The Second FiveYear Plan
Fiscal Year (2024/25-2028/29)

Government of Gandaki Province
Gandaki Province Policy and Planning Commission
Pokhara, Nepal
July 2024

The Second Five-Year Plan

(Fiscal Year 2024/25-2028/29)

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Publisher:

Government of Gandaki Province

Gandaki Province Policy and Planning Commission

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Gandaki Province Policy and Planning Commission

Pokhara, Nepal

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Gandaki Province Policy and Planning Commission

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Honorable Dr. Krishna Chandra Devkota	-Vice-Chairperson
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Badrinath Adhikari	-Member-Secretary

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Foreword

The Constitution of Nepal envisions fulfilling the aspirations of sustainable peace, justice, good governance, development, and prosperity through a federal democratic republic system of governance. The Constitution has articulated that the basic structure of the federal democratic republic of Nepal will be the federal, province and local levels and the relationship between all three levels will be based on the principles of coordination cooperation and co-existence. The Government of Gandaki Province is taking the initiative to deliver the benefits of good governance, development, and prosperity to the people of the province by adopting the concepts of self- and shared governance specified in the Constitution.

The Government of Gandaki Province has formulated the Second Five-Year Plan (2024/25-2028/29) as a roadmap for the overall development of the province, guided by the powers and responsibilities guaranteed by the Constitution, the development trends and current situation, the potential and comparative of the province, and the aspirations of the people of the province. The Province Government has incorporated the Nepal Vision 2100, the Sustainable Development Goals, including the commitments made by Nepal nationally and internationally, the Sixteenth Plan, and the medium-term review of the First Five-Year Plan of Gandaki Province in the planning process.

"A Self-reliant and Prosperous Province: Happy Province Citizens" has been set as the vision for the Second Five-Year Plan, in align with the Nepal Vision 2100, feedback received from the review of the First Five-Year Plan, the Sustainable Development Goals Localization Roadmap (2022-2030) of Gandaki Province, the aspirations of the province citizens, and the potentialities and opportunities of provincial development. An analysis has been conducted to objectively identify key areas of transformation in alignment with that vision to implement the province development roadmap, taking into account the evolving international, national, and provincial landscape, the latest development thinking and trends, as well as the strengths and needs of the province. To achieve the broader goals of the plan, I expect consensus among political parties, professionalism and agility of the administrative sector, competitive capacity of the private sector, good governance within and productive contribution of the cooperative sector, vigilance and support from civil society, and meaningful support from development partners.

I want to extend special gratitude to Dr. Krishna Chandra Devkota, Vice-Chairperson of the Gandaki Province Policy and Planning Commission, as well as due members Mrs. Maya Timisina and Mr. Deepak Bhandari, and the Principal Secretary and Secretaries of the Province Government for their leading roles in preparing the Second Five-Year Plan. Additionally, I am grateful to members of the Council of Ministers of the Government, members of the Province Development Council, and members of the Federal Parliament, Province Assembly Members, Mayor/Chairpersons and representatives of local levels, the private sector, civil society, thematic experts, and all other stakeholders who provided feedback on the draft of the Plan. I also extend my heartfelt thanks to all the Gandaki Province Policy and Planning Commission staff, who contributed in their respective fields.

I also express my gratitude to the development partner agencies that offered technical and financial support in formulating this Plan. I am confident that this Plan will help expedite the overall development process of Gandaki Province and provide clear guidance towards fulfilling the people's aspirations.

July 2024

Surendraraj Pandey,
Honorable Chief Minister, Government of Gandaki Province, and
Chairperson of the Gandaki Province Policy and Planning Commission

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Preface

This Five-Year Plan is the government's policy document that guides the overall development process. The Plan prepares a systematic roadmap with the citizens' aspirations, the resources and time required to fulfill them. Such a roadmap analyzes past trends and the current situation in governance, service delivery and development, and presents the expected future scenario, together with estimates and priorities of resources and time.

The Government of Gandaki Province has set the vision of **"A Self-Reliant and Prosperous Province: Happy Province Citizens"** in accord with the Nepal Vision 2100, the Sixteenth Plan, and the achievements and learnings of the First Five-Year Plan of Gandaki Province. Oriented towards this vision, the Second Five-Year Plan has been prepared to guide the goal of achieving self-reliance, social justice, and development.

Gandaki Province is at a crucial phase of structural transformation amidst political stability and climate risk management challenges. This province has immense potential for development, including natural and cultural heritage, a unique ecosystem, a robust community structure, relationships, as well as a strong desire for innovation and entrepreneurship among industries and businesses.

The Government of Gandaki Province strongly emphasises good governance, social justice, and development guided by the principles of inclusion, equality, and sustainable development to build a self-reliant and prosperous province. This Plan represents a shared commitment among the government, civil society, communities, entrepreneurs, businesses, and development partners to promote self-reliance by addressing the needs of the citizens and establishing their dignified status. Likewise, the plan has set the goal of achieving good governance, social justice and development to guide the development and shared prosperity. The plan includes quality infrastructure and production, employment and income generation, building human capital, equitable distribution of the development gains, establishment of social justice and enhancing quality public service delivery and good governance as its objectives for achieving the goal.

To achieve the plan's goal and objectives, 14 areas of province development and transformation have been identified in harmony with the Sustainable Development Goals Localization Roadmap (2022-2030) of Gandaki Province and the Sixteenth Plan of Nepal. This Plan presents the issues of gender mainstreaming and empowering women, promoting social inclusion and equality, maintaining the environmental balance, enhancing climate and disaster resilience, improving governance, strengthening service delivery, and ensuring informed policy, planning, and development management as cross-cutting areas and mainstreams them into every aspect of the structural transformation. Addressing these contemporary development issues is expected to lead towards the positive development outcomes.

The Second Five-Year Plan has been forulated as a comprehensive roadmap for accelerating the development of the province based on the valuable input received from various bodies, including the Office of the Chief Minister and Council of Ministers, Gandaki Province Policy and Planning Commission, line ministries, directorates, divisions, honorable members of the Province Assembly, elected representatives of local levels, private sector, civil society, development partners, subject matter experts, community leaders, and citizens. The plan is a roadmap for the province development

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and builds on evidence-based analysis, stakeholder engagement and strategic vision. It is expected that the Province Government and all stakeholders will be committed to innovation, partnership, collaboration, co-financing and accountability for policies and results in implementing the key transformation strategies, programs, and projects outlined in the Plan. Coordination and partnership among all stakeholders are crucial to address challenges and capitalize on opportunities for creating a sustainable, just, and prosperous future for the province citizens. The determination, perseverance, and collective efforts of political parties, administrative mechanisms, private sector, community, cooperatives, civil society, and development partners are essential for practically implementing this roadmap of province development. It is believed that this plan will be a milestone in paving the way for a brighter future for the province citizens.

I feel happy to contribute to the development of the Province by formulating the Second Five-Year Plan. In connection with this, I would like to extend my special thanks to the honorable members of the Gandaki Province Policy and Planning Commission Maya Timisina and Deepak Bhandari, and Secretary Badrinath Adhikari, who played key roles in preparing this Plan. Special gratitude goes to the Vice-Chairperson of the National Planning Commission, Members of the Federal Parliament, Ministers of Gandaki Province, Members of the Province Assembly, Members of the Proovince Development Council, Chief of the District Coordination Committees, Principal Secretary of the Province Government, Chief Attorney, Mayor or Chairperson of Local Governments, and Secretaries of the Ministries, and Chief District Officers. Additionally, I am thankful to all of the Gandaki Province Policy and Planning Commission staff for their contributions.

I express my sincere gratitude to the heads and representatives of province and district government offices, security agencies, development partner agencies, civil society organizations, private and business sectors, experts in various fields, media personnel, and the general public who provided suggestions and support in preparing this plan. I would like to extend special thanks to development partner agencies, including the Purak Asia and USAID/Biodiversity (Jal Jangal) Project, for their technical and managerial support in the planning process.

Last but not least, I sincerely thank to the Honorable Chief Minister and Chairperson of the Gandaki Province Policy and Planning Commission for his guidance in formulating this Plan. I anticipate full support and cooperation from the Government of Nepal, Ministries and subordinate agencies, local governments, political parties, media personnel, private and business sectors, development partners, civil society, personnel, intellectuals and citizens in fully implementing this plan.

July 2024
Dr. Krishna Chandra Devkota,
Honorable Vice Chairperson,
Gandaki Province Policy and Planning Commission

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Abbreviations

ANC	:	Antenatal Care
GDP	:	Gross Domestic Product
GPPPC	:	Gandaki Province Policy and Planning Commission
Ha	:	Hectare
HDI	:	Human Development Index
HDR	:	Human Development Report
FY	:	Fiscal Year
KM	:	Kilometer
KW	:	Kilowatt
kWh	:	Kilowatt-hour
KG	:	Kilogram
S.N.	:	Serial Number
Cu. Ft.	:	Cubic Feet
NGO	:	Non-Governmental Organization
MICE	:	Meetings, Incentives, Conferences and Exhibitions
MM	:	Millimeter
MT	:	Metric Ton
MW	:	Megawatt
M.Ton	:	Metric Ton
NPR	:	Nepalese Currency
Rs.	:	Rupees
Lt.	:	Leter
Sq. Km	:	Square Kilometer
B.S.	:	Bikram Sambat
Ha.	:	Hectare
AI	:	Artificial Intelligent
CGAS	:	Computerized Government Accounting System
COPOMIS	:	Cooperative & Poverty related Management Information System
CRVS	:	Civil Registration and Vital Statistics
CSR	:	Corporate Social Responsibility
EDL	:	Electronic Driver's License
GEF	:	Global Environment Facility
GLOF	:	Glacial Lake Outburst Flood
GNI	:	Gross National Income
INSEC	:	Informal Sector Service Center
LDC	:	Least Developed Country
PLMBIS	:	Line Ministry Budget Information System
SDGs	:	Sustainable Development Goals
SuTRA	:	Sub-National Treasury Regulatory Application
HDR	:	Human Development Report
USD	:	United States Dollar

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Chapter 1: Introduction

1.1 Background

Planned development in Nepal began with the formulation of the First Periodic Plan in 1956 (2013 BS). The Sixteenth Periodic Plan of Nepal has already been issued upon implementation of the previous fifteen periodic plans for the planned development of the country, which plays a crucial role in accelerating the pace of inclusive, balanced, and sustainable socio-economic development. In the context of achieving the mixed outcomes from the past plans, as shown by their reviews, it is essential to make the plan more practical and refined by assimilating the achievements and lessons learned from them. For this, a plan with practical strategies, must be formulated by identifying overall and thematic issues, challenges, and opportunities through studies, research, and fact analysis.

The Constitution of Nepal aims to fulfil the aspirations of sustainable peace, good governance, development and prosperity through a federal democratic republican governance system. The Constitution has adopted proportional, inclusive and participatory principles to ensure social justice and equality with economic prosperity while broadening the scope of Fundamental Rights, Directive Principles and Policies of the State. In 2018, the Government of Nepal (GoN) formulated the Nepal Vision 2100 with the aim of achieving the national goal of "Prosperous Nepal: Happy Nepali". Additionally, it aims to graduate Nepal from a Least Developed Country to a Developing Country status by 2026 and to make Nepal a middle-income country while achieving the Sustainable Development Goals (SDGs) by 2030. As the implementation period of the First Five-Year Plan (2019/20-2023/24) of Gandaki Province is coming to an end, this Second Five-Year Plan (2024/25-2028/29) has been formulated for the next five years (2024/25-2028/29) period.

The Government of Gandaki Province has formulated the Second Five-Year Plan to contribute towards the achievement of the national goals and objectives set by the Sixteenth Periodic Plan and to develop a carbon-neutral, inclusive, sustainable and resilient economy for building the foundation for the development of the province. This plan is guided by the fundamental rights, directive principles, policies of the state, and the list of powers of the provinces enshrined in the Constitution of Nepal, the Sixteenth Periodic Plan of Nepal, the review of the First Five-Year Plan of Gandaki Province, the policies and priorities of the Province Government (PG), its potentials and capabitlities, national and international commitments including SDGs.

1.2 National and Provincial Context

1.2.1 National Context

Under the federal structure, elected governments have been formed for the second term at all three levels. They are striving to formulate policies, plans and programmes, implement them and bear accountability thereof. An atmosphere of consensus is being created among the political parties on the issues of progress and development. Investments by public, private, cooperative, community sectors, development partners, and community sectors are becoming more conducive to production, employment creation, and economic growth. However, the weak export base may result in a net loss due to increased imports. Achieving sustainable

economic development is a challenge, especially with imports sustained by foreign employment remittances. With the pandemic's diminishing impact, including COVID-19 and global economic recession, growing culture of political consensus and the investment-friendly environment, the possibility of domestic, non-resident Nepalese (NRN) and foreign investments is getting stronger. Foreign investment and technology transfer are expected to boost foreign exchange reserves.

Under fiscal federalism, the allocation of business and fiscal transfers are being carried out at all three tiers of government. With the development of policy framework and institutional capacity at the province and local levels, service delivery and development activities are becoming more effective through coordination, partnership and collaboration. Along with the expansion of road and transport, energy, irrigation and industrial infrastructure, on the one hand, there has been growth in industry, trade and business, while on the other hand, the migration from rural to urban areas is increasing and the investment in the productive sector is declining.

1.2.2 Provincial Context

The per capita income of Gandaki Province is 1,499 US dollars, which is higher than the national average income of 1,399 USD. In the fiscal year 2022/23, the economic growth rate of this province (at basic prices) is 3.69 percent. In the fiscal year 2022/23, the ratio of remittances to the Gross Domestic Product is 22.7 percent. Similarly, in the fiscal year 2022/23, the contribution of primary, secondary and tertiary sectors to the Gross Domestic Product is 26.2, 17.3 and 56.6 percent respectively.

The province government has declared Pokhara as the Tourism Capital and emphasized developing, expanding, diversifying, and promoting tourism infrastructures and services/ facilities. In addition, riparian zones of the Marsyangdi, Kaligandaki, Madi, Seti, Myagdi, Chepe and Daraundi Rivers; water resources and energy sector multipurpose projects; agricultural production and processing projects; and tourism and industrial development activities have been included in the priority list. For this, the concepts of investment summit, inter governmental partnership, public-private partnership, public-cooperative partnership, and public-community-non-government sector partnership are initiated.

This province is home to five biodiversity conservation and tourism areas, including 290 lakes/ponds, more than 50 religious and cultural sites, over 200 tourist destinations, Annapurna and Manaslu Conservation Areas, Dhorpatan Hunting Reserve, Chitwan National Park and buffer zones, and Panchase Forest Conservation Area. Similarly, there are seven airports, a road network of about 12,000 km, eight large and medium hydropower projects, and more than five large and medium irrigation projects are in operation.

Approximately 47.4 percent of the total area in Gandaki Province is covered by forests and shrubs. Forests of high importance in this province include the buffer zone of Chitwan National Park, Chure Region, Annapurna and Manaslu Conservation Areas, Panchase Forest Conservation Area, World Biodiversity Garden (Park) located in the west of Phewa Lake, and Dhorpatan Hunting Reserve. Biodiversity is being protected and promoted within these

protected areas of the province. Biodiversity has contributed to achieving the prosperity in the province through fostering environmental balance and attracting tourists.

The international border of this province is shared with Tibet to the north and India to the south. The province government has initiated a planned efforts to build a self-reliant economy by linking available economic potentialities & opportunities with development and improvement. During the First Five-Year Plan period, the province government made significant efforts to formulate province policy, identify potential areas of development, prioritize programmes and projects, and promote developmental growth. Despite the limited revenue powers and dependence on federal grants; the province government have been formulating the policies, programmes, and budgets based on priorities, including creating periodic plans and medium-term expenditure framework (MTEF), sectoral strategies, conducting economic surveys, and ensuring sectoral and geographical balance. An annual action plan has been prepared, and projects and programmes have been implemented, monitored, and evaluated accordingly.

1.3 Review of the First Five-Year Plan

The Government of Gandaki Province has formulated and implemented the First Five-Year Plan for the fiscal years 2019/20 to 2023/24, subject to the province jurisdiction stipulated in the Constitution of Nepal. The First Five-Year Plan identified an inclusive, balanced, economic and social milestonce. Following Nepal's vision of "Prosperous Nepal: Happy Nepali", the First Five-Year Plan set the vision of "Prosperous Province and Happy Citizens". Gandaki Province aimed to build a prosperous province with high productivity, dignified living standard, and inclusive, civilised, just, and well-governed modern society to translate the vision into practice. The Plan laid down the cornerstones with five key drivers and five enablers of the prosperity for the development of Gandaki Province.

The First Five-Year Plan of the province fixed twenty-six indicators of prosperity and twelve indicators of happiness. Upon reviewing the achievements of the past four years, it has been seen that the target of ten indicators of prosperity and only one indicator of happiness will be met, with partial progress towards the targets of six indicators of prosperity and one indicator of happiness. Achieving the target for the remaining indicators may remain challenging. However, progress towards the sustainable development target set by the province appears relatively satisfactory.

Gandaki Province was among the provinces that were not resilient to the socio-economic crisis resulting from the COVID-19 pandemic in the very first fiscal year of the implementation of the First Five-Year Plan, leading to slackness and contraction in the province economy. In addition, since the province economy came under more pressure due to fluctuations in the national and international economies, doubts about achieving the targets specified in the Plan have been raised.

Macro-Economic Situation

The contribution of Gandaki Province to the country's Gross Domestic Product is 9.1 percent, a commendable achievement. However, external and internal structural issues pose challenges to achieving the desired economic growth rate. While the Plan aimed for a 10.2 percent economic growth rate during this period, it is projected to be limited to 4.23 percent. The

contribution of the primary sector (agriculture, forestry, mining and quarrying), the secondary sector (industry, electricity, gas, water and construction) and the tertiary (service) sector to the Gross Domestic Product in the fiscal year 2018/19 was 30.7 percent, 17.4 percent and 51.9 percent respectively while in the fiscal year 2022/23, it was 26.2, 17.3 and 56.6 percent respectively. Remittances, services and trade, and government spending have contributed to expanding the service sector. Per capita income remained at 1,499 US dollars in the fiscal year 2022/23, falling short of the target of 1,956 US dollars. In this province, the target is to reduce the population below the poverty line from 14.91 percent to 7.41 percent. By 2022/23, it seems to have reached 11.8 percent, which is the lowest compared to other provinces. The Human Development Index has reached 0.618 by 2022/23, with a target of 0.650. There was a target for reduction of its Gini Coefficient to 0.26 by the the fiscal year 2023/24, but it remained at only 0.29 as of the fiscal year 2022/23.

Public Finance

Looking at the past four years' performance, it appears challenging to achieve the target of revenue collection and the ratio of government spending to Gross Domestic Product as specified in the plan due to the share of total expenditure and actual capital expenditure being less in the annual appropriation budget and capital expenditure respectively. Overall, there is a need for further improvement in allocation and implementation efficiency. The target for fiscal transfer set by the First Five-Year Plan also appears to be challenging to achieve. The share of capital expenditure in the total expenditure of the local level may not meet the target set by the plan. The necessary policy and legal frameworks for internal debt mobilization, as specified in the plan, have not been prepared.

Agricultural Production

While the target for per capita food production was set at 400 kg by the end of the First Five-Year Plan for self-reliance in food crops, it remained at 381 kg during the period. The annual per capita requirement for food is 201 kg, with an accomplishment of 190.8 kg, putting it on the right track for self-reliance. The annual per capita requirement of vegetables and potatoes is 91 kg and 29 kg, respectively, against the achievement of 108.65 kg and 107.86 kg, becoming self-reliant and paving the way for export. The per capita availability of fruits is 33.44 kg compared to the annual per capita requirement of 36.5 kg, moving towards self-reliance. Currently, special programmes promoting fruit crop production are ongoing in the province. Also, with the resolving of past issues related to supply and availability of chemical fertilizers, further increases in agricultural production are expected.

Regarding animal products, milk production in 2022/23 was 2,64,849 metric tons, meat production 56,987 metric tons, egg production 245 million pieces and fish production 1,638 metric tons. In this way, the annual per capita availability of milk, meat, eggs, and fish is 107.3 litres, 23 kg, 99 pieces and 0.66 kg, respectively. In line with the target of becoming self-reliant in animal and fish products, Gandaki province has become self-reliant in animal and fish products in line with the target due to an increase in milk, egg and meat production. The improvement in animal breeding, full vaccination programme against livestock epidemics and expansion of animal feed promotion programme are expected to further increase the production of livestock products in the coming years.

Industrial Production

The target to achieve an average annual growth rate of 13.3 percent industrial production in the province may not be met, as the average growth rate in the plan's first three years is only 0.2 percent. The Plan has basically emphasized the establishment of the industrial sector in the course of developing the industrial infrastructure. Despite progress in establishing industrial village at the local level and province industrial zone in Punditar and Lokahakhola, other projects have not yet gained momentum.

Tourism Development

While 96 percent of the target set by the plan has been achieved in the upgrading and development of foot trails for tourism has been achieved, the number of hotels and homestays has not been increased as targeted. Indicators such as average length of stay and daily spending of tourists that indicate the results of tourism development have not included in the plan. New tourist destinations should be identified and developed accordingly for tourism development. The number of tourist arrivals was projected to double during the period of the First Five-Year Plan, but the achievement could not be measured due to the lack of reliable data. The value addition of hotels and restaurants was negative, with an annual average of 5.1 percent in the first three years of the plan, but has been gradually improved in recent past years.

Education and Human Resource Development

The average literacy rate of the 15 to 60-year-old age group in Gandaki Province is 96.57 percent. However, according to the National Census of 2021, the literacy rate for individuals above 6 years old is 81.7 percent. The province has a shortage of skilled human resources in technical sectors such as health, roads, energy, water resources, drinking water, sanitation, forestry, agriculture, and environmental management. Additionally, the number of students pursuing technical education in Gandaki Province has not seen a relative increase. It appears that there is a lack of coordination between the human resources being produced and the market demand. Community schools are lacking trained subject teachers, infrastructure, and educational materials. While the enrollment rate of female students in secondary education is higher than that of male students, it seems to be decreased gradually in higher education. Despite improvements in the net enrollment rate at every level of formal education, the rate in grades 11-12 is notably low compared to the basic level. Gender equality in literacy rates between female and male has not been maintained. Although there has been an increase in the net enrollment rate at the basic level, gender equality has not improved in higher education. Continuing studies in higher education, problem of the theoretical education system, conducting research, and managing qualified teachers remain challenging. According to the strategy adopted by the plan, activities related to human resource development for the technical streams have been implemented by universities, research institutions and training centers.

Health and Nutrition

The First Five-Year Plan aimed to provide promotional, preventive, curative, and rehabilitative health services with a focus on traditional and modern healthcare systems. In terms of social indicators in the province, the under-five mortality rate was 23 during the mid-term review period, with the target being to reduce it to 22 per 1,000 live births. The Plan also targeted

increasing the population with access to health services within a 30-minute radius to 77 percent whicha had achieved by 2022/23. While the plan set a target of providing 100% access to immunization service for residents of the province, it has reached 90% during the mid-term review period. The percentage of women exclusively breastfeeding infants for the first six months is at decreasing trend. The institutional delivery rate was 71 percent by the end of fiscal year 2023/24, against the target of increasing it from 57.4 to 88.0 percent.

Drinking Water and Sanitation

In the base year of the First Five-Year Plan, 91.7 percent of the population benefited from basic drinking water facilities, with the target of reaching 100 percent in the periodic plan. By 2022/23, this figure had reached 94.25 percent. Despite the declaration of all districts within the province as open defecation-free zones in 2074 BS, the goal of achieving 100 percent basic sanitation and 30 percent medium to high-quality sanitation facilities during the First Five-Year Plan period has not been met. Progress has also been lacking in making waste management and sanitation facilities child-friendly, gender and person with disability friendly, ensuring inclusive access.

Electricity, Clean Energy, and Infrastructure

The First Five-Year Plan aimed to increase the population with access to electricity from 90.7 percent to 100 percent, which was met by 99.50 percent, as of fiscal year 2022/23. The target achievement of other social indicators set by the plan has been mixed. The plan also targeted to increase the population with access to the Internet from 55.4 percent to 80 percent, reaching 77.8 percent by fiscal year 2022/23. While there has been continuous progress in constructing and upgrading of province pride projects, access roads, and economic corridors in road and transport infrastructure sectors, more efforts are needed. Therefore, the province must adopt a policy of sustaining achievements, investing more in satisfactory targets and intervening in weak indicators. In terms of physical infrastructure, the target to increase the access of the people of the province to electricity and internet services is likely to be met, but the target of road construction and hydropower generation may not be achieved. Delays in infrastructure development due to factors like the COVID-19 pandemic, land acquisition issues, environmental studies, and relocation of electricity poles have impacted road construction and hydropower generation project completion.

Gender Equality and Social Inclusion

According to the National Census of 2021, the female literacy rate in Nepal is 69.4 percent, with Gandaki Province having a higher rate of 75.3 percent. Against the target of the First Five-Year Plan to increase the ratio of households owning property in the name of women to 30.6 percent, it has reached 28.3 percent. The plan also targeted for a direct gender-responsive budget allocation ratio of 70 percent by the fiscal year 2023/24, but as of 2022/23, this ratio stood at 59 percent.

Overall Achievement

The targets of the First Five-Year Plan and the latest progress status are provided in Table 1.1.

TABLE 1.1: REVIEW OF THE FIRST FIVE-YEAR PLAN

S.N.	Indicator	Unit	First Five-year Plan			
			Base Line of 2075/76	Target of 2023/24	Progress until 2022/23	Estimated progress until 2080/2081
1.	Annual economic growth rate (at basic prices)	Percent	7.1	10.2	3.69	4.23
2.	Poverty rate	Percent	14.2	7.3	11.88	11
3.	Gross Domestic Product (GDP at basic prices)	NPR. ten millions	29632	46879	42918	45766
4.	Per capita gross national income	USD	1043	1956	1499	1596
5.	contribution to GDP	Percent	8.3	8.31	8.9	9.1
6.	Population living in multidimensional poverty	Percent	14.2	7.3	9.6	9.5
7.	Human Development Index (based on HDR 2020)	Index	0.59	0.65	0.618	0.618
8.	Electricity generation (Installed capacity)	MW	448.5	1500	733	900
9.	Population with access to basic drinking water facility	Percent	91.1	100	94.25	95
10.	Population covered by health insurance	Percent	7	64	27.42	30.6
11.	Institutional deliveries	Percent	68.3	75	87.7	87.7
12.	Literacy rate (above 15 years)	Percent	55.6	99.5	71.58	71.58
13.	Net enrolment rate (at basic level)	Percent	94.8	99	95.7	95.7
14.	Number of enterprises/employers enrolled in the social security plan	Thousand	17	66	35	35
15.	Maternal mortality rate (per thousand live births)	Number	239	15	161	150
16.	Labor force participation rate (above 15 years)	Percent	35.7	50	40.3	41.5
17.	The proportion of informal employment	Percent	39.9	55	44	44.1
18.	Sector-wise contribution to the GDP	Percent				
18.1	Primary sector (agriculture, forest and mines)	Percent	30.7	23.7	26.2	26.4
18.2	Secondary sector	Percent	17.4	22.4	17.3	16.8
18.3	Tertiary sector	Percent	51.9	53.9	56.6	56.8

Source: Review report of the First Five-year, 2022; GPPPC, 2024 and latest reports of government

1.4 Review of the Sustainable Development Goals (SDGs)

Gandaki Province has embarked on achieving the targets by establishing the necessary institutional and policy frameworks. During the First Five-Year Plan period, the Sustainable Development Goals Steering Committee chaired by the Chief Minister was formed and is being regularly reviewed as needed. Additionally, the Sustainable Development Goals Coordination Committee, led by the Vice-Chairperson of the Gandaki Province Policy and Planning Commission, and the Thematic Sustainable Development Goals Monitoring and Evaluation Committee, coordinated by members of the Commission, have been formed and are actively engaged in relevant activities. Gandaki Province has developed a Sustainable Development

Goals Localization Roadmap (2022-2030) for internalization of the SDGs into policies, plans, and programmes. Furthermore, the Gandaki Province Policy and Planning Commission has conducted the SDGs-related Public Expenditure Tracking Survey, 2079 BS, in addition to preparing and implementing the Sustainable Development Goals Budget Coding Book, 2079 BS.

Sustainable Development Goal 1: No Poverty

The Government of Gandaki Province is implementing poverty alleviation initiatives focusing on uplifting marginalized communities and improving access to basic services. Efforts are being made to increase livelihood opportunities and enhance the effectiveness of the social security system to achieve the goal of poverty reduction. The target is to decrease the population below the poverty line to 7.4 percent by fiscal year 2023/24, which has already been reduced to 11.88 percent by fiscal year 2022/23. Similarly, the target is to reach a per capita income of 1,956 US dollars by fiscal year 2023/24, with the current figure at 1,499 US dollars as of fiscal year 2022/23.

Sustainable Development Goal 2: Zero Hunger

To address food security by promoting sustainable agriculture in the province, emphasis has been placed on increasing agricultural production and productivity through programmes such as special programmes for orange fruits, potato cultivation and chaite dhan (pre-monsoon paddy) promotion, seed production, indigenous crop promotion, rural nutrition security, and land consolidation. According to the fiscal year 2022/23 statistics, Gandaki Province is self-reliant in vegetables and potatoes and is on track to become self-reliant in food grains and fruits. Production of oilseeds and pulses is low. The annual per capita requirement of food is 201 kg, reaching 190.8 kg as of this fiscal year. Similarly, in the livestock sector, the annual per capita availability of milk, egg, and meat is 107.3 litres, 99 pieces, and 23 kg, respectively, in the fiscal year 2022/23. Based on the annual per capita requirement, Gandaki province is self-reliant in milk, egg and meat.

Sustainable Development Goal 3: Good Health and Well-being

Gandaki Province currently has 19 government hospitals, 70 private hospitals, 23 primary health care centers, 490 health posts, and 56 Ayurvedic dispensaries. The province has seen a decrease in maternal mortality rate, an increase in immunization coverage, and a rise in average life expectancy. The under-five mortality rate stands at 23 per 1,000 live births. Approximately 77 percent of the population has access to healthcare within a 30-minute radius.

Sustainable Development Goal 4: Quality Education

To address gender inequality in the education sector, improve educational outcomes for marginalized groups, and enhance the quality of education in the province, technical schools have been established at both the University and local levels. Efforts have been made in 644 schools, two universities, 152 campuses, and 260 technical schools/institutions in the province to align the workforce with the demands of the labor market through curriculum adjustments and the expansion of technical and vocational education. The average literacy rate for individuals aged 15 to 60 in this province is 96.57 percent, while the literacy rate for individuals above six years old, according to the National Census of 2021, has reached 81.7 percent.

Sustainable Development Goal 5: Gender Equality

The province government has made strides in promoting gender equality and women's empowerment as an integral part of the development agenda. Progress has been seen in reducing gender-based violence, increasing women's participation in decision-making processes, and providing economic opportunities for women. The gender-responsive budget ratio reached 59 percent in fiscal year 2022/23. The labor force participation rate for both men and women has reached 74 percent, and the literacy rate for women aged 15 to 49 years has increased to 86.5 percent.

Sustainable Development Goal 6: Clean Drinking Water and Sanitation

Currently, 94.25 percent of the population has access to basic water supply facilities, 18.2 percent have medium to high-level water supply facilities, 59.5 percent of households have private water connection, and 80 percent of households have flush toilet facilities. Despite increased investments in the water supply and sanitation sector at the province and local levels, only 20 percent of the population currently has access to clean and safe drinking water. Efforts are being focused on sustainable water resource management and promoting hygiene.

Sustainable Development Goal 7: Affordable and Clean Energy

The province government is working to promote renewable energy sources such as micro and small hydropower and solar and wind power by attaching priority to affordable and clean energy to achieve the SDG. Currently, hydropower generation (installed capacity) is 733 megawatts, with approximately 99.5 percent of the population having access to electricity as of fiscal year 2022/23.

Sustainable Development Goal 8: Decent Work and Economic Growth

In this province, the labor participation rate is 40.3 percent, the unemployment rate is 7 percent, and the contribution of the formal sector to employment is 44 percent. The economic growth rate (at basic prices) target for fiscal year 2023/24 was 10.2 percent, but it was limited to 3.69 percent in fiscal year 2022/23. Efforts are underway to ensure decent working conditions and include informal employment in social security and insurance programmes.

Sustainable Development Goal 9: Industry, Innovation, and Infrastructure

Investing in infrastructure development and innovation is crucial to enhancing economic growth and improving access to quality social services. The province government is focusing on improving the transport network, expanding internet connectivity, and promoting entrepreneurship and industrialization. As of fiscal year 2022/23, there were 78,084 registered micro, cottage and small industries, and the contribution of industry sector to Gross Domestic Product is 3.29 percent. The road density has reached 0.56 km per square km as of fiscal year 2022/23.

Sustainable Development Goal 10: Reduced Inequalities

Recognizing the importance of reducing inequalities as a key aspect of sustainable development, the province government has been prioritizing efforts to reduce income inequality, promote social inclusion, and protect the rights of marginalized communities. The province government is committed to implementing policies and programmes that promote

equality and social justice for all. The Gini Coefficient has reached 0.29 as of the fiscal year 2022/23.

Sustainable Development Goals 11 and 12: Sustainable Cities and Communities, and Responsible Production and Consumption

The investment of the province is concentrated in sectors of infrastructure development, urban planning and disaster risk management. Efforts like integrated settlement and smart city development promote inclusive and sustainable urbanization while protecting cultural heritage and resources. Along with the development of physical infrastructure in the rural areas, the highways and settlements in the surrounding areas are expanding, and an environment is being created for systematic settlement development. As of fiscal year 2022/23, this province's population affected by disasters is 18 people per 1,000. A total of 24 rural municipalities and municipalities within the province have prepared disaster profiles and prioritized disaster-resilient development accordingly.

Sustainable Development Goal 13: Climate Action

The province government is working to internalize climate change mitigation and adaptation in the development process by advocating global climate action. It has encouraged climate-friendly lifestyles through climate-smart practices and knowledge transfer at the individual and household levels. As of fiscal year 2022/23, the number of climate-smart villages/toles (localities) is 48. Similarly, 11 operational early warning systems and 80 protected and recharge ponds exist.

Sustainable Development Goal 15: Forests, Watersheds and Biodiversity

The province government has prioritized the conservation of ecosystems and biodiversity as an integral part of environmental protection efforts. For this, conservation and sustainable land management practices have been advanced in intergovernmental partnership to promote biodiversity conservation and the sustainable use of land. While there was a target of increasing the forest cover to 41 percent by fiscal year 2022/23, the dense forest cover is 37 percent and shrub cover is at 9.6 percent. The timber production from government, private, partnership and community forests is 1.117 million cubic feet.

Sustainable Development Goals 16 and 17: Peace, Justice and Strong Institutions, and Partnerships for the Goals

Gandaki Province has demonstrated a firm commitment to implementing sustainable development goals by making significant progress in various sectors. As of fiscal year 2022/23, the percentage of children under 5 years of age with birth registration in government agencies is 73.8. Additionally, the total internal revenue collection has reached Rs. 4.61 billion.

1.5 Fundamental Issues and Challenges in Development Efforts

Based on the achievements and lessons learned from the First Five-Year Plan of Gandaki province, the following fundamental issues and challenges in the development of the province have been identified, leading to the formulation of the Second Five-Year Plan:

1. Low economic growth and a narrow financial base,
2. Low domestic and foreign investment,

3. High imports, low export capacity, and a significant trade deficit,
4. Subsistence economy with low productivity, high production costs, and low competitiveness,
5. Contraction of the industrial sector and a decline in domestic production,
6. Decrease in employment opportunities, increase in foreign employment, or brain drain,
7. Lack of sustainable, quality and resilient infrastructure,
8. Growing gap between demand and supply of urban infrastructure, services, and facilities,
9. Lack of scientific, practical, and quality education,
10. Weak healthcare systems, health workers, and service delivery,
11. Widening gaps between policies, practices, and outcomes on gender equality and social inclusion,
12. Poor allocation efficiency, effectiveness, and fiscal discipline,
13. Significant gap between public spending needs and resource mobilization capacity,
14. Weak market competition, prevalence of syndicate system, and increasing presence of middlemen,
15. Changes in the nature of gender-based and social violence,
16. Continuity in economic, social, and cultural differences and traditional thinking,
17. Lack of tourism and industrial infrastructure and promotion,
18. Policy instability, decline in good governance, weak implementation, and lack of coordination and managerial capacity,
19. Corruption, impunity, and administrative laxity,
20. Effects of climate change and increase in environmental multi-hazards,
21. Lack of citizen ownership for effectiveness in governance, development and service delivery.

1.6 Vision, Goals, Objectives and Strategies of the Second Five-Year Plan

The Second Five-Year Plan's vision, goals, objectives, and strategies have been determined in alignment with Nepal Vision 2100 of "Prosperous Nepal: Happy Nepali" and the vision of "Prosperous Province and Happy Citizens" of the First Five-Year Plan of Gandaki Province.

1.6.1 Province Vision

"A Self-reliant and Prosperous Province: Happy Province Citizens".

Self-Reliance

Concentrating investment in the province's high-potential sectors of agriculture, tourism, industry, and energy will yield maximum returns. As a leader of the Human Development Index, the province has also favourable human capital capable of driving further development. Taking advantage of rapid advancements in information and communication technology and skilled human resources will create new economic opportunities. A robust province economy can be built by identifying and capitalizing on the diverse possibilities within the province.

Shared Prosperity

The citizen of the province will be guaranteed the basics of livelihood such as education, health, and social security. Economic, social, and human resources development and opportunities for

innovation and a green economy will create a favorable environment to prepare strong, capable, and enterprising citizens. Every citizen will strive to become prosperous by optimizing these opportunities. In a prosperous province built through the collective efforts of strong and capable residents, a sense of togetherness will be fostered with an emphasis on social and cultural diversity, making the province prosperous. The modern identity of the province's people will be established through their collective efforts in its development.

Happy Citizens

There will be an increase in human skill, efficiency, capacity, and advancement through career development, enterprise, employment, and income growth. A just and civilized society will be developed due to structural changes through democratic practices and good governance. An environment will be created where talent can flourish through the participation and creativity of citizens in production, development, and governance processes. The identity of strong, capable, and enterprising citizens will be established through the emergence of talent. The province's uniqueness will be maximized, establishing its identity nationally and internationally, leading to an advanced, decent, dignified and happy life for its people through their active and creative roles.

1.6.2 Province Goals

To achieve self-reliance, social justice and prosperity.

1.6.3 Province Objectives

1. To increase quality infrastructure and production, employment and income,
2. To build human capital, ensure equitable distribution of development gains and establish social justice,
3. To enhance quality public service delivery and good governance.

1.6.4 Province Development Strategies

1. To increase production and productivity, and sustainable economic growth;
2. To build human capital and establish a just society;
3. To develop sustainable and resilient infrastructure and enhance connectivity;
4. To promote green, carbon neutral and climate-smart action and cleanliness;
5. To maintain gender equality and inclusion in development processes and results;
6. To practice of innovative knowledge and technology, and enhance competitive capacity;
7. To strengthen and enhance resource mobilization, good governance, inter-relationship and partnerships,
8. To make province policies, plans and development gains study, research & evidence-based.

1.6.5 Key Areas of Province Development and Transformation

1. Building a robust province economy;
2. Effective economic policy and resource management;
3. Commercial agriculture and self-reliance;
4. Sustainable forest management, biodiversity and watershed conservation;
5. Market-oriented production and sustainable tourism;
6. Universal health coverage and demographic dividend;

7. Building educated, cultured and skilled human capital;
8. Sustainable and resilient infrastructures;
9. Clean energy, water resource and drinking water;
10. Decent work, productive employment and social protection;
11. Empowered women, inclusion and equality;
12. Balanced environment, climate and disaster resilience;
13. Strengthened governance, service delivery and intergovernmental relations;
14. Informed policy, planning and development management.

1.7 Transformational Programmes and Projects of Province Prosperity

The programmes and projects proposed in the First Five-Year Plan and that are under implementation and seem to be transformational for the development of the province have been included in the Second Five-Year Plan in a way to develop and operate with the province government investment, province-local level partnership, province-federal partnership, federal -province-local govern ent partnership, inter-province partnership, public-private partnership, foreign aid and private sector investment as follows.

a. Provice government investment programme and projects:

1. Multi-purpose river reservoir development project;
2. Manang-Naasong organic agricultural development project;
3. Integrated province data system development project;
4. University, school and community partnership programme;
5. Lokahakhola industrial zone infrastructure development project;
6. Major rain-fed area *(taar)* based agriculture and irrigation development project;
7. Tourism satellite destination development and expansion project;
8. Inter-local level connecting road and bridge construction project;
9. Korala-Pokhara-Bhimad-Dedgaun-Chormara-Dumkibas-Tribeni road development project;
10. Mid-Hill Highway centered agriculture and livestock production-based industrial development project.

b. Province and local level partnership programme and projects:

1. Pokhara ring road construction project;
2. Rural economy strengthening programme;
3. Historical Rainashkot development project;
4. Modern province bus park construction project;
5. Specialized agriculture and livestock service development project;
6. Youth innovation and creativity development project;
7. Yoga and meditation center development and promotion project;
8. Bhimsen Thapa memorial park and museum construction project;
9. Apple, citrus and immerging agricultural crop specific programme;
10. Ajirkot-Sirandanda-Nagepokhari integrated development project;
11. Gajendramokshe Dham religious tourist site development project.

c. Programme and projects to be implemented in federal-province partnership:

1. Gandaki triangle programme;
2. Carbon trade project;
3. Byas area development project;
4. Dhorpatan integrated development project;
5. Chum valley integrated development project;
6. Puditar industrial zone development project;
7. Uttarganga reservoir based hydroelectricity project;
8. Export goods production and promotion programme;
9. Dhaubadi iron mining and processing project;
10. Kaligandaki civilization museum development project;
11. Mugling Puljeep-Ghumaune-Gaighat-Devghat-Gaindakot road project;
12. Mankamana-Gorkha-Barpak-Bhachchek-Dudpokhari link road construction project.

d. Federal-province-local government partnership programmes and projects:

1. One house one tap programme;
2. Hanumatdham development project;
3. Integrated settlement development project;
4. River side area integrated development project;
5. Round-Phewa view-Phewa development project;
6. Ligligkot conservation and development project;
7. High altitude sports stadium construction project;
8. Historical Lomanthang heritage site development project;
9. Vulnerable settlement identification and transfer project;
10. Lead residential school development and expansion programme;
11. Cancer, heart and kidney disease provincial specialized hospital establishment project;
12. Agricultural & livestock production, diversification, collectivization, industrialization and marketing programme.

e. Inter-province partnership programme and projects:

1. Integrated water resources management programme;
2. Tourism promotion, development and expansion programme;
3. Mining and minerals industry promotion programme;
4. Strategic road and infrastructure development programme;
5. Agricultural product quality testing and grading lab development project.

f. Public-private-partnership programmes and projects:

1. IT innovation lab development programme;
2. Tourism infrastructure development and expansion programe;
3. Agriculture, forest, herbs production and processing industry development programme;
4. Hi-Tec bus terminal and vehicle servicing center construction project;
5. MICE tourism and international conference hall, and planetarium project.

g. Private sector investment programme and projects:

1. Electricity development programme;
2. Pokhara-Pumdikot cable car project;
3. Birethanti-Muktinath cable car project;

4. Water sports development and expansion project;
5. Baglung Bazar-Bhakunde-Bhiravsthan cable car project;
6. Adventure tourism infrastructure development programme.

h. Foreign aid investment programme and projects:

1. Climate-smart model settlement development programme
2. Drinking water and sanitation programme
3. New area and thematic area technical education expansion programme
4. Mountain and high hill lake conservation and development project
5. Tunnel and other technology-based road construction project
6. Pokhara lake to lake and cave to cave cycle track construction project
7. Trekking trail upgrading, and alternative trail identification and expansion programme.

1.8 Alignment with the Sustainable Development Goals (SDGs)

There are 17 SDGs, 169 quantitative targets, and 232 global indicators that make up the global development agenda of "leaving no one behind". Nepal has identified a total of 479 indicators, and has reviewed and now maintained 301 of them. The Sustainable Development Goals Localization Roadmap (2022-2030) has been developed to make the internalization of SDGs in Gandaki Province more effective and result oriented. The province government had endeavored to localize the internalization of SDGs starting from the First Five-Year Plan, determining baseline for a total of 275 indicators. Building on the achievements and lessons learned from the First Five-Year Plan, the Second Five-Year Plan has been aligned with the SDGs through key areas of transformation, including strategies, programmes, and indicators to make optimum contribution to achieving them.

1.9 Alignment with the Sixteenth Plan

The Second Five-Year Plan of the Province has been formulated in alignment with the Nepal Vision 2100 and the Sixteenth Plan. Inter-relationship has been established between intergovernmental plans through indicators, strategies, and programmes. Adoption of intergovernmental relationship and partnership has been emphasized in the implementation of the plan.

1.10 Quantitative Targets

Transformational strategies and major programmes will be implemented in accordance with the long-term vision of "Self-reliant and Prosperous Province: Happy Province Citizens" targets/goals and objectives set by the Second Five-Year Plan and their expected outcomes during the plan period will be measured by the following indicators provided in Table 1.2.

TABLE 1.2: MAJOR QUANTITATIVE TARGETS OF PROVINCE LONG-TERM VISION

S.N.	Goal, Target and Indicator	Unit	Baseline and Target			
			Status in 2022/23	Estimated Progress until 2023/24	Targets for 2026/27	Targets for 2028/29
A.	**Targets for Self-reliance**					
1.	Gross Domestic Product (at basic prices)	In Rs. millions	429179	457665	573851	693803

S.N.	Goal, Target and Indicator	Unit	Baseline and Target			
			Status in 2022/23	Estimated Progress until 2023/24	Targets for 2026/27	Targets for 2028/29
2.	Sectoral contribution of primary sector to GDP	Percent	26.16	26.4	24.86	23.29
3.	Sectoral contribution of secondary sector to GDP	Percent	17.27	16.76	17.56	18.36
4.	Sectoral contribution of tertiary sector to GDP	Percent	56.6	56.83	57.59	58.34
5.	Per capita gross national income	USD	1499	1596	2000	2500
6.	Electricity generation (installed capacity)	MW	733	900	1600	2500
B.	**Targets for Prosperity**					
7.	Annual economic growth rate (at basic prices)	Percent	3.69	4.23	8.85	10.38
8.	Poverty rate	Percent	11.88	11	8.6	7
9.	Population with access to the internet	Percent	64.11	65	75	85
10.	Life expectancy at birth	Year	71.1	72	73	75
11.	Maternal mortality rate (per 100000 live births)	Headcount	161	150	100	70
12.	The mortality rate of children under five years (per 1000 live births)	Headcount	23	20	18	15
13.	Underweight among children under five years	Percent	18.1	16	11	7
14.	Literacy rate (above 5 years)	Percent	81.7	82	83.5	85
15.	Total net enrolment rate at basic level (grade 1-8)	Percent	95.7	96	97	98
16.	Households with access to electricity	Percent	99.5	99.75	100	100
C.	**Targets for Happy Province Citizens**					
17.	Human Development Index	Index	0.618	0.618	0.673	0.7
18.	Property-based Gini Coefficient	Coefficient	0.29	0.29	0.28	0.27
19.	Population living in multidimensional poverty	Percent	9.6	9.5	7	6
20.	Labor force participation rate (above 15 years of age)	Percent	40.3	41.5	48	56
21.	Population covered by basic social protection schemes	Percent	35	39	52	60
22.	Share of formal sector in employment	Percent	44	44.1	50	55
23.	Households with access to transport within a distance of 30 minutes	Percent	99	99.3	100	100
24.	Per capita electricity consumption	kWh	216	260	300	500

Source: National Statistics Office, 2024; GPPPC, 2024 and latest reports of government

Chapter 2: Building a Strong Province Economy

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Chapter 2: Building a Strong Province Economy

2.1 Background

The Constitution of Nepal has adopted the economic objective of the provinces to achieve sustainable economic development while achieving rapid economic growth by means of optimum mobilization of the available means and resources through participation and development of public, private and cooperatives, and to develop a socialism-oriented independent and prosperous economy while making the national economy independent, self-reliant and progressive to build an exploitation-free society by ending economic disparity through equitable distribution of the development gains. Likewise, in accordance with the fiscal federalism, provinces have a constitutional provision to levy taxes, collect revenue, enact laws related to economic rights, prepare annual budgets, make decisions, formulate policies and plans and implement them within their jurisdiction. In a context where the national goal of the Sixteenth Plan is to build a Prosperous Nepal with social justice and, strengthen the macroeconomic base and, achieve rapid economic growth, achieving rapid economic growth for sustainable, comprehensive and inclusive development and prosperity of the province have been prioritized.

