

Features of Karnali Province :	
<ul style="list-style-type: none"> <li>• Total population : 1570418</li> <li>• Male population : 767923</li> <li>• Female population : 802495</li> <li>• Total house hold : 298174</li> <li>• Population density: 56 per sq. km.</li> <li>• Literacy rate: 62.77 %</li> <li>• HDI : 0.469</li> <li>• Health status : 433 (public health organization )</li> </ul>	<ul style="list-style-type: none"> <li>• Total Area : 30211sq.km (21.6 %)</li> <li>• Total local bodies : 79</li> <li>• Municipalities : 25</li> <li>• Rural municipality : 54</li> <li>• Total wards : 718</li> <li>• Snow cover area : 24.55%</li> </ul>



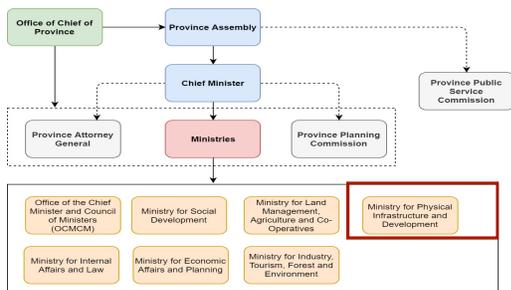
### Karnali at a Glance

- ❖ The remotest and most undeveloped province of Nepal.
- ❖ Widespread poverty, gender inequality, unemployment, food scarcity and insecurity, poor economic performance and underdevelopment.
- ❖ Despite being large in area, the province has a low population density of 56 per sq. km.
- ❖ The Karnali region is poor in road connectivity.
- ❖ As transport costs are high due to poor transport connectivity, development works are also costly in the region.

### Karnali at a Glance

- ❖ To transform the region, it is imperative to invest heavily in infrastructure development.
- ❖ It is surprising to note that even decades of development efforts have not been able to transform the region.
- ❖ It has prioritized infrastructure development like roads, Irrigation, water Supply, electrification, housing in the form of integrated model settlements, education, health, agriculture, tourism, sports and culture, among others.
- ❖ The government of the Karnali State has allocated a budget **Rs. 33.72 billion** for this fiscal year.

### Organizational Structure of Province



### Works under Ministry of Physical Infrastructure Development

- ❖ Establishment of Ministry at 2074.11.06
- ❖ The Works used to performed by Ministry of Physical Infrastructure, Ministry of Urban Development, Ministry of energy Water Resources and Irrigation, Ministry of Water supply and sanitation, Department of Hydrology and Meteorology before Federalism.
- ❖ The works stated on Provincial Government Work Division Regulation, 2074 that has been approved by Karnali Provincial Government.
- ❖ Formulation of Necessary policy, law, Master Plan, Project formulation and working standards related to Provincial energy, hydropower, irrigation, Water supply, Water related Disaster ( River Training and Landslide) management, Provincial Road and transport, Physical Management of Provincial level offices, Urban Development planning and Infrastructure Development, and Maintenance.

### Provincial Planning and budgeting steps

- |   |  |
|---|--|
| 1. Projection of revenue and expenditure.           | Prioritization of projects.                                  |
| 2. MTEF, Resource Estimation, Budget ceiling.       | 6. Submission / Presentation of Budget in province assembly. |
| 3. Providing Budget ceiling and Guidelines.         | 7. Budget Release.   |
| 4. Discussion of Budget in Ministries and Agencies. | 8. Accounting of Transactions and internal control system.   |
| 5. Pre-Budget discussion and                        | 9. Financial reporting.                                      |
|   | 10. Internal control system and auditing.                    |

### Planning Process

	Approved	On the Process
Periodic Plan	Approval of approach Paper	Five year Periodic Plan waiting for approval
Mid Term Expenditure Framework	Approved 2077/78-2079/80	
Others	<input type="checkbox"/> Karnali Province Profile. <input type="checkbox"/> Guidelines of Project formulation <input type="checkbox"/> Project Monitoring and Evaluation Directives	

