

e-Government Initiatives in Nepal: Challenges and Opportunities

Dr. Madan P. Pariyar

Member Secretary

High Level Commission for IT

Government of Nepal

Singhadurbar, Kathmandu, Nepal

URL: <http://www.hlcit.gov.np>

email: madan_p@hlcit.gov.np

Paper submitted for presentation at

***International Conference on Theory and Practice of Electronic Governance
(ICEGOV 2007) to be held in Macao, China from 10-13 December 2007***

1. INTRODUCTION

Nepal is passing through a critical state of political transformation. In the changing context, it has been widely realized that the decades of past development efforts have largely failed to address the issues related to poverty, inequity and exclusion.

Among various plans, programs, and initiatives conceived to overcome these challenges, development of ICTs (information and communication technologies) is looked upon with great hopes to materialize the country's dream.

INTRODUCTION Continue...

A chronology of ICT development initiatives is presented below:

- 1972: Introduction of computer for census (IBM1401)
- 1974: Establishment of Electronic Data Processing Center
- 1982: First Private Overseas Investment in software development by establishing company for export, Data Systems International (p) LTD
- 1985: Distribution of Personal Computers
- 1990: Liberalization on imports of equipment
- 1992: Establishment of Computer Association of Nepal
- 1996: Establishment of the Ministry of Science & Technology
- 2000: Announcement of the first IT policy, "IT Policy 2000"
- 2001: Establishment of National Information Technology Center
- 2003: Establishment of High Level Commission for Information Technology
- 2007: Enactment of Electronics Transaction Act

2. STATUS OF ICT AND E- GOVERNMENT DEVELOPMENT

- In last ten years since 1997, the number of fixed line has increased by almost four times reaching 635,308 lines in January 2007.
- More than a million mobile (GSM) telephone lines were distributed till the end of January 2007.
- Between 1995 and 1999, the annual growth rate of telephone service was 28.8%, the third highest in Asia-Pacific Region after Sri Lanka (33.8%) and Cambodia (32.1%) with a waiting list of 269,025 lines at the end of 1999.

STATUS OF ICT AND E- GOVERNMENT DEVELOPMENT

Continue...

- All the 75 districts now have automatic telecommunications service, including STD and ISD.
- Total international bandwidth used is in the ratio of 1:2.38 with 37.92 and 90.3 Mbps uplink and downlink respectively, hence a total of 128 Mbps.
- As of February 2007, of the 39 licensed internet service providers (ISP), 31 are operational and serve around 210,000 users (0.83% penetration) mostly inside Kathmandu.
- Majority of the subscribers are dial-up internet which accounts for 86% of the total subscriptions (43,010) while cable accounts for 12% (6,117 accounts) and wireless accounts for 2% (751 account).

STATUS OF ICT AND E- GOVERNMENT DEVELOPMENT Continue...

- To boost rural ICT, the government has recently set drastically reduced license fees on VSAT users and ISPs
- According to National IT Work Force Survey conducted by Computer Association of Nepal (CAN) in 2005, the total number of IT personnel in the country were around 4,000; and this number is expected to reach 7,335 by the end of 2010.
- Likewise several e-government initiatives have begun. E.g: Integrated Voters' Registration System, Document Management System, Financial Management System (FMS), District Expenditure Control System (DECS), Automated System for Customs Data (ASYCUDA), PAN Registration System, VAT Assessment/Collection system, Income Tax Assessment/Collection System, Revenue Accounting System etc.

3. CHALLENGES TO E- GOVERNMENT DEVELOPMENT

3.1 e-Readiness Related Challenges

- low level of political commitment to the change process and the deeper utilization of ICTs in government.
- poor culture of technology.
- communications between Ministries by paper, correspondence with email regarded as having only an informal role.
- e-Literacy in government is also modest
- at a broader level, modest human resources training capacity of local institutions

3. CHALLENGES TO E- GOVERNMENT DEVELOPMENT Continue...

3.2 Government Policy & Strategy

The ICT related acts and policies include

- National Broadcasting Act (1992),
- National Communication Policy (1992),
- Telecommunication Act (1997- revised 2007),
- Information Technology Policy (2000),
- the Tenth Plan (2002-2007),
- Long Term Policy on Information and Communication Sector (2002),
- Telecommunication Policy (2004)
- Electronic Transaction Act (2007).

3. CHALLENGES TO E- GOVERNMENT DEVELOPMENT Continue...

3.3 Low Connectivity

- Nepal's penetration rate approached to 6.48 on a national scale in 2005, with fixed telephones at 2.46% and mobile at 4.00%.
- The development is very much skewed in favor of Kathmandu and coverage of rural areas, with a penetration rate of 0.06%

3.4 Early Stage Development of E-Government

- The e-government in Nepal is still in its very infancy.
- the concept of centralized data center has not materialized.
- Not many of the Telecenters are successful.

4. OPPORTUNITIES

4.1 E-Government Master Plan

The Government of Nepal, with the support of Korea IT Industry Promotion Agency (KIPA), prepared an e-Government Master Plan in November 2006. This Master Plan basically

- i. establishes the vision, strategy and framework for Nepal's e-governance,
- ii. suggests major e-governance projects and draws the roadmap,
- iii. defines direction of the executing organization, and restructuring legal framework.

4. OPPORTUNITIES Continue...

4.2 ICT Development Project

- In order to establish the foundation for the investment phase of the Master Plan, the Asian Development Bank (ADB) provided a project preparatory technical assistance (PPTA) to the Government of Nepal.
- The PPTA has identified 23 program component
- The total project cost based on a time frame of 2-4 years is estimated at US \$ 70.2 million, overall EIRR is projected at 18.2% - 27.0%
- The ADB's Fact Finding Mission and Appraisal Mission scrutinized the project and suggested a project financing of US \$ 64 Millions over a project period of 6 years.

4. OPPORTUNITIES Continue...

- The Aide Memoires perceived four different outputs, viz.,
 - (i) Rural e-Community,
 - (ii) Government Network,
 - (iii) E-Government Applications, and
 - (iv) Human Resources Development for e-Governance.
- The missions also proposed ADB's grant of \$25 million, the Government of Republic of Korea Economic Development Cooperation Fund (EDCF) loan of \$ 30 Million, and the Government of Nepal finance of \$9.0 million
- A project of nearly \$30.0 million will hopefully commence from January 2008.

5. CONCLUSION

Nepal is still at an early stage of e-Government development. The importance of ICT and e-Government is widely felt in the country. Nepal is hoping to commence an ICT Development Project focusing on e-Government early next year.

REFERENCE

- [1] Developing Broadband Connectivity in Rural Mountains Regions (Survey Findings from Baglung, Myagdi and Lekhnath Municipality, Nepal); Asia Pacific Mountain Network, International Center for Integrated Mountain Development, Forum for Information Technology; Kathmandu, Nepal; May 2007
- [2] E-Government Master Plan Consulting Report; Government of Nepal and Korea IT Industry Promotion Agency, November 2006.
- [3] Preparing the Information and Communication Technology Development Project: A Programme of Modernization for Nepal; ADB TA. No. 4833; July 2007
- [4] Aide Memoire (2007a). Aid Memoire of ICT Development Project Fact Finding Mission, 2-9 July 2007
- [5] Aide Memoire (2007b). Aid Mamoire of ICT Development Project Appraisal Mission, 13-17 August 2007.



Thank You !!!