Building an equitable society through balanced development with rapid economic growth and equitable distribution of resources and means is the shared responsibility of all three levels of government. For an effective economic policy, it is necessary to contribute to the overall planning process, economic development infrastructure, economic empowerment and equitable distribution of benefits and entrepreneurship and industrial promotion. The Second Five-Year Plan focuses on sustainable and qualitative improvement in citizens' living standards by identifying the province's development potentials, strengths and opportunities and preparing a roadmap for socio-economic development.

2.2 Existing Situation

The economic and social repercussions of COVID-19, along with the global economic downturn, have impaced both national and province economies. This has led to a decrease in economic growth and a slowdown in production, employment, and demand and supply, resulting in sluggish economic activities.

Gross domestic consumption has increased, leading to low gross domestic and national savings, and consequently, a decrease in gross capital formation as well. In the fiscal year 2022/23, the gross national savings as a percentage of the gross domestic product (GDP) stood at 6.41 percent. Similarly, the ratio of GDP to gross fixed capital investment was 25.2 percent in the same fiscal year. Remittances, which play a crucial role in balancing the country's internal economy and external sector, accounted for 22.7 percent of the GDP in the fiscal year 2022/23. To improve the current situation, it is imperative to focus on financial governance and efficient resource management.

The province has initiated planned activities to build an economically self-reliant economy by leveraging available economic opportunities for development and growth. The First Five-Year Plan set a target of achieving a 10.2 percent economic growth rate at basic prices, but various

internal and external factors, including COVID-19, hindered for achieving this target. In the fiscal year 2022/23, economic growth at basic prices was 3.69 percent, with a per capita income of 1,499 US dollars. The contribution of the secondary sector to the GDP has not increased as anticipated, while the tertiary sector continues to dominate. It is estimated that by the end of the First Five-Year Plan, the contribution of the primary, secondary, and tertiary sectors to the Gross Domestic Product will be 23.7 percent, 22.4 percent, and 53.9 percent, respectively. However, in the fiscal year 2022/23, these contributions are expected to be 26.2 percent, 17.3 percent, and 56.6 percent, respectively.

2.3 Key Issues and Challenges

(1) **Low economic growth rate:** Despite efforts from public, private, cooperative, and other sectors, the country has struggled to achieve the rapid, sustainable, and inclusive economic growth rate expected for a long time. The financial resources at the province level have been hindered by the COVID-19 pandemic, the Russia-Ukraine war, the Middle East conflict, global supply chain disruptions, and economic sluggishness in the national economy. Misappropriation of deposits and lack of financial good governance in the cooperative sector have also impeded progress. There are problems such as low revenue mobilization, weak capital expenditure, and low savings and investment. Controlling the widening trade deficit and high inflation remains a challenge.

(2) **Low contribution of primary and secondary sectors to the economy:** Nepal has directly transitioned to the service sector without developing the primary and secondary sectors, resulting in a lack of production-oriented activities impacting the overall economy. The country is facing a shortage of necessary human resources due to the lack of employment opportunities and migration to foreign countries. The key challenges are addressing unemployment and leveraging the youth demographic dividend to achieve high economic growth.

(3) **Increasing dependence with low production and productivity:** Nepali products struggle to compete internationally due to high production costs and substandard quality. Low productivity, lack of competitiveness, and outdated technology hinder progress. Middlemen between production and markets prevent actual producers from reaping benefits, while consumers face high prices. Balancing the utilization of natural resources and reducing dependence on other countries for goods and services constitute a challenge.

(4) **Limited capacity to mobilize financial resources:** Weak policy base, low revenue mobilization, low savings and investment, and high inflation remain major issues. Challenges involve enacting laws on the province's exclusive and concurrent revenue powers of the province and shifting towards a production-oriented economy.

(5) **Low capital expenditure:** The failure to complete the projects within the expected time and cost has led to poor effectiveness in capital expenditure. Increasing capital expenditure while maintaining allocation efficiency, implementation capacity, and fiscal discipline remains challenging.

(6) **Establishing the foundation for local economic development:** Failure to identify the areas of competitive advantage according to the local context, unavailability of policy and

legal basis, entrepreneurial ideas and information among the citizens, low access to business development services, lack of infrastructure capital and technology, and consumption-oriented economy are major issues. Expanding investment in productive and quick-return sectors, increasing people's participation in the development process, delivering the benefits of development to disadvantaged and marginalized groups and communities, expanding the concept of public-private partnership in the local economic development sector, developing economic and social infrastructure through the preparation of local economic policies, plans, and making the economic empowerment and entrepreneurship and industrial promotion suitable to the local context locality are major challenges.

(7) **Establishing inter-relationships between national and sub-national economies:** Policies plans, and programmes interrelated with the national and sub-national economies have not been formulated. Mobilizing balanced and equitable resources in the local labor, employment and productive sectors, coordinating and collaborating with the Government of Nepal in the sectors of competitive advantage of the province, and partnering with and providing facilitation to the local governments are challenges.

2.4 Transformational Strategies

(1) **To achieve rapid, sustainable, and employment-oriented economic growth:** Optimum utilization of resources and means available in the province will be ensured to increase employment by identifying the income generation sectors. Rapid economic growth will be attained through strategic intervention in the secondary sector to promote balanced development across the primary, secondary, and tertiary sectors. Labor, skill, technology, and entrepreneurial culture will be fostered to enhance entrepreneurship. Coordination and partnerships with the Government of Nepal will be established to operate international trade points and develop infrastructure to boost trade in Gandaki Province at Korala (Mustang), Ruila (Gorkha), and Trivenidham (Nawalparasi- Bardaghat Susta East).

(2) **To broaden the province economy and make it production-oriented:** The province economy will be expanded and strengthened through large infrastructural development projects that yield higher returns, construction of industrial infrastructure, increased production and productivity in the primary and secondary sectors, revenue growth, and reduction of public resource leakage. In line with the GoN policy to develop the Mid-Hill Highway as a Highway of Prosperity, the Mid-Hill Region will be made a bustling hub through development of strategic agricultural pocket area, integrated and planned settlement and urban development, establishment of agro, tourism and minerals-based industries, and further expansion of quality vocational education and health facilities along the Highway Corridor. Additionally, migration management will focus on transforming the Midhill area into a flourishing region. Knowledge City in the Marsyangdi Corridor, tourism and agriculture in the Kaligandaki Corridor, and the industrial zone in the Seti-Madi Corridor will be developed and expanded.

(3) **To orient towards self-reliance through increased production and productivity:** Policy and legal reforms will be pursued to ensure the sustainable and optimal use of natural resources. Access of primary sector to agricultural credit and insurance will be facilitated,

and the market will be ensured for agricultural products. Infrastructure, mechanization, diversification, and commercialization will be key considerations in the farming sector. Regulations will be put in place to develop, expand, and utilize irrigation systems to boost agricultural production and productivity. Integrated development, expansion, and modernization of agriculture, forestry, energy, and industry will be carried out for the development and expansion of secondary sector. Foreign investment will be attracted to supplement domestic resources for industrial development. The service sector will be stabilized to concentrate on production and employment. Programmes and projects that increase productivity and production local products and productivity will be implemented.

(4) **To maintain coordination, partnership, and interconnectivity between the inter-governmental government and public, private, and cooperative sectors:** Intergovernmental coordination will be maintained in the formulation of policies and implementation of programmes and projects for economic development. Policies will be formulated for the development and regulation of the development of private and cooperative. Emphasis will be placed on partnership programmes to ensure the participation of the public, private, and cooperative sectors in resource mobilization. Investment will be attracted to the competitive advantage sectors to drive production, modernization, diversification, and marketing of goods and services.

(5) **To maintain fairness, accountability, and competition in economic activities:** Good governance in the financial sector will be upheld by creating an environment that ensures compliance with the laws. Economic procedures will be made effective through economy, utilizing information technology, creating responsive and efficient administrative structures, and promoting high morale and motivated bureaucracy. Fostering a competitive environment will enhance stakeholders' capacities. Regulating the informal economy will increase internal income.

(6) **To develop productive infrastructure:** Productive infrastructure will be developed on a priority basis by linking it to production. Strategic activities in agriculture, tourism, mining, minerals and industry sectors will be conducted with higher priority to achieve economic returns from development infrastructures. Initiatives will be taken to operate Pokhara International Airport at full capacity. Emphasis will be placed on building tourism, agriculture and industrial infrastructures.

(7) **To ensure just and balanced benefit sharing:** Special provisions will be made to ensure that the benefits of development reach to all levels and sections of society. Skill development training, entrepreneurship development, employment-based, and self-employment programmes will be conducted to enhance the competitive capacity of the disadvantaged and marginalized groups and communities.

(8) **To strengthen the local economic development process according to local compatibility:** Intergovernmental, community and private sector collaboration and partnership will be enhanced for local compatibility. Sectors of absolute advantage, relative advantage and competitive advantage will be identified to contribute to the development of the local economy. Sustainable and resilient infrastructure development and high-income and sustainable employment opportunities will be created in locality-friendly ways.

Support and facilitation will be provided to maintain the local government's allocation efficiency, implementation capacity and fiscal good governance.

(9) **To promote commercialization and export of agricultural products:** The province's self-sufficiency in potatoes, vegetables, milk, eggs, and meat will be leveraged by promoting exports through quality testing, processing, and industrialization. Mechanization in agriculture, commercialization of production and processing, and standardization will be implemented to achieve self-sufficiency in food and fruits and boost their exports. Export promotion will be facilitated by establishing a laboratory for quality testing and grading agricultural products in inter-province partnerships.

(10) **To facilitate and support for the implementation of the Gandaki Triangle Development Approach:** Collaboration will be fostered to develop the transport network for industrial development across all three corridors, as per the Gandaki Triangle Development approach envisioned by the Government of Nepal- construction materials and heavy industries in the Narayangarh-Butwal section of the Triangle, agriculture and food processing industries in the Muglin-Pokhara section and electronic device, footwear, clothing, carpet and household goods and service-related industries in the Pokhara-Butwal section will be promoted with intergovernmental and private sectors partnership and collaboration.

2.5 Key Transformatinal Programmes

(a) Investment expansion programme:

1. Investment in Gandaki programme;
2. Policy, legal and institutional arrangement for the expansion of the domestic and foreign investment;
3. Exporatio, research, identification & diversification of area of investment and projects;
4. Institutional strengthening and saving promotion programme;
5. Programme encouraging to invest the remittances in productive sectors;
6. Public-private-partnership promotion programme;
7. Identification of investment sectors and accelerating direct foreign investment programme.

(b) Industrial and commercial promotion programme:

1. Upgradation, expansion and strengthening of traditional markets;
2. Development and expansion of competitive digital capacity;
3. Private sector's investment promotion;
4. One district- one industrial zone programme;
5. Production and marketing of high-value goods and that can be included in the international value chain.

(c) Local economic development Programme:

1. Economic policy and planning support programme;
2. Identification of drivers of local economic development;
3. Economic development infrastructure construction;

4. Promotion of entrepreneurship, skills and technology for deprived & marginalized groups.

(d) Commercialization & export promotion oriented agricultural production progrmme:

1. Establishment of laboratory for quality testing and grading of agricultural products in inter- partnership;
2. Quality testing, processing, industrialization, and export promotion for potatoes, vegetables, milk, eggs, and meat.

2.6 Quantitative Targets

2.6.1 Economic growth

The National Statistics Office has released the statistics of province-wise Gross Domestic Product (GDP) for the base year 2022/23. Based on the statistics, the GDP and economic growth rate have been projected for the plan period according to the base year's GDP at the price of the same year.

TABLE 2.1: TARGETS OF SECTORAL ECONOMIC GROWTH RATE

(At the constant prices of FY 2022/23)

S.N.	Sector	Base Year 2022/23	Estimated in 2023/24	Targets of Plan					
				2024/25	2025/26	2026/27	2027/28	2028/29	Average
1.	**Primary Sector**	2.7	3.3	3.14	3.68	4.31	5.03	5.9	4.31
1.1	Agriculture, forestry & fisheries	2.8	3.3	3.86	4.52	5.29	6.18	7.24	5.29
1.2	Mining and quarrying	1.12	2.19	2.56	3	3.51	4.1	4.8	3.51
2.	**Secondary Sector**	**4.7**	**3.3**	**6.69**	**8.96**	**9.68**	**10.25**	**11.3**	**9.24**
2.1	Manufacturing	-2.03	-1.45	5.8	6.79	7.94	9.29	10.87	7.94
2.2	Electricity and gas	21.97	13.52	15.82	15.9	16.2	16.5	16.5	16.18
2.3	Water supply and sewerage	3.39	3.06	3.58	7.03	7.59	7.68	8.83	6.64
2.4	Construction	-2.32	-1.96	6.1	8.5	9	9.39	10.3	8.53
3.	**Service Sector**	**3.9**	**5.3**	**5.86**	**7.23**	**7.59**	**7.85**	**8.48**	**7.35**
3.1	Wholesale and retail trade	-2.76	0.3	8	9.18	9.74	10.31	11	9.59
3.2	Transportation and storage	2.69	12.29	12	12	12	12.5	13.6	12.41
3.3	Accommodation and food service activities	18.83	22.84	22	22	22	22	22	22
3.4	Information and communication	5.3	5.74	6.72	4.62	4.51	4.45	5.56	5.1
3.5	Financial and insurance activities	5.98	4.55	5.32	7.82	8.1	8.09	8.36	7.44
3.6	Real estate activities	3.01	3.97	4.64	4.42	5.61	6.2	6.79	5.46
3.7	Professional, scientific and technical activities	3.7	3.13	3.66	4.12	4.09	4.26	4.46	4.11
3.8	Administrative and support service activities	4.94	2.89	3.38	5.45	5.16	5.22	5.2	4.81
3.9	Public administration and defense	5.01	3.64	4.26	6.21	6.76	6.86	6.96	6.11
3.10	Education	4.04	2.74	3.21	7.6	8.8	9.6	10.5	7.36
3.11	Health & social activities	6.64	4.95	5.79	8.5	9.2	9.8	10.5	8.58
3.12	Other service activities	5.02	4.04	4.73	5.89	5.98	6.07	7.5	5.97
4	**Gross Domestic Product at basic prices**	3.69	4.23	6.59	8.08	8.85	9.53	10.38	8.6
5	**Gross Domestic Product**	3.3	4.55	6.6	8.1	8.9	9.6	10.4	8.6

S.N.	Sector	Base Year 2022/23	Estimated in 2023/24	Targets of Plan					
				2024/25	2025/26	2026/27	2027/28	2028/29	Average
	at producers price								

Source: National Statistics Office, 2024 and and latest reports of government

As shown in Table 2.1, during the plan period, the average growth rate of the primary sector, secondary sector and service sector is 4.31 percent, 9.24 percent and 7.35 percent respectively. Overall, the average economic growth rate target for the plan is 8.6 percent. Estimates and projections of sector-wise value addition and GDP for the plan period are presented in Table 2.2.

TABLE 2.2: GROSS DOMESTIC PRODUCT AND SECTOR-WISE VALUE ADDITION TARGETS

(At the constant prices of FY 2022/23, in Rs. million)

S.N.	Sector	Base Year 2022/23	Estimated in 2023/24	Target of the Plan				
				2024/25	2025/26	2026/27	2027/28	2028/29
1.	**Primary Sector**	**112269**	**120819**	**125443**	**131061**	**137930**	**146389**	**156895**
1.1	Agriculture, forestry and fisheries	109146	117722	122267	127790	134544	142864	153201
1.2	Mining and quarrying	3123	3097	3176	3271	3386	3525	3694
2	**Secondary Sector**	**74106**	**76720**	**83674**	**92586**	**103070**	**115390**	**130088**
2.1	Manufacturing	14106	14169	14991	16008	17279	18884	20937
2.2	Electricity and gas	21187	24319	28166	32645	37933	44192	51484
2.3	Water supply and sewerage	1793	1846	1912	2047	2202	2371	2580
2.4	Construction	37020	36385	38605	41886	45656	49943	55087
3	**Service Sector**	**242804**	**260127**	**278685**	**303561**	**332849**	**366767**	**406821**
3.1	Wholesale and retail trade	33994	34385	37135	40544	44493	49081	54480
3.2	Transportation and storage	22754	26248	29398	32925	36876	41486	47128
3.3	Accommodation and food service activities	16251	21449	26168	31925	38948	47517	57971
3.4	Information and communication	10105	10679	11396	11923	12460	13015	13739
3.5	Financial and insurance activities	27422	27729	29205	31489	34040	36793	39869
3.6	Real estate activities	20923	22756	23813	24866	26260	27889	29782
3.7	Professional, scientific and technical activities	2779	3061	3173	3304	3439	3585	3745
3.8	Administrative and support service activities	1315	1433	1481	1562	1642	1728	1818
3.9	Public administration and defense	56676	57867	60331	64078	68410	73103	78191
3.10	Education	37846	41298	42622	45861	49897	54687	60429
3.11	Health and social activities	10430	10786	11411	12381	13520	14845	16403
3.12	Other service activities	2309	2437	2552	2703	2864	3038	3266
4.	**Gross Domestic Product**							
4.1	Gross Domestic Product at basic prices	429179	457665	487803	527207	573851	628546	693803
4.2	Taxes less subsidies on products	54948	59033	62870	67900	74011	81412	89960
4.3	Gross Domestic Product at producers price	484127	512033	550673	595106	647861	709958	783763

Source: National Statistics Office, 2024 and and latest reports of government

Table 2.3 presents the sector-wise composition of estimated GDP. Based on this, it is projected that the share of the primary sector, secondary sector and service sector will reach 22.61, 18.75 and 58.63 respectively by the end of the plan period.

TABLE 2.3: SECTOR-WISE COMPOSITION OF GROSS DOMESTIC PRODUCT

(At the constant prices of FY 2022/23, in Rs. million)

S.N.	Sector	Base Year 2022/23	Estimated in 2023/24	Targets of Plan					
				2024/25	2025/26	2026/27	2027/28	2028/29	Average
1.	**Primary Sector**	**26.16**	**26.4**	**26.4**	**25.71**	**24.86**	**24.04**	**23.29**	**22.61**
1.1	Agriculture, forestry and fisheries	25.43	25.72	25.72	25.06	24.24	23.45	22.73	22.08
1.2	Mining and quarrying	0.73	0.68	0.68	0.65	0.62	0.59	0.56	0.53
2	**Secondary Sector**	**17.27**	**16.76**	**16.76**	**17.14**	**17.56**	**17.96**	**18.36**	**18.75**
2.1	Manufacturing	3.29	3.1	3.1	3.07	3.04	3.01	3	3.02
2.2	Electricity and gas	4.94	5.31	5.31	5.77	6.19	6.61	7.03	7.42
2.3	Water supply and sewerage	0.42	0.4	0.4	0.39	0.39	0.38	0.38	0.37
2.4	Construction	8.63	7.95	7.95	7.91	7.94	7.96	7.95	7.94
3	**Service Sector**	**56.6**	**56.8**	**56.83**	**57.13**	**57.59**	**58.02**	**58.34**	**58.63**
3.1	Wholesale and retail trade	7.92	7.51	7.51	7.61	7.69	7.75	7.81	7.85
3.2	Transportation and storage	5.3	5.74	5.74	6.03	6.25	6.43	6.6	6.79
3.3	Accommodation and food service activities	3.79	4.69	4.69	5.36	6.06	6.79	7.56	8.36
3.4	Information and communication	2.35	2.33	2.33	2.34	2.26	2.17	2.07	1.98
3.5	Financial and insurance activities	6.39	6.06	6.06	5.99	5.97	5.93	5.85	5.75
3.6	Real estate activities	4.88	4.97	4.97	4.88	4.72	4.58	4.44	4.29
3.7	Professional, scientific and technical activities	0.65	0.67	0.67	0.65	0.63	0.6	0.57	0.54
3.8	Administrative and support service activities	0.31	0.31	0.31	0.3	0.3	0.29	0.27	0.26
3.9	Public administration and defense	13.21	12.64	12.64	12.37	12.15	11.92	11.63	11.27
3.10	Education	8.82	9.02	9.02	8.74	8.7	8.7	8.7	8.71
3.11	Health and social activities	2.43	2.36	2.36	2.34	2.35	2.36	2.36	2.36
3.12	Other service activities	0.54	0.53	0.53	0.52	0.51	0.5	0.48	0.47
	Total				**100**	**100**	**100**	**100**	**100**

Source: National Statistics Office, 2024 and latest reports of government

2.6.2 Incremental Capital-Output Ratio and Total Investment

Data on the incremental capital-output ratio is required for projecting sector-wise and total investment requirements. Since this data is unavailable at the province level, the incremental capital-output ratio adopted by GoN in the Sixteenth Plan has been taken as the basis. The overall incremental capital-output ratio for the plan is estimated to be 4.8. Therefore, in order to achieve the targeted economic growth rate of 8.6 percent for the plan, a total fixed capital investment of Rs. 1384.85 billion is projected to be necessary. Sector-wise, during the plan period, the primary sector will require Rs. 108.78 billion, the secondary sector Rs. 463.44 billion, and the tertiary (service) sector Rs. 812.62 billion investments. A detailed breakdown of the sector-wise investment requirements is provided in Table 2.4.

TABLE 2.4: INCREMENTAL CAPITAL-OUTPUT RATIO AND TOTAL INVESTMENT

(At the constant prices of FY 2022/23, in Rs. million)

S.N.	Sector	Base Year 2022/23	Estimated in 2023/24	Target of Plan					
				2024/25	2025/26	2026/27	2027/28	2028/29	Total
1.	**Primary Sector**	**4.14**	**11982**	**13952**	**16948**	**20715**	**25503**	**31665**	**108785**
1.1	Agriculture, forestry and fisheries	3	11553	13499	16404	20060	24710	30699	105373
1.2	Mining and quarrying	5.7	429	453	544	655	793	966	3412
2	**Secondary Sector**	**6.36**	**51373**	**63138**	**76664**	**90511**	**106947**	**126180**	**463440**
2.1	Manufacturing	5.4	3036	4397	5442	6800	8587	10981	36207
2.2	Electricity and gas	13.1	42487	50472	58757	69385	82118	95667	356399
2.3	Water supply and sewerage	6.6	228	434	882	1019	1109	1373	4817
2.4	Construction	3.5	5622	7835	11583	13307	15133	18159	66017
3	**Service Sector**	**4.52**	**114417**	**105016**	**136190**	**159507**	**185938**	**222576**	**812629**
3.1	Wholesale and retail trade	2.8	5866	7592	9409	10899	12661	14901	55462
3.2	Transportation and storage	11.4	2679	35781	40075	44884	52364	64094	237198
3.3	Accommodation and food service activities	6.1	21415	28596	34887	42562	51926	63350	221322
3.4	Information and communication	9.9	2527	3714	5223	5334	5501	7178	30350
3.5	Financial and insurance activities	2.8	21745	4163	6440	7193	7766	8674	34236
3.6	Real estate activities	5.6	1922	5961	5936	7868	9183	10680	39628
3.7	Professional, scientific and technical activities	2.9	282	325	379	392	425	464	1985
3.8	Administrative and support service activities	3	202	146	244	243	259	271	1164
3.9	Public administration and defense	3.4	7969	8428	12813	14814	16050	17401	69507
3.10	Education	4.1	46445	5428	13281	16547	19639	23543	78438
3.11	Health & social activities	7.3	3125	4573	7100	8338	9698	11409	41118
3.12	Other community, social and individual service activities	2.7	240	309	403	433	466	611	2221
	Total	**4.8**	**177772**	**182106**	**229802**	**270733**	**318388**	**380421**	**1384854**

Source: National Statistics Office, 2024; GPPPC, 2024 and latest reports of government

2.6.3 Public, Private and Cooperative Sector Investment

The necessary investment for the plan period will be made by three sectors: public, private and cooperative. The share of estimated investment to be received from all three sectors is presented in Table 2.5. Overall, it is projected that about 37 percent, 57 percent and 6 percent of the total investment will be made by the public, private and cooperative sectors respectively. Accordingly, during the plan period, a total of Rs. 445.37 billion, Rs. 675.14 billion and Rs. 72.15 billion will be invested by the public, private and cooperative sectors, respectively.

Table 2.5: PUBLIC, PRIVATE AND COOPERATIVE SECTOR INVESTMENT

(At the constant prices of FY 2022/23, in Rs. million)

S.N.	Sector	Public		Private		Cooperatives		Total	
		Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
1.	**Primary Sector**	**22**	**32289**	**72**	**112306**	**10**	**15440**	**100**	**160034**
1.1	Agriculture, forestry and fisheries	20	30879	70	108077	10	15440	100	154395
1.2	Mining and quarrying	25	1410	75	4229	0	0	100	5639
2	**Secondary Sector**	**48**	**205551**	**36**	**119787**	**3**	**10517**	**100**	**335854**
2.1	Manufacturing	15	8058	83	44590	2	1075	100	53723
2.2	Electricity and gas	70	88661	25	31665	5	6333	100	126658
2.3	Water supply and sewerage	70	9564	28	3826	2	273	100	13663
2.4	Construction	70	99267	28	39707	2	2836	100	141811
3	**Service Sector**	**23**	**207539**	**52**	**443052**	**5**	**46198**	**100**	**696788**
3.1	Wholesale and retail trade	5	5284	90	95106	5	5284	100	105674
3.2	Transportation and storage	5	2361	90	42490	5	2361	100	47212
3.3	Accommodation and food service activities	5	8374	80	133988	15	25123	100	167485
3.4	Information and communication	20	3826	70	13391	10	1913	100	19130
3.5	Financial and insurance activities	20	31530	75	118237	5	7883	100	157650
3.6	Real estate activities	5	1015	93	18833	2	405	100	20251
3.7	Professional, scientific and technical activities	60	2597	40	1731	0	0	100	4329
3.8	Administrative and support service activities	100	1401	0	0	0	0	100	1401
3.9	Public administration and defense	100	64661	0	0	0	0	100	64661
3.10	Education	83	61418	15	11100	2	1480	100	73997
3.11	Health and social activities	85	23636	10	2781	5	1390	100	27808
3.12	Other service activities	20	1438	75	5394	5	360	100	7192
	Total	**37**	**445378**	**57**	**675145**	**6**	**72154**	**100**	**1192677**

Source: Ministry of Economic Affairs, 2024; National Statistics Office, 2024, GPPPC, 2024 and GoN Reports

2.6.4 Public Expenditure and Sources of Expenditure

The internal revenue sources of Gandaki Province are low, with maximum dependence on revenue sharing and fiscal transfer from the federal government. There is a provision that the province shall obtain permission from the Government of Nepal to mobilize foreign aid. Regarding internal loan, the National Natural Resources and Finance Commission (NNRFC) has stipulated that the province government may raise internal loan up to ten percent of internal revenue and revenue sharing. Despite difficulties in objectively projecting the budget, the budget and expenditure for the next five years have been estimated based on the fiscal years 2022/23 and 2023/24 budgets and the resources allocated for them.

During the plan period, the province government is expected to spend Rs. 185.61 billion (Table 2.6). This expenditure includes recurrent expenditure of Rs. 64.21 billion (34.6 percent), capital expenditure of Rs. 108.39 billion (58.4 percent), financing of Rs. 1.60 billion (0.9 percent), and fiscal transfers of Rs. 11.39 billion (6.1 percent). The sources for the total expenditure during the plan period include Rs. 29.96 billion 86 (16.09 percent) from taxes, Rs. 77.51 billion (41.76 percent) from grants, Rs. 17.44 billion (9.40 percent) from other revenues (including royalty distribution), Rs. 14.81 billion (7.98 percent) from miscellaneous receipts, and Rs. 8.50 billion

(4.58 percent) from internal loan, totaling Rs. 185.61 billion. Details of public expenditure and its sources are presented in Table 2.6.

TABLE 2.6: PUBLIC EXPENDITURE AND ITS SOURCES

S.N.	Source	Base Year 2022/23	Estimated in 2023/24	Projection for Five FY (in Rs. million)					
				2024/25	2025/26	2026/27	2027/28	2028/29	Total
a.	**Expenditure Estimate**	**23614.9**	**23002.7**	**32978.6**	**34963.5**	**37293.4**	**39179.2**	**41198**	**185612.6**
1.	Recurrent expenditure	6462	7712	11150.1	12138.6	12971.1	13627	14329.1	64215.8
2.	Capital expenditure	15261.4	13575.1	19518	20384.9	21706.9	22804.5	23979.6	108393.9
3.	Financing	1891.5	0	300	297.5	319	335.1	352.3	1603.9
4.	Fiscal transfer	–	1715.7	2010.5	2142.5	2296.5	2412.6	2536.9	11398.9
b.	**Income Estimate**	**25996.8**	**28937.1**	**32978.6**	**34963.5**	**37293.4**	**39179.2**	**41198**	**185612.6**
1.	**Tax Revenue**	**9129.9**	**10272.8**	**11968.8**	**12551.7**	**13458.4**	**14276.3**	**15087.1**	**29868**
1.1	Tax on agriculture income	0	0.5	0.3	0.4	0.4	0.4	0.5	0.5
1.2	House and land registration fee	704.5	11	1016.4	1073.8	1206.3	1311.2	1425.3	1592.1
1.3	Revenue sharing from VAT	5414.6	7242.6	7689	8098.5	8664.8	9167.3	9634.8	10222.6
1.4	Revenue sharing from excise duty	1927.7	1810.6	1922.2	1962.4	1995.5	2037.4	2080.2	9997.6
1.5	Revenue Sharing from Vehicle Tax	1081.3	1200	1331.4	1406.6	1580.2	1747.7	1933	7998.9
1.6	Revenue sharing from entertainment tax	1.4	5	7	7.4	8.3	9.1	10	41.8
1.7	Revenue sharing from advertisement tax	0.3	3	2.3	2.4	2.7	2.9	3.1	13.4
1.8	Other entertainment tax	0	0.1	0.2	0.2	0.2	0.2	0.3	1.2
2.	**Grants**	**12926**	**13264**	**13083.6**	**14965.9**	**15857.4**	**16476.7**	**17131.4**	**77515**
2.1	Fiscal equalization grant	6936.9	7622.5	7638.8	8101.7	8584.3	9073.6	9590.8	42989.1
2.2	Conditional grant (recurrent)	1860.6	2219.3	2159.4	3140	3327	3320.3	3313.7	15260.4
2.3	Conditional grant (capital)	3098.5	2722.2	1439.9	2093.3	2218	2244.6	2271.6	10267.4
2.4	Special grant (recurrent)	0	90	134.8	148.7	150.9	162.2	174.4	771.1
2.5	Special grant (capital)	430	610	520.7	592.6	634.6	679.6	727.9	3155.4
2.6	Matching grant (capital)	600	0	1190	889.6	942.6	996.3	1053.1	5071.6
3	**Other revenue**	**1439.9**	**2316.2**	**2911.4**	**3077.2**	**3424.3**	**3776.8**	**4255.2**	**17444.9**
3.1	Revenue from government property rent	8.1	10	16.8	17.7	19.9	21.8	23.8	100.1
3.2	Revenue sharing from forest royalty	53.7	62.5	43.2	46	48.7	51.5	54.5	243.9
3.3	Revenue sharing from mining and minerals royalty	2.3	0.8	4.8	5.6	6	6.5	6.8	29.7
3.4	Revenue sharing from water resource royalty	0	0	0.1	0.2	0.4	0.4	0.5	1.6
3.5	Revenue sharing from electricity royalty	251	328.3	384.8	406.8	430	481.6	539.4	2242.6
3.6	Revenue sharing from sale of natural resources such as woody debris and river-based resources (*Dahattar Bahattar*)	70.6	214.6	272.3	287.8	323.2	352	383.3	1618.5
3.7	Revenue sharing from mountaineering royalty	11.2	9.2	48.1	50.8	54.6	58.9	63.5	275.9
3.8	Tourism fee	0	0.2	0.1	0.1	0.1	0.1	0.1	0.4

S.N.	Source	Base Year 2022/23	Estimated in 2023/24	Projection for Five FY (in Rs. million)					
				2024/25	2025/26	2026/27	2027/28	2028/29	Total
3.9	Trekking fee	0.4	1	0.2	0.2	0.2	0.3	0.3	1.2
3.1	Revenue from the sale of agricultural products	1	1	1	1.1	1.2	12.2	125.9	141.4
3.11	Revenue from the sale of government property	2.7	2.6	2.5	2.6	3	3.2	3.4	14.7
3.12	Revenue from other sales	0.3	4	1	1.1	1.2	1.3	1.4	5.9
3.13	Electricity service fee	0	0	0	0	0	0	0	0.1
3.14	Other service fee	0	10	1	1.1	1.2	1.3	1.4	6
3.15	Revenue from educational sector	1.4	1.3	1.5	1.6	1.8	2	2.2	9
3.16	Examination fee	8.9	35	170	179.5	201.8	222.1	243.9	1017.3
3.17	Revenue from transportation sector	61	100	150	158.6	178	196	215.2	897.8
3.18	Other administrative service fee	347.8	500	450	475.4	534.1	588	639.8	2687.3
3.19	Business registration fee	53.9	80	190	200.7	225.5	248.3	272.6	1137.1
3.2	Vehicle license registration fee	492.2	650	800	845.2	949.5	1040.6	1140.6	4775.9
3.21	Other fee related to water resource	0	0.5	0.4	0.4	0.5	0.5	0.6	2.4
3.22	Other revenue from forestry sector	0.2	250	242.2	255.9	287.5	316.5	347.5	1449.5
3.23	Judicial penalty, fine and forfeiture	0	0.2	0.1	0.1	0.1	0.1	0.1	0.6
3.24	Administrative penalty, fine and forfeiture	46.1	30	98	103.5	116.3	128.1	140.6	586.5
3.25	Forfeiture of deposit	0.2	5	0.3	0.3	0.4	0.4	0.4	1.7
3.26	Other revenue	26.7	20	33	34.9	39.2	43.1	47.3	197.5
4	**Miscellaneous Income**	**2501**	**3084.1**	**3314.8**	**2668.7**	**2853.4**	**2949.4**	**3024.3**	**14810.5**
5.26	Audit irregularities (*Beruju*)	75	858	305.5	322.7	362.4	362.4	362.4	1715.4
6.26	Refund of disbursement	16.9	17.2	28.3	29.9	33.6	33.6	33.6	159
7.26	Refund of grant	73.8	70	48.2	51	57.3	57.3	57.3	271
8.26	Closing balance of previous FY	2335.3	2138.9	2932.8	2265.2	2400.1	2496.1	2571	12665.2
5	**Liabilities**	**0**	**0**	**1700**	**1700**	**1700**	**1700**	**1700**	**8500**
5.1	Internal debt	0	0	1700	1700	1700	1700	1700	8500
c.	**Total (Revenue/Income)**	**25997**	**28937**	**32979**	**34963**	**37293**	**39179**	**41198**	**185613**
d.	**Surplus (-) Deficit (+)**	**2381.9**	**5934.4**	**0**	**0**	**0**	**0**	**0**	**0**

Source: Ministry of Economic Affairs, 2024; National Statistics Office, 2024, GPPPC, 2081 and latest reports of government

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Chapter 3: Effective Economic Policy and Resource Management

3.1 Background

Under the federal system of governance, there is a constitutional provision where all resources obtained from the province's internal sources, grants from the federal government, and revenue sharing should be deposited into the Province Consolidated Fund. The key pillars of fiscal federalism include revenue power, expenditure responsibility, fiscal transfer system, and public borrowing power. The Government of Gandaki Province is working towards establishing a self-reliant economy by leveraging available financial resources and opportunities for development and prosperity.

To effectively implement the constitutional power granted to the province, it is crucial to identify new areas of internal revenue and strengthen partnership and collaboration with other tiers of government, private sector, and development partners. Prioritizing the areas such as savings, investments, revenue generation, debts, and grants is essential to enhance efficiency and effectiveness in overall resource mobilization and management within the province.

3.2 Existing Situation

3.2.1 Savings and Investments

The province government has focused on creating a conducive environment for saving and investment. The economic policies adopted at the province level also complement national savings and investments. The province government has prioritized the key sectors of public investment, such as agriculture, tourism, infrastructure, education, and healthcare. Efforts have been made to attract private sector investments to foster an entrepreneurial culture, healthy competition, and employment creation. Additionally, strategies have been adopted to recognize the capital as a fixed source for investment of household saving. Initiatives are underway to attract foreign direct investment (FDI) to encourage technology development, commercialization, and economic diversification. Banks, financial institutions, and cooperative organizations operating in the province have played a significant role in resource mobilization and expanding financial services access.

In the fiscal year 2022/23, the economic growth rate (at basic prices) is 3.69 percent, with a per capita income of 1,499 US dollars. Likewise, the contribution of primary, secondary and tertiary sectors is 26.2 percent, 17.3 percent and 56.6 percent respectively. However, due to an increase in gross domestic consumption, provincial gross and national savings were low, leading to a decrease in gross capital formation. The gross national savings as a percentage of Gross Domestic Product was 6.41 percent, while the ratio of Gross Domestic Product to gross fixed capital investment was 25.2 percent in the fiscal year 2022/23. Remittances, which significantly contribute to the country's internal economy and external sector balance accounted for 22.7 percent of the Gross Domestic Product in the same fiscal year, still a substantial portion was spent on consumption rather than savings.

3.2.2 Public Expenditure

Province legislation has provided foundation for effective mobilization of public expenditures to build a self-reliant and socialism-oriented economy as outlined in the Constitution by efficient, frugal and effective use of available resources and means. In the fiscal year 2023/24 budget, the expenditure allocation for the province amounted to only 1.91 percent of the national budget.

From the perspective that the share of capital expenditure in the national budget allocation is low compared to the current spending, the share of capital expenditure is higher in the allocation priority of this province. The share of capital expenditure in the allocation is 55.68 percent, 63.64 percent and 60.40 percent in fiscal years 2021/22, 2022/23 and 2023/24 respectively. The province must ensure the effective use of resources to increase the size of the budget and the spending effectiveness for the performance specified in its agenda.

3.2.3 Revenue Mobilization

Income sources include internal revenue, fiscal transfer from the federal government, revenue and royalty sharing among federal units. Revenue collection has been lower than expected due to legal unclarity and ambiguities, public institutions' focus on budget implementation rather than revenue collection, and low real estate transactions, among other factor.

An analysis of head-wise revenue the province over the past three years, the revenue collection were found to be 29.3026 billion in 2020/21 (84.10% of estimate), 27.426 billion in 2021/22 (89.98% of estimate), and 27.1047 billion in 2022/23 (75.48% of estimate). The revenue thus collected plays a crucial role in developing priority sectors like education, healthcare, environment, and social justice. However, prudent management of revenue sources is essential to align with province goals.

3.2.4 Internal Loan

Provinces may borrow internal loan/debt for development projects. According to the provisions in the Intergovernmental Fiscal Arrangement Act, the province and local levels are allowed to borrow internal debt within the limits recommended by the National Natural Resources and Finance Commission and should obtain the consent of the Government of Nepal before borrowing. There is also a provision in the Act that the Government of Nepal may provide loan to province and local governments. The Province Government has advanced the project bank preparation process, including project identification, feasibility study, project proposal preparation, and selection of projects to mobilize internal revenue.

In the past years, the province estimated the receipt of internal loan, but failed to realize it. In fiscal year 2023/24, domestic loan was estimated at Rs. 1.70 billion, but the loan could not be mobilized. Similarly, in fiscal years 2022/23, 2021/22 and 2020/21, Rs. 1 billion, Rs. 1 billion and Rs. 2 billion, were estimated, but domestic loan could not be mobilized in all fiscal years. Even in the previous fiscal years, it was estimated that the loan would be mobilized, but to no avail in those years either.

3.2.5 Foreign Aid

According to the Constitution of Nepal and the Intergovernmental Fiscal Arrangement Act 2017, the power to mobilize foreign aid is vested in the Government of Nepal. There is a provision that the Government of Nepal may mobilize foreign aid for projects and programmes to be implemented by the province and local levels. The province government must further expand foreign aid, in coordination with the Government of Nepal.

3.3 Key Issues and Challenges

3.3.1 Savings and Investments

(1) **Increasing Savings and Investments:** In addition to limited income and low savings rates in this province, there is also a lack of financial literacy. Saving habits, entrepreneurship, and the ability and willingness to take risks are also lacking among the citizens. The concept of public-private partnership for investment expansion has not been adequately implemented. Increasing capital investment and expenditure of the government remains a major challenge.

(2) **Increasing investment in the productive sector:** Like the situation in the country as a whole, the consumption of luxury goods is also increasing in Gandaki province. It is challenging to increase savings by controlling expenses in non-productive sectors such as real estate and vehicles and expanding investment by exploring the potential of province development.

(3) **Expanding financial literacy, inclusion, and banking services:** Capital formation by utilizing the money received from remittances, as well as the savings of the general public in the productive sector, has not been increased as expected. Enhancing financial literacy and expanding banking services have not been sufficient. Due to the misappropriation of savings in some cooperative organizations, there has been a negative impact on regular deposits and savings mobilization. Developing the habit of savings, increasing investment in the productive sector, and developing and expanding entrepreneurship constitute a significant challenge.

(4) **Mobilizing remittances in productive sectors and increasing investment of Non-Resident Nepali:** An environment for mobilizing the investment of Non-Resident Nepali in province and local development has not been created. Remittances tend to be highly used in luxury and non-productive sectors. Attracting remittances from foreign employment to the productive sectors, including agriculture, tourism, and industry, remains challenging.

3.3.2 Public Expenditure

(1) **Increasing capital expenditure ratio to total government expenditure:** Financial resources have not been properly invested in the productive sector. Although the province government has set a maximum ratio of capital expenditure to the total budget, there has been a lack of correspondence in the capital formation sector. The main problems in this sector include the lack of spending capacity and prioritization based on return and resource assurance. Increasing capital expenditure by prioritizing capital formation and managing projects in priority sectors remains a challenge to ensure that they are completed within the prescribed period, budget, and quality.

(2) **Maintaining fiscal discipline in government expenditure:** Aligning the budget with policies and plans has been a difficulty in making government expenditure cost-effective and return-oriented.. To improve the effectiveness of budget implementation, it is necessary to boost the morale of the administrative mechanism and ensure policy stability. Monitoring and regulating government expenditure has not been effective or accountable. Mobilizing capital expenditure for capital formation by minimizing current expenditure while upholding financial discipline constitutes a challenge.

(3) **Making the provincial government's low financial mobilization systematic and results-oriented:** Revenue mobilization has not met the province government's expenditure requirements. The challenges include making intergovernmental fiscal transfers predictable, increasing co-financing between different levels of government, strengthening the internal control system, and enhancing the effectiveness of income-expenditure accounting and monitoring systems.

3.3.3 Revenue Mobilization

4. **Sustaining revenue mobilization:** Efficient management of existing revenue sources by strengthening institutional capacity in revenue mobilization is lacking. It has been difficult to to develop an automated system for exploring and expanding the scope of new revenue sources and enhancing revenue projection, collection, and management. Information and awareness about revenue mobilization remain low. Developing the habit and system of paying taxes, fees, duties, and tariffs on time and controlling revenue leakage are the major challenges facing the province's revenue mobilization.

3.3.4 Internal Loan

(1) **Mobilizing internal loan in high-return sectors:** Legal and procedural simplification has not aligned with federal internal debt mobilization law. Mobilizing debt in priority and high-return sectors constitutes a major challenge.

3.3.5 Foreign Aid Mobilization

(1) **Effective utilization of foreign aid:** Failure to develop the implementing mechanisms for foreign aid projects and programmes has hindered effective use of foreign aid at the province level. Mobilizing foreign aid by selecting high-return programmes and projects in priority sectors of the province government in conformance with the people's aspirations remains a challenge.

3.4 Transformational Strategies

3.4.1 Savings and Investments

(1) To increase financial literacy, access to financial services, and income generation opportunities: Financial literacy programmes will be conducted in coordination and collaboration with universities, educational institutions, and financial institutions. Self-employment and income-generating programmes will be carried out to promote income generation. Facilitation will be provided to banks, financial institutions, and cooperatives for increased investment in the productive sectors.

(2) To create an investment climate: Public investment in physical infrastructure will be increased in the development and expansion of physical infrastructure to encourage private investment. Concessions will be provided to the private sector for investments in priority sectors and projects. Private and non-governmental sector investments will be expanded by emphasizing public-private partnerships, public-cooperative partnerships, and public-community-non-government partnerships. Investment, innovation, and entrepreneurship will be encouraged to mobilize resources for economic mobility and employment creation. A self-reliant economy will be developed while promoting the production of goods and services with competitive advantages and competitive capacities through the creation of an investment climate. Investment Summit will be organized to attract investments by identifying potential investment sectors of the province development, encouraging Non-Resident Nepali and foreign investments.

(3) To enhance good governance and institutional capacity: Policy provisions, competent and strong governance systems, transparency and accountability will be enhanced to create a favorable environment for sustainable investment. Additional investments will be made in human capital formation and knowledge promotion. Effective monitoring and regulation will improve the implementation efficiency of private and non-governmental service providers.

(4) To identify priority areas for investment: A study and research will be conducted to identify potential investment areas and projects in the province. Based on the province's needs, resources, and development potential, priority areas for investment will be identified, and investment will be encouraged in those areas. Resource mobilization will be aligned with the Sustainable Development Goals (SDGs) to ensure inclusive, participatory, and equitable development.

3.4.2 Public Expenditure

(1) To develop a periodic plan-based budget system: The budget will be allocated based on provincial policy and periodic plan by selecting projects that yield high returns in priority areas. Managerial tools such as project bank and a medium-term expenditure framework (MTEF) will be adopted in the budget formulation process. A gender-responsive, climate-friendly, and SDGs-friendly budget system will be implemented at the provice level through institutional strengthening and capacity development. The local governments will be supported and facilitated in this endeavor. Provincial economic stability will be maintained by balancing public expenditure with the province government's revenue. Expenditure efficiency will be enhanced through allocation efficiency, implementation efficiency, alignment between work responsibility and spending, and sound financial governance. Additionally, a results-based monitoring and evaluation system will be made systematic and effective by strengthening provincial policy, legal and institutional frameworks.

(2) To determine the priorities of programmes and projects, and allocate budgets based on results: High-return strategic programmes and projects will be prioritized, and budgets will be ensured accordingly. Expenditure capacity will be enhanced by allocating adequate budgets to the priority projects. Project good governance will be maintained through

procurement plans, contract agreements with construction entrepreneurs, effective contract management, and performance contracts with project managers. Non-governmental and community-based organizations will be encouraged to invest in priority areas, projects, and programmes.

(3) To enhance the implementation capacity of government agencies and mechanisms: Agile organizational structures and skilled human resource management will be ensured in the ministry, as well as subordinate agencies and offices through the Organization and Management Survey. Public expenditure will be efficiently managed by providing training and refresher courses to the employees in technical and thematic areas. The project and Programme implementation progress will be linked to employee performance evaluation. Vertical and horizontal relationships and connectivity will be maintained between the policies, plans, medium-term expenditure framework, budget, and annual programmes formulated by all three tiers of government through indicators, strategies and programmes.