### Comparison of Federal and Provincial Periodic Plan

S. N.	Base	Federal	Karnali Province
1	Base year and Final Year	2075/076 (2080/081)	2075/076 (2080/081)
2	Long term Concept	Prosperous Nepal, Happy Nepali	Prosperous Karnali, Sukhari Karnali people
3	Long term Target	Foundations: 4 for prosperity and 6 for happiness	Foundations: 5 for prosperity and 7 for happiness
4	Long term Strategy	6 including employment generating economic growth	6 including Sustainable Development
5	Carriers of transformation	9 including qualitative Tourism	9 including qualitative Infrastructure
6	Long term objective	3 including foundation development of prosperity	Socio Economic Development with Infrastructure Development
7	Economic growth during planning period (in base price)	9.6 percent	14.9 percent
8	Total targeted investment during planning period	Nrs. 12.29 trillion	Nrs 5.21 trillion
9	Contribution of different sector in investment	Public 39 % , Private 55.6 % , Cooperative 5.4 %	Public 53.66 % , Private 42.65 % , Cooperative 3.69 %

### Status of Human Resources Fulfillment

Designation	Total approved seat(nos)	Fulfilled seat (nos)	Vacant Seat (nos)
Different	2555	1557	998
<ul style="list-style-type: none"> <li>• Out of the total 1557 mentioned, 125 vacancies were filled by personnel from federal and 282 vacancies by service contracts.</li> <li>• 46 personnel are extravagant in different positions and levels.</li> <li>• <b>44 seats remaining till vacant among total 77 officers level in Engineering sector.</b></li> </ul>			

**Key performance indicators**

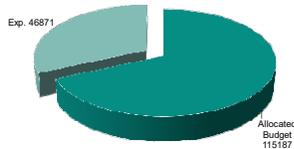
S.N.	Indicator	Unit	Report Period	Status of 2075/076	Target of 2080/081	Status of 2076/077
1	Multidimensional poverty rate	Percentage	After Survey	51.2	25	48.7
2	Wheat productivity	mt/hectare	Annual	2.18	4	2.16
3	Maize productivity	mt/hectare	Annual	2.47	4	2.9
4	Productivity of paddy	mt/hectare	Annual	3.9	4.5	3.95
5	height lessness of children under 5 years	Percentage	After Survey	55	35	55
6	All vaccinated children	Percentage	Annual	79	100	75
7	Basic Level Class 1-8 Completion Rate	Percentage	Annual	91.4	100	91.4
8	Literacy rate (over 15 years)	Percentage	After Sensus	62.5	80	62.5
9	Enrollment rate at secondary school level	Percentage	Annual	46.4	65	46.4
10	Admission rate at basic school level	Percentage	Annual	93.4	99	93.4
11	Road length (km)	km	Annual	660	1800	1246
12	Irrigated area	hectare	Annual	15248	25000	18203
13	Unemployment rate	Percentage	After Survey	9.7	6	9.3
14	Per Capita Income	Dollar (US)	Annual	606	1147	650
15	Population below the absolute poverty line	Percentage	After Survey	28.9	18	28.1
16	Households that have access to electricity	Percentage	Annual	43	90	48
17	Households with access to drinking water	Percentage	Annual	86.2	95	86.39

**Status and Budget and Expenditure(Nrs. Lakh)**

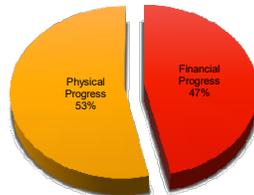
Current Side			Capital Side		
Annual Budget	Expenditure	%	Annual Budget	Expenditure	%
13,05,96	7,24,20	55.54	21,29,37	9,12,72	42.86
Total Budget		Total Expenditure	Expenditure %		
34,35,34		16,36,92	47.65		

