respective Knowledge Partner, combined practitioner presentations with moderated policy dialogue, emphasizing practical insights and implementable reforms rather than theoretical debate.

About Tech Session

Strengthening Governance through Pragmatic Digital Reform

Chair: Dr. Krishna Hari Pushkar, Secretary, Ministry of Labor, Employment & Social Security

Moderator: Ms. Anoushka Pant, Daayitwa Fellow 2025 (MoICS)

Presenter: Mr. Bibhusan Bista, Executive President, Young Innovations

Speakers:

- Mr. Aadesh Khadka, Joint Secretary, Ministry of Communication & Information Technology
- Mr. Prince Shah Chaudhary, CEO, SpeakUp Nepal
- Mr. Gaurav Raj Pandey, President, Nepal Association for Software and IT Services Companies
- Mr. Dipesh Tripathi, Founder, The Nepali Comment

Knowledge Partner

Young Innovations





Poderspective by Daayitwa Abhiyaan



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Bakhundole 1, Lalitpur, Nepal
+977-01-5455739
contact@govlab.com.np
www.govlab.com.np