(4) Integrating social and environmental aspects into public expenditure management: An integrated and sustainable approach will be adopted to address the social and environmental aspects in the public expenditure management. A gender, climate, and sustainable development target-responsive budget will be implemented through the medium-term expenditure framework.

3.4.3 Revenue Mobilization

(1) **To strengthen the policy and legal basis for revenue mobilization:** Policies, laws, rules, and procedures related to tax and non-tax revenues in the province will be revised in a timely manner. Coordination will be maintained with the federal government to make legal provisions relating to the extraction and sale of natural resources and river products.

(2) **To strengthen and systematize revenue administration:** Revenue administration within the province's jurisdiction will be strengthened through institutional frameworks. Revenue administration will be made information technology-based, taxpayer-friendly, and easy. Revenue collection will be systematized by modernizing the tax system, establishing a compliance mechanism system, promoting tax compliance among businesses and individuals, and expanding the tax base and net. The revenue net will be expanded by maintaining registration fees based on transactions while reducing the gap between the minimum real estate valuation and the prevailing market value. To increase the revenue base at the local levels, at least "One Local Level: One Project" will be operated in partnership.

(3) **To increase revenue through research-based revenue management system:** Identification and diversification of non-tax revenues and their rates will be adjusted in a time-befitting manner. All potential revenue sources and income-generating activities within the province's jurisdiction will be brought under the revenue net in a justifiable manner.

3.4.4 Internal Loan

(1) **To make policy and legal provisions related to internal debt mobilization:** Policies, laws, norms, and institutional mechanisms related to internal debt mobilization will be developed.

(2) **Mobilizing internal debt in feasible and high-return projects and programmes:** Internal debt will be mobilized in high-return projects, subject to the limits prescribed by the prevailing law. Debt will be mobilized by developing a project bank and management system with project identification, feasibility studies, and proposal preparation of high-return projects.

3.4.5 Foreign Aid

(1) **Mobilizing foreign aid in high-return projects:** Foreign aid will be mobilized in high-return projects that have been thoroughly studied, analyzed, and entered into the project bank. The Government of Nepal will be lobbied to mobilize foreign aid for potential projects after analyzing the potential returns and the availability of internal resources.

(2) **Mobilizing foreign aid in priority sectors and increasing access to climate finance:** Projects in priority sectors such as agriculture, tourism, industry, water resources, and energy will create the basis for mobilizing foreign aid. In addition to advocacy, necessary political and legal frameworks will be developed to secure financial resources for the province through carbon finance/trading.

3.5 Key Tranformational Programmes

3.5.1 Saving and Investment

(a) Investment promotion programme:

1. Identification of the sector for the investment from province and local level;
2. Industry, trade and business promotion;
3. Implementation of Programmes and projects in joint investment, co-financing and partnership between federal units;
4. Private sector investment promotion;
5. Organizing investment summit;
6. Research, identification and diversification of the area of investment and potential;
7. Public-private, public-cooperative-community and NGO partnership promotion;
8. Investment mobilization of multilateral and bilateral development partners;
9. Investment mobilization of national and international development partners.

(b) Entrepreneurship and financial access promotion programme:

1. Study and analysis of investment areas and projects in the productive sector;
2. Vocational training for unemployed youth, women and backward communities;
3. Commercial vision, entrepreneurship and skill development, and technology and financial service;
4. Promotion of fair competition and business ethics;
5. Financial service expansion and promotion.

3.5.2 Public Expenditure

(a) Institutional framework development programme:

1. Public expenditure system strengthening;
2. Institutional strengthening and expenditure capacity enhancement;
3. Budget formulation and implementation capacity development.

(b) Budget information system development and operation programme:

1. Integrated budget management system development and operation;
2. Public expenditure transparency and accountability promotion.

3.5.3 Revenue Mobilization

(a) Institutional strengthening of revenue programme

1. Policy and law formulation and update;
2. Revenue administration and institutional capacity development;
3. Revenue leakage control Programme;
4. Revenue generation area identification, research, improvement and capacity building programme;
5. Business registration, digitalization and incorporation with revenue system.

(b) Area of the revenue expansion programme:

1. Taxpayer and stakeholder awareness;
2. Tax education programme;
3. Tax-friendly culture promotion;
4. Registration and renewal of non-registered micro, cottage, small industry and business.

(c) Fee collection from tourism service programme:

1. Park, adventurous and other tourist services and facilities based on revenue expansion;
2. Tourist service fee collection and mobilization in collaboration and coordination with federal and local governments.

3.5.4 Internal Loan

(a) Internal loan mobilization programme:

1. Policy & institutional arrangement for internal loan mobilization at province & local level;
2. Identification, feasibility study, evaluation and project selection for loan mobilization.

(b) Support and facilitation in internal debt mobilization:

1. International loan mobilization in the provincial project;
2. Support and facilitation of internal loan mobilization at local level.

3.5.5 Foreign Aid

(a) Foreign aid mobilization programme:

1. Public-community-NGO partnership promotion;
2. Expansion of the collaboration with development partner.

(b) Carbon finance/trade advocacy programme:

1. Development of projects aimed at reducing carbon emission, registration and operation;
2. Participation in national and international voluntary and other carbon trading and revenue mobilization;

3. Expansion of investment in environment conservation and climate change mitigation and adaptation programme.

3.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	GDP growth rate at basic prices	Percent	3.69	4.23	8.85	10.38
2.	GDP at basic prices	In Rs. millions	429179	457665	573851	693803
3.	Private sector investment	Percent	57	57.1	58.2	58.8
4.	Capital investment	Percent	60.06	55.77	56.1	56.86
5.	Internal debt (GDP ratio)	Percent	0	0	1.98	2.61
6.	Private sector investment	In Rs. 10 millions	67514	70890	82587	93323
7.	Gross budget expenditure	In Rs. 10 millions	3591	3343	3779	4217
8.	Gross capital expenditure	In Rs. 10 millions	2214	2019	2113	2396
9.	Internal revenue collection	In Rs. 10 millions	509	517	557	726
10.	Internal debt mobilization	In Rs. 10 millions	200	170	194	232
11.	Foreign aid mobilization (Grant and Loan)	In Rs. 10 millions	0	0	75	110

Source: Ministry of Economic Affairs, 2081; National Statistics Office, 2024, GPPPC, 2024 and latest reports of government

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Chapter 4: Commercial Agriculture and Self-Reliance

4.1 Background

To achieve the goals set by the Constitution of Nepal, international commitments, SDGs, the agricultural policies, strategies, and specific laws, it is essential to transform and develop the agricultural sector as the cornerstone of development of the province. The Constitution of Nepal includes agriculture and the cooperative sector within the jurisdiction of all three levels of government. It is crucial to increase production and productivity by integrating agricultural and animal products into the national production chain through the participation and cooperation of the government, private sector, cooperatives, and non-governmental sectors.

With its geographical, landscape and environmental diversity, the province exhibits diversity and uniqueness in agricultural and livestock products. In the fiscal year 2022/23, the agricultural sector contributed 25.43 percent to the province's Gross Domestic Product. As much as 57.6 percent of the province's economically active population is associated with this sector. Additionally, besides contributing to food and nutrition security and economic growth, this sector also promotes tourism and agricultural biodiversity. There is an immense potential to utilize the agro-biodiversity (agricultural biodiversity) in this province for specialized crop production, making it commercial and competitive through modernization, commercialization, mechanization, and diversification of the agricultural sector.

The Constitution of Nepal includes the cooperative sector within the jurisdiction of all three tiers of government. It is necessary to increase production and productivity by integrating agricultural and livestock products into the national production chain through the participation and cooperation of all tiers of government, private sector, cooperatives and non-governmental sectors. Overall, it is essential to focus on increasing the production, productivity, and competitiveness of the agricultural and animal husbandry sectors in an integrated manner while maintaining connectivity between the determinant sectors of economic development. Initiatives from the province government are necessary for regulating and promoting the cooperative sector, in addition to cooperative education and capacity enhancement.

4.2 Existing Situation

4.2.1 Agriculture

Out of the province's total area, only 487,823 hectares of land are cultivable, with 351,597 hectares being cultivated. Only 19.12 percent of the total cultivated land has irrigation facilities available year-round. Orange fruits, cash crops, and agrotourism are expanding in the hilly areas, while conservation and consumption of indigenous crops are increasing. The promotion of apple cultivation in the high hill areas has led to increased production, and improved road facilities have eased marketing. Market promotion programmes are being conducted to minimize post-harvest damage to agricultural produce.

Policy and legal arrangements have been made for coordinating study-research-transmission, regulating seed and plant, promoting agricultural biodiversity and organic agriculture, and managing the farming system based on weather forecasts. Facilitation has been provided to ensure the availability of production inputs such as fertilizers, seeds, and advanced breeds. The

province government has supported for agricultural credit, insurance, technology, and infrastructure development and expansion. Good agricultural practices have been adopted for crop and soil health.

In the fiscal year 2022/23, the annual agricultural production included 9,42,977 metric tons of food grains, 23,175 metric tons of pulses, 8,527.15 metric tons of oilseeds, 298,500 metric tons of vegetables, 128,684.5 metric tons of fruits, and 348,992 metric tons of potatoes, with an annual per capita availability of 190.5 kg of food grains, 8.15 kg of pulses, 1.32 kg of oilseeds, 108.65 kg of vegetables, 34.06 kg of fruits, and 107.86 kg of potatoes.

4.2.2 Livestock and Fisheries

The province government is working towards developing the livestock and fishery production as a means of self-employment, making it commercial, competitive, and technologically advanced. It is moving towards increasing the quality and healthy livestock and fishery production. Programmes have been conducted for quantitative and qualitative increase in improved breeds of animals with high production capacity, and promotion programmes for rearing young calves of buffaloes and cows. Milk and meat subsidy programmes are being operated to provide production-based incentives to farmers. Traditional animal husbandry practices in grassland (kharka) of high hill and mountain areas are being supported, and grass cultivation programmes have been conducted on barren land to promote forage based animal husbandry. Programmes related to livestock genetic resources protection, livestock insurance and welfare, and animal health have been implemented.

For the overall development and expansion of the fisheries sector, the construction and expansion of ponds in an area of about 20 hectares annually for warm water fisheries in the Terai and Low Hilly Regions, the establishment of rainbow trout farms in the mid-hill, and high hill and mountain areas, and hatchery operations have been implemented. Until now, the full vaccination programme for livestock has been extended to about 75 percent of the farmer households in the province by conducting a full vaccination programme in 580 wards of 62 local levels in all 11 districts.

Looking at the situation of animal products and their availability, in fiscal year 2022/23, milk production, meat production, egg production and fish production were 2.64,849 metric tons, 56,987 metric tons, 245 million pieces and 1,638 metric tons respectively, while annual per capital availability of milk, meat, eggs and fish was 107.3 liters, 23 kg, 99 pieces and 0.66 respectively.

4.2.3 Food Security

Gandaki province is self-reliant on potatoes, vegetables, milk, eggs, and meat. Similarly, the province is moving towards becoming self-reliant in food and fruits. To protect, promote, and fulfill the right to food security and food sovereignty in the Province, the Province Food Council has been formed, while determining its functions, duties and powers. Programmes such as local and indigenous crop promotion, food security awareness programmes, and rural nutrition security programmes are being conducted.

4.2.4 Land Management

A total of 5,040 ropanis of fragmented cultivable land have been consolidated in 32 places through agriculture land pooling to increase production and productivity through mechanization and commercialization. In addition, mechanization support has also been made available in the consolidated land. Also, programmes such as settlement development through land pooling in collaboration with local levels, infrastructure development for land consolidation, and preparation of disaster risk-responsive land use plans are being conducted.

4.2.5 Cooperatives

Approximately 3,000 cooperative organizations are operating in Gandaki Province, with 941 under the province's direct jurisdiction, including 302 producer, 23 consumer, 387 financial, 192 multi-purpose, and 37 service sectors. Out of them, 478 cooperative organizations are coordinating and collaborating with the province government. The total share capital of the cooperatives within the province's jurisdiction is Rs. 13.173125 billion. A total of 634,761 shareholders are associated with the cooperative organizations, with 53.73 percent being females, 45.68 percent males, and 0.59 percent others. In fiscal 2022/23, the total income tax received from cooperatives was Rs. 125,331,647.

4.3 Key Issues and Challenges

4.3.1 Agriculture

(1) **Increasing production and productivity:** The key issue is the lack of access to land for the farmers and the provision of fertilizer, improved seeds, technology, irrigation, electricity, and agricultural technical services in a sustainable and accessible manner to increase agricultural production and productivity. Conservation and utilization of agricultural land, discouraging the tendency to leave land barren, retaining agricultural laborers, and minimizing damage caused by monkeys and other wild animals have been challenging.

(2) **Commercialization of agricultural products:** Making the implementation of the minimum support price for agricultural products effective, providing subsidies and concessions based on production, expanding transport service for transportation, storage, processing and marketing of agricultural products, developing and expanding collection centers, cold storages, warehouses and processing centers remain the key issues. The failure to properly manage crops with competitive advantage, mechanization, and commercialization in the agricultural sector, and the inability to properly manage the market have been identified as problems. The availability of agricultural inputs, effective agricultural insurance, and easy access to agricultural credits at affordable interest rates have not increased. Developing an institutional network for marketing agricultural produce to ensure minimum profit remains a challenge.

(3) **Developing agriculture as a respectable and attractive sector:** The problem lies in the increasing attraction of youth to foreign employment and non-agricultural sectors, leading to a workforce shortage in the agricultural sector. It is challenging to attract skilled and educated youth to the agricultural sector and to ensure the rights and professional security of the farmers while developing agricultural business as a respectable profession.

(4) **Protecting indigenous crops and agricultural biodiversity:** Although nutritious crops can significantly contribute to food and nutrition security in non-agricultural areas, it is challenging to protect them, enhance agricultural biodiversity and utilize it.

(5) **Developing climate-resilient agriculture:** It has been challenging to develop climate-resilient agriculture that ensures food security through the development of climate-smart agricultural systems while minimizing the potential impacts of climate change on the agricultural sector.

4.3.2 Livestock and Fisheries

(1) **Increasing dairy and meat production:** Increasing the availability and accessibility of technical services for increasing dairy and meat production, ensuring the easy availability of quality production inputs (seeds, breeds, medicine, vaccines, and fingerlings), establishing and strengthening Livestock and Fisheries Resource Centers, and promoting grass-based animal husbandry remains key issues and challenges.

(2) **Making livestock-based businesses competitive and sustainable:** Making subsistence livestock farming commercial and sustainable is a major issue to increase private sector investment and attractiveness. Promoting mechanization, modernizing by expanding available technology, maintaining easy access to insurance and credits for farmers by expanding them, improving and expanding the fisheries system in natural lakes and ponds, promoting good practices in livestock and fisheries, developing an inter-connectivity between barren land and animal husbandry, and expanding a specialized market for uniqueproducts produced from local genetic resources are challenges.

(3) **Minimizing epidemic diseases and climate risks in animal husbandry:** Controlling outbreaks of epidemic and zoonotic diseases in livestock, preventing the emerging and re-emerging diseases due to climate change, and developing climate-resilient livestock and fishery systems remain the issues and challenges of this sector.

(4) **Expanding the livestock business:** Attracting youth to the livestock business, making the pricing process of animals and animal products scientific and practical, maintaining the quality of animal products, linking them to the value chain, and resolving marketing problems are the main issues and challenges. Addressing the recent trend related to a gradual displacement of animal farms by the expansion of settlements in such areas due to the lack of policy to designate animal farm zone has emerged as a new challenge.

(5) **Providing specialized veterinary services:** The key issues and challenges related to veterinary service delivery are livestock farmers' depedendance on public entities for technical services, their inability to manage human resources accordingly, expansion and operation of veterinary hospitals, strengthening laboratory services, enhancing technical efficiency, and increasing farmers' access to veterinary services.

4.3.3 Food Security

(1) **Identifying food security risk areas and communities:** Recognizing food and nutrition-insecure areas, communities, households, and individuals and ensuring the availability and consumption of clean, quality, and nutritious food items remain the issues and challenges.

(2) **Ensuring food safety and hygiene:** Creating an environment for the full implementation of policies and legal provisions related to food safety and food hygiene, monitoring and regulating processed food items regularly and effectively, developing a food safety network, and managing the production, storage, and distribution system of food items remain the key issues and challenges for ensuring food safety.

4.3.4 Land Management

(1) **Scientific management of land:** Preventing the tendency to leave land barren and fragmented, discouraging non-agricultural use of agricultural land, establishing land banks, preventing unorganized settlements and uncontrolled urbanization, protecting government and public land from encroachment, and preventing settlement expansion in hazard zones are challenges. Formulating and implementing land use plan remains an issue and challenge.

(2) **Modernizing and simplifying the land administration service:** It has been a challenge to make the land administration service simple and technology-friendly by using modern technology to prepare standard land measurement maps and integrate them into geographical information systems, ensuring easy access for the general public.

4.3.5 Cooperatives

(1) **Increasing the participation of the cooperative sector in the productive and commercial sectors:** Maintaining institutional and financial discipline in the cooperative sector, developing a culture of self-reliance and reciprocity, ensuring regular transactions and active participation of cooperative members, promoting production and labor cooperatives, and mobilizing the investment of cooperative sector in the productive sectors remain key issues and challenges.

(2) **Enhancing the public trust in the cooperative sector:** Key issues and challenges include addressing the problems of problematic cooperatives, securing depositors' savings, enhancing citizen trust in cooperatives, and developing this sector as a sustainable means of improving living standards by mobilizing collected capital.

(3) **Effective regulation of cooperatives:** Lack of cooperative awareness and expansion of cooperative education remain the key issues. It is challenging to bring all activities of the cooperative sector under the legal radar, strengthen effective and regular self-regulation and regulation, and ensure that cooperatives operate in compliance with cooperative principles.

4.4 Transformational Strategies

4.4.1 Agriculture

(1) **To increase agricultural products' production, productivity, and competitiveness:** Agricultural land will be protected through the practical zoning of agricultural land via intergovernmental coordination and collaboration. Agricultural production will be

increased by establishing a broader agricultural area through land consolidation. Necessary legal provisions will be made to utilize cultivable barren land effectively. Barren land within clusters will be consolidated and promoted for the cultivation of high-value fruits, herbs, and flowers. Infrastructure development, mechanization, diversification, and commercialization will be enhanced by identifying specialized areas for agricultural production. Value addition and marketing of agricultural produce will be improved by ensuring systematic and modern transportation, storage, and processing services. A systematic market network will be developed and expanded. Based on feasibility, the area surrounding the Mid-Hill Highway will be developed as an agricultural bustling zone.

(2) **To increase crop intensity:** By developing a suitable crop cycle and intercropping system, production input, technology, and irrigation facilities will be expanded to increase crop intensity. Inter-ministerial coordination and collaboration will be enhanced to expand irrigation technology, including underground, lift, surface, and new technologies. Crop pooling will be implemented as a project to promote priority crops. A programme to promote the development and mechanization of agricultural infrastructure will be conducted. The agroforestry system will be expanded based on local potential.

(3) **To promote the commercialization and export of crop products:** Enhancing the availability and accessibility of quality agricultural inputs will increase production and productivity. Ensuring the regular availability of agricultural produce will also improve competitive capacity. The export of specialized crops from the province will be promoted to support import substitution through agricultural commercialization. Regulation will be put in place for the quality of seeds, pesticides, fertilizers, and improved production inputs.

(4) **To protect indigenous crops and agricultural biodiversity:** Indigenous crops with abundant nutrients and agricultural biodiversity will be protected, enhanced, and utilized. Through intergovernmental collaboration and coordination studies, research, and innovation will be pursued in the agricultural sector. Protection, development, and production of seeds of agricultural crops, including indigenous crops, will be expanded in collaboration with the private sector and the community.

(5) **To carry out identification, listing and classification of farmers:** Facilitation will be provided in the identification, listing and classification of farmers in coordination with the Government of Nepal and local governments. Farmers will be linked to service facilities provided by public bodies, in addition to documentation thereof, and provisions will be made to ensure that farmers get preference in other areas of social security.

(6) **To increase farmers' access to agricultural inputs, insurance, and credits:** Farmers' access will be expanded by enhancing coordination and collaboration between public bodies and stakeholders to simplify the availability of quality production inputs, agricultural inputs, insurance, and credits.

(7) **To develop innovative agricultural entrepreneurship:** Entrepreneurship in agriculture will be developed by identifying the latest technology and utilizing it at various levels of the agricultural value chain. This will help make the farmers entrepreneurs and promote

youth entrepreneurship. The concept of minimum support price and contract farming will be implemented to foster entrepreneurship in agriculture.

(8) **To promote climate-resilient agricultural systems:** Sustainable agricultural systems will be developed based on climate risk and vulnerability mapping and analysis. A pilot Programme will be conducted to create an environment where farmers can benefit monetarily from the carbon sequestration from commercially cultivated orange fruits and grasses.

4.4.2 Livestock and Fisheries

(1) **To increase animal and fish production and productivity:** Animal products will be increased through breed improvement in animals with no breed identity, and through improved breeds. An opportunity will be created to protect the genetic resources of indigenous animals and get a fair price for the products produced from them. Production of nutritious grass will be encouraged to utilize the barren land. Commercial production of milk, meat, fish, duck and chicken will be integrated into the market system. Action research will be promoted to solve the pressing problems of livestock farmers.

(2) **To develop commercialization in the livestock and fisheries sector:** Commercialization will be developed and expanded in livestock and fisheries sectors by increasing the availability and accessibility of quality animal production inputs and making proper use of capital, technology and labor. Investments will be attracted to the livestock sector through the promotion of the concept of minimum support price in animal products and contract farming. Coordination and collaboration will be maintained with service provider agencies to increase farmers' access to agricultural credit and livestock insurance schemes. The practice requiring farmers to pay duties and taxes under various headings to different government regulatory bodies will be ended. Provisions will be made to provide facilities to electricity meters connected for managing water in fish ponds, equal to irrigation meters. Animal and fish production pockets will be developed and expanded and gradually upgraded as resource centers. Modernization and commercialization of the traditional practice of animal husbandry in the grasslands of high hill and mountain areas will be encouraged.

(3) **To develop youth entrepreneurship in the livestock and fisheries sectors:** A value chain-based industry will be established for the production, processing and marketing of animal products. Self-employment opportunities will be created by engaging the youth in the rural areas in animal husbandry business. Income and employment opportunities will be created by attracting the youth workforce to the agrotourism sector. Expansion of fish and other aquaculture and eco-tourism in natural and artificial reservoirs will be encouraged.

(4) **To strengthen veterinary services, and control and prevent animal diseases:** Arrangements for review in number of technical positions and opportunities for career development will be made by updating the Organization and Management Survey to make veterinary services more effective through upgrading veterinary hospitals and laboratories. Animal health protection will be made effective by investing more in vaccine purchase,

storage, distribution, and use to prevent and control animal diseases. To effectively prevent and control zoonotic diseases, public health protection will be supported in accordance with the health strategy, as well as increasing public awareness.

(5) **To improve the quality of animal products and expand the market:** Human resource development, research and technology development and their effective dissemination will be carried out to improve the quality of animal products. Adoption of internationally recognized technology will be encouraged to increase animal productivity. The establishment and expansion of animal products-based industries will be encouraged according to market demand. Livestock and fisheries sectors will be developed and expanded by maintaining the quality and hygiene of the consumable products while adopting the basic concept of animal welfare. "Clean and Healthy Milk from Farm to Cup" and "Clean and Healthy Meat from Slaughterhouse to Kitchen" programmes will be conducted as a campaign to maintain the quality and hygiene of dairy products and meat. A laboratory will be established and regulated at checkpoints for testing the quality of animals imported and exported from the province.

(6) **To mitigate climatic risks in the animal husbandry sector:** Climate-resilient livestock and fishery systems will be adopted to reduce the outbreak of emerging and reemerging diseases, zoonotic and epidemic diseases due to climate change.

4.4.3 Food Security

(1) **To identify food-insecure areas and communities:** The province will coordinate with local levels to identify food insecure area, communities, households and individuals, and food availability will be facilitated through the food security network.

(2) **To increase food availability by systematizing the storage and distribution system of food items:** Regular and effective monitoring and regulation of processed food items will be carried out. The production, storage, and distribution system of food items will be made systematic by developing a food safety network. Arrangements will be made to store food items to keep the food distribution system stable and stabilise it during a crisis.

(3) **To promote local product-based food safety and hygiene:** The capacity of food-producing farmers will be developed through orientation, training, exhibition, study and exposure visits in relation to good practice system. Food quality testing, certification and the regulation process will be made effective in coordination with the food laboratory. Improvement in nutrition will be brought about by protecting agricultural biodiversity and indigenous crops, promoting production and diversification in consumption. Public awareness programmes will be conducted to reduce the consumption of junk food and improve eating habits for a balanced diet. Technology and skills will be developed, transferred and disseminated to diversify and strengthen local product-based dishes.

4.4.4 Land Management

(1) **To carry out scientific land management:** Regulation will be done by formulating and revising provincial policies, plans and laws related to land use. A land use map will be prepared for land protection and use accordingly, based on land use and zoning in intergovernmental coordination. Land fragmentation and the tendency to keep it barren will

be discouraged, while encouraging land consolidation through land development based on land appropriateness and capability. Similarly, broader and specialized agricultural production areas and integrated settlements will be developed and expanded. A land bank will be established, and public roads/paths will be updated on the cadastral map in coordination with local levels.

(2) **To develop a geographical information system:** Land administration services will be made simple and information technology-friendly through the development of a reliable geographical information system. Standard land survey maps will be prepared using modern technology, and a control point for the measurement map will be established using modern technology.

4.4.5 Cooperatives

(1) **To mobilize the cooperative sector in productive and employment sectors:** Cooperation and facilitation will be provided to increase the investment of the cooperative sector in agriculture, industry, tourism and service sectors. According to the concept of cooperatives, a sustainable and self-reliant economy will be developed by integrating scattered capital and expanding investment in productive sectors. Access to the market will be expanded through coordination and collaboration with local governments to establish and expand the cooperative market.

(2) **To enhance public trust in cooperatives:** To solve the problems of problematic cooperatives and secure depositors' savings, the necessary legal system reforms will be pursued to make regulatory work effective and enhance public trust in this sector.

(3) **To increase awareness about cooperatives:** Provisions will be made for regular education, training, information dissemination, and sharing of successful experiences to promote the cooperative sector.

(4) **To enhance the capacity of cooperative organizations:** Capacity development programmes related to cooperative education, leadership development, and management will be conducted to strengthen cooperative organizations and expand services in a timely manner. Cooperative organizations will be encouraged to promote investment in innovation, entrepreneurial, and productive sectors.

4.5 Key Transformational Programmes

4.5.1 Agriculture

(a) Policy and Institutional Reform Programme:

1. Formulation and revision of province agricultural development policies, laws & plans;
2. Develop special mechanisms and targeted programmes for agricultural research, education and extension services;
3. Agricultural technician and entrepreneur capacity building programme;
4. Agricultural information system development and management;
5. Institutional strengthening of laboratories, training centers, resource centers and regulatory units;
6. Agriculture and livestock statistics system development and management programme;

7. Review the organizational structure, human resources and job description of service-providing agencies.

(b) Agricultural Production and Productivity Enhancement Programme:

1. Improvement of soil quality and distribution of agricultural lime, fertilizers and other agricultural input;
2. Establishment of seed banks and seed breeding and seed self-sufficiency programmes;
3. Promotion of high-value crop production with competitive and comparative advantage
4. Promoting agricultural mechanization;
5. Promotion of innovative technology in priority crop production;
6. Expanding and strengthening the comprehensive & specialized areas for walnut and orange crops;
7. Sick orange garden strengthening and rehabilitation programme;
8. New and emerging crops technology dissemination and capacity building;
9. Crop health support programme;
10. Agricultural product regulation programme;
11. Cultivated barren land utilization incentive programme;
12. Nawalpur integrated agricultural development project;
13. Daraundi and Chepe corridor agricultural development project;
14. Production and output-based incentive support programme;
15. Development of integrated agriculture and irrigation strategic plan;
16. Highway corridor agriculture production and promotion programme.

(c) Agricultural Enterprise Promotion Programme:

1. Kaligandaki basin agricultural commercialization project;
2. Export crop production promotion;
3. Agriculture-based industry establishment and operation programme;
4. Gender, inclusion and youth targeted agricultural entrepreneurship development programme;
5. Lease farming promotion;
6. Agricultural production pocket and block development programme;
7. Determination and implementation of a minimum price for specific agriculture crops;
8. Agriculture insurance and agricultural loan interest subsidy programme.

(d) Market Promotion Programme:

1. Value chain based market promotion programme;
2. Establishment of agricultural products based industrial and processing centers;
3. Market information system development;
4. Market infrastructure development programme;
5. Market contract promotion programme;
6. Establishment and operation of collection and processing centers;
7. Cold storage and cold rooms establishment, upgrading and market inter-linkage development;
8. Post harvesting loss reduction programme.

(e) Climate-Smart Agriculture Promotion Programme:

1. Organic agriculture promotion programme in potential crops and areas;
2. Climate resilience agricultural development and promotion programme;
3. Conservation and promotion of local and indigenous crops;
4. Indigenous crop promotion through school meal programme;
5. Environmental service assessment and awareness programme;
6. Farmer access to weather information and agricultural advice programme;
7. Agro-tourism promotion programme;
8. Agricultural best practice promotion programme;
9. Integrated pest and soil fertility management programme;
10. Bio-pesticide promotion programme.

4.5.2 Livestock and Fisheries

(a) Animal Husbandry and Fishery Promotion Programme:

1. Animal feed promotion programme;
2. Barren land grass cultivation programme;
3. Animal breeding programme;
4. Climate-smart animal husbandry practice promotion programme;
5. Commercial farm establishment;
6. Grazing land improvement and grass cultivation promotion;
7. Animal production pocket and block development programme;
8. Livestock and fishery improvement programme;
9. New species and technology based fishery development programme;
10. Mechanization and productivity based incentive;
11. Strengthening training and resource centers;
12. Production and output-based incentive programme;

(b) Agriculture Commercialization Programme:

1. Production-based subsidy programme;
2. Livestock insurance expansion programme;
3. New technology development and expansion programme;
4. Cowshed to lip pure and healthy milk promotion programme;
5. Slaughterhouse to the kitchen pure and healthy meat promotion programme;
6. Conservation, promotion and sustainable use of genetic resources;
7. Yak rearing promotion programme;
8. Youth targeted livestock and fishery development programme;
9. Livestock and fishery sector data management and digitization programme;
10. Mid-hill highway corridor livestock product promotion programme;
11. Livestock action research programme.

(c) Quality Improvement and Market Promotion programme:

1. Animal product and materials quality control programme;
2. Establishment of value chain-based livestock industry and processing centers;
3. Value chain and market information system development;

4. Market Infrastructure development and marketing promotion programme;
5. Contract product promotion;
6. Animal husbandry best practice promotion programme;
7. Animal welfare promotion programme;
8. Farmer public awareness and capacity development;

(d) Animal Health Services Extension Programme:

1. Veterinary hospital strengthening and service specialization programme;
2. Organization structure and position review and human resource development programme;
3. Diagnosis and control of livestock and fish disease;
4. Laboratory for establishment and strengthening of diagnosis animal disease;
5. Treatment service, laboratory services and complete immunization programmes;
6. Biological safety promotion programme;
7. Zoonotic disease control programme.

4.5.3 Food Safety

(a) Food Insecure Areas and Community Identification Programme:

1. food security policy and legal arrangements;
2. Identification and mapping of food insecure areas, communities, households and individuals.

(b) Community Targeted Food Security Programme:

1. Rural nutrition security programme;
2. Local and indigenous crop promotion programme;
3. Agriculture and livestock development programme;
4. Cowshed to lip pure milk and clean, healthy meat from slaughterhouse to kitchen programme;
5. Food security network development and operational programme;
6. Foodbank establishment and operation programme.

4.5.4 Land Management

(a) Land Management Programme:

1. Formulation of province level land policy, laws and regulations;
2. Land classification, land use mapping and planning;
3. Land pooling and development based on land suitability and capability;
4. Cropping intensity and promotion of agricultural production in consolidated land;
5. Integrated settlement development and resettlement of vulnerable settlements;
6. Establishment of provice land bank;
7. Establishment of reference points for modern technology based land mapping;
8. Update of public roads on cadastral map in coordination with local governments.

(b) Land Administration Information System and Service Simplification Programme:

1. Establishment and operation of the geographic information system;
2. Institutional strengthening of land administration;

3. Human resource and capacity development programme.

4.5.5 Cooperatives

(a) Policy, Legal and Institutional Strengthening:

1. Policy, legal and cooperative sector management reform;
2. Sick cooperative reform and public saving safety support and facilitation;
3. Cooperative monitoring, evaluation and regulation;
4. Expanding the use of COPOMIS.

(b) Promotion of Production Cooperative:

1. Model cooperative programme;
2. Cooperative farming promotion;
3. Cooperative market promotion;
4. Cooperative production, processing and marketing programme.

(c) Capacity Development of Cooperatives:

1. Cooperative education and training;
2. Best practices and experience exchange programme;
3. Cooperative incentive for innovation, entrepreneurship and production.

4.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Agriculture**					
1.1	Agriculture contribution in GDP	Percent	25.4	25.7	24.24	22.73
1.2	Annual per capita food production	KG	435	435.8	438.3	440
1.3	Allocated budget in agriculture	Percent	6.6	6.8	7.3	7.6
1.4	Productivity of rice	M. Ton/Ha.	3.62	3.7	3.9	4
1.5	Productivity of maize	M. Ton/Ha.	3.02	3.1	3.3	3.5
1.6	Productivity of wheat	M. Ton/Ha.	2.59	2.7	3	3.2
1.7	Productivity of potato	M. Ton/Ha.	16.81	17.1	18	18.53
1.8	Productivity of vegetable	M. Ton/Ha.	12.74	13	13.6	14
1.9	Productivity of major spices crops	M. Ton/Ha.	8.44	8.7	9.5	10
1.1	Productivity of fruits	M. Ton/Ha.	10.39	10.7	11.5	12
1.11	Productivity of pulse	M. Ton/Ha.	1.08	1.08	1.09	1.1
1.12	Productivity of oil crops	M. Ton/Ha.	1.04	1.1	1.3	1.5
1.13	Year-round irrigated land	Percent	19.12	19.5	21	22
2	**Animal Husbandry and Fisheries**					
2.1	Number of employment generation through livestock	Thousand	6.04	6.7	8.7	10
2.2	Number of artificial insemination	Thousand	81.6	82.2	83.9	85
2.3	Milk production (In M. Ton)	Thousand	244.33	278.3	380.1	448
2.4	Meat production (In M. Ton)	Thousand	51.15	55.4	68.1	76.5
2.5	Egg production (Number)	Lakh	129.48	131.2	136.5	140
2.6	Fish production	M. Ton	1336	1361.2	1436.7	1487
3	**Food Security**					
3.1	Per capita food availability	K. G.	435	435.8	438.3	440
3.2	Per capita milk availability	Liter	110	111.3	115.3	118

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
3.3	Per capita meat availability	KG	24	24.3	25.3	26
3.4	Per capita egg availability	Number	101	103.3	110.3	115
3.5	Highly food-insecured population	Percent	0.8	0.7	0.4	0.2
4	**Land Management**					
4.1	Promotion of land consolidation	Ropani	5040	5200	6500	7500
4.2	Settlement developed through land pooling	Number	0	1	3	5
4.3	Update of public road/path length (with the length of at least 6 meters) on cadastral map	KM	200	250	400	500
5	**Cooperatives**					
5.1	Intensive monitoring of cooperatives	Number	0	20	40	60
5.2	Revenue amount collected from cooperative sector	Rs. in thousand	10000	13000	17000	22000
5.3	Employment in cooperative sector	Number	-	10000	12000	15000

Source: Ministry of Agriculture and Land Management, 2081; National Statistics Office, 2024, GPPPC, 2024 and latest reports of government

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Chapter 5: Sustainable Forest Management, Biodiversity and Watershed Conservation

5.1 Background

A total of 37.8 percent of Gandaki province is covered by forests. Situated at the meeting point of the eastern and western floristic regions, this province boasts a diverse climate spanning from the Terai to the Himalayas, resulting in rich forests, vegetation, unique natural beauty and biodiversity. Similarly, the province showcases the unique blend of biodiversity shaped by the distinct Himalayan climate and geography and beyond, from the low regions ranging from low subtropical regions at 100 meters above sea level to the towering heights of 8,167. As a result, all ecological systems found in Nepal exist in this province. Gandaki Province is a living museum of biological resources due to its ecological system ranging from the tropical forests of the Terai to the alpine grasslands, and grasslands of Manang and Mustang.

The forest areas of this province have an abundance of timber and non-timber forest products. A total of 33 percent of the forest area of the province is being managed under the community-based forest system (community forest, partnership forest, bufferzone community forest, leasehold forest, etc.). There is a potential for the province to become self-reliant in timber production by increasing the productivity and production of forests through sustainable forest management while taking environmental benefits. At the same time, there is a need to manage non-timber forest products, herbs and aromatic plants in such a way as to contribute to the province prosperity by enjoying environmental and economic benefits through applying sustainable forest management system.

A ratio of 45.68 percent of the total area of this province is under conservation area. The components of the watershed (water, forests, land, animals and biological diversity) serve as the livelihood source for the local residents. Effective management of the watershed area is crucial for enhancing land productivity, food security, community livelihoods, and human life and infrastructure protection.

5.2 Existing Situation

5.2.1 Sustainable Forest Management

The Community-based forest management system has proved to be a successful forest management model in Gandaki province. So far, approximately 2,72,188 hectares of forest area have been transferred to 3,840 community forest user groups and are being managed by the community. Also, 1,133 leasehold forests (5,376.21 ha) transferred to indigents, one commercial leasehold forest (0.96 ha), 38 religious forests (355.82 hectares), one block forest (3, 838.82 hectares), 412 private forests (218 hectares) and one partnership forest (585.75 hectares) are being managed as forests. A total of 119 forests with an area of 23,173 hectares in eight districts are being managed by implementing silviculture systems to improve forest condition through sustainable forest management, end the import of timber from abroad by increasing timber production, and contribute to the local and national economies by developing forest-based enterprises.

More than 260 species of plants of medicinal value, Shilajit (Asphaltum Punjabianum) and other important herbs are found in this province. Among the priority of the herbs are Tejpat, Chiraito, Kurilo, Kutki, Satuwa, Sugandhwal, Majitho, Jatamsi, Bishajara and Yarsagumba. Efforts are underway for sustainable management the herbs to reap environmental and economic benefits through commercial production, processing and export of these herbs while ensuring their appropriate conservation.

5.2.2 Biodiversity Conservation

Gandaki Province encompasses a total of 10,039.5 square kilometers of protected areas, including Chitwan National Park, a part of Dhorpatan Hunting Reserve and the entire Annapurna and Manaslu Conservation Areas. Protected areas within this province occupy 29.17 percent of the total protected areas of Nepal and 45.68 percent of the total area of Gandaki Province. Known as the Capital of Orchids, Panchase Forest Protection Area (5,776 hectares) is located at the confluence of Kaski, Syangja and Parbat Districts. Bhanubhakta Zoological Garden in Tanahun District and Pachbhaiya Wildlife Rescue Center in Kaski District have been established under community management through the Department of National Parks and Wildlife Conservation. Biodiversity conservation, tourism promotion and the living standards of the local residents have improved due to the management of the protected areas.

Appropriate policies, legislation and organizational structures have been gradually developed for community-based protection, management and sustainable use of biological diversity in the province. It will be crucial to attach priority to creating sustainable livelihoods and employment opportunities through proper management of biological diversity thereby contributing to the economic growth of the province. Additionally, it is necessary to develop a framework with systematic planning, programming and budgeting for a prosperous province while maintaining a balance between development and environment.

5.2.3 Watershed Management

There is a huge economic loss caused by soil erosion, floods, and landslides in Gandaki Province every year due to its steep slope and fragile topography. The province is home to large river basins, watersheds, and sub-watersheds. The Gandaki Basin alone boasts over 11 rivers, including Trishuli, Budhigandaki, Marsyangdi, Daraundi, Chepe, Seti, Madi, Mardi, Modi, Myagdi, Kaligandaki, and Badigad originated in the Himalayas. The Kaligandaki is the largest river basin in the province. Apart from this, the province has 368 small and big sub-watershed. Tilicho Lake, at the highest elevated place in the world, including the Himalayas, glaciers, nine lake groups of Pokhara listed in Ramsar, ponds and other wetlands are important heritages of this province. For watershed management within the province, various programmes have long been implemented at the river basin, and sub-watershed levels.

5.3 Key Issues and Challenges

5.3.1 Sustainable Forest Management

(1) **Conservation and sustainable management of forests:** Effective coordination and cooperation between all three levels of government, communities, and the private sector in forest management is lacking. Preventing encroachment on forest areas, managing existing encroachments, and restoring forest areas are challenging. Establishing mechanisms to

control forest fires and enhancing resources and capacities in forest user groups remain key issues. The key challenge lies in utilizing the forests, flora, and biological diversity at their full capacity.

(2) **Making forest resources a means of sustainable livelihood improvement:** There are policy and practical constraints in transforming forest resources into a reliable means of livelihoods, along with forest protection. Amid the continued expansion of barren land, it is necessary to improve the growing forests in the private sector into multi-purpose and high-value forests. Expanding the goods and services produced by the forestry sector and ensuring equitable distribution of benefits remains a challenge. It is also challenging to achieve self-reliance and promote exports along with the sustainable protection of forest areas, as well as increase income and employment from timber and non-timber forest-based industries.

(3) **Management and utilization of non-timber forest products and herbs:** Traditional methods of managing, cultivating, collecting, processing, marketing, and utilizing herbs and non-timber forest products have not yielded the expected benefits. Expanding commercial farming, processing, and marketing of economically important herbs is vital while attaching priority to research and management of herb farming. Controlling the unregulated collection of naturally grown herbs presents a challenge.

5.3.2 Biodiversity Conservation

(1) **Research, study and recoding of the biodiversity:** There is a lack of scientific studies and research focusing on identifying the existing genetic, ecological and species diversity and their conservation measures. Collecting, documenting and updating data on flora and fauna is a challenge.

(2) **Conservation and management of biodiversity:** Decreased biodiversity is attributed to forest encroachment, forest fires, habitat fragmentation, wildlife poaching, and illegal herb extraction. With the increasing number of wild animals in community-managed forests and the lack of habitat management, human-wildlife conflicts have increased due to wild animals entering human settlements. The province has not established a relief fund for damage caused by wild animals. In addition, the control of illegal wildlife trade and the management and control of exotic invasive species are challenging. Conservation of biodiversity with environmental compability is seen as a key challenge.

(3) **Increasing economic opportunities with biodiversity conservation:** There is a lack of systematic practice of achieving economic benefits while conserving biodiversity. Livelihood, production, employment, and income opportunities are decreasing along with the decline in biodiversity. It is challenging to sustainably improve the standard of living of the communities by linking the sustainable conservation of biodiversity with tourism, agriculture, animal husbandry and industry.

5.3.3 Watershed Management

(1) **Adopting an integrated watershed management approach:** In this province, 80 percent of the annual precipitation falls during the monsoon season. Due to the local community's land-based livelihood system, the low and steep terrain causes excessive rainwater flows,

leading to increased risks of soil erosion, floods, and landslides. Additionally, the construction of unplanned roads and other infrastructure in fragile hills has harmed the watersheds, while proper management of watershed resources has been neglected. The lack of sustainable management of the watershed has resulted in decreased land productivity, reduced water resources, and increased incidents of physical and human loss from disasters like landslides and soil erosion. Protecting and managing the watershed areas within the province by designing an integrated and participatory watershed management plan remain key issues. Managing resources such as water, land, forests, biodiversity, agriculture, livelihood, and infrastructure in an integrated manner is challenging.

(2) **Minimizing the impacts of soil erosion, landslides, floods, and climate change:** The absence of zero-tilled farming practices on steepslope land has heightened the risk of soil erosion. Entities involved in the construction of drinking water, roads, and other structures and local governments have failed to prioritize watershed management, resilient and sustainable infrastructure development and land conservation. The neglect of improving the condition of the upstream watershed, which is crucial for water resources in energy, irrigation, and drinking water projects, has been a common issue. Despite an increased interest in landuse planning at the local level based on land capability, the Soil and Watershed Conservation Act, enacted decades ago for soil and watershed conservation, has not been amended and implemented in a timely manner. The weak organizational structure of the watershed sector at the political, legal, and institutional level, coupled with the absence of a clear policy provision, presents a challenge in protecting land and water resource and delivering services. Developing and implementing local adaptation plans to minimize the negative effects of climate change remains a challenge.

(3) **Effectively conducting environmental and eco-tourism promotion programmes through the protection, promotion, and management of wetlands:** The failure to properly protect the upstream areas has led to an increasing negative impact on the downstream areas. The Bhawar and Terai regions face increasing risks due to the fragile geology of the Chure region and the unsystematic exploitation of natural resources. Environmental and eco-tourism promotion programmes have not been effectively carried out through the protection, development, and management of wetlands. Addressing issues such as encroachment on wetlands, reducing damage from pollution and invasive species, and creating an environment for sustainable use of wetland resources and equitable distribution of benefits pose significant challenges.

5.4 Transformational Strategies

5.4.1 Sustainable Forest Management

(1) **To increase the production and productivity of forest areas through sustainable forest management:** Policies, laws, procedures and standards for the protection, enhancement, management and use of all types of forests within the province will be formulated, revised and effectively implemented. The study, research and dissemination of the forest sector will be made effective, and the learning and results will be used in the forestry sector's thematic policymaking, planning and management activities. Forest encroachment will be discouraged, and the encroached areas will be taken back, and the encroached areas will be

reforested. Forest degradation caused by wildfires will be controlled in a coordinated manner with the participation of relevant stakeholders. Religious, cultural and environmental sites of special importance within the forest area will be identified and protected, and arrangements will be made to maintain their records.

(2) **To make the province self-reliant in forest products and promote exports:** Forests management regime will be transformed from conservation-oriented into production-oriented management. Production and productivity of the entire forest areas will be increased through sustainable forest management while becoming self-reliant in forest products. The quality and utility of softwood will be enhanced in collaboration with the private sector. Facilitation and enabling environment will be created along with the creation of policy and institutional frameworks for the marketing of forest products and products of forest-based enterprises. Commercial cultivation, production and processing of softwood and herbs in private, barren, public and community land will be carried out to meet domestic demand and promote exports.

(3) **To transform the forest areas into a reliable means of livelihood improvement:** Barren land will be developed as high-yielding and monkey-free forests and gardens. Production, commercialization, and marketing of forest products that yield the highest returns will be ensured by developing the value chain of forest products. Marketing will be promoted by making provisions for herbs production, processing, storage and value chain studies and value addition with the participation of the community, private and cooperative sectors.

(4) **To enhance the management and utilization of herbs:** Sustainable use and consumption will be ensured through the management of natural herbs based on scientific standards and a survey of existing resources. Herbs farming will be promoted and protected in vacant, barren, and marginal lands and forest areas under a community-based forest management system.

5.4.2 Biodiversity Conservation

(1) **To enhance conservation and sustainable use of biodiversity:** Sustainable conservation of biodiversity and eco-tourism development will be carried out in protected areas and community-managed forests, in addition to establishing and developing biological corridors at suitable locations. A comprehensive research and monitoring system will be developed and operated to identify changes in biodiversity. Provisions will be made to protect and bring the ecosystems, Sunakhari, Laliguras, herbaceous areas, wild animals and their habitats, water springs, lakes, ponds, wetlands, birds, indigenous flora and fauna and micro-organisms, which remain as the identity of the province, under the ambit of management. Facilitation will be provided in the implementation of Nepal's biodiversity strategy and plan, environment policy, wetland policy and other relevant policy frameworks. Arrangements will be made for documenting and compiling biodiversity and traditional knowledge and protection of intellectual property on genetic resources at the local level. Provisions will be made for establishing and operating the museums related to forests, plants and biodiversity; community seed banks, gene banks, zoos and wildlife rescue centers within the province. Biodiversity found locally, including flora and fauna, will be identified and scientifically documented.