**Status of budget and expenditure of the Ministry and its subordinate offices**

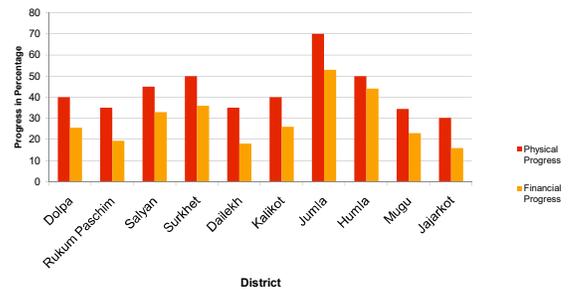
Allocated budget and expenditure in Rs

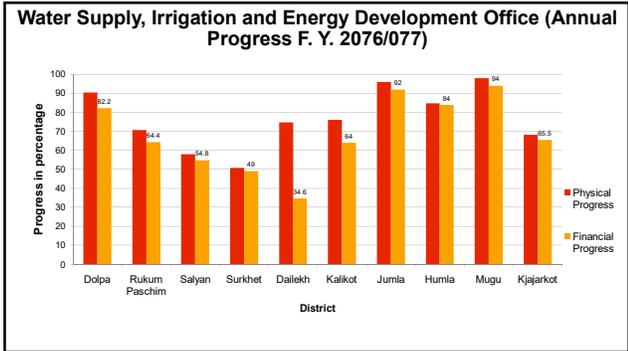


Physical and Financial Progress



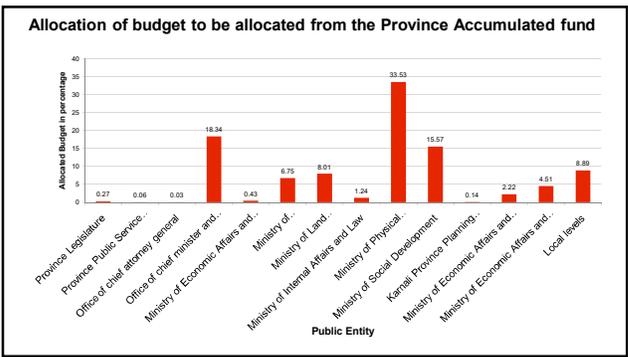
**Infrastructure Development Office (Annual Progress F. Y. 2076/077)**

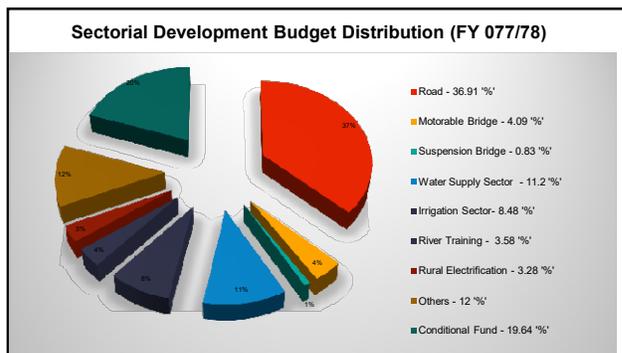
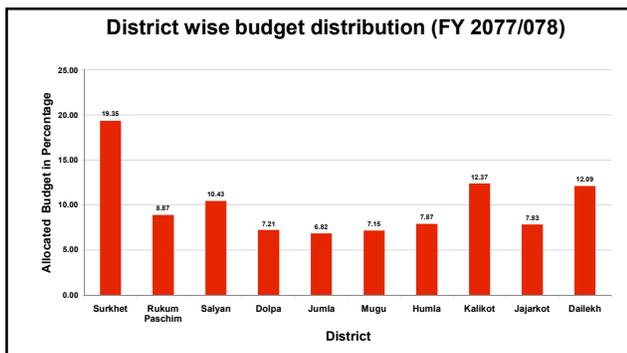




- ### Main Achievements of FY 2076/077
- ❖ An additional population of 21,467 has benefited from basic drinking water services.
  - ❖ Irrigation facility reached 2955 hectares.
  - ❖ Road New track construction 381.03 km. .
  - ❖ 156.26 km Road widened.
  - ❖ 49.04 km The road is gravelled.
  - ❖ Construction of 8 suspension bridges has been completed.
  - ❖ Construction of 16 road bridges completed.
  - ❖ 27.57 km Road drain construction completed.
  - ❖ 669 public housing works have been completed and 419 are under construction.
  - ❖ 7.65 km The river is controlled and 85 hectares of land is protected.