(2) To control and regulate wildlife poaching and illegal trade: Wildlife poaching and illegal trade will be controlled and regulated through coordination and partnership with intergovernmental and communities.

(3) To adopt measures to reduce human-wildlife conflict: Short-term and long-term measures will be explored to control human-wildlife conflict. The process of public awareness, compensation and relief for wildlife victims will be further simplified and systematized by adopting measures to reduce human-wildlife conflict. Provisions will be made for the development and expansion of measures, techniques and mechanisms to control monkey menace in collaboration and partnership with the local governments and communities. Successful national and international practices and experiences will be shared and followed to reduce human-wildlife conflict.

(4) To protect and enhance the natural habitats and environment of wild animals: Sustainable management of human-wildlife conflicts will be carried out by protecting the natural habitats of wild animals. The root cause of the problem will be identified by studying the food chain of wild animals. In the short term, measures such as promoting agricultural crops that are not preferred by wildlife and encouraging commercial cultivation of fruits and herbs in forest areas, including buffer zones, will be adopted.

5.4.3 Watershed Management

(1) **To carry out river system-based integrated watershed management:** Environment and watershed management programmes will be made mandatory and integrated within the infrastructure development programme. When constructing development infrastructure, such infrastructure will be made climate-resilient, ensuring the operation of soil conservation technology is compulsory. Wetlands will be protected and managed by adopting indigenous and scientific methods to restore and rehabilitate damaged land, control soil erosion, reduce water-induced disasters, and manage natural disasters. Water sources, development infrastructures, and soil conservation activities will be made systematic through methods such as landslide prevention, gully, gorge and river bank protection, and bioengineering through vulnerability identification and hazard mapping.

(2) **To maintain water hygiene, make the water availability and use sustainable and systematic:** A mapping, identification, and conservation plan for water sources and wetlands will be prepared. The watersheds will be managed in a way that reflects the interrelationship between the downstream and upstream areas. Effective intergovernmental collaboration will ensure the systematic and environment-friendly extraction of river based extractions.

(3) **Effective partnership and cooperation between the government, community, private sector, and development partners in watershed management:** Records will be maintained by collecting data related to the condition of water sources and springs in collaboration with the local government. The construction, management, and protection of at least three recharge ponds at one local level will be made effective in collaboration and partnership with community and development partners. Opportunities will be created to

improve the living standards of dependent communities by linking watershed conservation and management with agriculture, fisheries, and tourism.

5.5 Key Transformational Programmes

5.5.1 Sustainable Forest Management

(a) Forest Conservation and Sustainable Management Programme:

1. Formulation and revision of policies, laws, procedures and guidelines;
2. Forest encroachment and forest fire control programme;
3. Nursery construction, seedling production and distribution;
4. Plantation, conservation and management of old and fallen trees;
5. Wood and firewood production through sustainable forest management;
6. Commercial cultivation, production and processing of softwood and herbs;
7. Private, urban and agroforestry promotion programme;
8. Effective management of leasehold forests for poverty reduction and forest based enterprises;
9. Protected forest management support;
10. Preparation and review of the community-based forest management plan.

(b) Study, Research and Capacity Building Programme:

1. Technical support for community forest management;
2. Study and research on sustainable forest management;
3. Institutional, staff and stakeholder capacity development.

(c) Green Roads and Green City Development Programme:

1. Rural and urban roadside plantation and greenery programme;
2. Streamside/riverside afforestation programme;
3. Bio-engineering technology and structure development.

(d) Herb and Medicinal Plant Conservation and Management Programme:

1. Preparation and participatory implementation of herb inventory & management plan;
2. Herb conservation and cultivation in government and community-managed forests;
3. Cultivation of high-yielding non-timber forest product plants and application of sustainable harvesting system;
4. Promotion of herb cultivation on private and forest land;
5. Public-private partnership programme for herb and medicinal plant cultivation;
6. Cultivation expansion, processing, value addition and marketing of herbs with comparative advantage.

5.5.2 Biodiversity Conservation

(a) Biodiversity Conservation and Management Programme:

1. Herb farming support and technology transfer;
2. Conservation and sustainable management of orchids;
3. Biodiversity Museum development;
4. Establishment of community seed banks and gin banks;
5. Establishment of zoo and wildlife rescue centers;

6. Management of protected areas and pastureland;
7. Study, research and archiving of biodiversity;
8. Conservation of forest connected to highway, urban and agricultural areas and biological; corridors for wildlife movements;
9. Identification and management of critical ecosystems and wildlife habitats at risk;
10. Wildlife habitat management in community forests;
11. Forest fire control;
12. Control of external invasive species, pests and diseases.

(b) Wildlife Poaching and Illegal Trade Control and Regulation Programme:

1. Awareness and capacity building of local communities;
2. Partnership programme for biodiversity conservation;
3. Control and regulation of wildlife poaching and illegal trade.

(c) Human-Wildlife Conflict Reduction Programme:

1. Conservation of natural habitats of wildlife;
2. Study on human wildlife conflict and control of wildlife damage control;
3. Awareness raising on reducing human-wildlife conflict;
4. Establishment and operation of compensation and relief fund.

5.5.3 Watershed Management

(a) River System Based Watershed Management Programme:

1. Preparation of river system-based integrated watershed management plan;
2. Survey, identification and protection of sensitive watersheds;
3. Protection of civil engineering structures embedding to bio-engineering techniques;
4. Recharge pond construction and conservation campaign;
5. Watershed and river cleanliness campaign;
6. One recharge pond - one local level programme.

(b) Disaster and Risk Mapping & Development Infrastructure Protection Programme:

1. Protection and maintenance of irrigation canals/channels;
2. Controlling landslides, gulley (galchhis) and monsoon streams (khahare), and river training;
3. Land productivity conservation and rehabilitation of degraded land;
4. Recharging of urban and depleted water resources;
5. Declaration of special watershed to maintain the natural flow of river channels in urban areas.

(c) Soil and Water Conservation Related Study, Research and Survey Programme:

1. Soil and water conservation study, research and surveys;
2. Economic, social and environmental impact study of natural lakes and ponds.

(d) Wetlands Conservation and Management Programme:

1. Preparation of watershed conservation plan for Fewa Lake, which is already declared as a protected watershed;
2. Conservation, beautification and documentation of wetlands within the province.

5.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Sustainable Forest Management**					
1.1	Province forestry sector contribution to national GDP	Percent	2	2	2.5	3
1.2	Ratio of forest cover	Percent	47.4	47.4	48	50
1.3	Ratio of community based forest	Percent	33	33	34	35
1.4	Community forest user group	Number	3966	3980	3990	4000
1.5	Registered private forest	Number	412	450	500	600
1.6	Timber production from government, private and community forest	Cu. Ft. in lakh	11.17	11.5	12	15
1.7	Government forest managed under sustainable forest management	Number	1	1	2	2
1.8	Collaborative forest managed under sustainable forest management	Number	1	1	1	2
1.9	Community forest managed under sustainable forest management	Number	119	119	150	200
1.1	Annual encroachment controlled area	Hectare	6	6.5	8	10
1.11	Seedling/sapling producion and distribution annually	In lakh	9	9.5	10	12
1.12	Quantity of herbs production (KG)	In thousand	80	85	90	100
1.13	Establishment of comprehensive herbs processing center	Number	0	1	2	3
1.14	Forest user group involved and implemented in herbs conservation and cultivation	Number	11	15	20	100
2	**Biodiversity Conservation**					
2.1	Training on sustainable biodiversity management	Times	0	0	15	30
2.2	Wildlife habitat management in community forest	Number	0	5	33	55
2.3	Human-wildlife conflict mitigation, wildlife rescue & management training	Times	4	5	25	100
2.3	Community zoo established and managed	Number	0	0	1	1
2.5	Wildlife rescue center establishment and operation	Number	1	1	2	2
2.6	Anti-poaching control unit formation in community level	Number	200	200	250	300
2.7	Community seed bank	Number	0	0	1	1
2.8	Biodiversity register center	Number	0	0	1	1
2.9	Conservation of wildlife corridor	Number	2	2	3	4
2.1	Human-wildlife conflict annual cases	Number	1100	1100	800	500
3	**Watershed Management**					
3.1	Conservation pound constructed, upgraded and maintained	Number	92	100	110	120
3.2	River system with river basin based integrated watershed conservation plan prepared & implemented (Budhigandaki, Marsyangdi and Kaligandaki)	Number	0	0	2	3

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
3.3	Watershed and sub-watershed plan formulated and implemented	Number	11	11	15	22
3.4	Protected waster springs	Ha.	11	15	22	33
3.5	Area of gulley (galchhi) and landslides prevented and treated	Ha.	122	130	150	200
3.6	Protected river bank, irrigation canal and development infrastructures	KM	90	90	95	100
3.7	Reclaimed land (ukas) from river cutting	Ha.	0	0	10	20
3.8	Number of soil conservation-friendly seedling produced and distributed	In lakh	1.45	2	5	7
3.9	Footpath/trail/demarcation constructed for controlling lake encroachment	KM	0	0	10	25

Source: Ministry of Forests and Environment, 2024; GPPPC, 2024 and latest reports of government

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Chapter 6: Market-oriented Production and Sustainable Tourism

6.1 Background

It is evident that the service sector, known as the tertiary sector of the economy, should be developed with a focus on quality, professionalism, competitiveness and sustainability as a mechanism that enhances the vibrancy of other sectors of the economy. It is necessary to establish front and back relationships in such a way that the goods produced by the primary sector are used as inputs of the secondary sector and the products of the primary and secondary sectors are used by the tertiary sector. It is also crucial to pay attention to increasing production and productivity by linking the products to the national production chain through active participation and cooperation of the tiers of government, community, private sector, and cooperative and non-governmental sectors. Overall, it seems necessary to focus on province policy and planning towards increasing production, productivity and competitiveness in an integrated manner while maintaining connectivity between the determinants of economic development and substituting the imports.

In terms of industrial corridors, special economic zones, national priority projects, riverine multi-purpose projects, road corridor projects and foreign investment projects, it is necessary to establish inter and province-federal coordination. To increase the contribution of this sector to the GDP by increasing production through the development and sustainable management of industrial enterprises, it is crucial to place high priority to the industrial sector. As an important sector for strengthening the economy, the establishment and operation of mining and minerals industries should be prioritized so that they can contribute significantly to the province's economy by promoting trade. It is necessary to make the province economy competitive by giving special preference to remote and backward areas and to protect consumer interests by maintaining fair business and ethics to ensure equal access to basic goods and services for all citizens.

Gandaki Province, the leading tourist destination in Nepal, relies on the tourism sector for economic development. It is crucial to focus on developing and expanding infrastructures, services and facilities, as well as marketing tourism products such as the world-famous Annapurna Trail, Dhaulagiri Trail, and Manaslu Trail while identifying news destinations and maintaining inter-connectivity between them. Emphasis should be placed on service diversification and capacity development to make tourism services globally competitive. There is a potential that the entire Gandaki Province can sustainably benefit from the tourism sectors through the protection, promotion and inter-connection among the historical, cultural, natural, religious and archaeological heritages, considering Pokhara, the tourism capital, as the main tourist hub.

6.2 Existing Situation

6.2.1 Industry, Commerce and Supplies

The contribution of the secondary sector to the total domestic product of Gandaki province is 17.27 percent, while the contribution of the manufacturing industry sector is 3.29 percent. The province government has taken industry and tourism as key drivers of prosperity. A total of

78,084 small, cottage, small and medium industries are operating within the province, and as many as 19,505 entrepreneurs are actively engaged in these industries. Currently, one Pokhara Industrial Zone is operating in the province, and 29 industrial villages have been declared at the local levels, with the infrastructure ongoing. Gandaki province has prepared for the establishment of two province industrial zones, while the feasibility study of one industrial zone has been initiated. 76 industries producing more than two dozen types of goods are operating in Pokhara Industrial Zone, the industrial hub of the province. In addition, Nepal's largest private level industries, namely CG Industrial Park and Hongsi Cement Industry, are operating in Nawalpur, while Bhrikuti Paper Factory in Gaindakot and Gorakhkali Rubber Industry in Gorkha, owned by the Government of Nepal, have been closed for a long time.

A total of 71,435 commercial firms are registered within the province, ranging from small shops to large enterprises. In the last fiscal year, the province imported food products worth approximately Rs. 14 billion, dairy products worth approximately Rs. 200 million, fruits worth Rs. 1.05 billion and clothes/garments worth Rs. 760 million. In contrast, petroleum products worth more than Rs. 20 billion were sold from petrol pumps. The ratio of the last three fiscal years shows that Gandaki province has the largest number of food items among the main commodities imported from India and other provinces. It seems that rice and paddy, maize, wheat, pulses, soybean oil and sunflower oil were imported in the highest amount last fiscal year.

Major industrial products mainly produced and exported in the province include mustard oil, processed milk, biscuits, noodles, chocolate, beer, bricks and cement. Cardamom, turmeric, ginger, garlic, chilli, vegetables, herbs, handicrafts, pashmina and treated drinking water are potential export items based on market demand and local production potentials. In the province, traditional skills and businesses such as wool and allo (Girardinia diversifolia) cloth manufacturing, handicrafts, carpentry and sculpture, which have a high market value, are dormant. In terms of animal products, milk, fish, eggs, and meat production is increasing, making them potential for export. Recently, wool production has been declining.

6.2.2 Tourism and Heritage

Gandaki Province is abundant in natural, geographical, biological, and cultural heritage and diversity. There is immense potential in the three main types of tourism in the province, namely "natural, cultural, and adventure" areas. The tourism sector, which is the main source of economic development and employment creation in the province, is moving towards planned development. For the development of the tourism sector, the province government has emphasized issues such as infrastructure development, promotional activities, tourist services, access facilities, information, and security. Similarly, the province is focusing on making the tourist destinations, services, and facilities more attractive and competitive at the national and international levels for the development and expansion of tourism, with the participation of intergovernmental agencies, private sector, cooperatives, non-governmental organizations, and local communities.

According to the National Census of 2021, there are more than 104 castes, over 10 religious sects, and over 72 mother tongues in Gandaki Province. A study report on the religious and cultural heritage of Gandaki Province published by the Ministry of Social Development

identifies 141 main archaeological heritages and 602 other heritages within the province. Famous religious sites in the province include Muktinath, Baglung Kalika, Galeshwardham, Bindabasini, Alamdevi, Dhorbarahi, Chhabdi Barahi, Akala and Annapurna, Ishaneshwar Mahadev, Manakamana, Gorakhnath, Devghat, Maulakalika, and Trivenidham. Additionally, the province is home to various caves like Mahendra Cave, Gupteshwar Cave, Alpeshwar Cave, Chamere Cave, Vyas Cave, Siddha Cave, and natural wonders like Rupse Waterfall, the Andhagalchhi (the deepest gorge in the world), and Tilicho Lake, the highest elevated lake in the world. The province is also known for its lakes, such as Phewa Lake, Begnas Lake, and Rupa Lake, making it a major tourist destination for visitors.

In addition to Dhorpatan Hunting Reserve, the only hunting reserve in Nepal, the world-renowned Annapurna Conservation Area, Manaslu Conservation Area, and parts of Chitwan National Park are situated in Gandaki Province. The province boasts some of the world's best trekking routes, like Annapurna Base Camp, Mardi Himal Trek, Manaslu Trek, and Dhaulagiri Cycle Trek. Rural tourism destinations like Ghorepani, Punhil, Jomsom, Muktinath, Lomanthang, Thorang La Pass, Bandipur, Ghandruk, Sikles, Dhampus, Ghalegaon, Sirubari, and Bhujung, along with homestays, are popular among national and international tourists. Mountaineers and tourists flock to the province to explore the towering peaks of Dhaulagiri, Manaslu, and Annapurna, all of which stand over 8,000 meters high.

Adventure tourists are drawn to the province for activities like ultralight flying, paragliding, bungee jumping, rafting, zip flyer, and rock climbing. The Pokhara International Airport now facilitates smoother travel for tourist, boosting the regional connectivity and economy. Approximately 40 percent of all foreign tourists visiting Nepal explore Gandaki Province. The province hosts an average of 245,000 tourists annually, with foreign tourists typically staying for around five days.

6.3 Key Issues and Challenges

6.3.1 Industry, Commerce, and Supplies

(1) **Self-reliance and import substitution through increased production:** The primary issue is to enhance the competitiveness of the industry in terms of production and productivity while maintaining the quality of industrial products. The key challenge lies in prioritizing agricultural products that can lead to self-reliance, protecting the industries, substituting the imported goods, and identifying, producing and branding goods and services that can benefit relatively more at the province level and establishing them in the national and international markets.

(2) **Improvement in goods and services and product quality:** Capacity building related to quality testing, certification, labelling, and packaging of export goods and services has not been timely maintained. Systematically testing the quality of exported goods and services, maintaining the quality of manufactured goods, and competing nationally and internationally are challenges.

(3) **Developing infrastructure in the industrial and trade zones:** The key issue is securing sufficient resources to diversify and promote infrastructure in the industrial zones and villages. Adequate resources have not been allocated to identify, diversify, and promote

new business areas through research and development. Clarifying the development and operational framework of necessary infrastructure for the establishment and operation of industrial villages is essential. Protecting the existing industries from decline and rehabilitating sick and closed industries is is also challenging. Acquiring land to establish a large industrial zone and developing basic infrastructure such as transportation, communication, and electricity are additional challenges to this sector.

(4) **Managing technical and skilled human resources:** Retaining necessary employees and labourers in domestic enterprises remains an issue. Attracting investment for industrial development and securing skilled human resources for medium and large industries pose challenges.

(5) **Creating an investment-friendly environment in the industrial sector:** High land prices in the main city and highway corridor areas lead to significant expenses in acquiring land for industries. There is a lack of adequate investments in the productive sector from the banking and financial sectors. The dual registration system for industries persists. Industrial administration faces challenges in transforming technology-friendly and lacks professionalism. Developing industry-friendly flexible legal provisions and investment climate to attract investment and retain existing investment in the industries and integrating the unemployed and returnee migrant workers into the industry sector are the key challenges of this sector.

(6) **Managing a fair market:** The province lacks documentation of imported and exported goods and services. A food testing laboratory has not been established to test the quality of daily consumer goods. Making the market fair, conducting scientific studies on various aspects of business for business development and promotion, identifying and producing goods and services that can be relatively more profitable at the province level and exploring national and international markets are the challenges of this sector. Controlling the unusual price increase of essential consumer goods is also a challenge.

6.3.2 Tourism and Heritage

(1) **Sustainable development and management of the tourism sector:** Maintaining natural beauty amid environmental degradation,natural disasters, and unorganized waste management is a key issue. A comprehensive record system for tourists and arrangements for their safety and quick rescue are lacking. Mapping, documentation, and management of the required workforce in the tourism sector need improvement. It is crucial to ensure effective monitoring of tourist activities and development of information, communication and technology in tourist destinations. It is challenging to sustainably protect tourist assets, ensure quality and sustainable development and expansion of tourism, and distribute the benefits of the tourism sector equitably.

(2) **Developing, expanding, and diversifying tourist services and facilities:** The development of tourism-based sustainable and attractive businesses and the creation of employment opportunities in this sectoe are lacking. Interconnectivity has not been established enabling the tourism sector development to support local agriculture and industry. Identifying and developing tourism products and promoting them in national and international markets through the preparation of province brands in tourism remain key

issues. Ensuring quality tourist service facilities, producing local goods and services for tourism, and diversifying tourist activities to increase daily spending per tourist are challenges.

(3) **Developing and protecting large and attractive tourist destinations:** In addition to developing alternative trekking routes in the high hill and mountain areas developing large and attractive man-made tourist destinations with specific identities is a key issue. Diversifying and marketing tourism products such as yoga centers, sports tourism, and agricultural tourism is lacking. Promoting sustainable tourism through conservation and enhancement of historical and religious heritages listed as World Heritage Sites is a challenge.

(4) **Expanding investment in tourism sector development:** There are political and practical obstacles including land acquisition to attract more private sector investments in the development tourism infrastructure and expansion of service facilities. Creating a conducive environment to utilize the knowledge, skill, and capital of Non-Resident Nepali in tourism sector development is crucial. It seems challenging to adequately increase investment in developing and expanding tourism infrastructure and service/facilities through efficient and effective coordination with tourism sector partners.

(5) **Conducting studies, research, and data analysis:** There is a lack of practice in assimilating the latest trends and globally successful experiences of tourism development through regular studies and research. Effectively developing an information system by systematizing information and data, including tourist sites, facilities, and infrastructure, is another challenge of this sector.

6.4 Transformational Strategies

6.4.1 Industry, Commerce and Supplies

(1) **To enhance self-reliance in production through increasing productivity:** The basis for building a sustainable economy will be created by developing and expanding the industrial sector. Government programmes will be conducted along with industries to enhance sustainability and productivity of the industries. Encouragement will be given to increase the competitiveness of export goods and services. Promotion and marketing will be supported to expand the consumption of products from local industries. Production and marketing of export goods will be encouraged by supporting the establishment and operation of industries that can compete with imported goods and have a higher competitive advantage.

(2) **To develop, expand and upgrade the infrastructure of the industrial and commercial sectors:** In coordination with the Government of Nepal and the Province Government, the industrial villages will be brought into operation by providing a clear framework for minimum infrastructure development and operation at the potential local levels. Provincial industrial zones will be established and operated by building minimal infrastructure. The establishment of industrial zones will be encouraged in the locations where the feasibility study has already been completed and in new locations. Industries and commercial infrastructure will be built through public-private partnerships.

(3) **To establish and upgrade locally available raw materials-based industry, and strengthen the marketing of manufactured goods:** Exploration of mines and minerals and establishment, protection and promotion of locally available raw materials-based micro, cottage, and small industries will be emphasized. Employment opportunities will be created through the production and marketing of quality products. The establishment and operation of industries that can compete with imported goods and have a higher competitive advantage will be supported. The access to the national and international markets of the manufactured goods will be extended by supporting the marketing with incentives for the production of export goods.

(4) **To revive the sick and closed industries and expand the industrial sector:** Coordination, cooperation, and lobbying with the Government of Nepal will be used. Working in coordination with both the Government of Nepal and the Province Government, the industrial village will be brought back into operation by developing minimum infrastructure along with a clear operational framework at the potential local levels.

(5) **To enhance collaboration and partnership with the private sector and attract investment:** Supply management will be made easy in collaboration with the private sector. Investors will be encouraged by organizing an entrepreneur investor conference at the province level. Private sector investment will be attracted by developing a bankable project bank based on the identification of potential industries and investment areas in the province. An environment will be created for the establishment and operation of industries and factories by increasing investment through a public-private partnership modality by conducting research on mines and minerals-based industries.

(6) **To foster youth entrepreneurship and increase employment opportunities:** Entrepreneurial ideas among the youth workforce will be developed. Entrepreneurial employment opportunities will be created focusing on the youth workforce through technical and skill development training and providing suitable seed capital support. The commercial and trade sector will be mainstreamed in the commerce administration system and employment will be expanded to the rural level. The skill and capacity development of youth migrant returnees and other youth, assistance in concessional credit financing and marketing of manufactured goods will be encouraged based on the project proposal for the development of "One Village, One Young Entrepreneur".

(7) **Fair and accountable market management:** Quality testing regulations will be made effective to provide easy access to quality goods and services for consumers. A fair market will be managed through market monitoring to maintain proper pricing and quality standards of goods and services and control black marketing. The consumer awareness Programme will be extended to households.

6.4.2 Tourism and Heritage

(1) **To formulate policy, legal and institutional framework related to tourism development and promotion:** Policy and legal basis will be developed for tourism development. Services will be managed and strengthened by establishing necessary structures and policy and legal frameworks for tourism development and promotion of the province as the Tourism Capital.

(2) **To carry out integrated development, expansion and diversification of tourism service and facilities:** Emphasis will be placed on the arrival of tourists who pay higher prices and visit repeatedly while protecting the existing tourist assets. The tourism market will be expanded accordingly to attract new markets and tourists by diversifying the tourism products. A conducive environment will be created for private investment in the unique tourism sector of Gandaki province. Branding will be established after analyzing market demand and condition of domestic tourism. Emphasis will be placed on promoting adventure and discovery tourism in all market segments by improving the quality of the current trekking, mountain climbing and adventure tourism offerings. A reliable, competitive and unique destination for all types of adventure tourism will be developed and branded based on the preference of tourists. It will cater to tourists seeking diverse markets, experiences and price points.

(3) **To identify, classify and develop tourist destinations:** In order to develop the areas that are lagging behind in tourism development as strong tourist destinations, they will be prioritized and selected based competitive advantages for the development, expansion and diversification of tourism infrastructure, services and facilities according to the characteristics of such areas. Infrastructure, demand, diversity, sustainability, social impact and strategic priority will be the basis for selecting the tourist destinations. Income generation and employment opportunities will be created through the identification, development and diversification of new tourist sites. New tourist destinations will be identified and classified for infrastructure development accordingly, considering the characteristics of the priority tourist destinations and the demand of the tourism market. Government, private, and community sector partnerships will be expanded for the development of tourism goods, services, and infrastructure. The private sector will be encouraged to increase investment in the tourism industry. Emphasis will be placed on the identification, development, promotion and publicity of tourist products.

(4) **To develop tourism infrastructures:** Tourism infrastructure will be developed and expanded in such a way that there is minimal impact on climate change, biodiversity, wildlife habitat, and migration process. Large and attractive man-made tourist destinations with unique identity will be developed. The private sector will be encouraged in the construction of necessary infrastructure for the development and expansion of tourist services and facilities. The international level auditorium, exhibition center, film shooting hub, and rural tourism will be developed, expanded, and promoted. An environment of local community participation and fair benefit-sharing will be created in the development, expansion and operation of tourism infrastructure.

(5) **To develop, expand, promote and diversy tourism service and facilities:** Cultural and trade exhibitions, fairs and events will be organized in coordination with and participation of the government and private sectors. Various brochures, leaflets, booklets with tourist activities, maps and documentaries will be produced, published and broadcast for tourism promotion and market expansion. The banking sector will be consulted, coordinated and facilitated for credit disbursement to the tourism sector.

(6) Study/research and data management: An appropriate and effective system will be developed for managing data of tourism activities on a periodic basis. The master plan for the tourist destinations of competitive advantage will be formulated and amended. A long-term plan and strategy of the province will be formulated for the development and promotion of tourism. Historical and archaeological heritage sites will be protected and revived based on studies. The demand and supply of required workforce and service facilities will be projected considering the past trends, current situation and future of the tourism industry. The tourism sector will be diversified by studying the market demand for the development of tourism products.

(7) To develop natural, cultural, adventure and agricultural tourism in an integrated manner: The issue of sanctity, cleanliness and sustainability of the natural and cultural tourism assets that the people of the province are proud of will be given top priority. Sustainable conservation and promotion of natural, cultural and artistic heritages will be emphasized. Tourism will be developed and promoted based on the natural resources, cultural diversity, values and the relationship between festivals and Hills. Tourism services and facilities will be developed, expanded and improved to establish a distinct identity of Gandaki province in the country and abroad. Initiatives will be taken to link tourism with agriculture and bring local products to the tourism market.

(8) To protect and promote the tourist destination and heritages within the province: The infrastructure and facilities of tourist destinations, including the protected areas, lakes/ponds, wetlands, recreational places and viewing areas, historical, religious sites and heritage will be developed, expanded and upgraded in the province. Cooperation with the local government will be made effective to attract domestic and foreign tourists through community homestay, museums, gardens and parks, eco-villages and hill stations to connect tourism with domestic production and employment.

6.5 Key Tranformational Programmes

6.5.1 Industry, Commerce and Supplies

(a) Institutional and Structural Reform Programme:

1. Formulation and revision of industrial policies, legislations, guidelines and standards;
2. Reformulation and operation of the business forum;
3. Skill development training, grading and certification;
4. Technology-based industrial administration & business development service operation.

(b) Industrial Infrastructure Development Programme:

1. Identification of industrial zones, concept note development and feasibility study;
2. Cooperation for the establishment of the industrial village;
3. Establishment of gift house and exhibition center;
4. Establishment of the province level industrial laboratory.

(c) Youth Entrepreneurship Development Programme

1. Vocational and skill development training programme;
2. Technology transfer concessional loan for young entrepreneurs;
3. Youth and agricultural sector entrepreneur's incentive programme.

(d) Business Development Service Center (Business Incubation Center):

1. Conversion of district tourism and industry office into business incubation center;
2. Extension of professional business development service.

(e) Consumer Awareness and Market Monitoring Programme:

1. Capacity building of inspection officers for market monitoring;
2. Market monitoring and regulation;
3. Black market and cartel control;
4. Household-level consumer education and awareness-raising programme.

(f) Products of the Comparative Advantage Commercialization Programme:

1. Study on identification of export commodities of comparative advantage;
2. Facilitation on marketing, branding and quality control of domestic liquor;
3. Local wood, woolen and himalayan giant nettle cloth weaving enterprise development programme;
4. Latest technology transfer;
5. Branding of products produced in the province;
6. Organization of industry and trade fair;
7. Province level entrepreneurship and investment summit.

(g) Interaction and Dialogue Programme:

1. Interaction between individuals and officials of the industry and commerce sector;
2. Interaction and dialogue with elected officials and stakeholders of local government already declared industrial villages;
3. Public, private and cooperative sector interaction for the supply of quality goods and services;
4. Consumer education and awareness programme.

(h) Establishment of Export Commodity Manufacturing Industries:

1. Support and facilitation in the establishment & operation of export commodity manufacturing industries;
2. Support and facilitation of the establishment of one district- one production industry.

(i) Establishment of mining and mineral-based industries programme:

1. Identification of potential mines and minerals available in the province;
2. Feasibility studies of identified mines and minerals;
3. Partnership and cooperation in the establishment of mine and mineral industries.

6.5.2 Tourism and Heritage

(b) Tourism Sector Policy and Structural Reform Programmes:

1. Formulation, review & revision of the tourism policy, law, procedure and standard;
2. Preparation of code of conduct and guidelines for tourism sector service providers;
3. Tourist service and facility quality improvement.

(c) Preparation of Tourism Development Plan:

1. Formulation of tourism master plan;
2. Tourist disaster risk reduction and management;
3. Tourist bus terminal construction and upgrading;

4. Tourist information centers establishment and upgrading
5. Identification of the area of tourism investment and promotion of investment;
6. Construction of vehicle parking area and tourist rest places;
7. Development/expansion of new & alternative trekking routes to major tourist destinations;
8. Mapping & prioritization of identified tourism areas in the National Tourism Strategy;
9. Preparation of master plan of identified tourist destinations, development & expansion infrastructure, services and facilities.

(d) Tourism services and facilities development, expansion & diversification programme:

1. Market demand study for the development of tourism products, services and facilities;
2. Tourism package development for public-private-community coordination, collaboration and partnership;
3. Facilitation and promotion of tourism-related business development;
4. Culture & tradition protection and promotion in partnership with local community;
5. Organization and conducting tourism fairs and festivals;
6. Domestic tourism promotion campaign;
7. Appoint and deploy local tourism representatives in key tourism market sectors;
8. International and national tourism promotion and marketing.

(e) Tourism infrastructure development and promotion programme:

1. Round Fewa View Fewa Development Project;
2. Magar Homestay (Nawalpur) Development Project;
3. Todke (Magdi) Tourism Development Project;
4. Chapakot Ramdanda Tourism Development Project;
5. Religious Route and Tourism Development Project;
6. Dharmanathdham Spiritual Area Development Project;
7. Lipe-Tandrang Lake Tourism Development Programme;
8. Modiveni Dham Religious Tourist Site Development Project;
9. International Mountain Museum Infrastructure Development Project;
10. Construction, upgrading & maintenance of tourism infrastructure in major tourist destinations;
11. Reconstruction, conservation and beautification of major lakes, ponds & important heritage sites;
12. Identification of new tourist destinations, trekking routes, networking & infrastructure development;
13. Development of the tourist destinations based on cultural, religious, historical, natural and aesthetic values;
14. Communication materials, documentary and online marketing with packages of destinations and services;
15. Encouraging the private sector and community to preserve and promote local festivals, fairs, costumes, and traditions.

(f) Study, Research and Data Management Programme:

1. Electronic-based tourism data management system;
2. New tourist destination identification programme;

3. Study on increase in length of stay and expenditure of tourists;
4. Student mobilization programme in tourism-related studies and research.

(g) Major Tourist Destinations Development and Promotion Programme:

1. Construction of an international exhibition center;
2. Construction of Teuwa International Sculpture Museum;
3. Development and upgrading of the sites of religious and cultural importance;
4. Hill station development and expansion project;
5. Alamdevi tourism development project;
6. Ilampokhari-Deurali Levarchyo integrated development project;
7. Kalanjar (Jaljala) tourism area development project;
8. Risingkot and Manahunkot integrated development project;
9. Construction of Deurali-Mulabari-Kharchowk-Dharche-Laprak-Uhia-Kaltal-Manaslu base camp trekking route;
10. Literary tourism development programme.

(h) Construction of Alternative Trekking Routes and Upgrading Programme of Existing Routes in Himalayan and High Mount Areas:

1. Identification and development of new trekking routes in Himalayan and High Mountain Areas;
2. Upgradation of trekking routes and development of alternative footpaths in Annapurna, Dhavalagiri and Manaslu Mountain Range;
3. Development of alternative trekking routes from Tatopani to Muktinath and Besisahar to Chame
4. Panchakot-Beldhunga-Soledanda-Dhorpatan Top trekking route development project;
5. Bhakra Icelake Trekking Route Development Project;
6. Tanki-Khangsar-Tilicho Trekking Route Development Project;
7. Yangkharka - Thorong-La Trekking Route Upgradation Project;
8. Manaslu Circuit-Larkepass Trekking Route Construction Project;
9. Ranagaon-Chumchet-Rinjam Trekking Route Construction Project;
10. Annapurna Circuit Trail-Thorang La Pass Trekking Route Construction Project.

(i) Tourism Sector Human Resource Development Programme:

1. Tourism human resource development training;
2. Tourism education and scholarship programme;
3. Vocational and technical training programme;
4. School and higher education tourism programme in partnership with the Government of Nepal, Province Government and local levels.

(j) Tourism Capital Promotion Programme:

1. Round Fewa and View Fewa Development Project;
2. Pokhara Lake to Lake and Cave to Cave Cycle Route Development Project;
3. MICE Tourism International Convention Center Construction Project;
4. Pokhara-Pumdikot Cable Car Development Project;
5. Greater Pokhara Tourism Promotion Programme;
6. Pokhara Mahaprabhudham Tourism Promotion Project.

6.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Industry, Commerce & Supplies**					
1.1	Registered industries (micro, cottage and small)	Number	78084	85903	109361	125000
1.2	Registered commercial firms	Number	71435	78696	100478	115000
1.3	Operation of industrial village	Number	0	3	8	15
1.4	Entrepreneurs trained in entrepreneurship development	Number	4870	5725	8290	10000
1.5	Entrepreneurs trained in skill development	Number	6800	9000	15600	20000
1.6	Benefited from technology transfer	Number	1122	1202	1441	1600
1.7	Business incubation center established and operated	Number	0	0	6	11
1.8	National and international trade and industry fair	Number	0	2	4	5
1.9	Youth entrepreneurs benefited from entrepreneurship programme	Number	0	0	75	125
1.10	Establishment of export industry	Number	0	0	2	3
1.11	Industrial zone	Number	0	0	1	2
1.12	Medium & large scale industries	Number	0	0	25	50
1.13	Employment generated in the industrial sector	Number	253552	269190	316106	347384
1.14	Contribution of industrial sector in GDP	Percent	3.3	3.5	4	4.5
2	**Tourism and Heritage**					
2.1	Systematic and promoted community homestay	Number	324	328	341	350
2.2	Access point black-topped road of major touristic destinations	Number	88	90	100	110
2.3	New foot trails constructed in mountain and hilly areas	KM	108	140	520	700
2.4	Foot trials length constructed/ upgraded/managed in mountain and hilly areas	KM	0	60	200	400
2.5	Average daily expenditure of the external tourist	USD	40.5	42	48	65
2.6	Average stay of external tourist	Day	13.1	15.5	16.5	18
2.7	Promoted and operated Koseli Ghar (Gift House)	Number	1	6	9	12
2.8	Annual number of external tourist	In thousand	245	371	728	1000
2.9	Constructed, upgraded and promoted tourist park	Number	40	50	80	100
2.1	Tourist information center	Number	0	1	3	5
2.11	Constructed/upgraded infrastructure in major tourist destination	Number	0	0	16	20
2.12	Tourist destination with updated profile	Number	4	5	8	11
2.13	Alternative foot trails identified	Number	5	5	8	10

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
2.14	Tourist destinations developed as spiritual and Yoga center	Number	0	0	5	5
2.15	Meeting and conference hall of international standard	Number	0	0	0	1
2.16	Cycle track constructed and upgraded	KM	0	0	25	50

Source: GPPPC, 2024 and latest reports of government

Chapter 7: Universal Health Coverage and Demographic Dividend

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Chapter 7: Universal Health Coverage & Demographic Dividend

7.1 Background

The Constitution of Nepal has constituted the basic and emergency health services and equal access to health services as fundamental rights. The Government of Nepal has developed policy and legal frameworks, including the Health Service Act, to make essential health services more competent, strong, service-oriented and responsive to the people. The National Health Policy, 2019 has been issued and is currently being implemented to fulfil international commitments, address issues and challenges in the health sector, and ensure universal access to quality health services to all citizens. In addition to the formulation of the National Nutrition Policy, multi-sector nutrition programmes are being implemented in collaboration with development partners to sustainably improve the nutritional status of citizens and bring about qualitative improvements in public health status.

In the federal structure, the province government is committed to the integrated development of the healthcare system with the preparation of a framework for the health service structure, which falls under the jurisdiction of all three spheres of government. Recognizing the need for intergovernmental partnerships to facilitate easy access to basic, intensive care and specialized health services for all citizens, efforts are being made to establish a mechanism responsible for public health, provide modern equipment, and ensure the availability of specialist doctors. It is the primary responsibility of the province to guarantee access to quality and accessible health services to cultivate a healthy and productive workforce. Adequate investment is necessary to provide equitable health services based on social justice while maintaining innovation and agility in health sector management.

The Constitution has also designated population management as the responsibility of all three spheres of government. Addressing contemporary issues related to population management and migration, it is imperative to integrate the utilization of demographic dividends into mainstream development efforts.

7.2 Existing Situation

7.2.1 Public Health and Nutrition

The province government plays a crucial role in ensuring universal access to quality health services within the federal structure. The province boasts 20 government hospitals, 38 basic hospitals, 70 private hospitals, 20 primary healthcare centers, 480 health posts, 208 community health units, 104 urban health centers, 208 basic health service centers, and 2 Ayurveda Regional Dispensaries in Gandaki and Dhaulagiri each, additionally 9 District Ayurveda Health Centers and 55 Ayurveda Dispensaries for Ayurveda services are in operation.

Significant progress has been made in improving the health conditions of citizens in Gandaki Province. Despite the challenges posed by the COVID-19 pandemic, higher achievements have been achieved in areas such as average life expectancy, infant mortality prevention, and infectious disease control compared to other provinces. In Nepal, the infant mortality rate has shown the improvement over the last two decades and currently stands at 21 per 1,000 live births, while in Gandaki province, it is 8 per 1,000 live births. Similarly, the under-five

mortality rate is 23 per 1,000 live births, the stillbirth rate in children under five years is 19.7 percent, and the rate of birth assisted by skilled birth attendants is 89 percent. Regarding maternal mortality, the rate is 151 per 100,000 live births for the country while the rate of Gandaki Province is currently 161. Gandaki province has been declared a fully vaccinated province. The Sustainable Development Goals Localization Roadmap (2022-2030) for Gandaki province aims to increase the expected average life expectancy to 80 years, reduce the maternal mortality rate to 70 per 100,000 live births, and decrease the child mortality rate under five to 15 per 1,000 live births by enhancing the health and nutrition sector.

7.2.2 Population and Migration Management

The Constitution of Nepal has placed population management within the list of concurrent powers of all three levels of government. The National Population Policy, 2071 BS, has been formulated to create an environment conducive to productive and quality living, integrating the population issue into the development efforts by recognizing that the population is at the heart of all development endeavors and is the user of all returns. The Population Perspective Plan (2010-2031) emphasizes organizing the population's structure, composition, and distribution, acknowledging that these factors will form the basis of the country's economic, social, and cultural development.

According to the National Census of 2021, the total population of Gandaki Province is 2,466,427, with 47.47 percent males, 52.53 percent females, and 0.01 percent other genders (sexual and gender minorities). The province's annual population growth rate is 0.25 percent, with districts like Manang, Parbat, Syangja, Gorkha, Baglung, Lamjung, Tanahun, and Myagdi experiencing negative population growth. The gender ratio has increased from 83.08 males per 100 females in 2068 BS to 90.37 in 2078 BS. The population density of Gandaki Province has risen from 110.6 people per square kilometer in 2068 BS to 115 people per square kilometer in 2078 BS. The population aged 15 to 59 years constitutes 62.8 percent of the total population.

Regarding migration, the National Census of 2021 reveals that 31.4 percent of families in Gandaki Province have members who have migrated abroad, with an average of 3.72 people per family member, down from 4.16 in 2011. Additionally, the main reasons for migrated to the current census area from the previous place of residence include marriage 32.3 percent being the highest, work or employment 16.4 percent, trade or business 3.7 percent, study or training 9.1 percent, dependent 19.1 percent, natural disasters 0.5 percent, agriculture 2.1 percent, return home 6.3 percent and others 6.1 percent. The population of those who migrated from other than their own local level is 889,099 or 36.05 percent of the total population.

7.3 Key Issues and Challenges

7.3.1 Public Health and Nutrition

(1) **Ensuring universal access to quality health services:** Health institutions providing specialized and specialist services with basic infrastructure within the province are limited and concentrated in certain locations. There is a lack of public trust and effectiveness in the health insurance programme. It is necessary to improve the easy availability of free drugs and the quality of services available in government health institutions. Providing basic health services, including safe motherhood and family planning services, to poor and

marginalized communities has been difficult. There is also a lack of counseling services for mental health problems and suicide prevention. Expanding access to modern, Ayurveda, and alternative naturopathy services, overall health sector development, and managing resources to establish universal access to health services remain challenging.

(2) **Strengthening the health infrastructure:** Buildings equipped with modern facilities and other supporting infrastructure for health institutions have not been constructed as required. It is necessary to maintain the availability of adequate tools and equipment in health institutions. Resources for improving and strengthening old physical structures and building new structures are limited. Strengthening existing health institutions, making specialist services easily accessible and of high quality, and establishing hospitals with specialized health services in a geographically balanced manner is a challenge.

(3) **Developing the workforce for the health sector:** There is a lack of adequate staffing, opportunities for professional development, and motivation in health institutions. It is necessary to train the human resources working in the health sector in a timely manner and create a conducive environment for training and working. Human resource development, availability, and operational challenges must be addressed according to the needs of all health institutions. Providing specialist and skilled human resources in hospitals outside the urban hubs and in remote health institutions is a major challenge.

(4) **Structural and managerial reform of the health sector:** There is a lack of resources for the procurement of essential and free drugs. Good governance tools in health institutions have not been used properly for effectiveness of internal control. It is necessary to improve institutional and managerial capacity in health institutions at the local level. Cold chain management for immunization services and provision of buffer stock and diagnostic kits required for epidemics and special situations have not been easy. Social and cultural disruptions in health and nutrition remain. Establishing a strong healthcare system in alignment with national and international commitments is challenging.

7.3.2 Population and Migration Management

(1) **Maintaining effectiveness of policies and institutional frameworks:** There is a lack of systematic study and research in relation to development and population management, as well as inter-governmental coordination and cooperation in population policies and programmes. While formulating policies and programmes, the balance between demographic indicators and economic and physical development indicators has not been maintained. Maintaining effectiveness in population management with the participation of governmental, non-governmental, and private sectors is challenging.

(2) **Balancing geographical distribution of poopulation:** There is an increase in geographically uneven population distribution and one-sided migration. The right to marriage and family, contraceptive use, and reproduction and reproductive health have not been practically established. Managing the growing pressure of the urban population, which is increasing rapidly due to internal migration, is challenging.

(3) **Utilizing the demographic dividend:** Managing the growing population of senior citizens and maintaining social and demographic balance remain the key issues. The key challenge

lie in preventing the youth workforce, which is a demographic dividend, from going abroad and creating decent employment opportunities in the country.

(4) Decentralizing the population pressure: Internal migration has not been balanced and systematic. The challenge lies in expanding quality service facilities in rural areas, developing sustainable and resilient integrated settlements, and attracting private sector economic activities to rural areas.

(5) Attracting Nepalese workforce living abroad into the country: The knowledge and skills earned by Nepalese abroad have not been properly harnessed in the productive sector in the country. Creating an environment for Non-Resident Nepalese to return to the country and attracting investment from Non-Resident Nepalese is a challenge.

7.4 Transformational Strategies

7.4.1 Public Health and Nutrition

(1) To expand citizens' access to quality basic and specialized health services: A strong healthcare system will be developed to ensure quality health services. Necessary infrastructure will be developed for the expansion of basic, specialist, and specialized health services. Specialized health services will be expanded to hospitals in strategic locations of the province. Arrangements will be made for quality testing of medical equipment to be purchased in the province and supplied by other organizations. The insurance programme will be effective by encouraging every household to be insured. Efforts will be made to provide medical treatment in designated health institutions without a referral card for the essential services under the health insurance programme. Access to health services for all citizens will be facilitated, in addition to enhancing the utilization of health services by ensuring basic health services within a 30-minute radius.

(2) To address the broader health determinants: Provisions of institutional and policy frameworks and multi-sector collaboration will be made to address the health determinants. The approach to "Health in All Policies" will be adopted. Promotion of personal, household, and community health, enhancement of healthy lifestyle, and behavior change will be encouraged. Sustainable investment in the health sector will be ensured. A multi-sector action plan will be developed and implemented to prevent and control non-communicable diseases such as suicide, mental illness, and HIV/AIDS, addressing social determinants of health. Public awareness about the use of pesticides, road accidents, prevention and control of drug addiction, and the effects of tobacco products, alcohol, and harmful substances from a public health perspective will be increased to reduce public health risks.

(3) To promote physical exercise, yoga, and meditation and expand Ayurveda and alternative medicine: Training will be provided to the general public, including students and employees, about yoga and meditation to make them part of their daily routine. Community yoga centers and open gymnasiums will be constructed and expanded. The centres will provide services such as panchakarma, yoga, abhyanga (massage), Sneha (Shirodhara), swedam (medicinal steam, sauna), and naturopathy services for bodily purification.

(4) To make healthcare system more effective: Good governance will be maintained in the health sector by strengthening all healthcare system components. Partnership and cooperation will be enhanced for developing the health sector. Cooperation with the inter-governmental, private sector and development partners will be enhanced to strengthen the overall health sector. The necessary health workforce will be managed along with additional and new responsibilities by analyzing the current responsibilities and needs of the health workforce. Eliminating duplication of projects and activities and maximizing resource utilization will be a priority to achieve expected outcomes in the health sector. Collaboration with universities and the academic sector in health research will be enhanced to implement health worker service incentive programmes for making the health decision-making process evidence-based. Public health education programmes, including medical verification, professional development, and medical education, will be conducted to increase the efficiency of doctors and health workers and strengthen the quality of medical services.

(5) To promote sustainable investment and social security in the health sector: Adequate budget allocation based on investment and expenditure estimates in the health sector will be ensured through budget analysis and public expenditure assessment. The pricing of health services to be provided by private healthcare facilities will be determined and implemented scientifically. The private sector will be encouraged to invest in health under Corporate Social Responsibility.