Allocation of budget to be allocated from the Province Accumulated fund ( F. Y					
S.N.	Name of Public Entity	Current exp nrs 000	Capital exp nrs 000	Total nrs 000	%
1	Province Legislature	80780	800	81580	0.27
2	Province Public Service Commission	9290	1725	21015	0.06
3	Office of chief attorney general	10290	500	10790	0.03
4	Office of chief minister and council of ministers	2418672	5765996	8184668	18.34
5	Ministry of Economic Affairs and Planning	109118	56235	145353	0.43
6	Ministry of Industry, Tourism, Forest and Environment	1266130	1011350	2277480	6.75
7	Ministry of Land Management, Agriculture and Cooperatives	2186931	514965	2701896	8.01
8	Ministry of Internal Affairs and Law	127103	29050	417653	1.24
9	Ministry of Physical Infrastructure Development	538168	1076856	11307024	33.53
10	Ministry of Social Development	3830253	1422014	5252267	15.57
11	Karnali Province Planning Commission	89918	6130	46048	0.14
12	Ministry of Economic Affairs and Planning (Finance and Management)	0	750000	750000	2.22
13	Ministry of Economic Affairs and Planning miscellaneous	1022000	500000	1522000	4.51
14	Local levels	2996500	0	2996500	8.89
<b>Total Budget nrs</b>		<b>14655153</b>	<b>19069121</b>	<b>33724274</b>	





### Provincial Road Network (PRN) 1824 km

- 660 km road is on operation.
- 19 centre of local level government are not connected to road network out of 79.
- Existing Road Network on different district : 3132 km.
- 672 km road is under construction.
- 5 year Projection : Black topped Road 500 km

### Air Transport

- Number of airport in Karnali province : 7 out of which one is not in operation .

### Water Transport

- Water transport of Karnali and Bheri corridor can be developed as complementary with other transport.

### Tourism

- Out of 100 new tourist destinations selected by government karnali province Consists of 21 destination.
- Inaugurated the " Karnali Visit Year 2076". But this is affected badly by Kovid-19.
- Shey phoksudo National Park of Dolpa, Sinja Sabhyata of Jumla, Rara lake of Mugu, Panchakoshi Jwala area.
- For prosperous Karnali it is necessary to develop Tourism area.

### Irrigation and agriculture

- ❖ Agriculture land : 287,962 ha
- ❖ 15.5 % (15248 ha) land is in year round irrigation.
- ❖ Irrigable land : 99,522 ha
- ❖ Feasible for surface irrigation : 30,396 ha
- ❖ Feasible for NITP : 69,597 ha
- ❖ Tentative annual budget allocation by Provincial government : 900 Million (Nrs)
- ❖ 5 year Projection : Irrigation facility will be enhanced for extra 25000 ha by which year round irrigation facility will reach for 40 % land.

### Water Supply and Sanitation

- ❖ Basic water supply facility : 87.39 %
  - ❖ Pipe system : 84.1%
  - ❖ Tube Well : 0.65%
  - ❖ Other sources : 2.51%
  - ❖ Rain Water Harvesting : 0.13%
- ❖ 5 year Projection : Basic water supply facility : 95 % and 100 % population will gain Basic sanitation facility.

### Hydropower

- ❖ 43 % of population are access to Energy
- ❖ Production Capacity (Tec.) : 18000 mw
- ❖ Current Production : 8.25 mw
- ❖ 5 year Projection : 90 % people access in electricity and 200 mw power production.
- ❖ 3.75 mw Dwarikhola Hydroelectricity Project in Dailekh district
- ❖ The 55 hydropower projects awaiting permits have a combined installed capacity of 9,359 MW
- ❖ The provincial government will receive 50 percent royalty from these projects, which is estimated to total Rs3.8 billion annually and it will become the richest province in the country.

### Programme on water Resources Management

- ❖ Formulation of Integrated Water Resources master plan.
- ❖ Study of technically feasible hydropower and multipurpose project.
- ❖ Alternative energy and micro hydropower should be promoted where no access of electrification areas of Karnali province.
- ❖ Investment of Provincial government in Bheri Babai multi purpose project and Jagdulla hydropower project

### Programme on Road Sector Management

- ❖ Combined Province government and international investment will be made in co-operation with federal government of **Surkhet hilsa Road**.
- ❖ District headquarters (2) and local level Centre (19) will be connected through roadways.
- ❖ Birendranagar Ring Road will be promoted with foreign investment and feasibility study has completed with the help of Chinese government.
- ❖ Promotion of Electric vehicle and cycle track.
- ❖ Birendranagar Capital City Integrated Infrastructure Development Program.