(6) To promote public health through a nutrition-friendly lifestyle: Increasing access to and consumption of quality and healthy food items will be increased. Healthy behavior will be promoted to reduce malnutrition. Adoption of a healthy lifestyle will be encouraged by increasing access to and consumption of nutrition-specific and nutrition-sensitive services will be a focus. The multi-sector nutrition plan will be implemented through coordination and partnership to change nutritional behavior and lifestyle. Regulation of marketing of unhealthy foods, instant beverages, processed food, etc., discouragement of their consumption, and quality control will be enforced. The nutritional status of women, children, adolescents, and senior citizens will be improved in accordance with the approach to the life cycle. Adulteration and use of tobacco products, alcohol, chemicals, pesticides, and inedible items will be regulated and controlled. Programmes for the study, research, surveillance, prevention, control, and elimination of non-communicable diseases will be developed and implemented effectively.

7.4.2 Population and Migration Management

(1) To pursue practical and policy reforms for balancing the population distribution: Province policies, laws and plans will be developed and implemented for population and migration management. A population management programme with an innovative approach to population management will be formulated and implemented. An information system will be developed to systematize and integrate information related to population activities. The relationship between development and population management will be regularly studied and researched. To benefit from the demographic dividend, synergy will be established between the economically active population and the basis of economic and

social development through programmes such as youth entrepreneurship, sports and social awareness. The vital events such as births and deaths will be updated through linkage between the health institutions and the Civil Registration and Vital Statistics systems.

(2) To internalize and mainstream the demographic issues in the development process: The issue of making the optimum use of the demographic dividend will be included in the planning and implementation phase with priority. Mobilization of active human resources towards contributing to the development of the economic-social sector will be motivated. An environment will be created for business operations and employment opportunities in the sectors of competitive advantage.

(3) To systematize internal migration through balanced development: Appropriate locations will be identified for promoting decentralized settlement development and urbanization. Collaboration will be maintained with the federal government, local levels and other stakeholders to make migration safe and planned. Uncontrolled migration from rural to urban areas will be discouraged by developing potential locations in rural areas as economic hubs. Attractive and convenient settlements will be developed and promoted at suitable locations by identifying hazard-free zones. The "Let's Stay in the Village" campaign will be conducted by making policy provisions such as the expansion of basic amenities and concessional services.

(4) To create a conducive environment and opportunity to attract intellectual human resources: An environment to attract intellectual human resources will be ensured by creating competitive advantage opportunities, including study and research and professional development for intellectual development and utilization. Partnership and collaboration will be maintained with the inter-governmental sector and other stakeholders to prevent brain drain and restore the drained brain within the province. A supportive environment will be created to utilize the skill and abilities of the migrant returnees by developing a statistical system that reveals their skill and competencies.

7.5 Key Tranformational Programmes

7.5.1 Public Health and Nutrition

(a) Specialist and Specialized Health Service Extension Programme:

1. Trauma hospital construction project;
2. Specialized mental health service expansion with in-patient services;
3. Maternity, women and obstetric hospital construction;
4. Province level hospital construction;
5. Establishment and upgradation of hospitals;
6. Upgrading primary health centers;
7. High altitude disease management training center;
8. Operation of physiotherapy and rehabilitation Center;
9. Specialist doctor mobilization;
10. Organization of specialized mobile health service.

(b) Basic and Emergency Health Care Accessibility Programme:

1. Extended health care (one doctor/health worker-one health facility) programme;

2. Expansion of basic and emergency health services;
3. Strengthening of emergency health centers;
4. Disaster-sensitive first aid facility construction and expansion;
5. Health insurance programme;
6. Skill-blended human resource development programme for health service delivery;
7. Strengthening the social security unit;
8. Maternity waiting room construction;
9. Expansion of eye care services with doctors in district hospitals;
10. Tuberculosis diagnosis and treatment programme;
11. Management of essential drugs programme;
12. Contingency fund consolidation programme;
13. Ambulance service programme;
14. HIV/AIDS prevention, treatment and awareness programme;
15. School health/nurse programme.

(c) Quality Health Care Promotion Programme:

1. Health sector good governance promotion programme;
2. Oral health promotion programme;
3. Health institution digitization (paperless health care) programme;
4. Institutional memory system development;
5. Clinical trial system development;
6. Continued professional development programme;
7. Establishment of pharmaceutical quality testing laboratory.

(d) Adverse Effects of Determinants of Health Reduction Programme:

1. Zoonotic disease and antimicrobial resistance reduction;
2. One health approach programme;
3. Public health awareness programme (discourage to addiction, tobacco, alcohol and use of harmful substances to health);
4. Prevention and control of mental and non-communicable diseases;
5. Suicide prevention awareness programme;
6. One local government - one psycho-social counselor programme;
7. Health education, information and awareness programme;
8. Health impact of climate change mitigation programme;
9. Water quality and water-borne disease surveillance programme;
10. Sanitary management of health care waste;
11. Pesticide reduction & interrelationship between soil & nutrient awareness programme;
12. Study, awareness and advocacy Programme on road accident reduction.

(e) Ayurveda, Yoga and Alternative Health System Promotion Programme:

1. Ayurveda and yoga education programme;
2. Development and expansion of Ayurved medical service;
3. Community and professional yoga programme;
4. Ayurved health facility upgrading;
5. One local level, one Ayurveda service center programme;
6. Ayurvedic medicine production programme;

7. Responsible Citizen Programme for health promotion;
8. Healthy Lifestyle and Healthy Citizens campaign;
9. Citizen health programme;
10. Establishment of healing centers;
11. Establishment of yoga centres and opening gymnasiums.

(f) Resilient Health System Development Programme:

1. Organizational management survey of health facilities and organizations;
2. Health sector infrastructure development programme;
3. Strengthening immunization programme;
4. Human resource management programme;
5. Analyzing the need, availability and operational status of medical equipment, other materials and development of regular inspection system;
6. Promotion of quality health research;
7. Health-related programme evaluation;
8. Corporate social responsibility promotion for health service improvement.

(g) Nutrition Behavior and Lifestyle Change Programme:

1. Nutrition and healthy food awareness programme;
2. Healthy behavior promotion for malnutrition reduction;
3. Nutrition-specific and nutrition-sensitive programmes.

7.5.2 Population and Migration Management

(a) Demographic Dividend and Transitional Situation Management Programme:

1. Formulation and reform of provincial population policy and law;
2. Women and target group income-generation promotion programme;
3. Youth entrepreneurship programme;
4. Foreign employment returnee skill & competency utilization and rehabilitation;
5. Senior citizens' physical, mental and spiritual health promotion programme;
6. Minority target group health education and income generation programme;
7. Formulation of population and migration management action plan;
8. Population and migration structural management programme.

(b) Population Information Management System Strengthening Programme:

1. Demographic information system development;
2. Risk area assessment and mapping;
3. Vital registration and statistic system strengthening;
4. Updating of birth and death information;
5. In and out migration information management system development.

(c) Safe Migration and Planned Settlement Development Programme:

1. Health examination before going abroad and after returning from abroad;
2. Safe migration and immigration awareness programme;
3. Let's stay in the village programme;
4. Potential locations identification, development and expansion for integrated settlement.

(d) Population Management Programme:

1. Incentive for productive business establishment;
2. Family planning promotion programme;
3. Unplanned migration management programme;
4. Study and research on population and development.

7.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Public Health and Nutrition**					
1.1	Expected life expectancy at birth	Year	71.1	72	73	75
1.2	Maternal mortality ratio (per lakh live births)	Number	161	150	100	70
1.3	Under-five mortality rate (per thousand live birth)	Number	23	20	18	15
1.4	Infant mortality rate (per thousand live birth)	Number	8	6	4	3
1.5	Proportion of births attended by skilled health personnel	Percent	89	90	93	95
1.6	Pregnant women making at least four ANC visits as per protocol (live birth)	Percent	84.6	86	88	90
1.7	Women receiving three postnatal check-ups as per the protocal	Percent	36	50	65	80
1.8	The share of the budget of health sector against the total budget	Percent	6	8	9	10
1.9	Per capital expenditure on health	NPR	56.2	50	45	40
1.10	Number of people living with TB in total population	Per Lakh	99.5	50	25	15
1.11	Stunting prevalence among children five years of age	Percent	19.7	18.5	15	12
1.12	Underweight among the children under five years of age	Percent	18.1	16	11	7
1.13	Low birth weight (LBW) rate	Percent	15	11	8	5
1.14	Underweight among the children under two years of age	Percent	16	14	9	5
2.	**Population and Migration**					
2.1	Satisfactory rate in modern contraceptive demand	Percent	44	50	60	70
2.2	The contraceptive prevalence rate	Percent	34	36	45	50
2.3	The total fertility rate (per woman)	Number	1.4	1.5	1.8	2

Source: GPPPC, 2024 and latest reports of government

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Chapter 8: Developing Educated, Cultured & Skilled Human Capital

8.1 Background

The development of healthy, cultured and skilled human resources contributes to the growth of production, productivity and employment and serves as a foundation for building a self-reliant and prosperous province. It is essential to prepare a competitive workforce that meets national and international market demands while ensuring access to basic services and facilities related to manpower production. The Constitution of Nepal has mentioned education, health, youth and sports, and science and technology sectors as concurrent responsibilities of all three levels of the government. Education and health, being fundamental rights, are top priorities across all three levels. Additionally, the Constitution has guaranteed the protection and promotion of language, script, culture, cultural civilization, and heritage for all communities. Provisions of creating an environment conducive to the overall development of the country by providing special opportunities for youth empowerment and development are clearly stated under the policies of the state in the Constitution of Nepal. The issue of increasing investment in scientific studies, research, and innovation, as well as the invention, promotion and development of science and technology, is placed as a national and priority. The National Science, Technology and Innovation Policy, 2019 has been formulated to build human capital through science and technology development.

The First Five-Year Plan of Gandaki Province has prioritized education, health, youth and sports, and science and technology as key areas for human resource development. The province government has issued and implemented various policies and laws such as the Gandaki Immunization Service Act, 2075 BS; Gandaki Province Tobacco Product (Control and Regulation) Act, 2076 BS; Gandaki University Act, 2076 BS; Gandaki Technical Education and Vocational Training Institute Act, 2076 BS; Gandaki Province Sports Development Act, 2076 BS; and Gandaki Province Education Policy, 2078 BS, among others, so far. Partnerships with inter-governmental, private, non-governmental, and community sectors have gradually increased for social sector development.

It is crucial to promote the province's overall development in alignment with global trends in education, health, youth empowerment, sports, and science and technology, which form the foundation of human resource development. It appears to be necessary to move towards achieving the SDGs, and national and provincial development goals by attaching high priority to the creation of human capital in accordance with the unique characteristics, existing trends, and needs of Gandaki Province.

8.2 Existing Situation

8.2.1 Quality Education

Education has been guaranteed as a fundamental right by the Constitution of Nepal and falls within the list of concurrent powers of all three levels of government. The Sustainable Development Goals (SDGs) aim to promote lifelong learning opportunities for all, ensuring skill-based, inclusive, equitable, and quality education. Achieving this goal requires coordination, collaboration, and partnerships among all levels of government to expand access

to education and enhance the quality of school education for economically disadvantaged and marginalized groups.

The Gandaki Province Education Policy, 2078 BS, has been issued by the province government to improve the education sector. The Five-Year Education Sector Strategic Plan (2022/23-2026/27) has been developed. It is under implementation in alignment with the Sustainable Development Goals, the Sixteenth Plan, and the Second Five-Year Plan of Gandaki Province. During this period, Gandaki University has been established and is currently operating. Likewise, the Gandaki Technical Education and Vocational Training Institute has been established to determine and certify the level of technical education and vocational training in Gandaki Province and to develop human resources in line with the market demand by providing technical education and vocational training.

According to the National Census, 2021, the literacy rate in the province for persons above 5 years is 81.7 percent. The province houses 644 community and institutional schools, 2 universities, 152 campuses, and 260 technical schools/institutions. There are 100 schools offering science subjects in grades 11 and 12, with an 82.1 percent enrollment rate for children with pre-primary class experience in grade 1. The net enrollment rate in basic level (grades 1-5) is approximately 97 percent. Additionally, 4 schools in remote and mountainous areas operate as residential secondary schools and 36 schools have been developed as model schools. The Lead School Management Guidelines, 2080, have been issued for the development of leading schools by improving education quality through proper management of educational and physical infrastructure and effective implementation of good governance.

8.2.2 Youth and Sports

The Constitution of Nepal has adopted a policy of all-round development of the country through youth empowerment. Given that 43 percent of the total population in Nepal consists of youth, leveraging this demographic dividend is an area of great potential. The National Youth Policy, 2015 has been formulated and is currently being implemented to foster the holistic development of youth and integrate their potential into the mainstream of national development. The Government of Nepal has also devised and put into effect the Youth-Friendly Local Level Guidelines, 2080. Mobilizing the youth workforce for political, economic, and social development and transformation is a prerequisite for shared prosperity. The province government has prioritized the developing creative and entrepreneurial youth by fostering positive thinking, skills, ability, and leadership among them.

The National Sports Council, Province Sports Council, and District Sports Development Committee are the key institutional structures actively involved in advancing the sports sector. The Sports Development Act, 2077 BS, and the Gandaki Province Sports Development Regulations, 2078 BS, have been issued, in addition to establishing the Sports Council to drive the development of the sports sector in Gandaki Province.

8.2.3 Art, Language, Heritage, and Literature

The Constitution guarantees every individual and community for the protection and promotion of language, script, culture, cultural civilization, and heritage as a fundamental right. The Culture Policy, 2068 BS, has been formulated to uphold national pride by conducting studies

and research on existing physical and non-physical national cultural heritages through their official recognition, proper protection, and management.

Gandaki Province has brought to light the characteristics of civilization and culture that date back to ancient times. According to the National Census of 2021, there are over 104 castes, more than 10 religions, and 72 mother tongues in Gandaki province. The major caste populations include Brahmin at 19.97 percent, Magar at 18.83 percent, Chhetri at 13.13 percent, Gurung at 11.04 percent, and Bishwakarma at 9.32 percent. In this province, 82.22 percent of the population is Hindu, 11.54 percent Buddhist, 2.36 percent Christian, and 2.16 percent follow the Bon religion. The major languages spoken are Nepali (73.39 percent), Magar Dhut (9.6 percent), Gurung (8.44 percent), Tharu (1.74 percent), Newari (1.53 percent), and Tamang (1.36 percent).

There are currently 72 museums in the province, with 22 under construction and 25 proposed. According to a report "Religious and Cultural Heritages of Gandaki Province, 2078 BS" released by the then Ministry of Education, Culture, Science, Technology, and Social Development, as many as 141 major archaeological heritages and 602 other heritages had been identified within the province. Notable personalities such as Bhanubhakta Acharya, Lekhnath Paudyal, Bhupi Sherchan, Ali Miyan, Jhalakman Gandharba, and Dharmaraj Thapa have made significant contributions to literature and music in this province.

The province government has taken the initiative to renovate and protect archaeological heritages, as well as to establish and upgrade museums. The Gandaki Province Museum and the International Mountain Museum showcases important cultural aspects of the province. During the First Five-Year Plan period, 41 community and public libraries have been established, constructed, and upgraded. The Gandaki Academy (Pragya Pratishthan) has been playing a leading role in promoting the recognition and preservation of this region's tangible and intangible culture.

8.2.4 Science and Technology

The Science and Technology Policy, 2076 BS has been implemented to contribute to the development of Gandaki province by promoting research activities in the field of science and technology. Gandaki Province Science and Technology Act, 2076 BS and the Rules, 2079 BS have been formulated to create a conducive environment for studies and research on science and technology. Accordingly, Gandaki Province Science and Technology Institute has been established and is currently operating.

The Innovative Partnership Fund has been established under the Province and Local Governance Support Programme (PLGSP). A specialized laboratory has been established for the development of study/research infrastructure. During the first plan period, eight new technologies were developed in partnership with educational and vocational institutions.

8.3 Key Issues and Challenges

8.3.1 Quality Education

(1) **Ensuring quality, useful, and practical education opportunities:** Developing community schools and indigenous universities as centers of educational attraction remains

the key issue. It is challenging to produce human resources who are responsible for the country and society while preparing them according to societal and local needs by linking the curriculum with local knowledge according to global standards.

(2) **Infrastructure development, expansion, upgrading, and institutional reform for quality education:** Expected returns have not been achieved in quality education, relevance, and capacity building. It is crucial to merge the schools with fewer students and transform them into big and lead schools. It has not been possible to guarantee good governance at every level and field of education. There is a lack of institutional capacity development, which is necessary for the local government to fulfil the responsibilities and powers related to education in accordance with the letter and spirit of the Constitution. The constitutional provision of making basic education compulsory and free and secondary education free has not been effectively implemented. Improving the poor management of community schools for outcomes as expected is a key issue. It is necessary to sustainably reflect the skills acquired through the training in the classroom. Ensuring equitable access and quality in all levels of education is a challenge.

(3) **Making the inter-governmental, development partner and private sector partnership and collaboration effective for quality education:** Mobilization of the educational administrative structure at all three levels of government has not been effective in making it compatible with the federal system of governance. There is a lack of practical clarity in exercising the concurrent powers of all three levels of government in the education sector. Despite the devolvement of power to the province and local levels; the knowledge, institutional memory, work culture and experience gained in the past have not been put to practical use. It is challenging to properly implement the compulsory and free education, to make the partnership between the government and the private sector and the community effective and to timely develop middle and high-level human resources by making arrangements for University, higher education and libraries that fall within the jurisdiction of the province.

(4) **Developing human resources that contribute to sectors of province priority and competitive advantage:** There is a lack of development and mobilization of expert human resources who can contribute to sectors of province priority and competitive advantage, including tourism, agriculture and infrastructure. The key challenge is to engage the human resources who have acquired national and international expertise in the development process of the province and to prevent the brain drain by creating opportunities for academic career development and competitive advantage.

(5) **Making the Universities a lab for policy, research and innovation:** Transforming and systematizing the university as an institution that produces skilled, practical, and cultured human resources on province priorities remains the key issue. Despite the establishment of new universities according to the operational experience of other existing universities, they have not been able to provide higher education opportunities suited to the needs of the province. There is a challenge to produce technical and professional human resources based on national and international market demands and to link university education with skill development and market.

(6) **Improving the quality of community school education and increasing its attraction:** Improving the educational system and maintaining public confidence in community school education is a key issue. It is necessary to conduct guardian education programmes to attract parents and guardians by strengthening public education. Addressing social needs by diversifying the school education system is crucial. It is challenging to reduce the gap between private and public education, manage the private schools and educational institutions as participative and complementary systems of government education and bring them into operation as service providers. There is challenging to balance the market demand with the supply of human resources by making timely reforms in the management of community schools and the overall education system.

(7) **Expanding equitable access to all levels of education:** It is necessary to maintain easy access to technical and higher education for disadvantaged groups. There is no equality in access to quality education between poor and rich. It has been a challenge to maintain equal access to education at all levels and to create educational opportunities for persons with disabilities ensuring that it is compatible with different types of disabilities.

(8) **Establishing Gandaki Province University as a center for academic excellence:** There is a lack of necessary infrastructure, including administrative buildings, libraries and well-equipped labs, in Gandaki Province University. Additionally, it does not have experienced human resources to ensure quality education. It is challenging to create a conducive environment and manage adequate investment to establish the university as a study, research and innovation center in accordance with the market demand.

8.3.2 Youth and Sports

(1) **Creating opportunities for capacity development and employment for youth:** Effective implementation of youth-centric policies, plans, and programmes is lacking. There is no harmony between market demand and human resource supplies. It is challenging to develop timely knowledge, skills, and competencies and link them to enterprises and jobs with competitive income and to make the youth innovative and entrepreneurial.

(2) **Building moral and ethical youth:** It is necessary to stop the rapid mass exodus of the youth workforce and involve them in the overall development process. There is a lack in the development of a culture that respects morals, virtues, positive thinking, patriotism and labor by enhancing necessary knowledge, skills and capacities in the youth. The key issue lies in developing a healthy and ethical lifestyle in the youth, including the habit of yoga and meditation, following Eastern Philosophy-based values.

(3) **Professionalizing the sports sector:** It is crucial to develop the international level sports ability and quality by developing quality sports infrastructure. There is a need to prevent the player/athlete exodus by enhancing professional security and institutional development through good governance in the sports sector. Producing professional players/athletes and developing the sports sector as a means of livelihood remain a challenge.

(4) **Developing competitive capacity in sports:** There is a lack of continuity in sports training and competitive sports. Financial and technical constraints have led to a difficulty in developing the standardized sports infrastructure equipped with necessary facilities.

Managerial and financial resources to provide timely training to players/athletes and coaches are lacking. Using modern technology in the sports sectors and maintaining good governance in sports bodies are challenging.

8.3.3 Art, Language, Heritage and Literature

(1) **Protecting original art, culture, and heritage:** The new generation has not been able to lead in preserving language, art, and culture. It is necessary to link education with the preservation of art and culture. It is challenging to systematically conduct studies on art and culture and prevent cultural erosion.

(2) **Making economic use of heritage and culture:** There is a lack of promotion of original art and culture, and heritage. Conservation and sustainable use of potential cultural heritage remains an issue. Developing professionalism in art, literature and music is challenging.

(3) **Conserving historical and archaeological heritages:** It is crucial to conserve the archaeological and historical heritages by preparing their consolidated records. Systematic study of historical and archaeological heritage is lacking. The challenge is to sustain the conservation of historical and archaeological heritages ensuring the willingness and initiation of the relevant communities and stakeholders.

(4) **Research, development and promotion of language, art and literature:** There is a lack of professionalism in art and literature. Mother tongue education has not been systematic and results-oriented. Preserving language, art and literature by developing a sustainable institutional mechanism is the key challenge of this sector.

8.3.4 Science and Technology

(1) **Creating a conducive environment for the development of science, technology and innovation:** It is crucial to ensure policy and legal system reform for the development of science and technology. Adequate budgets have not been arranged for the physical infrastructure, human resources, equipment and laboratory management required for human capital development. There is a lack of encouragement in infrastructure development, technology development and expansion and research. Linking innovation with human capital formation, production and productivity growth, and employment opportunities remains challenging.

(2) **Expanding the promotion of technology and research to all sectors:** The governmental, non-government, private, and cooperative sectors have not been systematically involved in the field technology and research for the development of science and technology. There is a lack of collaboration among the stakeholders in the development of science and technology. It is necessary to encourage the persons and organizations working in science and technology. Using technology and research in all sectors of development is challenging.

(3) **Encouraging intellectual human resources in the development of science, technology, and innovation:** There is a lack of development in the field of specialized research. Creating employment in science and technology sector, developing research attitude among

youth, increasing interest in science and technical education among youth, and linking higher education to research are challenging.

(4) **Using technology in the field of development, service delivery and good governance:** Not all citizens have easy access to quality internet and technology. Linking health, education, agriculture, industry and business, tourism, disaster management, environmental protection, and daily service delivery with modern technology remains a challenge.

8.4 Transformational Strategies

8.4.1 Quality Education

(1) **To make structural and policy reforms in the educational sector:** Life useful knowledge and skill development will be supported by maintaining coordination in the development and implementation of necessary standards to ensure equitable access and quality in school education. Successful practices will be reflected in the management of community schools and the overall educational system. Internship opportunities will be created in various fields of development for the human resources produced by universities and technical schools. Collaboration and encouragement will be provided for timely improvement of infrastructure, curricula and educational materials. The service and quality of Gandaki Technical Education and Vocational Training Institute will be improved.

(2) **To carry out structural transformation in the educational system:** Structural reforms will be pursued to increase the learning outcomes of students by promoting science, technology, engineering and mathematics education. Arrangements will be made to share good practices among educational institutions. Province education standards will be developed and implemented for quality, technology-friendly, accessible and life useful for educational improvement. Institutional strengthening and good governance will be encouraged by increasing the use of timely information technology in educational institutions. Human resources are necessary for educational development and will be produced by expanding the services of education training centers. Collaboration and partnership will be maintained with inter-governmental, community, development partners and the private sector to create agricultural and enterprise opportunities for school and campus-level students to earn while earning. The use of electronic information technology in educational activities and learning processes will be expanded.

(3) **To link education with society, production and market:** Literacy, technology financial literacy, knowledge and skill learned through non-formal education and alternative learning will be certified and their equivalency determined. Lifelong learning will be linked to profession, business and social life. The linking of curriculum with local useful original knowledge will be made systematic. Extra classes and activities will be conducted in school education to develop knowledge and skills in agriculture, enterprise and tourism. Emphasis will be placed on enhancing the students' social and emotional efficiency and developing intellectual abilities.

(4) **To make collaboration and partnership for quality education:** An environment for need-based teacher management and training will be created in partnership with the inter-governmental and private sectors. Collaboration will be maintained to improve the results

in such subjects with more failed students in the School Education Examination. The local governments will provide financial support and technical facilitation to improve the educational quality of community schools with poor educational conditions and insufficient human resources. Partnership and collaboration will be made with the inter-governmental, development partners, private sector and community to create an environment of quality education for all.

(5) To promote efficient management and good governance of the educational sector: Necessary legal provisions will be made to ensure good governance, transparency and accountability of educational institutions. Collaboration and partnership will be made with the local levels to implement the big school concept by adjusting the schools with a low number of students. The action plan formulation, implementation, monitoring and evaluation system will be strengthened to reflect the training outcomes in the classroom in a sustainable manner by making provision for demand-based training for teachers.

(6) To develop quality infrastructure and physical structure: Collaboration will be made to make the school's educational and physical infrastructure inclusive, disabled-friendly and child-friendly. In addition to the establishment of reading rooms (bachanalaya) and libraries at the province level, there will be partnership with the local governments and stakeholders to strengthen community learning centers at the local level.

(7) To ensure equal access to higher, technical and school education: Necessary initiatives will be taken to ensure equal access for all groups in educational institutions that provide higher, technical and professional education. Students from backward communities will be provided with concessions such as scholarships and residential facilities in higher, technical and school education.

(8) To develop Gandaki Province University as a center for academic excellence: The academic capacity of Gandaki Province University, which was established based on the province's characteristics, will be enhanced. The collaboration will be made with the federal government for managing the land required for the infrastructure development and expansion of Gandaki Province University. Gandaki Province University's administrative building, dormitory, library, well-equipped labs and other infrastructure will be constructed in collaboration with the governmental sector, academia and development partners. The University will be developed as a study and research center with state-of-the-art facilities by using electronic information technology. The University will be gradually developed as a practical and academic research and innovation center by making it based on local needs, including artificial intelligence, climate change, and mining.

8.4.2 Youth and Sports

(1) To increase youth participation in the political, economic and social sectors: Inclusive and meaningful participation of the youth will be enhanced from policymaking to formulation to implementation level in the political, economic and social sectors. Counseling and advocacy services related to youth entrepreneurship will be provided. Morality, a sense of service and duty towards society and respect for labor will be developed in the youth. Opportunities will be provided to enhance the leadership capacity

of the youth to support them in reaching the leadership and policymaking levels in the development. Youth will be mobilized for social transformation and against corruption and discrimination in coordination and partnership with the local governments. Youth-friendly local governance will be promoted to increase youth participation in the political, economic and social sectors.

(2) **To create opportunities for sustainable youth-targeted self-reliance:** Attraction of youth to enterprises and businesses will be enhanced by identifying areas of competitive advantage. Inter-agency coordination and collaboration will be made effective for youth entrepreneurship and employment promotion. Provisions of youth-targeted professional counseling, skill development, start-up capital and easy loans will be made under the Campaign for Youth with Production.

(3) **To develop creativity and professionalism among youth:** Youth-targeted enterprise will be promoted through public-private-partnership. Utilization of knowledge, skill, technology, capital and experience gained from foreign studies and employment in the productive sector will be encouraged. To develop creativity and entrepreneurship among the youth, the youth will be encouraged and motivated to conduct innovative projects. Studies, research and localization of global best practices will be promoted for youth mobilization and creation of employment opportunities.

(4) **To develop the sports sector as a professional and livelihood sector:** Provisions will be made to identify talented players/athletes, develop their skills, and encourage them. Partnership and collaboration with inter-governmental, development partners, and the private sector will be expanded to develop and professionalize the sports sector. Creative programmes will be conducted to develop the sports sector as a means of livelihood.

(5) **To create opportunities for developing competitive capacity among the players:** Initiatives and collaborations will be made for national and international sports projects. Sports related to adventure tourism and having special potential in the province will be identified for the development of sports and the production of professional players/athletes. Sports bodies/organizations will be provided with technical and financial support for sports development. The players/athletes will be provided theoretical and practical knowledge and training.

(6) **To develop institutional framework and infrastructure for the development of the sports sector:** Sports infrastructure will be constructed, protected and upgraded in coordination and collaboration with the federal and local governments. The private sector will be encouraged to develop, manage and operate sports infrastructure. The capacity of the bodies and organizations related to sports development will be developed, while promoting their corporate good governance. Standard sports infrastructure will be developed for organizing national and international sports events in inter-governmental partnerships.

8.4.3 Arts, Heritage, Language and Literature

(1) **To encourage, promote and preserve indigeneous art, language and literature:** Policy provisions will be developed for the local and province governments to make the language

spoken by the majority of people in their geographical area the official language. An appropriate institutional mechanism will be developed to preserve culture and heritage. Endangered traditional arts, crafts and technology will be preserved. Products of original arts and crafts materials will be produced and commercialized. Traditional knowledge, skill and technology, mother tongue, folk literature and music will be archived and preserved.

(2) To arrange for the study and conservation of archaeological and historical heritages: Proper arrangements will be made for the classification and conservation of the sites of archaeological importance while maintaining the safety and record-keeping of objects retrieved from archaeological excavations. Archaeological and historical heritages will be studied, researched, and documented.

(3) To create a conducive environment for intergenerational transfer of culture: An easy opportunity will be provided for practicing the mother tongue, in addition to developing official data related to cultural aspects of various castes and tribes living in the province through a study. Local original knowledge, language, art, heritage and culture will be included in the school curriculum.

(4) To expand cooperation and partnership in the preservation and promotion of language, art, culture and heritage: The role of educational institutions will be expanded while developing collaboration operation and partnership between the tiers of government in the preservation of language, art, culture, and heritage. Partnership and collaboration will be made with the communities and stakeholders to preserve language and culture. Cultural tourism will be developed and expanded by increasing tourist attraction through improvement and publicity of the heritages.

8.4.4 Science and Technology

(1) **To develop the framework of science, technology and innovation:** Policy and institutional provisions will be made for the development of science and technology in the province. Partnership and collaboration will be expanded for capacity development of research institutions and organizations, and research and innovation.

(2) **To encourage research in higher education institutions:** The results obtained from research in the university will be disseminated and included in the province policies. Research infrastructure and human resources will be developed in higher education provider institutions within the province. Partnership and collaboration with internationally renowned universities and research institutions will be promoted for the development and research in the science and technology sector of this province.

(3) **To expand investment in the development and use of research and technology:** Partnerships and collaboration with inter-governmental, private, and non-governmental sectors will be developed. Gandaki Province Training Academy and Gandaki Province Academy of Science and Technology will be mobilized in the field of research work. Universities and campuses will be encouraged for conducting applied research.

(4) **To enhance innovation and competitive capacity:** Expert human resources will be developed for institutional and applied research. Laboratories and necessary resources and

means will be provided for research and innovation in science and technology. A special fund will be operated to invest in innovation in the province.

8.5 Key Transformational Programmes

8.5.1 Quality Education

(a) Educational Sector Reform Programme:

1. Formulation of education policies, laws and plans;
2. Big school, lead school and residential school development & expansion programme;
3. Mother tongue education promotion support programme;
4. Integrated media and digital literacy programme;
5. Integrated educational information management system development & management;
6. Extra-curricular activities for student talent for identification and career development;
7. Development of educational monitoring and evaluation guidelines;
8. Community library support;
9. Development of an education evaluation system for local government;
10. Educational institution best practice and teacher experience exchange programme;
11. Capacity development for improving examination and evaluation system;
12. Strengthening resource classes for special education;
13. School agriculture and vocational skill practice programme.

(b) Educational Infrastructure Development Programme:

1. Construction and upgrading of school buildings;
2. Construction and upgrading of e-library;
3. Establishment and upgrading of science laboratories;
4. Establishment and upgradation of practical workshops;
5. Retrofitting and reconstruction of damaged educational infrastructure due to disaster;
6. Establishment and upgrading of school gardens, gymnasiums and sports grounds;
7. Expanding the use of digital technology in the learning process.

(c) Human Resource and Capacity Development Programme:

1. Strengthening of education training center services;
2. Certification training for teachers (including information technology) ;
3. Need-based customized and refresher training for teachers;
4. Teacher capacity development program in coordination with federal & local government;
5. Capacity development training for mentor teachers;
6. Module and trainers development and facilitation for teacher training;
7. Sign language training for teachers;
8. Preparation and deployment of a roster of experts for training;
9. School staff capacity development and parent education programme.

(d) Technical and Vocational Education Programme:

1. Formulation of province strategic plan for technical education and vocational training;
2. Study and projection of technical manpower requirement;

3. Strengthening Laboratory of Gandaki Technical Education and Vocational Training Academy (GTEVT);
4. International and inter-University student exchange programme;
5. Gandaki technology and innovative educational center development;
6. Demand based skill development training and testing programme.

(e) Early Child Development Center Strengthening Programme:

1. Construction, upgrading and management improvement of early child development center infrastructures;
2. Developing and strengthening of the model child development centers;
3. Capacity development of facilitators/teachers working in early childhood development centers;
4. Standardization of early childhood development learning centers.

(f) Higher Education Promotion Programme:

1. Educational quality improvement support;
2. Strengthening of the community campus infrastructure;
3. Student scholarships in science, mathematics and technical streams in higher education;
4. Capacity and performance-based support to community campuses;
5. Capacity development of administrative and educational human resources;
6. Research and innovation support programme.

(g) Underprivileged and Target Group Educational Upliftment Programme:

1. Residential schools at the province level for children with intellectual disabilities, autism and other psychosocial problems;
2. Poor and Dalit Student scholarship program for those studying science in grade 11-12;
3. Backward class higher education scholarship programme;
4. Support in the development and teaching of the local and mother tongue curriculum;
5. Educational and assistive device support for students with disabilities.

(h) Lifelong and Practical Education Promotion Programme:

1. Preparation of provice standards for life skills, non-formal education and lifelong learning;
2. Friday for future programme;
3. Creative studio programme;
4. Entrepreneurship training and demonstration in collaboration with industrial establishments;
5. Educational programs for entrepreneurship development;
6. Career development counseling programme;
7. Non-formal education curriculum and reference material development;
8. Establishment of a system for certification of lifelong learning;
9. Earning while learning in school and earning while learning programme;
10. Internship program for students studying in higher education.

(i) Gandaki University infrastructure Development & Management Reform Programme:

1. Educational reform and Infrastructure development programme;
2. Manpower management and capacity development program support;
3. Practical and academic research and innovation programme, curriculum improvement and update.

(j) Knowledge City Programme:

1. Feasibility study, site identification and mapping;
2. Development of knowledge city concept;
3. Establishment of educational academy and educational program;
4. Study, research and dissemination of knowledge;
5. Application and practice of knowledge.

8.5.2 Youth and Sports

(a) Youth Creativity and Transformation Programme:

1. Formulation of province youth policies and plans;
2. Promotion of youth participation in governance and development processes;
3. Youth counseling and motivation programme;
4. Youth entrepreneurship development programme;
5. Promotion of youth-friendly local governance.

(b) Sports Infrastructure Development Programme:

1. Construction of one playground at each local level;
2. Documentation of personal resumes of province level professional players;
3. Construction of provincial cricket ground;
4. Establishment of multi-purpose stadium;
5. Sports infrastructure construction, upgrading and maintenance.

(c) Professional and Quality Sports Promotion Programme:

1. Sports science study programme; ;
2. Establishment of a provice sports academy;
3. High level sports training;
4. Player insurance programme;
5. Player honorarium and incentives programme;
6. Organization of province level sports competitions.

8.5.3 Arts, Language, Heritage and Literature

(a) Culture and Heritage Conservation and Enhancement Programme:

1. Formulation of province policies and laws on art, culture and archaeology;
2. Archaeological heritage study and research;
3. Study, exploration and documentation of heritage and culture;
4. Strengthening of Gandaki Province Museum.

(b) Indigenous Knowledge, Arts, Language and Culture Preservation and Promotion Programme:

1. Updating the school curriculum and mother tongue education promotion programme;

2. Tangible - intangible cultural heritage study and documentation;
3. Construction and management of the multicultural village;
4. Folk literature and music promotion programme;
5. Study, publication and dissemination of indigenous knowledge and skills.

(c) Cultural Tourism Promotion Programme:

1. Promotion of cultural and archaeological heritage;
2. Heritage and cultural sector infrastructure development and upgrading;
3. Protection and upgradation of cultural and archaeological sites.

8.5.4 Science and Technology

(a) Science and Technology Development Reform Programme:

1. Policy and legal reforms;
2. Building specialized research laboratories;
3. Certification and strengthening research institutions and agencies.

(b) Science Technology Study and Research Programme:

1. Workplace-based skill development program (Internship Programme);
2. Academic study and research support programme;
3. Scientists and researcher incentivization programme;
4. Science and technology teachers' training;
5. Honoring and fostering the best institutions and individuals in science and technology.

(c) Sectoral Technology Development and Application Programme:

1. Productive and resilient technology development programme;
2. Technology extension program for good governance;
3. Technology development and extension programme;
4. Conducting ICT Boot Camps;
5. Small technology development and expansion programme.

(d) Technology Upgradation Programme for Indigenous People

1. Indigenous technology identification and study;
2. Agricultural sector technology improvement;
3. Rural practical technology improvement.

(e) Research and Innovation Programme:

1. Researcher incentive support;
2. Innovation partnership development programme;
3. Practical technology development programme;
4. Research and technology transfer program in province priority areas.

8.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1	**Quality Education**					

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.1	The literacy rate of aged five years and above	Percent	81.7	82	83.5	85
1.2	Enrollment rate of students in grade one with ECD experiences	Percent	82.1	83	85	88
1.3	Learning achievement of class 8	Percent				
	English	Percent	47.8	48	49	50
	Mathematics	Percent	39.46	40	43	45
	Science	Percent	43.58	45	47	50
	Nepali	Percent	48.47	50	52	55
1.4	Teacher-student ratio school education (Class 1-12)	Number	17.77	18	19	25
1.5	The number of children out of school at basic level	Percent	4.3	4	3	2
1.6	Net enrollment rate of basic level (class 1-8)	Percent	95.7	96	97	98
1.7	No. of technical education institution	Number	159	160	170	180
1.8	Number of students in University education	In thousand	297	300	335	345
1.9	Perentage of annual budget allocated in the education sector	Percent	5	6	8	10
1.1	Academic institutions having internet access in teaching-learning	Percent	65	68	75	80
2	**Youth and Sports**					
2.1	Number of youth (age group 15-24) involved in the employment and training annually	In thousand	280	285	300	320
2.2	Annually self-employed youth operating enterprise/business	Number	220	230	240	250
2.3	Youth received business counselling	Percent	15	16	27.5	30
2.4	National and international players	Number	1200	1250	1500	1750
2.5	Stadium with basic facilities	Number	25	30	45	60
2.6	Annual budget of youth and sports sector	Percent	1.29	1.4	1.75	2
3	**Arts, Language, Heritage and Literature**					
3.1	Conserved/promoted heritage	Number	105	110	120	130
3.2	Studied/identified archaeological heritage	Number	141	145	150	155
3.3	Religious and cultural heritages visited by more than 10 thousand tourists monthly	Number	25	30	35	40
3.4	Culture and heritage related study in province level	Number	30	35	65	100
3.5	Indigenous skill based business firm	Number	100	110	130	150
3.6	Number of museum established	Number	72	72	80	82
3.7	Number of tourists visiting museum	Number	657	757	857	1000
4	**Science and Technology**					
4.1	Developed/innovated new technology	Number	5	9	24	35
4.2	Persons associated with the Pool of Experts	Number	150	158	188	210

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
4.3	Annual study and research	Number	8	14	20	26
4.4	Collaboration and coordination with national and international research institutions	Number	35	45	51	58
4.5	Students studying science and technology subject	Number	1913	1913	2200	2400
4.6	Human resource involved in applied research	Number	57	84	114	144
4.7	Curriculum development based on science and technology	Number	11	13	15	20
4.8	National and international articles and books related to science and technology of the province	Number	10	20	30	50

Source: GPPPC, 2024 and latest reports of government

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Chapter 9: Sustainable and Resilient Infrastructure

9.1 Background

The unbundling report approved by the Government of Nepal includes public roads, subsidiary roads construction, upgrading, maintenance, and regulation, traffic management at the local level; policies, laws, standards, plan formulation, implementation, and regulation related to the promotion of information technology in the list of powers related to infrastructure development of the province government. Similarly, in the report, topics such as alternative transportation promotion, urban development planning, construction, operation, and maintenance of buildings and housing, urban infrastructure, implementation of policies, plans, and programmes related to safe housing and land pooling are included in the list of powers related to infrastructure development of the province government.

The policy, plan and programme formulation, implementation, monitoring, and evaluation of the infrastructure development sector fall within the responsibility of the Ministry of Infrastructure Development and Transport Management as per the Allocation of Business Rules approved by the province government. Likewise, the Norms Related to the Classification and Allocation of Development Programmes and Projects Falling under the Work Responsibility of Federal, Province and Local Levels, 2018 approved by the Government of Nepal include public roads, the main road connecting the province capital and the local level centers, and the main road connecting two or more local level centers under the development programmes and projects of the province.

The Gandaki Province Government has enacted the Province Motor Vehicle and Transport Management Act, 2076 BS, and the Province Development Authority Act, 2077 BS, in accordance with constitutional powers and the existing legal provisions. As stated in the above provisions, it is necessary to carry out planned, effective, cost-effective, and systematic works related to roads, transport, buildings, housing, settlements, urban development, and development, expansion, and upgrading of information and communication technology in the province. Additionally, it is crucial for the policies, plans, and programmes of the province to guide economic and social development and intensify service delivery.

9.2 Existing Situation

9.2.1 Road and Transport Infrastructure

Policies, laws, standards, and plans related to road infrastructure development, upgrading, and operation, including the Province Motor Vehicle and Transport Management Act and Rules, have been issued and implemented to ensure that the road infrastructure in the province is systematic, high-quality, resilient and sustainable. Similarly, Korala-Triveni Road, Shaligram Corridor Road, Province Assembly Building, and other provincila pride and transformational programmes and projects are being implemented. As of the fiscal year 2023/24, 83 administrative centers of all local level of the province have been connected to the road network, with 68 local level centers connected to the paved roads.

Additionally, as of the fiscal year 2023/24, approximately 12,500 km roads have been completed at the province and local levels, with paved, gravel, and unpaved roads comprising

5.96%, 11.25%, and 82.79% respectively. In this province, a total of 699 km, including national highway and urban roads at the province and local level are paved, 1,319 km are gravel roads, and 9,710 km are unpaved roads. The total length of roads in this province is 5,900 km with a paved road density of 0.54 km per square km. As many as 85 road bridges have been completed by the province government as of fiscal year 2022/23, and 46 are under construction.

There are 7 airports, including 2 in Pokhara and 1 each in Balewa and Dhorpatan of Baglung district, Jomsom of Mustang district, Humde of Manang district, and Palungtar of Gorkha district. Among these airports, only 2 in Pokhara and 1 in Jomsom of Mustang district are in operation. Diplomatic and meaningful initiatives are needed to fully operate the international commercial flights at Pokhara International Airport.

Cable cars have been constructed and operated at four places with private sector investment in Manakamana, a famous religious place in Gorkha district, Maulakalika Temple in Nawalpur, Dumre-Bandipur, and Sarangkot, a major tourist hub spot in Pokhara. A detailed study is ongoing for the construction and operation of cable cars at potential locations such as Birethanti-Muktinath and Baglung Bazar-Bhakunde-Bhairavasthan. It seems necessary to construct and operate cable cars and ropeways in villages/settlements, touristic, religious, and cultural sites and such places where it is technically, financially, and environmentally not possible to construct and operate roads such as Baglung-Panchkot, Dumre-Bandipur, Panchase. Motorboats and other water transport vehicles have started operating in the Narayani and Kaligandaki Rivers, which require to be systematized by conducting a feasibility study for further development and expansion.

9.2.2 Transport Management

The Gandaki Province Motor Vehicle and Transport Management Act, 2076 BS and Rules, 2080 BS have been issued. They are being implemented to make the transport services in this province strong, efficient, effective, safe, dignified, systematic, and technology and passenger-friendly. The process digitizing the records of the vehicle and transport sector has been initiated in the province. Nine districts of the province are providing services related to transport management to make public transport safe, decent and orderly. Two offices are operating in operating Kaski district. They include Transport Management Office (Driver's License) to provide services related to driver's license, and Transport Management Office (Motor Vehicle) to deliver services including vehicle registration, renewal, transmission, clearance and route permit, among others. The Traffic Management Offices in Baglung, Nawalpur and Tanahun districts have been providing both types of services related to transport management and driver's licenses.

The Infrastructure Development Offices of Gorkha, Lamjung and Syangja district have providing the services, including vehicle blue book and driver's license renewal and temporary route permit. In addition, the service of issuing temporary route license has been available from the Infrastructure Development Offices in Myagdi and Parbat districts. Online Driver's license System with e-payment has been operated by the Transform Management Office (Driver's license), Kaski district as a pilot.

A policy of emphasizing the use of electric vehicles has been adopted to achieve the national goal of the transport system. It is helping to increase the population of four-wheeled electric vehicles by approximately 500 annually. As of the fiscal year 2022/23, 23,170 vehicles of various types have been registered in the province. It seems that the installation of embossed number plates should be made more systematic to integrate public and private vehicle registration, renewal, transmission and exhaust emissions test, technical test and other vehicle management activities into the modern system.

9.2.3 Building, Housing, Settlement and Urban Development

As much as 65.8 percent of the population resides in 27 municipalities that occupy 19.4 percent of the total area of the province. The province government has expedited the construction of government buildings, assembly halls, hospital buildings and educational infrastructure. This province has 9 well-equipped assembly halls, 24 ward office buildings of local levels, the Gandaki Province Training Academy building, a naturopathy hospital and 6 hospitals are nearing completion. In the province, 3 government buildings (Province Assembly Building, Gandaki Province Technical Education and Vocational Institute Building, Gandaki University Building) with identity are under construction. while 15 government buildings have been constructed, structurally improved and maintained. Basic infrastructure construction and upgrading are ongoing as per a target to develop 4 places in Putalibazar of Syangja district, Kushma in Parbat district, Shuklagandaki in Tanahun and Madhyanepal in Lamjung district around the Pokhara Metropolitan City as satellite cities.

During the first plan period, approximately 2,000 residential houses have been constructed and transferred under the People's Housing Programme in all 11 districts to provide housing facilities to the extremely poor, marginalized and vulnerable households. Assistance has been provided for zinc sheet roofing in more than 200 houses in partnership with the local level under province government's Thatched Roof Replacement Programme.

A total of 27 percent of the population lives in houses built in compliance with the Building Code, while 81.7 percent of the households live in their own houses. Similarly, approximately 48 percent of households have access to a market center or paved road within a 30-minute radius.

9.2.4 Information and Communication Technology

Internet users make up 64.11 percent of the province's total population. Nepal Telecom has distributed 297,415 telephone lines. There are 37 internet service providers and 657 online media outlets registered in Gandaki province. According to the National Census of 2021, 34,188 households have landline telephones, 470,559 have ordinary mobile phones, and 514,690 have smartphones.

9.3 Key Issues and Challenges

9.3.1 Road and Transport Infrastructure

(1) **Developing, expanding, and upgrading road network:** The road network lacks development, expansion, and upgrades based on population size, interconnectedness, settlement development, and production areas. Province road standards have not been

established, leading to a lack of defined standards based on road levels. There is a lack in constructing well-managed footpaths, cycle lanes, and road bridges. Ensuring roads are friendly for persons with disabilities, senior citizens, and children remains a key issue. Constructing, upgrading, and maintaining suspension bridges to facilitate the transportation of goods and services in rural areas has been necessary. The challenge lies in making road infrastructure development, expansion, and upgrades safe and environment-friendly.

(2) Connecting national and international trade and tourist hubs with railways, short roadways, and tunnels: Bridges and other structures on major roads have not been constructed as per requirement. There is insufficient construction, upgrading and maintenance of road bridges and suspension bridges to connect remote settlements and markets. Regular maintenance of constructed roads and bridges to ensure smooth traffic movement is crucial. The main challenge lies in securing the necessary resources and facilities to connect national and international commercial and tourist hubs with railways, short roads, and tunnels.

(3) Developing and expanding alternative transport infrastructure services and facilities: Road and alternative transport have not been expanded to settlements and touristic, cultural and religious centers that are not technically, financially and environmentally feasible to connect to the road network. There is a lack of feasibility studies on water transport and the development and expansion of water transport in large rivers. Developing and expanding cable cars, ropeways and well-managed footpaths based on needs and feasibilities in places and villages of touristic importance, remote villages, settlements and religious sites remains an issue. Public and private sector investments have not been attracted to alternative transport infrastructure services like metro rail, mono rail, and electric buses. The key challenge is to develop and expand alternative transportation in settlements, tourist destinations, as well as cultural and religious centers that are not feasible to connect to the road network due to technical, financial, and environmental constraints.

9.3.2 Transport Management

(1) **Making public transport orderly and safe:** Vehicle inspection, issuance of driver's licenses, and designation of transport routes have not been technology-friendly, easy, and orderly. The provision of time cards and tracking systems in public vehicle operations is lacking. With increasing awareness about traffic rules, traffic management has not been made technology-friendly, easy and safe. The main challenge is to ensure public transport is orderly and safe.

(2) **Making the transport system safe, comfortable, and inclusive:** There is a lack of effective regulation and monitoring of exhaust emissions and road safety. Public transport fares have not been scientific and systematic. The key issue is reducing the use of private vehicles by providing environment-friendly and quality mass transport. The key challenges lie in developing a transport system that is disabled, child, senior citizen, and women-friendly and reducing road traffic accidents.

(3) **Expanding and upgrading airports and bringing them into operation:** Expanding and operating the airports, including Balewa and Dhorpatan Airports in Baglung district,

Humde Airport in Manang, and Palungtar Airport in Gorkha district, has been a major issue. Bringing Pokhara International Airport into commercial operation has been a challenging task.

9.3.3 Building, Housing, Settlement and Urban Development

(1) **Making the urban, market and settlement development integrated, planned and systematic:** Emphasizing the agency-wise and institutional coordination, collaboration and partnership in settlement and urban infrastructure development remains the key issue. Cities, markets and settlements have been developed and expanded in a disorderly and uncontrolled manner without studying the historical background of geographical, geological and water systems and adopting measures for disaster risk reduction. Formulating and implementing land use plans, making the services and facilities easy by integrating scattered settlements, managing urbanization by developing and expanding decentralized cities, making rural settlements and urban development resilient and sustainable, and making cities and markets and rural settlements well-equipped and systematic are key challenges.

(2) **Balanced, safe and integrated settlement, and urban development:** There are policy and practical constraints in making location identification, community mobilization, land pooling, investment, and construction work well-managed and systematic for planned settlement development. Risk-sensitive land use plan-based integrated housing and settlements have not been developed for settlements and households known for geographical complexity and are highly vulnerable from geological and disaster perspectives. Formulating a provincial land use plan and carrying out safe and resilient housing, settlement, and urban development remains an issue. To reduce the concentration and pressure of the population in major urban centers, it is challenging to develop and expand urban infrastructure in a systematic and planned manner in appropriate places to reduce the population imbalance geographically.

(3) **Developing a technology-based production system and dynamic economy-based, safe, pollution-free, sustainable and systematic city:** Building new and satellite cities is urgent. Ensuring access to roads, smart transportation, water supply, sanitation, electricity, and information systems for all poses difficulties. Developing a technology-based production system, dynamic economic activity-based, safe, pollution-free, sustainable and systematic cities is challenging.

9.3.4 Information and Communication Technology

(1) **Expanding the use of information and communication technology in service delivery:** Developing, expanding, and upgrading telecommunication infrastructure to make telecommunication services easy, accessible, and quality is an urgent issue. Equitable access to the development, expansion and service of information and communication technology has not been ensured. Interconnectivity between information technology systems has not been maintained. Making information technology and social media safe and decent remains a challenge.

(2) **Making information and communication technology fully professional, competitive, and quality:** Ensuring the development of information technology-based education, healthcare and research systems, developing and expanding information technology-based trade and business, and increasing youth employment are the key issues. It is challenging to make information and communication technology professional, competitive and quality to keep pace with the global dynamics that are developing in this sector.

9.4 Transformational Strategies

9.4.1 Road and Transport Infrastructure

(1) **To formulate and comply with infrastructure policies, plans, and standards:** Integrated provincial infrastructure policies and standards will be formulated and updated to ensure interconnectivity between economic, social, and physical infrastructure development efforts at the province level. Policy, legal, and institutional frameworks will be developed to implement integrated infrastructure policies, plans, and standards. Integrated infrastructure policies, plans, and standards with interconnectivity between different modes of transport will be developed and implemented. Coordination, collaboration, and partnerships will be enhanced at all levels and agencies in implementing integrated infrastructure policies, plans, and standards.

(2) **Effective management of infrastructure development projects:** To ensure that all stages of the planning cycle are objective, predictable, and result-oriented, the provincial project management system, including policy, legal, and institutional frameworks, will be developed and strengthened. Harmonization will be maintained between feasibility study, prioritization, selection, budgeting, and action plans of provincial pride, transformational and priority projects. A balance will be maintained between the increasing need and demand for projects and implementation capacity by making budget allocation and implementation of projects included in the project bank compulsory. Regulation of infrastructure development, construction, and maintenance will be made effective, in addition to developing the capacity of user committees for that purpose.

(3) **To make roads and transport structures green, resilient and inclusive:** Infrastructure development projects and programmes will be developed, implemented and operated in a sustainable, resilient and environment-friendly way through an approach to green and circular economy. Resources will be prioritized for the construction, expansion, upgrading, and sustainability of key intervention programmes and projects in infrastructure development. Resources will be managed and mobilized to regularize and systematize the maintenance work. An approach to green, resilient and inclusive development (GRID) will be adopted to develop and expand air, water, and alternative transport infrastructure. Provisions for compensating physical structures damaged during road construction, and the norms related to the study of Environmental and Social Framework during infrastructure development will be prepared.

(4) **To develop, expand and upgrade the provincial road network:** Priority will be given to the construction, expansion, and upgrading of roads to gradually connect the administrative headquarters of Chumnubri (Gorkha) and Narpabhumi (Manang) to the national road

network. Capacity building and resource mobilization of ministries and offices will be ensured to regulate and manage the maintenance of public roads, auxiliary public roads, and provincial road infrastructure constructed, expanded, upgraded, and maintained by province government. Additionally, coordination, partnership, and collaboration with the federal agencies and local levels will be enhanced to ensure road quality, safety, and accessibility. Old roads will be repaired, upgraded, and rehabilitated to make the traffic movement reliable and safe.

(5) To develop modern and alternative infrastructure: Modern and innovative technology-based roads, bridges, tunnels, flyovers, overpasses, underpasses, and alternative transport infrastructure will be developed and expanded. Costs, time, and distances will be reduced by expanding and constructing roads, bridges and other infrastructure to objectively link income, production, and employment with infrastructure development. Transportation costs will be decreased through inter-governmental and institutional coordination, and the development of front and back linkages. In collaboration and partnership with the private and community sectors, facilities such as swimming pools, gymnasiums, gardens, parks, toilets, drinking water stations, waiting rooms, gift houses, charging stations, resting places, eateries, hotels, restaurants, as well as recreational and refreshment centers will be operated along the highways.

9.4.2 Traffic Management

(1) **To enhance the quality of transportation services:** The new technologies and practices developed through research in collaboration with governmental, academic and research institutions will be used in the infrastructure development. Environment-friendly, disabled-friendly and gender-responsive road and transport systems will be developed and expanded. In addition, transportation services will be made modern, technology, and passenger-friendly and safe through coordination between the federal, province and local governments, and public-private partnerships.

(2) **To develop a networked transportation system to make transportation accessible and reduce transportation costs:** The private sector will be encouraged and mobilized to facilitate and systematize the study, identification, excavation, storage, and distribution of essential construction materials in the construction sector in coordination with the local level. The use of electric vehicles will be promoted and expanded. Integrated utility corridor (road, agriculture, electricity, drinking water, drainage, communication system, etc.) connected to the road network will be developed and expanded in inter-agency coordination.

(3) **To promote the use of electric vehicles:** Discounts will be provided on the registration and renewal fees of electric vehicles. Collaboration will be made with the Nepal Electricity Authority and private sector for the establishment of charging stations as required. Transport entrepreneurs will be encouraged to promote electric vehicles.

9.4.3 Building, Housing, Settlement and Urban Development

(1) **To develop, upgrade and manage housing, settlement, and urban development infrastructure:** Minimum infrastructure will be constructed and developed based on circular economy in the settlements of urban and rural areas. Buildings, housing, settlements and urban development infrastructure will be constructed in a gender-sensitive, child-friendly, senior citizen and disabled-friendly manner. Cross-cutting issues such as information and communication technology, housing and urban development, forest and biodiversity, climate-smart, gender equality and social inclusion, people-oriented and inclusive services, and climate resilience will be mainstreamed in housing, settlements and urban development. Nature-based solutions will be adopted to make development infrastructure sustainable.

(2) **To enhance partnership and collaboration between tiers of government and private sector in infrastructure development:** Mutual coordination will be maintained between all levels of government on the issue of compliance with the legal provisions related to the jurisdiction of infrastructure development and for the infrastructure development, construction and maintenance. Mobilization of alternative financial resources including public-private partnership, co-financing, cost-sharing, public-community partnership and public-non-governmental organization partnership, will be adopted in infrastructure development projects. The public-private partnership modality will be implemented based on feasibility in the sectors of transport infrastructure and agricultural marketing. Based on the classification and nature of infrastructure development projects, arrangements will be made for financial sharing, co-operation, project management, infrastructure construction, operation and multi-purpose use in the coordination, cooperation and partnership of the province and local levels. Necessary policy, legal and institutional frameworks will be developed to mobilize the private sector's capital, technology and capacity in infrastructure construction and development. The private sector will be attracted to invest in infrastructure construction, development and operation under public-private partnerships.

(3) **To adopt an integrated system in housing, settlement and urban development:** Housing, settlement and urban infrastructure development will be carried out through study, research and innovation, technology and practice. The construction of housing, settlements and urban infrastructure will be made green, resilient, environment-friendly and sustainable based on an approach to green and circular economy. Traditional knowledge, skills and practices, including natural and social infrastructure, will be interconnected with production for their protection and modernization. Social, economic, cultural, geographical and geological aspects will be studied and analyzed during integrated settlement and urban development.

(4) **To develop hilly region megacity:** A hill megacity will be developed by including the areas of Baglung, Kushma and Beni Municipalities and Jaljala Rural Municipality that represent the sites of natural, cultural, religious and archeological importance within the historical Hill State.

9.4.4 Information and Communication Technology

(1) **To optimize information and communication technology:** Interoperability between information management systems will be established to make public service delivery information technology-based. The natural and cultural heritage and diversity of the province will be promoted as attractive destinations for documentary, photography, and film shooting through the use of information technology, making them nationally and internationally renowned. Necessary policy, structural, and institutional arrangements will be made for the development, promotion and use of information and communication technology.

(2) **To ensure people's access to information and communication technology:** The development, upgrading and strengthening of information and communication technology infrastructure and the collection, storage, protection and use of electronic data will be made effective. Skilled human resources will be developed by making a need projection and mobilized in research, innovation, and promotion work for the development of information and communication technology. A healthy and high-quality market will be promoted to ensure citizens' access to information and communication technology.

9.5 Key Transformational Programmes

9.5.1 Road and Transport Infrastructure

(a) Formulation of Infrastructure Policies, Plans and Standards:

1. Formulation and updating the integrated provincial infrastructure policies, plans and standards;
2. Formulation of provincial road standards and master plan;
3. Feasibility study and implementation of provincial road projects.

(b) Construction, Upgrading and Maintenance of Provincial Roads:

1. Narayani corridor road development project;
2. Shaligram corridor road construction and expansion;
3. Construction of paved roads connecting district headquarters and local level centers;
4. Construction of roads connecting important religious, tourist and economic hubs;
5. Construction and upgrading of all-weather road infrastructure;
6. Regular maintenance and upgrading of built road infrastructure and structures.

(c) Construction and Maintenance of Road Bridges:

1. Construction of bridges, culverts and other structures on major roads of province jurisdiction;
2. Construction of road bridges connecting the market and remote settlements;
3. Maintenance and upgrading of existing road bridges.

(d) Construction and Maintenance of Suspension Bridges:

1. Construction, upgrading and maintenance of suspension bridges;
2. Technical capacity building to local level in suspension bridge construction and maintenance.

(e) Development of Alternative Transport System:

1. Development of electric & alternative transport systems such as ropeways & cable car;
2. Promotion of public-private partnership approach in transportation sector projects.

(f) Construction of Strategic Bus Parks:

1. Identification of strategic locations, conducting feasibility study and construction of bus parks based on traffic density and intensity;
2. Construction, operation and upgrading of bus park with modern terminal in province-local level partnership.

(g) Feasibility Study and Construction of Tunnel Roads:

1. Feasibility study of tunnel roads and alternative technologies;
2. Construction of roads and bridges based on tunneling and innovative technologies;
3. Partnership-based tunnel construction.

(h) Highway Recreational and Refreshment Center Operation Partnership Programme:

1. Swimming pool and gymnasium;
2. Gardens and parks, toilets, drinking water and waiting shed;
3. Gift houses and restaurants serving indigenous food;
4. Charging stations and resting places;
5. Operation of hotels and restaurants.

9.5.2 Transport Management

(a) Public Transport Strengthening Programme:

1. Formulation and revision of policies, laws, procedures and standards;
2. Arrangement of the mass transport system and scientific fare administration system development;
3. Promotion of contribution-based social security scheme for workers in the transport sector;
4. Awareness programme on customer-friendly conduct to transport workers of the transport sector;
5. Strengthening public transport system support;
6. Transport management office and service delivery reform programme.

(b) Electric Vehicle Promotion Programme:

1. Construction and expansion of charging stations;
2. Promotion and management of electric vehicles.

(c) Road Accident Reduction and Safety Programme:

1. Infrastructure improvement for reducing road accidents;
2. Vehicle license distribution system improvement;
3. Traffic awareness and traffic regulation Programme;
4. Development, expansion and improvement of traffic infrastructures.

(d) Information Technology-based Traffic Service Management:

1. Digitalization of transport and traffic management services;
2. Development and operation of online payment and vehicle registration system;

3. Development of traffic management system software;
4. Establishment and operation of province structure for printing of driver's license;
5. Digitization of records.

(e) Vehicle Tax Collection and Management Programme:

1. Vehicle renewal system management;
2. Vehicle registration and renewal service improvement;
3. Public awareness of vehicle taxation.

9.5.3 Building, Housing, Settlement and Urban Development

(a) Well-Planned Urban Development Programme:

1. Formulation of master plan for planned urban and settlement development with standards;
2. Promotion of public-private partnership approach in urban and settlement development;
3. Satellite city and rural-urban development programme;
4. Smart city development programme;
5. Parbat megacity development project.

(b) Integrated Settlement Development Programme:

1. Province and local level partnership programme for an integrated settlement development at local level centers and other feasible places;
2. Land development and settlement integration programme;
3. Identification and relocation of hazard-prone settlements.

(c) Housing Development Programme for People Living in Hazar-Prone Area:

1. Identification of beneficiaries and appropriate locations in coordination and collaboration with federal and local government;
2. Affordable and safe housing management for the ultra-poor, deprived, marginalized caste, communities and slum dwellers;
3. Daycare center and special collective housing development for persons with disabilities, senior citizens and people at high risk of disaster.

(d) Construction of Provincial Principal Administrative Center with Province Identity:

1. Identification of a suitable location in the province capital, Pokhara, in coordination with the Government of Nepal and respective local governments;
2. Feasibility study and preparation of detailed project report of the principal administrative center;
3. Infrastructure development for the provincial principal administrative center with province identity.

9.5.4 Information and Communication Technology

(a) Information & Project Management System Development Programme:

1. Integrated provincial information system development;
2. project management system development.

(b) Digital Platform Development Programme:

1. Development of records system for commodities of comparative advantage and export, tourist destinations, services and facilities;
2. Development of provincial capital assets management system;
3. Stock-taking and recording system of educational, innovation and training provider organizations, media and communication technology service providers;
4. Record management system development for enterprise and business establishments.

(c) Information Technology Capacity Development Programme:

1. Expanding the use of information technology in policy, planning, monitoring and evaluation;
2. Collaboration with universities, academia and the private sector for innovation;
3. Capacity development of province and local level elected representatives and staff;
4. Research and development of the latest technology in communication and information technology.

(d) Development, Upgrading and Strengthening Information and Communication Technology Infrastructure:

1. Development, upgrading and strengthening of information and communication technology infrastructure in the province;
2. Electronic data collection, storage, protection and use;
3. Digital economy promotion programme;
4. Promotion of information technology-based business development services.

9.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1	**Road and Transportation Infrastructure**					
1.1	Road density	KM/ Sq.KM	0.56	0.58	0.64	0.72
1.2	Total length of road	KM	12128	12500	13900	15500
1.2.1	Length of blacktopped road	KM	1099	1200	1500	2000
1.2.2	Length of graveled road	KM	1319	1400	2400	3000
1.2.3	Length of earthen road	KM	9710	9900	10000	10500
1.3	Road bridge	Number	131	193	433	473
1.4	Suspension/Suspended bridge	Number	2070	2170	2470	2770
1.5	Population having access to road within 30 minute	Number	99	99.3	100	100
2	**Transportation Management**					
2.1	Electric vehicle use rate	Percent	0.2	0.4	1.2	2
2.2	Household having vehicle (four-wheel)	Number	24077	25000	28000	30000
2.3	Registered vehicles (four-wheel)	Number	4004	4600	5000	5400
2.4	Registered vehicles (two-wheel	Number	45091	68181	114521	160862
2.5	Distributed embossed number plate	Number	750	1000	6000	10000

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
2.6	Annual revenue collected from Motor vehicle tax	NPR in Lakh	1933	2298	3308	4000
3	**Building, Residence and Urban Development**					
3.1	Population living in houses built in compliance with Building Code	Percent	27	30	35	40
3.2	Number of household living in own residence	Percent	81.7	82.5	84	85
3.3	Number of household having the access to market center within 30 minutes distance	Percent	48	50	56	60
3.4	Bus park of strategic importance	Number	9	10	12	15
3.5	Retrofitting and new construction of government office buildings	Number	3	5	15	25
3.6	Waste management and sanitary landfill site based on environment-friendly technology	Number	3	5	8	12
3.7	Construction of the conference hall and multi-purpose building	Number	0	0	2	5
3.8	Planned settlement development Programme, including land development, settlement integration and improvement, and urban recovery, implementation areas	Number	0	1	3	5
3.9	Infrastructure developed rural market center	Number	0		3	7
3.1	Trained technician and mason	Person	600	720	900	1200
4	**Information & Communication Technology**					
4.1	Household with access to the internet	Percent	64.11	65	75	85
4.2	Telephone line	Number	297415	30000	310000	320000
4.3	Registered internet service provider	Number	14	15	18	20
4.4	Women having own mobile phone	Percent	92	92	95	98
4.5	Existing online media within province	Number	657	660	680	700

Source: GPPPC, 2024 and latest reports of government

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Chapter 10: Clean Energy, Water Resources and Drinking Water

10.1 Background

The Constitution of Nepal and the unbundling report approved by the Government of Nepal include the policies, laws, standards, planning, implementation, and regulation related to electricity, irrigation, drinking water, sanitation, river training, and management in the list of powers related to infrastructure development of the province government. Similarly, ensuring access to water, sanitation and hygiene (WASH) services in backward areas, riverine development, and roadside tree plantation are also included in the province government's list of powers related to infrastructure development.

The Allocation of Business Rules approved by the province government includes policy, planning, programme formulation, implementation, monitoring, and evaluation of water resources, energy, drinking water, irrigation, and water-induced disaster areas under the responsibility of the Ministry of Energy, Water Resources, and Drinking Water. Similarly, the Norms Related to the Classification and Allocation of Development Programmes and Projects Falling Under the Work Responsibility of Federal, Province and Local Levels, 2018, approved by the Government of Nepal include medium-sized irrigation projects, new technology-based river and watershed management, landslide control and management, medium-sized river training and management, hydropower and solar energy system projects with capacity of 1 to 20 MW, and basic water supply and sanitation, among others. According to constitutional rights and the existing legal provisions, the Gandaki Province Government has enacted and implemented the Province Irrigation Act, 2078 BS, and the Province Water Supply and Sanitation Act, 2079 BS. It is crucial to provide guidance to the province policies, plans and programmes to develop water resources, energy, water supply, sanitation, irrigation, and river training infrastructure in the province in conformance with the above constitutional and legal provisions.

10.2 Existing Situation

10.2.1 Water Resources and Energy

There are 8 large hydropower projects in operation in this province, generating 733 megawatts of electricity. Currently, 97.76 percent of households have access to electricity from the national grid and small hydropower projects, while 99.50 percent have access to renewable and modern energy sources, including hydropower. However, some areas in Baglung, Gorkha, Manang, and Mustang districts have not yet been reached by the national grid. With investments from the province government, 230 kilowatts of energy have been generated from the institutional solar system. Additionally, smart and solar street lights have been installed and are operational in 115 locations of the province.

10.2.2 Irrigation and River Training

The Province Irrigation Act and the Rules relating thereto, procedures, and standards have been formulated and implemented to increase agricultural production and productivity, build irrigation systems and manage water-induced disasters. The province has a total of 351,597 hectares of cultivated land. As per the National Irrigation Master Plan of 2019, there are

272,630 hectares of irrigable land in the province, which accounts for 77.5 percent of the cultivated land. Among the irrigable land, 74,194 hectares have a slope of 25 degrees, 160,791 hectares have a slope of 25 to 60 degrees, and 37,645 hectares have the potential for pump irrigation. Currently, 66,866 hectares of modern irrigation infrastructure have been expanded, representing 24.5 percent of the total irrigable land. The National Sample Census of Agriculture, 2021, has reported 31,841 hectares of irrigated land in the province. Additionally, the province government has initiated the construction of embankments and riverine land development in an area covering 95.44 km as of the fiscal year 2022/23.

10.2.3 Water, Sanitation and Hygiene (WASH)

The Province Water Supply and Sanitation Act, along with the related Rules, procedures, and standards, have been issued and are being implemented to provide clean drinking water facilities to the province's residents, maintain environmental cleanliness by managing sewage and wastewater, and carry out effective regulation thereof. Currently, 94.25 percent of the population in the province has access to basic water supply facilities, with 18.2 percent having access to medium and high-level water supply facilities. By the end of the fiscal year 2023/24, it is estimated that 64 percent of the total 662,480 households will have access to one tap facility. Additionally, as of the fiscal year 2022/23, 80 percent of households have the provision of improved sanitation facilities, with 99 percent using some form of toilet.

10.3 Key Issues and Challenges

10.3.1 Water Resources and Energy

(1) **Development, multi-use and protection of water resources:** The main issues are attracting private and foreign investments to the water resources and energy sector, extending power lines to places where the national grid has not been reached, and providing adequate and reliable electricity facilities by upgrading electricity distribution lines. It is challenging to make it cost-effective and climate-smart by improving the technology and system of electricity generation, transmission, and distribution in proportion to the growth rate of electricity demand in the water resources and energy sector.

(2) **Increasing the use of electricity and clean energy:** Ensuring sustainable use of renewable energy, expansion, transfer of technology and establishment of community ownership by reducing the consumption of imported petroleum products and biological energy remain the main issues. The key challenges lie in reducing carbon emissions by increasing the consumption of electricity and renewable energy and increasing income by selling carbon emissions in the voluntary and controlled carbon market.

(3) **Identifying, promoting and developing multi-purpose projects:** Attracting domestic and foreign investors to the hydropower sector is a key issue. Lack of identification, promotion and development of multi-purpose projects related to electricity, irrigation and tourism are the problems facing this sector. There is a challenge to use the available technical knowledge, experience and manufacturing capacity and to reduce carbon emissions from electricity and other clean energy production and use and to increase access to carbon trading.

(4) Attracting private, community and foreign investment to water resources and electricity sectors: Project identification, development, construction and operation have not been made easy. Facilitating land acquisition and amending the legal provisions and creating an environment for inter-governmental coordination and collaboration are the challenges of this sector.

10.3.2 Irrigation and River Training

(1) Developing and expanding irrigation facilities: There is no provision of ensuring round-the-year irrigation facilities in cultivable land through surface, new technology, lift and underground irrigation systems. Using the latest technology in irrigation facilities, the issues are operating the irrigated area expansion programme in an integrated and coordinated manner with agricultural programmes and projects, ensuring regular maintenance of operating irrigation projects and renovating and resuming the sick. The conservation and sustainable operation of irrigation projects and facilities is a challenge in the irrigation sector.

(2) **Minimizing risks and damages to cultivable land, settlements, physical infrastructure and cultural heritages:** Due to growing development and construction activities, rivers and streams are drying up with each passing year due to increasing dependence on river resources for construction materials. This tendency has led to a problem in naturally supplying adequate water from the irrigation source to the crop fields. There is a challenge in minimizing risk and damage to arable lands, settlements, physical infrastructure and cultural heritages from floods, landslides, river erosion and inundation every year by making the physical infrastructure sustainable.

(3) **Construction and expansion of large and multi-purpose projects, including river diversion, artificial lakes, and combined use of surface and underground irrigation:** There is a lack of construction of appropriate infrastructure for the safety of riverside in the Nawalpur, Budhigandaki, Daraundi, Chepe and Marsyangdi, Madi and Kaligandaki River corridors that have a large command area. Construction and expansion of large and multi-purpose projects, including river diversion, artificial lake, and combined use of surface and underground irrigation in the Mid-Hill, Prithvi and East-West Highway corridors and large rain-fed areas (taar), remain a key issue. Preventing agricultural land shrinkage through fragmentation of agricultural land and haphazard urbanization; controlling willful mining of construction materials from rivers and streams; reducing the risk of soil erosion, floods and landslides and enhancing community interest and ownership in development activities are the key challenges.

10.3.3 Water Supply, Sanitation and Hygiene (WASH)

(1) Expanding and improving the quality of drinking water facilities: Expanding drinking water facilities in villages, settlements and high population density urban areas of the Chure and high hill and mountain areas that do not have access to drinking water facilities are the key issues identified in the water supply sector. Other issues include ensuring sustainable management of drinking water and sanitation projects, infrastructure and distribution systems and enhancing the capacity of user committees for that purpose. This sector's

challenges are increasing drinking water quality, operating climate-smart drinking water projects, installing and upgrading technology, managing complete sanitation, and systematic drainage.

(2) **Making infrastructure and facilities related to water, sanitation and hygiene (WASH) sustainable, resilient & environment-friendly:** Enhancing coordination & collaboration between the federal, province and local levels and attracting investments from private, community and non-governmental organizations are the key issues in this sector. Sustainable protection of drinking water sources and infrastructure, and treating and ensuring safe management of household and industrial wastewater and faecal sludge are the challenges.

(3) **Provision of water recharge facilities:** Due to climate change and human activities, the water springs in the high hill areas are drying up. Therefore, the key issue is adopting sustainable management measures such as groundwater recharge from rainwater through the construction of ponds in these areas is the key issue.

(4) **Completing the ongoing and completion-oriented water supply projects with priority:** The trend of operating new water supply projects every year is on the rise. As the number of new projects is increasing rather than the completion of ongoing projects in the water supply sector, resources/budget has not been managed for the completion of projects on time due to low budget allocation for the ongoing and completion-oriented projects, The challenge lies in completing the projects, which have already created liabilities, in a timely and quality manner.

10.4 Transformational Strategies

10.4.1 Water Resources and Energy

(1) **To adopt an integrated system in water resource development:** An Integrated water resources development strategy will be formulated based on Integrated water resources management at the river basin level for water resource development and management. Water resource development and management will be made through river basin, integrated water resources management concept and study, research and innovation, technology and practice-based. Infrastructure development will be green, resilient, environment-friendly and sustainable based on green and circular economy. The physical and social infrastructure will be protected and improved based on traditional knowledge, skill and practice, and interconnected with production.

(2) **To make the development and use of water resources based on multi-purpose and innovative technology:** Provisions will be made to use the new technologies and practices developed in the water resource sector through research and development in collaboration with academic and research institutions for the construction, development and operation of infrastructure. Resources will be prioritised for the construction, expansion, upgrading and sustainability of major energy and water resource development projects. New technology will be used, and resources will be mobilized and managed for regular and systematic maintenance of water and energy infrastructure. Provision of investment and implementation will be made with a priority on the development and expansion of

reservoir, electricity, irrigation and drinking water projects. A conducive environment will be created for attracting private and foreign investments to hydropower development, while facilitating the carbon trading.

(3) **To increase electricity generation and strengthen the transmission and utilization system:** Private sector investment will be attracted to support the study, generation, transmission, distribution and operation of hydropower projects. The latest financial instruments will be adopted for resource mobilization in hydropower projects to be operated with government, private and foreign investments. To facilitate the operation of reservoir projects, access road construction and upgrading, watershed and development infrastructure protection, land acquisition and compensation, surveying and plotting will be facilitated. Expanding access to and increased electricity use will be encouraged to minimize the consumption of Petroleum products and LP Gas. Partnership and collaboration will be maintained to expand and upgrade electricity transmission and distribution lines. Renewable and alternative energy such as solar, wind, biomass, and small and micro hydropower projects will be developed, expanded and encouraged by adopting an approach to energy mix. Partnerships will be made in street lighting based on the feasibility study of the solar system and electricity-based street lights in the province capital, district headquarters, local level administrative centers and other cities, markets and village/settlement centers.

(4) **Sustainable management of water resources:** Increase in production and productivity will be supported through the protection of water, land and forests by conducting an integrated watershed management Programme in watershed areas of the Gandaki River. A master plan for the management and protection of the river system will be prepared and implemented. Groundwater recharge, multi-use, integrated use and reuse of water resources will be encouraged and promoted.

10.4.2 Irrigation and River Training

(1) **To prioritize sustainable and multi-use of water resources:** Emphasis will be placed on reservoir-based and multi-purpose electricity generation projects. Multi-purpose projects will be developed by integrating electricity, drinking water, irrigation, tourism, roads, and housing. In areas where surface irrigation is not feasible, irrigation systems utilizing new technologies such as underground, lifting, and mechanical technology, as well as pipes, ponds, drips, fountains, and water-drawing technology without ongoing costs, will be developed and expanded. River sediment management and mining standards will be prepared, and rivers will be protected and utilized as natural, cultural, and tourist assets. Sustainable water resource management will be ensured through determination of the river flow area, river protection and innovative technology.

(2) **To identify, develop and implement multi-purpose irrigation infrastructure projects:** Priority will be given to promoting underground irrigation systems in the Inner Madhesh and lift system-based irrigation systems in hilly areas. New technologies and concepts will be utilized to expand irrigation facilities in remote and underdeveloped areas lacking irrigation infrastructure to expand irrigation facilities. Disaster risk reduction and climate change adaptation measures will be integrated into the development and construction of

energy, water resources, and irrigation infrastructure and facilities. A time-bound maintenance action plan will be developed to ensure regular maintenance of irrigation structures and facilities. Construction of large lakes, ponds, and conservation activities will be carried out in the Chure Region and other watershed areas to make the sources of irrigation sustainable. Identification, structural improvement, rehabilitation, and strengthening of irrigation projects and systems will be carried out based on the availability of irrigated areas, the need for diversification and increased agricultural production, and farmers' demands.

(3) Enhancing partnerships between different levels of government and stakeholders: Collaboration will be fostered between different levels of government in the development, construction, and maintenance of irrigation and river training infrastructure. Alternative financial mechanisms, including public and public-private partnerships, co-financing, cost-sharing, public-community partnerships, public-non-governmental organization partnerships, and others, will be mobilized in water resources and irrigation development projects. Inter-governmental coordination, collaboration, and partnerships will be encouraged for irrigation and river training. Necessary policy, legal, and institutional frameworks will be developed to leverage the private sector's capital, technology, and expertise in water resources and irrigation development.

10.4.3 Water, Sanitation and Hygiene (WASH)

(1) To expand and improve the quality of water and sanitation services and facilities: Basic water, toilet and sanitation facilities will be extended to all households in the province. Villages, settlements, markets and places that do not have access to basic water supply facilities will be given high priority, and water supply projects based on surface, underground and lift technology will be constructed to expand the facilities. Water supply services and facilities will be upgraded in cities, town-oriented places and market areas. Springs, stone spouts, lakes and ponds, rivers, canals, and other water bodies with traditional and archaeological importance will be identified and protected while constructing and expanding the facilities related to drinking water services. Identification, protection, water recharge, multiple-use, and integrated use and reuse of water resources will be encouraged and promoted.

(2) To mobilize alternative technologies, financial resources and mechanisms in managing WASH projects: Mobilization of alternative technologies, financial resources, and mechanisms will be emphasized in mutual coordination and collaboration between the federal, province and local level in the construction, expansion, upgrading, maintenance and management of WASH projects. The treatment, disposal and reuse of wastewater and faecal sludge produced from households and commercial sectors will be managed through various technologies and structures and mechanisms. The participation of local communities will be strengthened for water supply and sanitation management.

(3) Effective management of projects in the water supply and sanitation sector: The province project management system, including policy, legal and institutional frameworks, will be developed and strengthened to make all stages of the planning cycle objective, predictable and results-oriented. Coherency will be maintained between feasibility study,

prioritization, selection, and budget and action plan of the province pride, transformational and priority projects. Emphasis will be placed on the regular maintenance and improvement of existing water supply projects rather than initiating new projects. Quality work will be ensured through capacity development and regulation of construction entrepreneurs and user committees involved in the development, construction and maintenance of water supply and sanitation infrastructure.

(4) To complete the ongoing and completion-oriented projects with high priority: Adequate resources will be arranged to complete the ongoing and completion-oriented projects with priority. The 'One House, One Tap and Basic Water Supply Facilities' project will be proposed and operated in partnership with inter-governmental and development partners, only in areas that do not have access to basic water supply facilities.

10.5 Key Transformational Programmes

10.5.1 Water Resources and Energy

(a) Integrated Water Resources Management Programme:

1. Formulation of an integrated water resources development strategy;
2. Identification, feasibility study & development of multipurpose water resource project;
3. Reservoir and artificial lake construction projects;
4. Water resources conservation, utilization and recharge project.

(b) Power Generation and Service Expansion Programme:

1. Facilitation in identification, feasibility study, development & operation of hydropower projects,
2. Electricity line extension and upgrading in coordination with the federal government,
3. Facilitation for the expansion and upgrading of electricity service in places and households without electricity connection;
4. Use of new technology and innovative financial instruments in power generation, distribution and storage;
5. Electricity leakage control.

(c) Renewable Energy Promotion Programme:

1. Construction, upgrading, maintenance and micro and small hydropower projects and connecting national grid system;
2. Installation, maintenance and operation of solar systems;
3. Promotion and expansion of improved and electric stoves;
4. Community biogas plant installation and promotion;
5. Biogas and biodiesel production and promotion.

(d) Smart Street Light Installation and Extension Programme:

1. Feasibility study on installation of solar system and electricity based street lighting;
2. Development and construction of smart street lighting project based on new technology;
3. Extension and maintenance of smart street lights.

10.5.2 Irrigation and River Training:

(a) Irrigation Facility Extension Programme:

1. Irrigation policy and legislative reform;
2. Identification and feasibility study of surface, ground and new technology-based irrigation projects;
3. Development and construction of surface, underground and new technology-based irrigation projects;
4. Expansion, maintenance and upgrading of ongoing irrigation projects;
5. Identification, structural improvement, rehabilitation and strengthening of sick irrigation projects and systems.

(b) New Technology-based Irrigation Programme:

1. Pond, lift system and underground based irrigation project development based on feasibility;
2. Operation of drip/sprinkler, zero operating cost lift system technology based irrigation programme;
3. Coordination, cooperation and partnership with the local level, farmer groups, cooperatives, producers and private sector.

(c) Conservation and Sustainable Operation of Irrigation Structures and Facilities:

1. Identification and mapping of irrigation structures and facilities at risk and affected by disasters;
2. Construction, conservation, maintenance and restoration of irrigation structure through engineering and bio-engineering technologies.

(d) River System Management and Conservation Programme:

1. Management of major river systems based on water resource master plan;
2. Water-induced disaster risk reduction and management;
3. River training, flood and landslide control and risk reduction;
4. Risk mapping, and construction of embankment and spur land reclamation *(ukas)*;
5. River bank protection, landslide hazard management and flash flood control.

(e) Hydro-meteorological Forecasting System Management Programme:

1. Hydro-meteorological forecasting system technology installation, expansion and upgrading;
2. Collection, analysis and management of hydro-meteorological data.

(f) Water User Committee Institutional Capacity Development Programme:

1. Institutional strengthening of water user committees;
2. Irrigation system and service charge management;
3. Training and capacity development programme.

10.5.3 Water Supply, Sanitation and Hygiene

(a) Basic Level Drinking Water Access Enhancement Programme:

1. Identification, mapping and feasibility study of settlements without drinking water facility access;
2. Basic drinking water facility project with access to drinking water for hundred percent of households;
3. Construction and upgrading of surface and alternative technology-based water supply projects;
4. Upgrading of ongoing drinking water projects and expansion of service area.

(b) One House One Tap Programme:

1. Construction of ongoing and soon-to-be-completed water supply projects;
2. Construction of water supply new projects based on feasibility;
3. One house, one tap water supply project construction, maintenance and operation.

(c) Water Quality Improvement Programme:

1. Connecting water treatment technology for safe drinking water from source to mouth;
2. Water collection and distribution system improvement programme;
3. Clean drinking water and hygiene awareness programme.

(d) Maintenance and Sustainable Operation of Water and Sanitation Projects:

1. Regular and periodic maintenance of water supply and sanitation projects in operation;
2. Institutional capacity development and mobilization of user committees for maintenance;
3. Sustainable operation and management of structure and distribution system of drinking water and sanitation projects.

(e) Public Toilet Construction and Operation Programme:

1. Construction and operation of public toilets through public-private partnership approach
2. Construction, maintenance and operation of public toilets associated with facilities such as collection center and haat bazaar (open-air market), bus park, open theater and public utility structures;
3. Construction and operation of public toilets with business infrastructure and facilities.

(f) Programme for Conservation of Springs, Traditional Stone Spouts, Ponds, Lakes, Wetlands, Rivers and Watersheds of Cultural, Archeological & Natural Importance:

1. Identification, mapping and conservation of springs, traditional stone spouts, ponds, lakes, wetlands and rivers;
2. Protection and management of water supply and sanitation structures;
3. Identification and protection of surface and underground water resources;
4. Water recharge, multipurpose and integrated use and reuse of water resources;
5. Sustainable management of water sources and structures;
6. Rainwater harvesting and utilization.

(g) Sewage and Faecal Sludge Management Programmes:

1. Promoting the collection, treatment, disposal and reuse of wastewater and faecal sludge;
2. Sewerage and drainage management project;
3. Promotion of hygienic behavior and parasite control.

(h) Inter-agency Coordination, Cooperation, and Partnership Programmes:

1. Inter-governmental, public-private partnership, public-community-nongovernmental partnership programmes;
2. Construction and sustainable management of water, sanitation and hygiene projects.

10.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Water Resource and Energy**					
1.1	Total hydro-electricity generation capacity	MW	733	900	1600	2500
1.2	Household access to electricity	Percent	99.5	99.75	100	100
1.3	Electricity consumption per capita	kWh	216	260	300	500
1.4	Electricity generation by institutional solar system	KW	172	200	250	300
2.	**Drinking Water and Sanitation**					
2.1	Population having access to basic level drinking water	Percent	94.25	95	98	100
2.2	Population having access to medium and higher level drinking water	Percent	18.2	25	65	90
2.3	Household having private tap	Percent	59.5	65	84	95
2.4	Household having flush toilets	Percent	80	83	93	100
3.	**Irrigation and Embankment**					
3.1	Irrigated area by modern irrigation infrastructure	Ha.	67000	67500	69000	70000
3.2	Year-round irrigated area	Ha.	33000	36000	39000	41000
3.3	Length of constructed embankment	KM	95.44	100	150	200
3.4	Area of land reclamation (ukas) program operation	Ha.	3141	3200	4000	4500

Source: GPPPC, 2024 and latest reports of government

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Chapter 11: Decent Work, Productive Employment and Social Protection

11.1 Background

The Constitution of Nepal includes employment, poverty alleviation, and social security in the list of concurrent powers of all three levels of government. The Constitution also guarantees the citizens' right to employment and employment choice, fair wages for laborers, facilities and contributory social security. Efforts to alleviate poverty, which began with planned development in Nepal, have been a top priority since the Tenth Period Plan. The Sustainable Development Goals (SDGs) aim to end all poverty in Nepal by 2030. The Government of Nepal has issued and implemented the Poverty Alleviation Policy, 2076 BS, to guide the people in the journey towards prosperity by maintaining consistency between the three levels of government in their efforts to alleviate poverty.

The province government has placed high importance on employment promotion and poverty alleviation since its formation under the federal structure. Likewise, the province government is moving forward in partnership and cooperation with the Government of Nepal and local governments to promote social security. Poverty alleviation, sustainable and decent employment opportunities and contributory social security are among the priorities for the province's development. It is crucial to move towards achieving the goal of poverty reduction by creating a safe and dignified work environment for the human resources in the province to respect labor.

11.2 Existing Situation

11.2.1 Labor and Employment

According to the projections made by the National Planning Commission, approximately 500,000 additional human resources enter the labor market of Nepal every year. The Nepal Labor Force Survey (2017/18) indicates that Nepal's total economically active population is 2,744,000, with Gandaki province accounting for 1,868,000 of that total. The Survey also shows that the total employed population in Nepal is 7,086,000, with 606,000 in Gandaki province. Similarly, the number of unemployed people in Nepal is 980,000, with 60,000 in Gandaki province. In the fiscal year 2019/20 alone, 62,678 people from Gandaki province received work permits to go for foreign employment. According to the National Economic Census (2018), the total number of industries and businesses operating in Gandaki Province is 100,684, with 332,472 employed persons.

The labor participation rate in the province is 40.3 percent, the unemployment rate is 7 percent, and the contribution of the formal sector to employment is 44 percent. The province government has established an employment information center to connect the unemployed workforce with employment opportunities. Agriculture, tourism, construction, and manufacturing industries are the major employment sectors in the province. The province government is focusing on increasing self-employment opportunities by developing entrepreneurship and making the development of cottage and small industries more effective. Additionally, the province government is prioritizing the creation of employment opportunities

in areas such as homestay, trail construction and upgrading under agriculture and cooperatives, tourism promotion, and infrastructure development.

11.2.2 Poverty Alleviation and Social Security

Partial progress has been made towards achieving the goal of poverty alleviation by implementing the First Five-Year Plan of the province. Amid the challenges that resulted from the global economic contraction caused by the socio-economic impacts of the COVID-19 pandemic and the Russia-Ukraine war, the plan aimed to reduce multidimensional poverty from 14.2 percent to 7.3 percent, but the rate seems to have been limited to 9.6 percent during the plan period. The Sustainable Development Goals (SDGs) Localization Roadmap for Gandaki Province (2022-2030) aims to reduce the ratio the population living below the poverty line from 14.9 percent to 2 percent by 2087, and also reduce the multidimensional poverty ratio from 14.2 percent to 2 percent. According to the Nepal Living Standards Survey (2022/23), the poverty rate in Gandaki province is 11.8 percent. The per capita income of Gandaki province has reached $1,499 after aiming to increase it from $1,043 to $1,956 during the first plan period. The Gini Coefficient, which measures inequality in Gandaki province, is 0.29.

The Government of Nepal has approved and implemented the National Integrated National Social Protection Framework, 2080, to promote the contributory social security Programme for managing increasing expenditure on social security, make the scattered social protection programmes more effective, and further clarify the responsibilities and powers of all three levels of government. Additionally, the province government aims to establish a social security Programme that is inclusive, quality-focused, and effective in an integrated manner to make Gandaki province a welfare and rights-friendly province.

11.3 Key Issues and Challenges

11.3.1 Labor and Employment

(1) **Structural reform in the labor and employment sector:** There is a lack of policy and institutional coordination in the labor and employment sector. A women and disabled-friendly work environment has not been created in industrial establishments and workplaces. It is necessary to strengthen the relationship between the management and workers in the industrial enterprises. There is low participation of the target group in skill and capacity development and employment opportunities. Addressing the problems created due to disasters and economic laxity in the industrial enterprises, enrolling the formal and informal sector workers in the social security system, and promoting production and employment by attracting investment of Non-Resident Nepali in the productive sector is a challenge.

(2) **Enhancing Decency and Structure in the Labor Market:** The labor market continues to face challenges such as low wages, inadequate services and facilities, and persistent gender-based wage disparities. There is a shortage of active workforce particularly in rural areas. There is also limited access to information related to domestic and foreign labor and employment. Addressing these issues requires fostering a culture that values labor, promoting decent employment opportunities, implementing a fair wage system, and integrating informal sector workers into a robust social security framework.

(3) **Creating an environment for self-employment:** Appropriate occupational health and safety provision has not been made in the industry and business sectors. It is necessary to maintain easy access to opportunities for entrepreneurial and professional skill and capacity development in all districts of the province. Entrepreneurs who desire to establish micro, small, and medium industries cannot easily access business development services and markets. Support and marketing facilities are also lacking for them. Making agriculture, animal husbandry, and traditional professions market-oriented remains a challenge.

(4) **Systematizing foreign employment:** There has been relatively little effort to identify and provide information about safe areas with competitive advantages for the youth going for foreign employment. It is crucial to create income generation and employment opportunities by mobilizing remittance in productive sectors. Those who wish to go for foreign employment have not been able to get adequate opportunities, skills and capacity development according to the market needs. It is a challenge to create an environment where the skills and competencies gained through foreign employment and study can be utilized in the country.

(5) **Attracting the youth workforce to the domestic labor market:** There is an increase in the attraction of foreign employment among youth in similar jobs compared to domestic ones. It is crucial to create sufficient employment in the areas of competitive advantage. Stopping the growing youth exodus population from rural areas is a challenge.

11.3.2 Poverty Alleviation and Social Security

(1) **Controlling unproductive expenditure:** As a large share of income, including remittances, is concentrated on real estate and housing in urban areas, the income earned from remittances has been promoting rural-urban migration and a city-centred lifestyle with no engagement in productivity. Attracting the investment concentrated in luxury and unproductive sectors to the productive sector remains the key issue. It is challenging to focus on capital formation by creating an investment-friendly environment in the productive sectors addressing the investment reluctance observed in enterprises and businesses.

(2) **Delivering the benefits of the development programmes to the target groups and areas:** Implementing the development programmes to deliver the benefits to all groups, communities, and areas equitably remains an issue. Development programmes have not made the expected contribution to improving the living standards of economically and socially backward classes. Improving the quality of life of disadvantaged people through development programmes has been recognized as a key challenge.

(3) **Promoting sustainable and productive employment:** Attraction to foreign employment is increasing due to the lack of secure and competitive employment opportunities with sustainable income at the local level. It is crucial to identify goods and services with competitive advantage in agriculture, animal husbandry, tourism, and industrial sectors and move towards building self-reliance and export-oriented economy through their commercialization. Creating a business environment at the local level and creating youth-focused sustainable employment opportunities in the productive sector is a challenge.

(4) **Making the local economy vibrant:** Recovering from business and job losses due to the global economic slowdown created by COVID-19 and the national and international situation remains an issue. Agricultural production is adversely affected by monkeys and other wildlife menaces in the agricultural sector, which is the mainstay of the rural economy. It is necessary to boost the self-confidence of entrepreneurs and enhance the skills and capacity of unemployed citizens. Due to economic slackness, it is challenging to reduce the negative impact on overall economic indicators, including the financial sector, and to create a business-friendly environment by addressing the changing issues in the economic sector.

(5) **Enhancing collaboration with inter-governmental & development partners:** Maintaining coherency by avoiding duplication and consistency between programmes remains an issue. To achieve the target of poverty alleviation, coordination and a common understanding between the stakeholders are needed. It is challenging to maintain consistency with the programmes of development partners, including federal and local government programmes, in the context of poverty alleviation that falls within the jurisdiction of all three levels.

(6) **Reducing inequality and bringing sustainable and quality improvement in the living standards of the disadvantaged citizens:** The lack of adequate poverty and inequality reduction programmes and the effectiveness of the programmes being implemented are the key issues. There are practical constraints in improving the overall quality of life of marginalized and disadvantaged groups with social justice. It is challenging to break the vicious cycle of poverty without ensuring a sustainable and quality standard of living.

(7) **Preparing an integrated social security framework:** Due to different laws and agencies related to social security, there have been problems at the implementation level. A strong and dedicated institutional framework for social security is lacking. It is challenging to include informal sector workers within the social security coverage.

11.4 Transformational Strategies

11.4.1 Labor and Employment

(1) **To maintain policy and institutional coordination and collaboration in employment promotion:** Coordination, collaboration and partnership with inter-governmental, private and cooperative sectors, and development partners will be maintain to ensure labor protection, increase employment opportunities, create a business environment, and enhance competitive capacity. There will be coordination and collaboration between all levels of government for policy reforms in the labor sector. Employment opportunities will be created by attracting investment from Non-Resident Nepali in productive sectors. Emphasis will be placed on public-private partnership projects which help to generate employment.

(2) **To create safe and decent employment opportunities:** Youth-targeted new employment opportunities will be created in agriculture, tourism, and industry by identifying the areas of competitive advantage. Efforts will be made to attract remittances to productive and employment-creating sectors. An environment will be fostered where youth going for foreign employment can earn more in a shorter time by providing opportunities to enhance

their skill and competencies according to international market demands. Collaboration between the workers/laborers and employers will be ensured for contributory social security in coordination with relevant agencies of the Government of Nepal. Measures will be taken to ensure the safety of workers from workplace risks and accidents, with provision for immediate rescue, treatment, and relief in case of an accident.

(3) To make the labor sector decent and systematic: An employment-friendly investment environment will ensure cordial labor relations. All forms of labor exploitation, including human trafficking, child labor, bonded labor, etc., will be put to an end. Workplace harassment, violence, gender, and caste discrimination will be eliminated. Adherence to labor rights and the provision of women-friendly workspaces will be made effective. Provision of capacity enhancement and increase in remuneration and services/facilities will be made based on feedback received through assessment of productivity and achievements of workers regularly. Regulations and facilitation will be provided to ensure 'equal pay for equal work'.

11.4.2 Poverty Alleviation and Social Security

(1) To ensure access to basic services and facilities for poor and disadvantaged citizens: Enhanced coordination and collaboration with all levels of government and development partners will be pursued to ensure access to services and facilities such as food, housing and shelter, education, health, employment, drinking water, and electricity for the poor and disadvantaged groups. Poverty alleviation Programme implementing agencies at the province level will be strengthened. A special Programme will be conducted to issue identity cards based on the identification and updating of poor households.

(2) To ensure equitable access to development benefits for disadvantaged groups: Skill development, entrepreneurship, employment, production, and marketing will be integrated to ensure their access to development benefits. Emphasis will be placed on providing direct benefits to economically and socially backward groups in agricultural commercialization, tourism, entrepreneurship, and infrastructure development. Special programmes will be initiated in areas with comparative advantage to improve the living standards of the disadvantaged groups.

(3) To make the social security Programme integrated, effective, and sustainable: Provision of inter-governmental collaboration will be made to provide property, crop, and business insurance, including health insurance, for disadvantaged groups, farmers, and small entrepreneurs. Coordination and collaboration will be maintained in the preparation and implementation of the national social protection framework to expand the coverage and effectiveness of the social security programme. Collaboration with governmental, non-governmental, and private sectors will be pursued to expand the contributory social security programme. Social security will be linked to economic and social development policies and programmes to ensure financial sustainability. The inter-governmental collaboration will be expanded for micro-credits targeted at poor families, along with skill development and empowerment through the social security programme.

(4) To strengthen the skills, competencies, and capabilities of economically and socially backward groups: Focus will be on providing opportunities for youth to develop skills and competencies based on market demand. Concessional loans for enterprise and business operations, as well as business development services, including skill, knowledge, and technology, will be made easily accessible.

(5) To identify the areas of competitive advantage in rural areas according to the changing economic structure: Appropriate skills, technology, and loans will be made easily available in order to expand improved and commercial farming of monkey-repellent products such as Timur (Zanthoxylum armatum) animal husbandry. Effective branding and marketing will be implemented by expanding pocket areas, zones, and super zones to become self-reliant in agricultural and animal products.

(6) To improve passive lifestyles and unproductive investment trends: Opportunities will be created in rural areas to develop a habit of earning and enjoying the village, discouraging the trend of rural-urban and facility-oriented migration. Entrepreneurship opportunities will be increased along with family income to discourage passive lifestyle and unproductive investment.

(7) To provide social security facilities for workers in foreign employment through diplomatic channels: Initiatives will be taken to provide social security to the migrants working abroad through diplomatic channels. Regulation and management systems, including health examinations before and after returning from abroad, will be strengthened. A business environment will be created to utilize skills and competencies gained from foreign employment.

11.5 Key Intervention Programmes

11.5.1 Labor and Employment

(a) Labor Sector Reform Programme:

1. Policy and institutional reform;
2. Promotion of contribution-based social security;
3. Worker safety and insurance programme;
4. Labor-friendly and employment-oriented school curriculum reform support;
5. Decent employer incentives and labor awareness;
6. Facilitation of establishment of labor bank.

(b) Skill and Proficiency Development Programme:

1. Market demand-based professional skills development programme;
2. Poor and target group business development programme;
3. Traditional and indigenous skill and technology promotion programme;
4. Construction sector worker skill enhancement training programme;
5. Industry, tourism and service sector human resource development.

(c) Foreign Employment Management Programme:

1. International labor market demand-based skill and competence development programme;
2. Support programme for remittance mobilization in the productive sector;

3. Enterprise development programme for using foreign employment returnees' skills and competencies;
4. Foreign employment worker safety programme.

(d) Productive Employment Promotion Programme:

1. Poor and disadvantaged group self-employment promotion programme;
2. Rural entrepreneurship development (agriculture, industry and tourism) programme;
3. Export commodities-based business promotion programme.

11.5.2 Poverty Alleviation and Social Security

(a) Entrepreneurship Promotion Programme:

1. Urban and rural area-based business feasibility study;
2. Small entrepreneur skill development and business plan preparation support;
3. Identification of commodities of national of international market demand and production, branding and marketing support;
4. Start-up seed money support;
5. Identification, production, promotion and marketing of high-value indigenous commodities;
6. Local raw material based industry promotion;
7. Production and marketing based on cooperative and contract system promotion;
8. Concessional loans, technology and business development services to entrepreneurs from poor and disadvantaged groups.

(b) Social Security Promotion Programme:

1. Social security policy reform and regulation;
2. Integrated social security programme;
3. Diplomatic lobby and advocacy for foreign employment workers' social security;
4. Health examination arrangements before and after foreign employment.

(c) Poverty and Inequality Reduction Programme:

1. Poor and disadvantaged group housing programme;
2. Awareness against stigma and discrimination;
3. Higher education support for students from poor and disadvantaged groups;
4. Disadvantaged group self-employment promotion programme;
5. Housekeepers' *(grihini)* self-employment programme.

11.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Labor and Employment**					
1.1	Labor force participation rate in province	Percent	40.3	41.5	48	56
1.2	Unemployment rate	Percent	-	7	6	5
1.3	Contribution of formal sector in employment	Percent	44	44.1	50	60
1.4	Employment and population ratio	Number	-	35.9	42	50

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.5	Beneficiaries of business development and employment-oriented training	Number	1625	1775	2225	2525
1.6	Registered employer	Number	849	900	1050	1200
1.7	Registered contributors	Number	15902	17250	21300	24000
2.	**Poverty Alleviation and Social Protection**					
2.1	Poverty rate	Percent	11.88	11	8.6	7
2.2	Poverty gap	Percent	2.33	2.3	2.1	2
2.3	Squared poverty gap	Percent	0.79	0.78	0.72	0.68
2.4	Distribution of the poor	Percent	4.88	4.8	4.46	4.24
2.5	Gini Coefficient	Number	0.29	0.29	0.28	0.27
2.6	Per capita income	USD	1499	1580	1830	2000
2.7	Number of families living in their own house	Percent	81.7	82.5	84	85
2.8	Population covered by basic social protection	Percent	35	39	52	60
2.9	Population covered by health insurance programme	Percent	30.06	35	50	60

Source: GPPPC, 2024 and latest reports of government

Chapter 12: Empowered Women, Inclusion and Equality

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Chapter 12: Women's Empowerment, Inclusion and Equality

12.1 Background

The Constitution of Nepal has committed to creating a non-discriminatory, prosperous, and just society founded on proportional, inclusive and participation principles. Policies and periodical plans have been implemented with the aim of building a gender-egalitarian nation, as well as institutionalizing gender-responsive governance, and more. The right to social justice has established the right to participation based on the principle of inclusive and proportional representation at every level of the government. Similarly, it has accorded special importance to the protection, empowerment and development of economically and socially backward classes. Gender equality and social inclusion are cross-cutting issues to establish an egalitarian society.

Sustainable Development Goal-5 focuses on developing inclusive, safe and sustainable human settlements, while achieving gender equality, empowering all women and girls, promoting inclusive economic growth, employment, and decent work. The Gandaki Province Government has mainstreamed national and international commitments into policies, laws, plans, programmes, and monitoring and evaluation systems.

According to the Human Development Report-2020, the Gender Development Index of Gandaki Province is 0.896, and the Gender Inequality Index is 0.460. The Gandaki Province Government has introduced the Gender Equality and Social Inclusion Guidelines, 2077 BS to build an egalitarian society, ensure social justice and internalize gender equality and social inclusion by ending all forms of discrimination. It is crucial to end the existing economic and social discrimination among women, gender and sexual minorities, persons with disabilities, children, senior citizens, Dalits and marginalized groups and communities through the implementation of the Guidelines.

12.2 Existing Situation

12.2.1 Gender Equality and Women's Empowerment

The National Census of 2021 indicates that women make up 52.53 percent of the population in Gandaki Province, with a gender ratio of 90.37 (per 100 females). The female literacy rate in the province is 75.3 percent, higher than the national average of 69.4 percent. Additionally, 41.0 percent of households in the province are headed by women, and 28.3 percent of households have property in the name of women. Among the economically active population, women make up 51.2 percent. The target of the First Five-Year Plan is to increase the direct gender-responsive budget allocation to 70 percent, with the current ratio reaching 59 percent as of the fiscal year 2022/23.

12.2.2 Social Inclusion

According to the National Census of 2021, approximately 45 percent of the population in the province are indigenous nationalities, and around 39 percent are Dalits. Additionally, 23.9 percent of the population are children under 14 years old, and 13.3 percent are 60 years or older. The percentage of persons with disabilities in the province is 2.9 percent, slightly higher

than the national average of 2.2 percent. Among the population of persons with disabilities, 53.4 percent are male and 46.6 percent are female. The province has 17 senior citizen homes, accommodating a total of 278 persons, including 155 women and 123 men.

There are 33 special schools and 23 integrated schools in operation to improve access to education for children with disabilities. Additionally, 380 resource classes have been established for these children, and free Braille textbooks are provided for visually impaired students. Devchuli Municipality is working on establishing a girls' learning and resource center in Nawalparasi (Brdaghat Susta East). Inter-governmental partnership and collaboration have been maintained to empower and mainstream the socio-economically disadvantaged groups, including Dalits and indigenous nationalities.

12.3 Key Issues and Challenges

12.3.1 Gender Equality and Women's Empowerment

(1) **Making policy, legal, and institutional reforms for gender equality:** Timely reforms in the existing political, legal, and institutional frameworks remains a key issue for maintaining gender equality. There is a lack of gender-friendly workplaces and infrastructure in the government, non-government, and private sectors. New forms of domestic violence, violence in public places, human trafficking, trafficking in person under the guise of foreign employment, and violence against women and gender and sexual minorities have emerged. Policy and legal frameworks are not sufficient and clear to address these issues, and implementing existing policies and laws has been ineffective. Maintaining interconnectivity and consistency in the policies, laws, plans, and programmes at the federal, province, and local levels has been a challenge.

(2) **Ensuring a dignified living environment for women and gender and sexual minorities:** While the participation of women and gender and sexual minorities in social, economic, and political activities is increasing, meaningful participation has not yet been achieved. There is a lack of effective implementation of the laws to address the existing inequality associated with customs and traditions deeply rooted in patriarchy. The inability to end behavioral discrimination in the name of religion, culture, and tradition remains a problem. The challenge lies in maintaining gender equality by ending all forms of discrimination, exploitation, and violence against women, girls, and gender and sexual minorities with the changing social structure and mindsets.

(3) **Economic and social empowerment:** Discriminatory attitudes and practices between women, men, and gender and sexual minorities persist. The key issues include connecting household work with economic aspects, ensuring equality in the labor sector, and linking their abilities with production and productivity. Developing a culture that respects labor and balances women's working lives by recognizing domestic labor and care work in economic calculations is challenging.

(4) **Ending all forms of gender-based violence, discrimination, and exploitation:** There has been no significant reduction in the incidence of physical, mental, and other forms of violence against women and gender and sexual minorities. Ending all forms of violence,

discrimination, and exploitation and bringing positive changes in social practices, traditions, and mindsets through regulatory measures is challenging.

(5) Creating a foundation for the economic empowerment of women, gender and sexual minorities through self-employment and entrepreneurship development: The contribution of women and gender and sexual minorities to the labor market has been fairly assessed and recognized. The lack of access to resources for women and gender and sexual minorities and increasing meaningful participation in decision-making processes remain the key issues. The challenge lies in making women and gender and sexual minority groups competent, capable, and self-reliant, as well as creating an environment where these groups can benefit from development programmes.

12.3.2 Social Inclusion

(1) **Institutionalizing the concept of social inclusion:** Children, persons with disabilities, Dalits, disadvantaged, indigenous nationalities, endangered and marginalized groups, Muslims, senior citizens, and other deprived groups, tribes, and communities have not been fully mainstreamed into the development as mandated by the legal provisions. Meaningful participation and ownership of these target groups in the formulation and implementation of policies, laws, plans, and programmes is lacking. Additionally, the formulation of necessary policies and laws, as well as establishing physical and social structures to institutionalize social inclusion, remain the issues. Challenges lie in ensuring the meaningful participation of target groups, communities, tribes, and regions in the policymaking and decision-making processes of the province in accordance with constitutional provisions, policies, and laws.

(2) **Developing the capacity of deprived persons, groups, tribes, areas and communities:** Implementation of programmes aimed at empowering and developing economically and socially backward groups, areas, tribes and communities has not yielded results as expected. Meeting the specific needs of economically and socially backward communities, including Dalits and indigenous, remains a major problem. Protecting and empowering the groups and communities excluded from the societies and families and empowering them economically, socially, educationally, politically, and culturally pose significant challenges.

(3) **Mainstreaming the deprived communities:** Due to a lack of disaggregated data, economically and socially backward groups, tribes and communities have not yet been empowered and brought into the mainstream as targeted. Harmful customs, practices, and traditions persist under the guise of religious, cultural, and traditional beliefs. The situation has it that meaningful participation cannot be ensured solely through positive discrimination and reservations. Implementing legal and institutional frameworks while ensuring the meaningful participation of target groups in the development process has become a pressing challenge.

(4) **Eliminating discrimination based on caste, religion, language and sect:** Caste-based, religious and linguistic discrimination persists in society despite policy, legal, and programmematic efforts to eliminate the social ills and discriminatory practices. Ensuring

equitable distribution of available resources, benefits, and opportunities remains an issue. Maintaining social harmony by ending all forms of discrimination, social ills and harmful practices and customs is challenging.

(5) Creating a dignified living environment: Protecting and uplifting vulnerable groups, such senior citizens, single women and men, orphans, and street children, living in dire situation remain the key issues. Additionally, changing societal attitudes towards Dalits, indigenous nationalities, and persons with disabilities is crucial. Improving the quality of education, healthcare, public service delivery, and social security, and making social security and services easy and accessible, are key challenges in this sector.

12.4 Transformational Strategies

12.4.1 Gender Equality and Women's Empowerment

(1) **To pursue institutional and structural reforms:** The legal and institutional frameworks will be strengthened to effectively implement the laws related to women, and gender and sexual minorities. Timely reforms will be made in policy, legal, and institutional frameworks to ensure proportional inclusion in the economic, social, administrative, and political sectors.

(2) **To mainstream and localize the gender issues:** Gender issues will be addressed with a priority in the policies, laws, plans, and programmes. The concept of gender will be integrated into the implementation, monitoring, and evaluation of projects. Gender-responsive governance will be institutionalized by implementing a gender-responsive budget system across all agencies and structures within the province.

(3) **To create business environment and economic opportunities:** Employment and income-generating opportunities will be created to provide access to resources for women, and gender and sexual minorities. Men will be encouraged to take on more family responsibilities in order to maintain a balance between the family and professional life. Women's entrepreneurship will be promoted by identifying areas of competitive advantage. Special opportunities will be created for women, and gender and sexual minorities to reduce the gender gap in technical education. An integrated marketing system will be developed for products and services produced by women and entrepreneurs from gender and sexual minorities, including making provision of collection, storage, and quality testing of such products. A social campaign will be launched to end the gender-based division of labor. Capacity development and employment opportunities will be created to increase the participation of women, and gender and sexual minorities in the labor market.

(4) **To end all forms of exploitation, discrimination, and violence through preventive, remedial, and regulatory measures:** Scope of the laws will be expanded to end all forms of violence, exploitation, and discrimination against women, and gender and sexual minorities. Policies and laws will be amended in a timely manner to address gender-based violence, human trafficking and transportation, child marriage, forced marriage, and sexual harassment based on national and international commitments. A zero-tolerance policy will be implemented against discrimination and harassment in workplaces and public spaces.

Awareness and preventive measures will be taken to address cybercrimes through social media by dissemination information about these crimes.

12.4.2 Social Inclusion

(1) **To address social inclusion issues through structural transformation:** Contemporary reforms will be made in the policy, legal, and institutional areas to mainstream the deprived group and communities into development. A province level integrated and disaggregated statistical system will be developed to assess the existing situation. The capacity of the established mechanisms and institutions established for the interests of deprived groups will be strengthened. Inter-governmental partnerships will be enhanced to remove structural barriers to practically implementing the principles of proportional inclusion.

(2) **To ensure meaningful participation of deprived groups in policymaking and decision-making:** Meaningful participation of targeted individuals, groups, tribes, and communities in law and policy formulation, and development process will be ensured. Positive discrimination and reservation policies in the structure will be reviewed and modified as needed to enhance participation in political, economic, social, and administrative sectors. Construction of disabled-friendly infrastructure will be made mandatory. Child-friendly and youth-friendly local governance will be promoted in collaboration with local levels.

(3) **To enhance effectiveness in implementing legal and institutional frameworks:** Access and opportunities will be provided for target groups in all provincial structures and programmes. Social awareness will be increased to promote harmonious social relations by eliminating discrimination, untouchability, social ills, and harmful practices and customs. Measures will be put in place for the rescue, protection, and rehabilitation of victims of all forms of violence. Collaboration will be made with schools, communities, and religious sectors to eliminate harmful practices such as child labor, child marriage, forced marriage, allegation of witchcraft, and untouchability. Preventive, remedial, and regulatory measures will be adopted to end all forms of exploitation, discrimination, and violence. A zero-tolerance policy will be enforced against discrimination and harassment in families, communities, workplaces, and public spaces.

(4) **To protect, respect and support senior citizens, persons with disabilities, and children:** The experience and knowledge of senior citizens will utilized to create an environment for their respect. A conducive environment will be created protect the persons with disabilities and address their basic needs, including education and healthcare. Social security and concessions will be further expanded to support the dignified living of senior citizens and persons with disabilities. A foundation will be laid by establishing a child-friendly province to ensure the practical implementation of child rights.

12.5 Key Tranformational Programmes

12.5.1 Gender Equality and Women's Empowerment

(a) Policy and Structural Reform Programme:

1. Policy and legislation reform;
2. Strengthening gender equality and inclusion structures;
3. Establishment and operation of province fund for gender-based violence prevention;

4. Gender-friendly workplace management;
5. Construction and operation of safe houses and rehabilitation service centers;
6. Establishment of legal aid and service centers;
7. Promotion of the volunteering, social and community based organizations.

(b) Empowerment and Capacity Development Programme:

1. Empowerment of gender and sexual minority groups
2. Transformational leadership development programme for elected representative & staff
3. Livelihood improvement programme
4. Technical and higher education scholarship programme
5. Success practices and experiences exchange programme
6. Skill development and counseling support to women and other target groups planning for foreign employment

(c) Gender-based Violence Reduction Programme:

1. Social awakening and awareness programme;
2. Rapid response and legal service expansion;
3. Operation of short-term and long-term rehabilitation centres and safe houses;
4. Psychosocial counseling, consultation and free legal aid to violence victims and affected ones;
5. Reintegration of violence victims into the family and community;
6. Establishment rapid rescue and helpline;
7. Information technology and social media misuse control.

(d) Self-Employment and Entrepreneurship Development Programme:

1. Entrepreneurship development training;
2. Vocational skill and entrepreneurship development programmes;
3. Agricultural commercialization and market management programme;
4. Business development initiative.

12.5.2 Social Inclusion

(a) Mainstreaming and Localization Programme:

1. Policy, legislation and institutional reform;
2. Province statistical and disaggregated data management system;
3. Institutional capacity development;
4. Gender, persons with disabilities and senior citizens help desk management;
5. Capacity development of the elected representatives, officials & employees from target groups;
6. Child-friendly local government declaration support;
7. Establishment and operation of senior citizen recreation center;
8. Rescue and management of street, dependent and vulnerable children;
9. Establishment and operation of shelter homes and rehabilitation centers.

(b) Target Group Capacity Development Programme:

1. Demand based and supply-driven enterprise and business development training;

2. Self-employment skill development;
3. Target group-specific scholarships;
4. Promotion of indigenous knowledge, skills and arts;
5. Community awareness programme.

(c) Social Security Programme:

1. Ultra -poor and marginalized community upliftment programme;
2. Dalit student higher education support scholarships;
3. Legal aid and counseling service for helpless people;
4. Assistive device and livelihood support for persons with disabilities;
5. Dalit community entrepreneurship development programme.

(d) Protection and Self-Confidence Promotion Programme:

1. Respect and protection rights of the deprived classes, regions, castes and communities;
2. Senior citizen knowledge transfer programme;
3. Childcare support programme;
4. Violence victim women and helpless children upliftment and rehabilitation programme;
5. Safe shelter establishment and operation;
6. Door-to-door health screening for senior citizens;
7. Rescue, protection and rehabilitation of violence victims;
8. Community interaction for discrimination and stigma reduction.

12.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Gender Equality and Woman Empowerment**					
1.1	Proportion of cases of gender-based violence registered and investigated by the police	Percent	82.7	83	90	95
1.2	Women participation rate in labour force	Percent	27	28	32	35
1.3	Single ownership of woman in land and housing (14-49 years age)	Percent	14.12	15	18	20
1.4	Women who have experienced physical/mental/sexual violence in their life	Percent	23	22	20	18
1.5	Representation of the woman in public administration service	Percent	40	41	43	45
1.6	Number of business firms having woman founder	Percent	14	14.5	18	20
1.7	Number of trained persons with disabilities and their parents	Number	500	610	900	1100
1.8	Free public service/teacher service exam preparation classes	Number	500	690	1170	1500
1.9	Gender Development Index	Value	0.896	0.908	0.945	0.97
2.	**Social Inclusion**					
2.1	Employed persons with disabilities	Number	400	425	500	550
2.2	Senior citizen daycare center	Number	100	117	167	200

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
2.3	People of target group employed after skill development training	Number	750	875	1250	1500

Source: GPPPC, 2024 and latest reports of government

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Chapter 13: Balanced Environment, Climate Change and Disaster Resilience

13.1 Background

Article 30 of the Constitution of Nepal guarantees every citizen the fundamental right to live in a clean and healthy environment. The Constitution lists natural and non-natural disasters, preparedness, rescue, relief, and recovery as concurrent powers of the federal and provinces, with disaster management being concurrent powers of the federal, province, and local level. The province government has implemented the Environment Protection Act, 2019, with the provision of polluters to provide reasonable compensation to those harmed by environmental pollution and maintaining harmony between development and the environment.

While Gandaki province's role in greenhouse gas emissions, the main factor in climate change is insignificant, the province is exposed to the high effects of climate change. Nepal's average temperature is projected to increase at a higher rate than the global average. Gandaki province ranks high in multi-disaster risk, as Nepal ranks 11th and 16th worldwide for earthquake and multi-hazard risks. The mid-hills of Bagmati and Gandaki provinces in Nepal are most sensitive to climate-induced disasters, with the number, frequency, and intensity of disasters rapidly increasing in this province every year for the past few decades.

During the First Five-Year Plan of Gandaki Province, the province government, local government, national and international organizations have conducted programmes for climate change mitigation and adaptation, as well as disaster risk management. Against this backdrop, it is crucial for the province policies, plans, and programmes to focus on addressing climate change and disaster risk to contribute to the province's prosperity by building a resilient society.

13.2 Existing Situation

13.2.1 Environment and Waste Management

Gandaki Province boasts abundant water and forest resources. The province is home to over 290 lakes and ponds, including famous ones like Tilicho Lake, Phewa Lake, Begnas Lake, Rupa Lake, Damodar Pond, and Birendra Lake. Additionally, there are numerous wetlands, with 9 wetlands listed under the Convention on Wetlands of International Importance along the banks of rivers and streams. Glaciers cover 17,300 hectares in the Gandaki River Basin. The province government has been actively promoting environmental cleanliness by raising public awareness about environmental protection, sanitation, waste management, pollution control, and the importance of greenery along riverbanks and roadsides.

Policy and practical efforts are being made to conserve biodiversity, promote tourism and environmental (ecosystem) services, and support the livelihoods of local communities by protecting and sustainably using the lakes and watershed areas of Gandaki Province. Institutional initiatives, such as pollution control and environment protection, are also being implemented by monitoring and enforcing industrial enterprise standards.

13.2.2 Climate Change Mitigation and Adaptation

In Gandaki Province, 37.8 percent of the area is covered by dense forest, while 9.6 percent is shrubs. 45.68 percent of the total forest area falls within conservation areas. The province is crucial in providing environmental (ecosystem) services such as carbon sequestration, water flow management, biodiversity protection, and soil conservation, reflecting a high potential for income generation through carbon trading. Nepal, home to about 0.4 percent of the world's population, emits only about 0.1 percent of the total greenhouse gas emissions in the world. Although the emission of greenhouse gases in Gandaki province is low and the contribution to the protection of the natural environment is significant, the impact of global climate change is high in this province.

A climate change impact survey conducted in 2074 BS indicates that 85 percent of households in the province said they had experienced a delay in onset of the rainy season, while 86 percent reported an increase in drought. Additionally, 70.3 percent of households observed new diseases affecting grain crops, and 84.5 percent noted the drying up of water sources. Prolonged droughts and heavy rains have become more frequent, with rising average temperatures and an increase in the number of days with heavy rainfall, leading to a higher risk of floods and landslides. The daily average temperature of both day and night is continuously increasing. Also, the number of days with 100 mm or more of heavy rainfall or more, in other words, the number of days with very heavy rainfall, has increased, raising the risk of floods and landslides. There is also a noticeable decrease in winter rainfall, which used to be in abundant until a few decades ago.

Gandaki Province is experiencing the unusual impacts of extreme weather and climate change, particularly in the Himalayas and surrounding areas. Some flora and fauna found in tropical regions have been shifted to temperate regions, and vice versa.

Climate change has resulted in plant and animal species migrating from tropical to temperate regions. Districts like Manang and Mustang, located across the Himalayas, are particularly vulnerable to these impacts. Scientific analysis shows that the average temperature in Manang has increased by 3 degrees Celsius in the last 35 years. The global average temperature has increased by 1.3 degrees Celsius in the last 64 years, with Nepal experiencing a similar increase, as indicated by a survey conducted in 2022. There is data that the maximum temperature of Nepal has increased at the rate of 0.056 degrees Celsius per year, while this rate is even higher in the Himalayan region.

To address the climate change issues, the Government of Nepal has formulated and implemented various programmes and policies, including the National Adaptation Programme, National Framework on Local Adaptation Plans of Action-2019, National Climate Change Policy-2019, Second Nationally Determined Contributions-2020 and National Adaptation Plan. Nepal has also set a target of achieving zero greenhouse gas emissions by 2050 by developing a long-term strategy to reduce greenhouse gas emissions in alignment with the Paris Agreement.

Gandaki Province has made several policy and legal provisions, such as the Environment Protection Act-2076 BS, the Lake Conservation and Development Authority Act-2075 BS, the Bar, Pipal, Shami and Chautra (Sacred Fig, Bunyan, Banni Trees and Resting Place) Protection Act-2075 BS, and the Forests Act-2080 BS. According to the National Census of 2021, 47.1

percent of households in Gandaki Province use firewood, 51.5 percent use LP Gas, and only 0.2 percent (1,390 households) use electricity as a cooking fuel. The province's main sources of greenhouse gas emissions are vehicles, waste, agriculture, and animal husbandry.

13.2.3 Disaster Risk Management

The Province Disaster Management Rules-2020 and Disaster Management Strategic Plan of Action (2020-2030) have been formulated and implemented in Gandaki Province in alignment with the laws, including the Disaster Risk Reduction and Management Act-2017, National Policy for Disaster Risk Reduction-2018 and National Strategy for Disaster Risk Management-2009. In line with the Province Disaster Management Rules-2020, the Disaster Management Council under the coordination of the Chief Minister and Province Disaster Management Executive Committee under the coordination of the Minister of Internal Affairs have been formed in Gandaki Province. The task of identifying and mapping disaster risk areas of the province has been completed. 147,985 households in this province are more vulnerable to the increasing frequency of disaster events. The number of dead, missing and injured due to disasters in this province is 0.001 per 100,000 population.

13.3 Key Issues and Challenges

13.3.1 Environment and Waste Management

(1) **Managing waste and controlling environmental pollution:** The amount of waste discharged or emitted from homes, hospitals, commercial areas, industries, and vehicles is increasing every year. Taking waste from one place to another and piling or dumping it still exists. Unplanned urbanization, population growth in urban and city-oriented areas, and increasing industrialization have led to increased pollution. The quality of water in lakes and wetlands has deteriorated. Provisions for strategic environmental assessment and environmental impact assessment have not yet been implemented. Controlling environmental pollution and maintaining environmental cleanliness remains a challenge.

(2) **Making the development activities environment-friendly:** Due to the tendency of construction roads on hills and fragile landscapes without paying due attention to environmental aspects in accordance with the environment law, there is an increase in landslides and soil erosion incidents every year, burying the fertile land and putting the domestic animals and people’s property at risk. Construction of infrastructure in forest areas without environmental impact assessment and following the provisions of the existing Forests and Environment Protection Acts, as well as ineffective monitoring thereof, have resulted in the forest and environment degradation. It is challenging to make development activities environment-friendly in accordance with policies, laws, standards, and environmental management plans, and to mainstream environmental management into the development process.

(3) **Sustainable conservation of lakes and wetlands:** Lakes and wetlands are being encroached upon and polluted, leading to a decline in aquatic biodiversity. Erosion and landslides are causing the disappearance of lakes and wetlands, which are among the province's most valuable assets. The aesthetics of lakes and wetlands have been adversely impacted. Sustainable management of rivers and water sources, control of water pollution, and sustainable conservation of lakes and wetlands are the challenges of this province.

(4) **Enhancing sensitivity towards environment protection:** Sensitivity towards environment protection has not been developed in the community, private sector, non-governmental and government agencies. Waste is increasing on roads, in villages/toles, on city streets, in open spaces, and rivers and streams. Due to the lack of sensitivity and awareness towards soil conservation, there has been a significant decline in soil quality caused by imprudent use of chemical fertilizers. Communities, health facilities, industrial enterprises, the private sector, and the government sector are not aware of and responsible for solid, liquid, and gaseous waste discharge and management. The challenges in waste management include holding polluters accountable, sustainably managing sanitary landfill sites for waste management, and managing waste with the participation of multi-stakeholder bodies.

(5) **Protecting the natural wildlife habitats:** Due to overdependence on agricultural activities and forest resources, the natural habitats of wild animals have been encroached upon. The imbalance of the food chain under the forest ecosystem has led to the extinction of some species and the overgrowth of others. There is a lack of study, research, and assessment regarding the loss or damage caused to biodiversity due to the degradation of natural environment.

(6) **Enhancing institutional, systemic, capital, and technical capacity:** There exist constraints duplication of institutional jurisdiction, capital limitations, lack of access to modern and sustainable technology, and insufficient skilled human resources to regulate and control increasing air, land and water pollution promptly. Pollution level is on the rise due to the lack of clear sectoral standards for all sectors that emit pollution, weak implementation, and monitoring thereof. Environmental studies are less frequent in the development, construction, and industrial enterprise sectors, and even if conducted, they are often limited to formality. Implementing the environmental management plan according to the recommendations of the environmental study constitutes a challenge.

13.3.2 Climate Change Mitigation and Adaptation

(1) **Promoting extreme climate-smart production practices:** Increasing droughts and floods have posed multi-hazard risk to the large population dependent on agriculture. Climate change is causing the monsoon to become an unreliable resource for the agricultural sector. Since the agricultural sector is based on subsistence and traditional systems, it lacks the capacity to tolerate the effects of extreme climate events. Industry, tourism, and other productive sectors have also been facing direct adverse impacts due to interruptions in the supply chain, damage to infrastructure, decrease in market demand, and transportation difficulties caused by climate-induced disasters such as floods, landslides, wildfires, heavy rains, intermittent rains and low rains. Making the productive sector climate resilient is the key challenge faced by this sector.

(2) **Increasing adaptive capacity and reducing disaster risk:** There has been no significant change in social, institutional, and government capacity, so adaptive capacity remains the status quo. Climate-induced disasters are occurring more frequently. With low capacity and strong disasters, the extreme climate vulnerability has become more acute. Disaster preparedness, mitigation, and response capacity have not been strong due to limited

financial, technical, and institutional capacity. Reducing the risk and impact of recurring climate-induced disasters through increased capacity is challenging.

(3) **Developing resilience building capacity:** The existing development infrastructure, including roads, bridges, buildings, power-houses, electricity, and communication systems, has not been designed based on a risk sensitive landuse plan in a way that can cope with possible multi-disasters. The resilience of the existing infrastructure against climatic-induced disasters such as floods, glacial lake outburst floods, and landslides is low. Most of the rural households, local governments, and province governments have weak financial capacity to cope with disasters and take adequate reduction and preparedness measures. Due to the intensification of disasters and weak socio-economic capacity, the extreme climate risk is worsening. Enhancing the resilience of existing infrastructure is challenging from a capital, technical, and institutional perspective.

(4) **Ensuring adequate investment in climate adaptation and disaster risk reduction:** The available means, resources, and capital to increase climate resilience and address the effects of climate-related disasters are insufficient compared to existing needs. The province requires significant investment in enhancing adaptive capacity and mitigation efforts. Although financial investment mechanisms such as the Green Climate Fund, Global Environment Facility, World Bank, and developed countries are available to invest in the climate sector, their main focus is on efforts to reduce carbon emissions. Acquiring international resources to meet the necessary resources for climate adaptation and disaster risk reduction is challenging for the province government.

(5) **Expanding the use of renewable energy:** The transport sector, construction sector, industrial sector, and most economic sectors rely on fossil fuels for energy, leading to an increasing carbon footprint. Achieving Nepal's long-term goal of net zero emissions by 2045 and sustainably reducing emissions is challenging.

(6) **Reducing the risk of glacial lake outburst flood:** Glaciers in the Gandaki River Basin are vulnerable to glacial lake outburst flood. Nepal's temperature is increasing at a higher rate than the global average, with the Himalayan region experiencing an even higher temperature rise due to which the vulnerable glaciers have posed a high threat to the settlements, infrastructure and agricultural areas in the watershed of the Gandaki River. Latest early warning systems have not been installed in hazard areas to prevent glacial lake outburst floods. Some existing early warning systems are dysfunctional. There is a lack of seriousness on the part of all relevant sectors regarding sudden disasters and the socio-economic damage they may cause. Preventing and reducing glacial lake outburst floods and mitigating the effects of climate-induced disasters on riverside settlements, infrastructure, and agricultural areas are challenging.

(7) **Building climate-resilient communities:** Lack of uniformity in understanding between inter-governmental and sectoral agencies, duplication of responsibility, lack of coordination, lack of thematic studies, research, and base data, failure to prioritize climate change, and lack of technology and knowledge are all challenges in building climate-resilient communities through climate change mitigation and adaptation efforts.

13.3.3 Disaster Risk Management

(1) **Strengthening government institutional capacity in disaster risk management:** Strong institutional capacity is necessary to effectively implement the current policy frameworks and implement the disaster risk management concept into action. Despite efforts to reduce disaster risk and subsequent loss or damage, there has been no reduction in it. The challenge lies in strictly implementing the legal standards, including land use plans and housing, settlement development, and building codes.

(2) **Mainstreaming the concept of disaster risk management into the development process:** Development infrastructure has not been constructed in a way that is resistant to multiple disasters. The mandatory implementation of disaster risk management throughout all stages of the planning cycle by all agencies, organizations, and governments at all levels, along with monitoring and evaluation, has not been effectively carried out. Although policies and legal frameworks exist for mainstreaming disaster risk management, practical implementation is lacking. Enhancing disaster risk resilience through mainstreaming disaster risk management into the development process remains challenging.

(3) **Making infrastructure development disaster-resistant and resilient:** Disasters are becoming more frequent and severe, yet infrastructure development has not focused on disaster resilience. The components of resilience in infrastructure development have not been adequately addressed. Stakeholders lack the knowledge, skill, technology, and capacity to implement disaster risk management. The deterioration and collapse of roads and bridges within a short construction period highlight poor infrastructure. Ensuring the ability of constructed, ongoing and future infrastructure to withstand multiple disasters poses economic, political, and institutional challenges.

(4) **Reducing disaster risk among disadvantaged and marginalized groups:** Vulnerable households in disadvantaged communities are more vulnerable to disasters. Single and pregnant women, children, persons with disabilities and senior citizens are at most risk. Reducing disaster risk in these households and communities is a significant challenge.

(5) **Reducing the risk of natural disasters:** Various factors such as fragile topography, weather events, rapid population growth, unregulated migration, and development activities have contributed to a high risk of disasters. Efforts are needed at all levels, from province to community to manage potential disasters and minimize damage in extreme situations. Enhancing disaster resilience based on past experiences, policies, and concepts that emerged in the disaster management sector remains a challenge.

13.4 Transformational Strategies

13.4.1 Environment and Waste Management

(1) **To promote an environment-friendly development system:** The legal provisions will be strictly implemented for conducting environmental studies and assessing businesses, development projects, and programmes. Standards will be formulated and implemented to regulate and control waste generated from health institutions and industrial sectors. Coordination and collaboration will be maintained with inter-governmental bodies, entrepreneurs, and businesses for the implementation of these standards. Monitoring of development activities will be carried out in such a way as to ensure that the relevant

projects contribute to environmental protection. A system of compensation for environmental damage caused by projects will be implemented compulsorily. Payment for Ecosystem Services (PES) system will be developed and implemented. Coordination and partnership will be made with local governments to promote environment-friendly local governance.

(2) To promote the concept of zero-waste discharge: The concept of zero-waste discharge will be implemented by providing technical facilitation, financial support, and implementation guidance to local governments regarding this concept and practice. Local governments will be encouraged to adopt new technologies in waste management and increase participation in the private sector. Faecal sludge and wastewater treatment and management plants will be constructed for sustainable management of wastewater discharged from industrial and commercial areas. Partnership and collaboration will be made with the local governments to focus on waste management according to the four R's: Reduce, Reuse, Recycle, and Replacement.

(3) To promote clean and renewable energy: Collaboration will be made with the federal government, local levels, and the private sector for the development and use of clean and renewable energy, such as solar energy, wind energy, and hydropower. Collaboration with development partners will be expanded for the production and expansion of clean and renewable energy production, along with conducting incentive programmes to increase the use of these energy sources. The use of clean and renewable energy for cooking fuel will be increased. Necessary efforts will be made to replace fossil fuel-based vehicles with electric vehicles and encourage clean energy throughout the consumption cycle.

(4) To develop and implement pollution standards: The Nationally Determined Contributions Implementation Plan will be implemented at the province level through its localization. Coordination and collaboration will be made with the inter-governmental, community, private sector and development partners to implement the pollution standards stipulated in the Nationally Determined Contributions (NDC) Implementation Plan.

13.4.2 Climate Change Mitigation and Adaptation

(1) **To make the productive sector and the economy climate-resilient and smart:** Reform programmes will be identified and implemented according to the sectors based on the study of climate risk to the productive sectors including agriculture, animal husbandry, industry and business. The agricultural sector will be made more climate-smart through the adoption of approaches such as protected agriculture, an increase in the use of flood and drought-tolerant seeds, protection of indigenous crops, and an increase in land with round-the-year irrigation facilities and new technology. Risk reduction will be ensured by expanding agriculture and livestock insurance. Direct access of farmers to information related to hydro-meteorological forecasting will be ensured. By making agriculture, industry and transportation based on renewable energy, emissions will be reduced while enhancing the sustainability of the economy. Coordination and collaboration will be made with the federal and local governments to construct roads in areas other than the surroundings of the tourist trekking routes. Emphasis will be placed on making the tourism business climate-smart.

(2) **To promote climate-smart knowledge, skills, practices and technology:** Safe practices will be developed by helping to increase citizen's knowledge, skills, awareness and alertness among citizens through community-based organizations. Capacity building for climate risk analysis, preparedness and planning will be ensured in the relevant Sections of the province and local levels.

(3) **To install and expand the early warning system:** An effective early warning system will be developed to provide early warning of climate-induced disasters such as floods, glacial lake outburst floods, and droughts. Based on the study, arrangements will be made to install an early warning system and bring the dysfunctional early warning systems into operation. Collaboration will be made with the federal and local governments to expand the development of the early warning system. A Hydro-Meteorological Information Center will be established at province.

(4) **To enhance capacity on climate finance and carbon trading:** Efforts will be made to receive climate finance to support the implementation climate change commitments. Initiatives will be taken to develop and implement the projects for resources such as the Least Developed Countries Fund, Special Climate Change Fund and Green Climate Fund. Projects will be developed and operated in the potential areas of carbon trading in coordination with the Government of Nepal. The feasibility of projects in areas such as promotion of electric vehicles, replacement of firewood as fuel, utilization of methane gas emitted from landfill sites will be studied. Knowledge, skill and capacity related to carbon trading will be developed.

13.4.3 Disaster Risk Management

(1) To mainstream disaster risk management in policy and development process: Existing federal and province policies and framework will be implemented by formulating action plans for mainstreaming disaster risk reduction. Disaster risk reduction and climate adaptation components will be compulsorily included to make the infrastructure disaster-resistant during the design, planning and construction of infrastructure projects for the essential service sector. Periodic disaster risk assessment will be regularized using methods such as remote sensing, geographic information system (GIS), vulnerability analysis, and technical audit. The effectiveness of the policies and strategies implemented for disaster risk reduction will be evaluated periodically. Financial and technical support will be provided at the local level to formulate and implement the land use zoning and land use plan.

(2) To strengthen institutional capacity and resilience: New disaster risk reduction measures will be explored based on the findings of research and studies. Disaster resilience capacity disaster risk assessment, and mapping will be carried out. Information technology-based disaster management information systems will be developed. The use of local traditional knowledge and skills in activities such as disaster mitigation and preparedness will be promoted. The capacity of communities, supporting organizations and province level organizations and local governments will be enhanced for disaster mitigation, preparedness and response. The policies and legal provisions related to disaster risk management will be audited for monitoring and evaluation.

(3) To make infrastructure development sustainable and resilient: The components of multi-disaster resilience will be included when developing the integrated physical infrastructure master plan. Disaster resilience components will be incorporated into infrastructure design, cost estimation, investment and construction. Provisions will be made for conducting risk assessments and implementing seismic safety standards compulsorily before building infrastructure. An integrated digital disaster statistical system at the province level will be developed to establish interoperability with the disaster profile and statistical systems of rural municipalities and municipalities by assisting and facilitating the preparation thereof. A multi-disaster resistance framework will be included in the construction and management of industrial villages. Inter-government coordination and collaboration will be made to relocate the settlements in vulnerable geographical areas to safer places. Roads and bridges will be constructed safely, considering the risks of floods, landslides and earthquakes.

(4) To expand insurance and compensation coverage: Indigent family, farmer, industry, businesses, crop and livestock insurance will be promoted to reduce the risk of loss or damage caused by disasters, epidemics and climate adversities. Insurance companies will be encouraged to expand insurance coverage in the target groups and business sector.

(5) To emphasize nature-based, simple and sustainable solutions: Emphasis on nature-based, easy and sustainable solutions such as bio-engineering to prevent landslides and agroforestry to increase food security in disadvantaged communities. Agroforestry will be promoted according to the interest of households by identifying households with high food insecurity and low-status forests. Development infrastructure, land and village settlements will be protected through plantation and bio-engineering measures in streams and riversides, and creeks that are in vulnerable state.

13.5 Key Intervention Programmes

13.5.1 Environment and Waste Management

(a) Pollution Control Programme:

1. Formulation of industrial and healthcare waste management policies, laws and standards;
2. Inter-governmental and stakeholders cooperation;
3. Collection, analysis, dissemination and use of air pollution information;
4. Air pollution measurement study center establishment;
5. Vehicle emission and pollution measurement center;
6. Incentives for eco-friendly industry and business establishment.

(b) Waste Management Programme:

1. Infrastructure and technology development and expansion for sustainable waste management;
2. Partnership with local level for sanitary landfill site construction & waste management;
3. Incineration plant and pyrolysis plant establishment support;
4. Bioremediation technology utilization and expansion;

5. Collaboration with local levels in the construction of gardens and energy production through managing biodegradable waste.

(c) Promotion of Environmental Sanitation and Greenery:

1. Support programme for free open garbage local government;
2. Support in building green gardens in urban areas;
3. Support for greenery promotion in urban roads.

(d) Environmental Protection and Promotion Programme:

1. Policy, law and procedure formulation for Payment for Ecosystem Services (PES) initiatives;
2. Formulation of procedure and standards for environment-friendly infrastructure development;
3. Environmental study, audit and compliance monitoring;
4. Environmentally friendly local governance promotion programme;
5. Environmental protection and management school education programme.

13.5.2 Climate Change Mitigation and Adaptation

(a) Climate Change Mitigation Programme:

1. Formulation of province carbon trade policy, law, guidelines and standards;
2. Study and mapping of province level carbon emissions and sequestration status;
3. Development, implementation, and operation of carbon finance/trading project in coordination, collaboration and partnership with the federal & local governments for revenue sharing;
4. Transformation of sanitary landfill site construction and operation into carbon trading project.

(b) Climate Change Adaptation Programme:

1. Facilitation for the internalization of climate change adaptation in the local level planning process;
2. Cooperation and collaboration in establishing climate-smart at the local level;

(c) Organic and Protected Cultivation Promotion Programme:

1. Integrated pest management programme;
2. Conservation of soil organic matter and expansion of production, and use of organic fertilizers;
3. Promotion of climate-smart agricultural techniques, seeds and farming systems;
4. Promotion of organic farming, production and marketing;
5. Crop diversification and rotational crop promotion programme.

(d) Vulnerable Glacial Lake Outburst Flood Mitigation Programme:

1. Glacial lake outburst flood prevention and mitigation programme;
2. Development and strengthening of early warning system.

(e) Clean and Renewable Energy Promotion Programme:

1. Electric vehicle promotion programme;

2. Promotion of electric/solar stoves;
3. Renewable energy generation and utilization.

13.5.3 Disaster Risk Management

(a) Disaster Risk Analysis and Early Warning System Development:

1. Formulation of province level disaster risk management strategy;
2. Formulation and updating of province level disaster profile;
3. Integrated digital data management system developmment for disaster management;
4. Hazard study and mapping of high-risk geographical and thematic areas.

(b) Disaster Risk Reduction Programme:

1. Formulation of safe settlement, urban planning and building standards & implementation support;
2. Implementation of building code, standard and facilitation for retrofitting of old buildings;
3. Disaster risk reduction of infrastructure development projects;
4. Institutional capacity development for disaster response capacity;
5. Early warning system development.

(c) Disaster Management Programme:

1. Institutional development and strengthening of Province Disaster Management Council and Management Committee;
2. Establishment, strengthening and management of the Province Emergency Operation Center (PEOC);
3. Warehousing and management of emergency rescue and relief materials;
4. disaster management fund operation
5. Capacity development of local governments, communities & stakeholders on disater management
6. Province level disaster resilience programme.

(d) Human-Wildlife Conflict Management:

1. National and international success experiences exchange on human-wildlife conflict reduction;
2. Promotion of neutral farming system;
3. Development and expansion of wildlife repellent technology;
4. Development of monkey menace control measures, techniques and mechanisms;
5. Insurance programme for wildlife damage compensation.

13.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Environmental and Waste Management**					

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.1	Share of the electric vehicles among the total registered vehicles within the province	Percent	0.6	1	5	15
1.2	Ratio of pollution standard implementing industries and health institutions	Percent	25	30	60	80
1.3	Air quality index	Value	84	80	60	50
1.4	Annual emissions of carbon dioxide equivalent	M. Ton	718266	646440	538700	430960
1.5	Open garbage free village	Number	0	5	15	26
1.6	Wastewater treatment plant	Number	0	0	1	2
1.7	Number of households using electricity for cooking	Percent	0.2	3	10	15
1.8	Air quality monitoring station	Number	1	1	2	2
1.9	Existing sanitary landfill site	Number	5	6	7	9
1.1	Projects completd Environmental Impact Assessment (EIA) Study	Percent	27	30	60	90
2.	**Climate Change Mitigation and Adaptation**					
2.1	Climate-smart village/tole	Number	48	50	60	85
2.2	Irrigated land among the total cultivated land	Percent	37.26	40	52	64
2.3	Glacial lake outburst risk mitigation and early warning system	Number	0	3	5	8
2.4	Establishment of hydrological and meteorological information center in province	Number	0	1	1	2
2.5	Existing early warning system	Number	11	12	35	55
2.6	Household covered by agriculture and livestock insurance	Percent	58	60	70	80
2.7	Higher food-insecure population	Percent	6	5	3	2
2.9	Conserved and recharge pound	Number	80	90	150	240
3.	**Disaster Risk Management**					
3.1	Disaster affected population	Per Thousand	18	17	15	12
3.2	Fatalities caused by disaster	Per Thousand	0.2	0.18	0.16	0.12
3.3	Local governments prepared disaster profile	Percent	24	30	50	80
3.4	Disaster management related early warning system (flood, landslide, forest fire, etc.)	Number	0	5	10	25
3.5	Embankment built for the protection of cultivated land	KM	0	1	3	5
3.6	Province natural hazard mapping	Time	0	0	1	1
3.7	Local levels formulating risk-sensitive land use plan formulated local level	Number	26	30	60	85

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
3.8	Local governments having disaster management fund	Number	74	76	80	85

Source: GPPPC, 2024 and latest reports of government

Chapter 14: Strong Governance, Service Delivery and Inter-Governmental Relations

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Chapter 14: Strengthened Governance, Service Delivery and Inter-Governmental Relations

14.1 Background

The Gandaki Province Government is progressing towards fulfilling the aspirations of good governance, development, and prosperity based on the latest experiences in governance. The province has been strengthening economic, political, and administrative inter-relations on the basis of the principles of inter-governmental coordination, collaboration, and coexistence by addressing the challenges emerged in governance. The agility in public service delivery and management of duplications experienced in certain procedures between various levels of government are fundamental issues that are closely linked with federalism.

The Constitution of Nepal stipulates that the relationships between the federal, provinces and local levels will be founded on cooperation, coexistence and collaboration. To practically implement these principles, it is crucial to enhance the relationships between all three levels by recognizing geographical, functional, and institutional values in an inter-governmental manner. For this purpose, the presence and functioning of an inter-governemnt coordination mechanism are imperative.

The concept of good governance advocates for public sector management, rule of law, accountability and responsibility to citizens, transparency in policymaking and implementation processes, equity and inclusiveness, people's participation, and effective government. To ensure good governance for the province's people, it is crucial to emphasize the establishment of a just society, people-oriented service delivery, and inter-governmental partnership and collaboration. According to the medium-term review of the first plan, the province government has been somewhat successful in institutionalizing the initial steps towards establishing good governance. The primary responsibility of ensuring the respect, protection, and promotion of human rights and their effective implementation lies with the government. The province government's policies, plans, programmes, and public sector management should focus on ensuring easy access to basic and quality services and facilities for the people by guaranteeing the fundamental rights provided by the Constitution.

14.2 Existing Situation

14.2.1 Peace and Order and Human Rights

The Constitution of Nepal has established the fundamental rights citizens with a focus on the respect, protection, and promotion of human rights. In order to implement the constitutional provisions and fulfill the commitments of the United Nations Charter and the Universal Declaration of Human Rights, the province government is working towards ensuring equal access, opportunity, and participation in province level institutions for economically and socially backward groups classes and communities based on the principle of proportional inclusion. It is crucial to structurally and functionally integrate human rights and social justice issues into development policies through inter government coordination and collaboration to realize the government's vision of rapid economic growth with social justice. Having necessary legal provisions for the implementation of fundamental rights; having structural arrangements

that allow the enjoyment of human rights by clarifying the jurisdiction of the federal, province and local governments through the Constitution; having provisions of monitoring the implementation of human rights and investigating human rights violations by an independent and competent constitutional commission; and having an independent judiciary for the administration of justice are key opportunities for the protection and promotion of human rights. According to the World Justice Project Index-2023, Nepal is ranked 71 out of 142 countries in the World Justice Project.

The province has the constitutional authority to maintain peace and order within its domain and safeguard its citizens' lives, property, and freedoms. The Gandaki Province Police Act, 2077 BS, has been enacted to enforce jurisdiction related to peace and security. The Gandaki Province Government (Allocation of Business) Rules, 2074 BS, has outlined the responsibilities of the Office of the Chief Minister and Council of Ministers in formulating policies, laws, and standards and overseeing province level security agencies and activities related to peace and order. A policy has been implemented to gradually make the security agencies resourceful through identification and prioritization of activities related to reform and management by empowering the province security administration to ensure peace and security for citizens and boost public trust in the government.

According to the Annual Activity Book (2022/23) of the National Human Rights Commission, Gandaki Province Office, it registered 3 complaints of human rights violations, provided counseling services to 25 victims, and completed investigations into 22 complaints during the fiscal year 2022/23. Additionally, while the normal capacity of prisons in Gandaki province is 1624, there are currently over 1,725 imprisoned individuals. To implement the Fifth National Action Plan on Human Rights (2020/21-2024/25), a Province Coordination Committee has been established. It is actively working, with efforts underway to facilitate the formation of Coordination Committees at the district and local governments. Civil and political rights, the right to live with dignity, freedom of speech and expression, adult suffrage, rights of prisoners, consumer rights, right to health, and the protection and promotion of women’s rights are considered satisfactory in this province.

14.2.2 Public Service Delivery

The Gandaki Province Government has issued the Good Governance Act, 2076 BS, and the Rules, 2077 BS, the Province Financial Procedures and Fiscal Responsibility Act, 2078 BS, and the Rules, 2079 BS to enhance good governance. To make service delivery transparent, accountable, and participatory, activities such as public hearings and model office selection have been conducted.

The province government aims to establish a free, efficient, and fair public service management system, prioritizing the earning of public trust towards responsible public administration and management. Public services are delivered through 124 province offices, including seven ministries, commissions, and institutes, to ensure easy access for citizens. A total of 2,679 positions have been created along with the transfer of employees accordingly to the provinces from the federal government, with 1,154 employees, including 521 females and 633 males, selected for various roles in the province civil service in the fiscal year 2021/22.

The Gandaki Province Training Academy, established and put into effect in accordance with the Gandaki Province Training Academy Act, 2075 BS, aims to enhance the capacity and performance of employees and elected representatives working at the province and local levels, facilitate the implementation of province government programmes, and improve institutional reform of agencies and offices under the province and local level.

The Transparency International's Corruption Perceptions Index-2024 has ranked Nepal 108th out of 180 countries, highlighting the need for continued efforts to control corruption and improve governance. Despite various legal and institutional frameworks in place and efforts being made to control corruption and promote good governance, the implementation status in the province is relatively weak.

Various programmes promoting good governance have been implemented to ensure beneficiary participation in public work and service delivery, with a zero-tolerance policy against irregularities and corruption. Activities outlined in the Electronic Governance Master Plan of Gandaki Province's First Five-Year Plan have contributed to government reform and good governance. According to the report of the Office of Auditor General for the fiscal years 2021/22 and 2022/23, Gandaki Province has recorded the lowest financial irregularities (arrears).

14.2.3 Inter-governmental Coordination and Collaboration

The Constitution of Nepal aims to promote national development, democratic rights, national unity, and security through inter-relationships and cooperation between various levels of government. Inter-governmental coordination is crucial for fulfilling responsibilities and promoting inter-relationship between the federal, province and local levels. The first plan of Gandaki province included the policies and programmes with a priority on establishing strong inter-relationship and an equitable and balanced province. The Federal, Province and Local Level (Coordination and Inter-relations), 2020 and the Gandaki Province and Local Level (Coordination and Dispute Settlement) Act, 2021 have been issued. The Gandaki Province Government has formulated 66 different Acts and 22 Rules/Regulations so far and prepared the legal basis for the province government operation, service delivery and development management.

14.3 Key Issues and Challenges

14.3.1 Peace and Order, and Human Rights

(1) **Maintaining policy clarity regarding the autonomy and operation of security agencies:** The lack of clear policies regarding the operation of security agencies at the province level has led to difficulties in maintaining peace, order, border security, and quarantine operations.

(2) **Police adjustment and institutional reform:** The lack of structural management within the province police and failure to adjust the police in accordance with constitutional provisions have become fundamental issues affecting peace and order. Organizational structure, human resource development, and necessary reforms have not yet been initiated to ensure responsible service. The organization lacks the resources to provide timely, refined, reliable and transparent services. Inadequate physical infrastructure in prisons and

correctional facilities has added to security challenges. Changes in the social and economic environment and information technology have presented new challenges in people's security, crime, and service delivery.

(3) **Controlling criminal incidents and maintaining peace and order in society:** Security issues such as the lack of accurate and reliable information to control crimes, declining social cohesion due to urbanization, misuse of information technology, family fragmentation caused by foreign employment, and the control of digital/cybercrimes becoming more complicated. Addressing drug trafficking and information technology-based crimes, which have long plagued society, remains a challenge.

(4) **Establishing a dedicated body for peace and order at the province level:** The absence of a dedicated (separate) Province Ministry for Internal Affairs has made peace and order issues not prioritised. The challenge lies in implementing necessary policies, laws, programmes, and budgets related to organized crime with priority at the province level in alignment with the federal policies and laws.

(5) **Effective implementation of the human rights provisions:** Basic knowledge, values, beliefs, and culture surrounding political and human rights have not yet been fully established in all sectors. To effectively implement the human rights provisions outlined in the national and province policies and programmes, it is crucial to make the province level institutions resourceful. Overcoming social discrimination, a structural barrier to implementing human rights protection, remains a challenge.

(6) **Strengthening the institution responsible for peace, order and human rights:** The Human Rights Commission at the province level has not been able to get its own office building to effectively implement human rights provisions. There is a lack of staff for psychological counseling for victims of violence against women, and the Commission's recommendations have not been fully implemented. Maintaining the confidentiality of information is difficult. Making the private and government infrastructure physically accessible spaces for persons with disabilities (PwD), children, women, and senior citizens, ensuring inclusive access to information and communication facilities, and providing access to justice for persons with disabilities are ongoing challenges.

14.3.2 Public Service Delivery

(1) **Maintaining integrity and good governance:** It has proven difficult to encourage public office holders and employees to maintain morals and ethics. Due to the ineffectiveness of corruption control, the inability to initiate action against police corruption has emerged as a major problem. The challenge lies in upholding integrity and good governance by following the law, promoting transparency, accuracy, and accountability in public policymaking, development, and service delivery, and implementing promotional and preventive measures to control corruption.

(2) **Clarifying the jurisdiction of the province:** The province has not been well-equipped with resources and powers in accordance with the constitutional provisions. Due to the unclarity of its powers, proper utilization of such powers has been a challenge.

(3) **Developing a transparent and accountable service delivery system:** Appropriate initiatives to increase citizen trust in public services have been lacking. Transparency and accountability in the public sector are weak. Maintaining integrity and ethics by controlling corruption while meeting people's expectations for service delivery remains challenging.

(4) **Facilitating financial and administrative processes:** Establishing a service delivery system with access to speedy justice delivery, and financial and administrative processes has been challenging. The tendency of competent authorities to escape from decision-making and responsibilities has emerged as a problem. Delays in implementing decisions related to plans and budgets, weak implementation of fiscal federalism, employee adjustments, capacity development and public finance management issues have hindered good governance. Filling minimum employee positions at province and local level, and establishing a strong relationship between the pillars of federalism, namely political, financial, administrative, and legal, remain challenging.

(5) **To ensure proper use of accountability tools:** The Office of the Auditor General report has pointed out the lack of preparation of procurement master plan and annual procurement plan in the public procurement management. There is no availability of predictable services due to the inability to digitize the service delivery. Utilizing accountability tools like public audit, social audit and public hearing effectively, in addition to disclosure of the income and expenditure statements, financial reports, progress reports, and budget implementation reviews, presents a challenge.

14.3.3 Inter-governmental Coordination and Collaboration

(1) **Enhancing the effectiveness of the province's administrative structure:** Establishing a strong inter-governmental relationship to strengthen public service and ensure inclusive, coordinated province development is a key issue. Making the administrative structure of the province citizen-oriented and ensuring effective inter-governmental coordination and collaboration to maintain coherency in the implementation of plans, allocation of financial resources as well as administrative jurisdictions are challenges.

(2) **Making the inter-governmental coordination and collaboration results-oriented:** Due to the lack of coordination and cooperation in lawmaking process, there is still confusion regarding the formulation and implementation of laws, and such laws that the province government should prepare for the local level. Problems, including ambiguity about police adjustment, land acquisition, and responsibilities and jurisdictions of all three levels of government, persist. The presence and functioning of the inter-government coordinating entity in promoting each other's geographical, functional and institutional values among the different levels of government do not meet expectations. The role of the Province Coordination Council has not been effective in accordance with the constitutional provisions for the purpose of maintaining policy harmonization between provinces and local levels, planning management, strategic partnership and exercise of concurrent powers, among others. It is challenging to meet the expenditure requirement by enhancing capacity for the exercise of concurrent powers, mobilization of natural resources and fiscal transfers, revenue potential and mobilization capacity.

(3) **Strengthening the Inter-Province Council (IPC) and enhancing its activities** There have been no coordinated and extended mutual cooperation initiatives between the provinces on matters of common interest and concern. The challenge lies in enhancing the efficiency and effectiveness of the mechanisms such as the Inter-Province Council, National Coordination Council and Province Coordination Council, established for the purpose of for inter-province coordination.

14.4 Transformational Strategies

10.4.1 Peace and Order, and Human Rights

(1) **To prepare policy and legal basis:** Appropriate policies and laws will be formulated to carry out functions that fall within the province's jurisdiction. Provincial policy and legal basis will be prepared to ensure the rights of marginalized, disadvantaged, gender and sexual minorities, persons with disabilities, and backward areas, groups, and communities at risk. Existing policies and laws will be gradually revised and updated as needed.

(2) **To pursue police adjustment, institutional arrangements, and capacity enhancement for ensuring law and order in the province:** Effective initiatives, lobbying, and collaboration with the federal government will be pursued to adjust the province police by establishing policy, legal, and managerial foundations. The construction of physical infrastructure for managing the province police will be continued. The capacity of security agencies will be developed along with police adjustment. Security of sensitive places, industrial enterprises, projects, and public property in the province will be ensured. Effective coordination and collaboration with security agencies, city police, other security agencies, and administrative bodies will be made effective.

(3) **To promote a governance system that upholds social justice and human rights:** Perpetrators of human rights violations will be prosecuted while reasonable compensation will be arranged for victims. Awareness-raising activities will be conducted to enhance understanding of human rights at schools and within communities.

(4) **To prevent corruption-related activities:** Information sharing and coordination will be made compressive and effective in the investigation conducted by the relevant agencies into corruption. Efforts will be made to integrate anti-corruption awareness subject matters into secondary and higher education curricula. Topics related to corruption control and integrity will be included in training programmes on good governance and capacity development at the province and local levels to support the fight against corruption.

14.4.2 Public Service Delivery

(1) **To strengthen province governance mechanisms:** Feedback will be received by conducting a study for the governance reform of the Office of the Chief Minister and Council of Ministers. Record-keeping of services available and delivered from the line ministries, allied agencies and local levels will be systematized. The province civil service will be made professional and results-oriented through national and international experience sharing, incentive, award and capacity development. Policy and structural reform will transform the organization and service delivery into a speedy, agile and results-orientation.

(2) **To promote the concept of open and transparent province government:** Fiduciary risks will be minimized by effectively by using the basic tools of financial governance. A 360-degree performance measurement system will be adopted by preparing administrative facilitation and operational integrity indicators. Employees' morale will be boosted to improve performance by making their career development predictable.

(3) **To make the service delivery process technology-friendly and customer-friendly:** Citizens' access to services and facilities provided by public bodies will be enhanced through digitization. Digital Governance will be promoted based on the concept of 'technology in all hands'. The online service delivery and monitoring system of the province government will be strengthened under the Digital Nepal Framework. The organizational structure, number of employee positions and job descriptions will be reviewed and updated to make the service delivery of the province government efficient and effective.

(4) **To promote good governance through preventive measures for corruption prevention:** The research and studies, dialogue and discussions with the elected representatives, political parties, civil society, and the private sector will be made regular and effective in relation to corruption control and integrity. Good governance will be promoted by creating and revising the code of conduct, third-party compliance monitoring and audit, and citizen oversight.

14.4.3 Inter-governmental Coordination and Collaboration

(1) **To formulate, amend and implement the policies and laws:** The implementation of the province's jurisdiction will be made systematic and effective by formulating and amending the policies and laws related to exclusive powers of the province. Inter-governmental coordination, collaboration and partnership will be promoted by activating the institutional mechanisms in accordance with the law regarding concurrent powers and inconsistent issues.

(2) **To ensure policy coherency in inter-governmental coordination and collaboration and to bring consistency to strategic partnership and exercise of concurrent powers:** Collaboration will be made in such a way that one province will provide equal protection, treatment and facilities to the residents of another province in accordance with the laws of their province. Collaboration and partnership will be made to protect and promote inter-province trade. The transportation of goods from one province or local level to another province or local level or the expansion of services will be facilitated. Coordination mechanism and institutional capacity of institutions will be developed to make the interrelationship between all three levels of government functional.

(3) **To strengthen inter-province and inter-local benefit-sharing relations:** Emphasis will be placed on clear division of responsibilities and execution of powers in revenue potential, collection, natural resource mobilization, fiscal transfers, etc. The development process will be made dynamic by identifying areas of co-financing and partnership. Arrangements will be made to spend the conditional, complementary and special grants provided to the local government in priority sectors.

14.5 Key Transformational Programmes

14.5.1 Law, Order and Human Rights

(a) Institutional Capacity Development:

1. Formulation of province security policies, laws, procedures and standards;
2. Province government service delivery entity, infrastructure and facility management;
3. Support for mainstreaming the National Human Rights Action Plan;
4. Support for mainstreaming the National Action Plan on Women, Peace and Security endorsed by the United Nations;
5. Information technology-friendly service delivery and electronic governance programme.

(b) Security Institution and Infrastructure Development:

1. Province police training center establishment and operation;
2. Province police capacity development (undertaking for modernization, and making professional and technologically equipped);
3. Management of buildings and equipment for police operations;
4. Institutional and infrastructure improvement of prisons, correction centers and office of the Human Rights Commission;
5. Study, investigate, and regulate cybercrime (cybercrime, digital crime).

(c) Human Rights Social Awareness Programme:

1. Social awareness and human rights promotion programme;
2. Prevention and control of human trafficking, trade, physical and sexual abuse against women;
3. Implementation of citizens' fundamental rights enshrined in the Constitution of Nepal;
4. Case study, investigation and human rights violation cases and prevention of impunity;
5. Victim relief and compensation;
6. Awareness on humanitarian law and rule of law.

(d) Social Awareness Programme for Prevention and Control of Corruption:

1. Improved coordination and collaboration with civil society;
2. Incentives for government employees based on professional integrity, honesty and simple living;
3. Formulation and revision of policies and legislations for the prevention and control of corruption;
4. Anti-corruption awareness programme;
5. Corruption prevention and whistleblowing.

14.5.2. Public Service Delivery

(a) Service Delivery Strengthening Programme:

1. Digitization promotion in public services and policy and legal reforms;
2. Study, research and service standardization, and strengthening of service delivery;
3. E-governance promotion for service delivery;

4. Development of a coordination system with governance mechanisms (information and data management and reporting).

(b) Performance Improvement, Study and Research:

1. Organization & Management survey;
2. Strengthening and management of Gandaki Province Training Academy (GPTA);
3. Smart office management;
4. Electronic monitoring system management;
5. Technical audit, periodic and impact evaluation of the development plan, programme and projects.

(c) Access to Justice Enhancement Programme:

1. Free legal aid programme in coordination with courts and justice system;
2. Legal facilitator management programme;
3. Capacity development programme for local judicial committees.

14.5.3 Inter-governmental Coordination and Cooperation

(a) Service Delivery Institutional Capacity Building Programme:

1. Study on province level service delivery and formulation & revision of policy and legislations;
2. Support and facilitation to local government for effective service delivery;
3. Capacity development programme for province & local level elected representatives and staff.

(b) Progress Monitoring and Evaluation Programme:

1. Support and facilitation to District Coordination Committees in monitoring of local level plans and programmes;
2. Fiscal transfer implementation status and progress reporting system development;
3. Sustainable Development Goals progress monitoring and evaluation programme;
4. Study, research and dialogue on evaluation of province and local level policies, plans and programmes.

(c) Inter-governmental Coordination and Cooperation Promotion Programme:

1. Study for the identification of the areas of partnership and collaboration;
2. Province coordination council meeting and issue-based dialogues;
3. Establishment and strengthening of inter-governmental cooperation mechanism.

14.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Peace and Order, and Human Rights**					
1.1	Province assembly candidates who audit their election expenditures	Percent	35	40	60	80
1.2	Police and population ratio (Per police population)	Number	333	330	315	300

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.3	Province police office building and province police training center	Number	35	36	40	45
1.4	Registered/investigated cases related to human rights violations	Number	513	500	400	300
1.5	Registered/investigated cases of electronic, cyber and digital crime	Number	104	520	300	150
1.6	Active drugs addict	Number	7956	7500	6000	4000
1.7	Victims of violence in the last 12 months	Number	-	1128	800	600
2.	**Public Service Delivery**					
2.1	Average time spent for household to receive major 15 services (Basic school, health post, road transportation, police post, market service, agriculture service center, bank, drinking water, library etc.)	Minute	35	32	27	20
2.2	Public offices providing online services	Number	0	1	4	7
2.3	Civil society organizations that involve, coordinate and collaborate in anti-corruption campaigns	Number	14	15	18	21
2.4	Public opinion about corruption (Corruption index)	Percent	40	35	30	25
2.5	Share of the capital expenditure in the total allocation	Percent	54.72	60.40	62.00	64.00
2.6	Share of the gender responsive budget	Percent	59	65.71	68	70
3.	**Inter-governmental Coordination and Collaboration**					
3.1	Inter-province coordination meeting conducted	Number	3	4	5	8
3.2	Issued/amended laws about exclusive rights of the province	Number	38	40	44	48
3.3	Identified sector/programme/project for inter-governmental co-financing and partnership	Number	8	10	30	60
3.4	Efforts/practices of joint monitoring with local level for the SDGs localization and progress tracking	Number	0	5	15	30
3.5	Programme/projects of local level with monitoring and evaluation and reports prepared by District Coordination Committee	Number	40	45	60	85
3.6	Proportion of province fiscal transfer to local level investment	Percent	5.96	7.27	7.5	8

Source: GPPPC, 2024 and latest reports of government

Chapter 15: Informed Policy, Planning, and Development Management

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Chapter 15: Informed Policy, Planning, and Development Management

15.1 Background

Planning is a system of maintaining coherency between goals and resources with the aim of achieving economic and social well-being. It is crucial to follow an established methodology while formulating plans, and the progress towards goals needs to be monitored and evaluated. In order to implement province's development policies, formulating a long-term, medium-term, and annual development plan is required based on its financial resources, existing economic and social development infrastructure and institutional capacity. Developing a consolidated statistical system is crucial for formulating fact-based policies and plans.

The Gandaki Province Government has been adopting the system outlined in the National Plan concerning the planning process. To ensure that the policies and plans are fact-based, the province government has been aligning the Medium Term Expenditure Framework with the annual budget and programme, focusing on achieving results. Learning from the gaps pointed out by the past plans, there is now an emphasis on an effective and participatory planning system. The Gandaki Province Policy and Planning Commission is committed to implementing and monitoring development projects in line with the plan's goals and objectives, as well as evaluating their impact. Efforts have been made to institutionalize project evaluation to enhance informed decision-making and accountability through learning from gender analysis regarding the status of implementation of programmes and projects, relevance, consistency with policies and programmes, efficiency, effectiveness, impact and effect.

15.2 Existing Situation

15.2.1 Province Statistical Management

The federal, province and local level have their respective jurisdictions regarding data management. Disaggregated and integrated data are required at the federal, as well as at the province and local levels. Data play a crucial role in formulating, regulating and systematizing policies, plans and programmes that are included in the list of powers at the province level. Utilizing modern information and communication technology, as well as maintaining interconnectivity with data sources is important for planning, evaluation, and policymaking processes. Data Management Units should be established and strengthened at the and local levels to enhance the institutional capacity of the statistics sector.

In addition to macroeconomic statistics, including Gross Domestic Product, other province level data are becoming more available. Data from the National Census of 2021 and the Nepal Living Standards Survey IV (2022/23) provide province-wise data. The province has begun carrying out data management through the annual financial survey. Information related to development projects and resources is being gathered from the medium-term review of the First Five-Year Plan, feasibility studies of projects and programmes, project proposal preparation, monitoring, and evaluation practices. Reports from various commissions and line ministries have been published, providing agency-wise data. The ratio of local governments delivering services through digital systems reached around 70 percent. Province Line Ministry

Budget Information System (PLMBIS) and Computerized Government Accounting System (CGAS) are fully operating at the province level. In contrast, the local levels have a Sub-National Treasury Regulatory Application (SuTRA) in place. Likewise, tools such as Local Government Institutional Capacity Self-Assessment (LISA) and Fiduciary Risk Assessment are being used at the local level. Digital profiles have been prepared for 75 of the total 85 local levels in the province.

15.2.2 Province Policy and Planning

Gandaki Province Policy and Planning Commission has formulated the province's long-term policies and plans, considering economic, social, physical infrastructure, environment, and good governance. Building on the lessons learned from implementing the First Five-Year Plan, Gandaki Province has developed the Second Five-Year Plan. This new plan is strategically focused, aiming to be more symbolic and thematic rather than the detailed institutional plan currently in use.

In addition to institutionalizing the planning system, significant achievements have been made in the field of economic and social development over the past five years. In the first plan period, necessary resources were allocated by incorporating goals/targets, strategies, and programmes to achieve notable progress in the socio-economic sector. Similarly, the province government has developed and implemented provincial and local level planning guidelines, as well as monitoring and evaluation guidelines.

To date, periodical plans for 37 local levels have been formulated, and 11 are being formulated with the support and facilitation of Gandaki Province Training Academy (GPTA) and other programmes. Additionally, the Revenue Reform Implementation Plan of 48 local levels has been prepared, and 15 are in the process of preparation, while Gender Equality and Social Inclusion (GESI) Strategy has been formulated for 63 local levels, and the process of preparing it for 5 others is underway. Also, the local levels have formulated periodic development plans, as well as other strategic plans, mobilizing their own resources.

15.2.3 Monitoring and Evaluation

Overall managerial monitoring and evaluation of periodic and annual policies and programmes of the Gandaki Province government are carried out by the Province Assembly and its Thematic Committees. The Commission conducted a medium-term review of the First Five-Year Plan and briefly reviewed it during the preparation of the Second Five-Year Plan. The line ministries of the province have established the practice of monitoring their annual policies and programmes based on the specified indicators. Local governments have formulated and implemented periodic, annual, subject-specific strategic and master plans on the matters falling within their jurisdiction. Only a few indicators have been internalized to localize and mainstream Sustainable Development Goals.

15.3 Key Issues and Challenges

15.3.1 Province Statistical Management

(1) **Developing the institutional structure related to data management:** The key problem in the initial stage of implementing the province governance system is the lack of institutional structure at the province level for data collection, processing and publication. Due to the lack of detailed province data and the inconsistency of the available data, it has not been possible to compare the programmes and projects, leading to dependency on logic rather than data at times. It is challenging to manage the disaggregated data for measuring and evaluating the progress of province development plans and programmes, as well as evaluating the progress in the localization of SDGs.

(2) **Practicing the concept of open data:** It has not been possible to create an effective structure for data management at the province and local levels. The availability and use of data in the decision-making process, including plan formulation has not been achieved. Due to fluctuations in the number of ministries in the provinces, it is difficult to compare the changes in thematic budget allocation and implementation. The challenge lies in adopting the concept of open data for easy access to data and preparing data in an integrated manner up to the local level.

(3) **Developing skilled human resources in data management:** The use of geographic information systems (GIS) in data collection and analysis is limited. Geographic bottlenecks and difficulties exist in statistical work, and it has proven difficult to attract and retain skilled human resources for statistical services. It is challenging to develop skilled human resources for data management through coordination and collaboration between all three levels of government.

15.3.2 Province Policy and Planning

(1) Adherence to policy and planning standards: There is a lack of availability of province-wise disaggregated and integrated data to make plan formulation objective and effective. While formulating the plan, the key problems are the inability to analyze the prerequisites of the formulation, such as province needs, economic potential, resource management and implementation capacity, and the lack of capacity utilization of the skilled and experienced human resources of the relevant ministries and agencies. The problems that have emerged in improving the methods, procedures, and implementation capacity to be adopted for the execution of financial management, revenue mobilization, planning, public procurement and public service have not been properly addressed. The challenge lies in making the institutional structure, data management and monitoring and evaluation system effective to maintain discipline by complying with the planning standards and scientific allocation of resources through project bank preparation, feasibility study, prioritization and quality testing.

(2) Analyzing the actual situation of policies, plans and projects: While formulating policies, plans and programmes, analysis of the actual situation based on information and evidence tends to be weak. Inter-governmental and systemic interrelationships have not been maintained in policies, plans and programmes. Communication and participation among the members of the Province Assembly are very limited. Stability in policies and

plans has not been established due to frequent changes in political commitments and government and priorities, which have adversely affected resource allocation, implementation and outcomes. Ambitious development projects and programmes have been selected and approved without the need for assessment and feasibility studies, leading to low public expenditure. Results analysis through the use of tools like public audits and public hearings has not been prioritized. Establishing inter-governmental and systemic interrelationships in policies, plans and programmes, making project analysis and selection methods scientific, and avoiding duplication of resource allocation in projects are challenging.

(3) **Selecting and implementing climate-smart projects and programmes that directly benefit the target groups:** Reducing the number of fragmented projects at the province and local levels remains the key issue. In addition, devising plans that will directly benefit the target groups, enhance gender equality and social inclusion, and give priority to climate change mitigation and adaptation is challenging.

15.3.3 Monitoring and Evaluation

(1) **Institutionalizing results-based monitoring and evaluation system:** The main problem is that monitoring is not prioritized at the province level, and there is a lack of an institutional system for monitoring. Province basic standards of monitoring and evaluation have not been determined. Designing and localizing the indicators of Sustainable Development Goals (SDGs) making prudent use of internal resources and grants, and documenting the outcomes are proven challenging.

(2) **Making monitoring and evaluation effective:** A 360-degree monitoring system has not been developed to implement the feedback of monitoring and evaluation and to make the governance mechanisms results-oriented. The lack of joint monitoring and evaluation of various projects and programmes with the inter-governmental coordination according to the federal structure and the inability to improve methods and procedures at all stages of the project remain the problems. Using the prevailing and innovative methods for monitoring and evaluation of policies, plans and programmes to measure the performance status, address the implementation problems, measure the results and assess the impacts for creating information and evidence, and make the relevant agencies accountable for the results remains a challenge.

(3) **Making inter-agency and inter-governmental coordination effective in monitoring and evaluation:** Compliance and practice of monitoring and evaluation stages at the province level is weak. Making inter-agency and inter-governmental coordination more effective in monitoring and evaluation remains an issue. It is challenging to intensify the assessment of the overall impacts, effects and sustainability of development policies, plans and programmes.

(4) **Implementing the feedback of monitoring and evaluation:** The system of implementing the positive feedback indicated by monitoring and evaluation has not been effective. It is challenging to link the results of programmes and projects with the performance of the officials of the relevant agencies and hand out rewards and punishments accordingly.

(5) Developing skilled human resources in the field of evaluation: An integrated progress report required by the plan has not been prepared. There is a lack of collaboration with universities and academic fields. The challenge lies in managing the disaggregated data of indicators of impacts and effects on matters, including SDGs, and developing skilled human resources in the field of monitoring and evaluation.

15.4 Transformational Strategies

15.4.1 Province Statistiscal Management

(1) **To establish and strengthen the statistical system:** Data-based indicators will be developed for the regular monitoring of the annual development programme and periodic goals/targets. A monitoring and evaluation Unit will be established in the ministry, in addition to strengthening thereof. An integrated management system for province and local level data will be developed and used. Coordination and partnership will be made with the federal and local government in data management.

(2) **To maintain province and local level data quality:** A standard will be set with province statistical concept and data definitions. Necessary procedures will be developed to bring uniformity in data collection, storage, format and classification.

(3) **Coordination, cooperation and exchange of data among the data management agencies of all three levels of government:** Networking will be established between the data management agencies at the federal, province and local level. A data-sharing system and technology will be developed. The province statistical system will be strengthened through coordination and collaboration with the Statistics Offices established by the National Statistics Office in the provinces.

15.4.2 Province Policy and Planning

(1) **To enhance institutional capacity in the formulation and implementation of policies, plans and programmes:** The research and studies related to formulation, implementation, and monitoring and evaluation of the province policies and plans will be conducted. The capacity of the Policy and Planning Commission will be enhanced in terms of formulation, monitoring, and evaluation. Integration, restoration, and strengthening of province and allied units related to the implementation of the plan will be carried out. The support and facilitation will be provided for the capacity development of local level policy and planning Units.

(2) **To adopt the established planning practices, and pursue procedural reforms:** The system of formulation province plan in alignment with the national plan will be institutionalized. Support and facilitation will be provided to formulate and update the periodic plans at the local level. The SDGs will be gradually integrated and localized into the province policies and plans through structural transformation sectors of the province's development, strategies, indicators, and projects and programmes. Upon formulation of the policies and plans, they will be sent to the relevant ministries and agencies along with guidelines for their implementation.

(3) **To implement the projects and programmes according to province vision with priority:** The projects and programmes included in the plan will be studied and reviewed

based on rationale and needs. The projects included in the project bank will be implemented with a priority for realizing the province vision. Support and facilitation will be provided in formulating local level periodic plans, revenue reform implementation plans, and gender equality and social empowerment plans.

(4) **To develop and strengthen the capacity of government, private, non-government and community sectors involved in planning:** The planning process will be made inclusive and participatory by ensuring capacity development and participation of public, private, non-governmental, and community sectors involved in policy and planning. The capacity of relevant parties will be developed for the formulation of policies, plans, and programmes that directly benefit the target groups, promote gender equality and social inclusion, and give priority to climate change mitigation and adaptation.

15.4.3 Monitoring and Evaluation

(1) **To make legal provisions to institutionalize the results-based monitoring and evaluation system:** Laws, rules, procedures, and institutional frameworks will be made for the monitoring and evaluation of plans and programmes at the province level, including the determination of basic standards for that purpose. Plans, programmes and projects will be effectively monitored and evaluated, and the results and information obtained will be documented in accordance with the existing legal provisions and standards. The results and information obtained through monitoring and evaluation will be used in formulating and implementing policies, plans, and programmes. The capacity of the local level will be enhanced for effective monitoring and evaluation.

(2) **To make monitoring and evaluation activities regular and effective:** Reporting task based on monitoring and evaluation will be regularized. A third-party monitoring and evaluation system will be developed and followed. Additional investment will be expanded to achieve the target by studying the SDGs and province goals that have low progress. The Office of the Chief Minister and Council of Ministers will monitor whether the responsible agencies and officials of the province government have been regularly and effectively monitoring and evaluating the plans, programmes, and projects. An objective, measurable, and SDGs localization supporting indicators will be developed in order to make the monitoring and evaluation regular and effective.

(3) **To strengthen the monitoring and evaluation system:** Advocacy, coordination, partnership, and collaboration with the Government of Nepal and development partner agencies will be enhanced to make the province's policies, plans, and programmes information and evidence-based, inclusive, effective, and efficient. Skilled human resources will be developed and mobilized in the field of management, and monitoring and evaluation with disaggregation of data of indicators of impacts and effects on matters, including SDGs.

15.5 Key Transformational Programmes

15.5.1 Province Statistical Management

(a) Management System Development:

1. Coordination and collaboration with the Statistics Office in the province;

2. Operation and strengthening of integrated data management information system;
3. Coordination and partnership with federal and local level for statistical management;
4. Results-based monitoring and evaluation system management;
5. Project bank management system with project identification, feasibility and prioritization;
6. Operation and updating of employment information management system.

(b) Arrangement and Application of Technology and Devices:

1. Development and operation of digital database management system;
2. Extensive application of digital instruments such as tablets, intelligent character recognition, and optical mark readers in database management;
3. Online response programme.

(c) Capacity Development Programme on Statistical Management:

1. Survey, study and research;
2. Training on statistical system management;
3. Inter-governmental and agency statistic, information and learning sharing;

15.5.2 Province Policy and Planning

(a) Structural Reform Programme:

1. Policy and Planning Commission management reform;
2. Technical audit and periodic evaluation of province projects;
3. Tax administration system strengthening;
4. Integration and localization of Sustainable Development Goals;
5. Dialogue and consultation on province policies, plans and projects with province assembly members.

(b) Capacity Development and Strengthening Programme:

1. Strengthening the participatory planning (province government, local governments, development partners, private and community sectors);
2. Dialogue and training on sectoral policy, plan and programme formulation, monitoring and evaluation;
3. Capacity building and strengthening of governmental, non-governmental and community sectors.

(c) Policy and Planning Support and Facilitation Programme:

1. Province policy, plan & programme formulation, result monitoring & periodic evaluation;
2. Province fiscal policy and revenue improvement action plan formulation;
3. Gender and climate-responsive budget and audit programme;
4. Project bank formulation and management;
5. Milestone and indicators-based work scheduling of annual development policy & programme;
6. Support & facilitation of local level policy, planning, MTEF & project bank formulation.

(d) Project Governance Strengthening Programme:

1. Project bank formulation and management;

2. Accelerating the effectiveness of project implementation;
3. Rewarding the project managers and contractors who complete projects on time.

15.5.3 Monitoring and Evaluation

(a) Institutional Development Programme:

1. Formulation of policy, law, procedure and standard;
2. Development and strengthening of digital monitoring and evaluation system.

(b) Collaboration and Inter-Relationship Strengthening Programme:

1. Development and operation of participatory monitoring and evaluation;
2. Collaboration with Universities & academic institutions for studies and survey
3. Development and implementation of participatory monitoring & evaluation system;
4. Management commitment action plan for implementation of recommendation of the evaluations

(c) Capacity Development:

1. Policy, plan, programme & project monitoring, evaluation, learning and accountability promotion;
2. Studies, research and survey on policies and programmes;
3. Capacity development of policymakers, employees and service providers for the use of information, enhancement of learning and accountability.

15.6 Quantitative Targets

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
1.	**Province Statistical Management**					
1.1	Existing data system (integrated electronic statistics system; integrated data management information system; results-based monitoring and evaluation system; project bank information system)	Number	4	5	8	10
1.2	Ministry/agency preparing data based indicators for the regular monitoring of development policy, plan and Programme	Number	0	2	6	10
1.3	Ministry initiating indicator based quarterly progress reporting system	Number	0	3	5	7
2.	**Province Policy & Planning**					
2.1	Ministry and agency preparing progress report based on indicator, targets of periodic plan and SDGs	Number	0	0	5	7
2.2	Province ministry that formulates annual policies, programmes and budget in relation to policies, plans and programmes	Number	0	3	5	7
2.3	No. of projects being implemented included in the project bank	Percent	0	10	50	100
2.4	No. of sector of formulated and implemented strategic/master plan	Number	3	3	6	8

S.N.	Indicators	Unit	Status in 2022/23	Estimated progress until 2023/24	Targets for 2026/27	Targets for 2028/29
3.	**Monitoring and Evaluation**					
3.1	Programme and project with regular monitoring and progress report	Percent	30	40	60	80
3.2	Recommendations of the final, mid-term & annual reviews implemented	Percent	40	50	60	80
3.3	Result indicators developed to measure achievements exercising periodic progress measurement	Number	139	148	175	225
3.4	Province Development Action Committee meeting and progress report presented and discussed	Number	12	15	21	28
3.5	Proportion of total annual budget in monitoring and evaluation	Percent	0.01	0.02	0.05	0.1

Source: GPPPC, 2024 and latest reports of government

Annex 1: Plan Implementation, Monitoring and Evaluation Framework

S.N.	Areas of Development and Transformation	Implementing Agencies	Monitoring and Evaluation Mechanisms	Time Schedule
1.	Vision: **"Self-Reliant and Prosperous Province: Happy Province Citizens",** Overall Goals and Objectives	• Ministries and Agencies of the Province Government • Private Sector, Cooperatives & NGOs • Federal and Local Governments	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Policy and Planning Commission • Constitutional Body & Civil Society	• Final and Mid-term Evaluation • Annual Review
2.	Building a Strong Province Economy	• Ministry of Economic Affairs • Ministry of Industry, Tourism, Forest and Environment • Ministry of Agriculture, Land Management and Cooperatives • Federal and Local Governments • Private, Cooperative, and Community Sectors	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
3.	Effective Economic Policy and Resource Management	• Policy and Planning Commission • Ministry of Economic Affairs • Federal and Local Governments • Private, Cooperative and Banking Sectors	• Province Assembly and Parliamentary Committee • Province Development Action Committee • Policy and Planning Commission • Province Financial Controller Office	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
4.	Commercial Agriculture and Self-Reliance	• Ministry of Agriculture, Land Management and Cooperatives • Ministry of Energy, Water Resource and Drinking Water • Federal and Local Governments • Private Sector, Cooperatives & NGOs	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
5.	Sustainable Forest Management, Biodiversity	• Ministry of Industry and Tourism • Ministry of Forest and Environment	• Province Assembly and Parliamentary Committee	• Annual, Half-yearly & Quarterly Reviews

S.N.	Areas of Development and Transformation	Implementing Agencies	Monitoring and Evaluation Mechanisms	Time Schedule
	and Watershed Conservation	• Ministry of Energy, Water Resource and Drinking Water • Federal and Local Governments • Private Sector and Cooperatives, NGOs and Community Sector	• Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Regular Monitoring and Periodic Review
6.	Market-oriented Production and Sustainable Tourism	• Ministry of Industry and Tourism • Ministry Forest and Environment • Federal and Local Governments • Private Sector, Cooperatives, Banking, NGOs and Community Sector	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
7.	Universal Health Coverage and Demographic Dividend	• Ministry of Social Development and Health • Federal and Local Governments • Private, Cooperatives, NGOs and Community Sector	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
8.	Building Educated, Cultured and Skilled Human Capital	• Ministry of Social Development and Health • Office of the Chief Minister and Council of Ministers • Federal and Local Governments • Private Sector, Cooperatives, NGOs and Community Sector	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
9.	Sustainable and Resilient Infrastructure	• Ministry of Physical Infrastructure Development and Transport Management • Federal and Local Governments • Private, NGOs and Community Sector	• Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission • Constitutional Bodies & Civil Society	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review

S.N.	Areas of Development and Transformation	Implementing Agencies	Monitoring and Evaluation Mechanisms	Time Schedule
10.	Clean Energy, Water Resources, and Drinking Water	• Ministry of Energy, Water Resource and Drinking Water • Federal and Local Governments • Private Sector, Cooperatives, NGOs and Community Sector	• Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission • Constitutional Bodies & Civil Society	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
11.	Decent Work, Productive Employment and Social Protection	• Office of the Chief Minister and Council of Ministers • Ministry of Social Development and Health • Federal and Local Governments • Private Sector, Cooperatives, Banking sector, NGOs and Community Sector	• Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
12.	Women's Empowerment, Inclusion and Equality	• Office of the Chief Minister and Council of Ministers • Ministry of Social Development and Health • Federal and Local Governments • Private Sector, Cooperatives, NGOs and Community Sector	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
13.	Balanced Environment, and Climate and Disaster Resilience	• Office of the Chief Minister and Council of Ministers • Ministry of Industry, Tourism, Forest and Environment • Ministry of Energy, Water Resource and Drinking Water • Federal and Local Governments • Private Sector, NGOs and Community Sector	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review
14.	Strong Governance, Service Delivery, and Inter-governmental Relations	• Office of the Chief Minister and Council of Ministers • Gandaki Province Policy and Planning Commission • Federal and Local Governments	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review

S.N.	Areas of Development and Transformation	Implementing Agencies	Monitoring and Evaluation Mechanisms	Time Schedule
		• Cooperatives, NGOs and Community Sector	• Province Development Action Committee • Policy and Planning Commission • Constitutional Bodies and Civil Society	
15.	Informed Policy, Planning, and Development Management	• Office of the Chief Minister and Council of Ministers • Gandaki Province Policy and Planning Commission • Federal and Local Governments • Cooperatives, NGOs and Community Sector	• Province Assembly and Parliamentary Committee • Office of the Chief Minister and Council of Ministers • Province Development Action Committee • Policy and Planning Commission • Constitutional Bodies and Civil Society	• Annual, Half-yearly & Quarterly Reviews • Regular Monitoring and Periodic Review