### Programme on water supply and Irrigation :

- ❖ Water testing moving vehicle will be in operation.
- ❖ Water testing lab will be in operation.
- ❖ Deep boring and lift project will be operated for the household, school and public organization and rural area
- ❖ To improve water supply scarcity in Birendranagar, Bheri lift water supply project will be operated with the cooperation with Nepal government.
- ❖ The Agricultural Land on the bank of Bheri, Karnali, Babai and Sharada river will be irrigated with lift irrigation project.

### Programme on Integrated Settlement

- ❖ Provincial Government has formulated the policy and allocated budget for the Marginalized, decentralized group of people and their Scattered vulnerable settlement transferring into integrated settlement to provide the quality education, health and employment opportunities.
- ❖ As per the socialistic concepts, feasibility study of public private partnerships on strategically important infrastructure project and developed securing the shares of all peoples of Karnali province.

### Infrastructure Development Programs Proposed on the First Five Year Plan (2076/077 - 2080/081)

### Road Transport Infrastructure

S.N.	Program
1	Formulation of Provincial transport master plan
2	Road connecting the district headquarters with the Province capital (Construction of Gamgadhi-Simkot road of state importance as well as upgrading of Baluwangrahi-Salyan Khalanga and Sallibazar-Rukum Muskot roads)
3	Roads connecting local level centers (19 local level centers)
4	Inter-province Road (Kohalpur-Surkhet, Telpani-Bhurigaon, Virendranagar-Chisapani, Kotwada-Ramaroshan, Dolpa-Mustang)
5	Inland Roads (Simkot-Hilsa Road, Manepeme-Limi-Jang-Tibet Border Road, Kharpunath-Dojam-Chwan Khola Road, Piplang-Pali-Nepka Tankya Road, Gamgadhi-Nakchalagna Road and Dunai-Dho Morirna Road)
6	Karnali Corridor Road
7	Bheri Corridor Road
8	Province Capital Infrastructure Development Program
9	People road program
10	One constituency - one road program

### Water Transport

S.N.	Program	Activities
1	Feasibility study on water transport	To conduct feasibility study in Karnali-Bheri, Tila and Hima Rivers in coordination with the federal government.
2	Water transport infrastructure development	To start construction of necessary infrastructures for water transportation as a tourist attraction.
3	Water transport operation	To operate water transport in public-private partnership.

### Electric railways, ropeways and cable cars

S.N.	Program	Activities
1	Feasibility study of electric transport system	To study the overall feasibility of electric transport system such as railways, ropeways and cable cars.
2	Institutional development of electric railways, ropeways and cable cars	To create an environment for the construction of public railways, ropeways and cable cars in public-private partnership.

### Transport Management

S.N.	Program	Activities
1	Traffic safety and awareness program	To conduct traffic safety awareness program to reduce road accidents and to connect necessary modern technology.
2	Establishment of vehicle testing office	Necessary arrangements will be made for vehicle testing in the state capital.
3	Establishment of electric vehicle charging station	An electric vehicle charging station will be established.

### Alternative Energy

S.N.	Program	Activities
1	Alternative energy special program	To expand the use of alternative energy as a reliable source of basic energy in small and cottage industries, agriculture, hospitals, schools and tourist places.
2	Solar mini grid connection program	Construction work will be started after studying solar mini-grid in five Himalayan districts.
3	Biogas plant connection program	Construction work has been started for connection of biogas plants in different districts.

### Hydropower

S.N.	Program	Activities
1	Formulation of integrated water resources and energy development plan	Formulation of integrated water resources and energy development plan
2	Expansion of national transmission line	In coordination with the federal government, Bafkot-Nalsinggad-Phukot 400 KV, Phukot-Vetan-Dodhara 400 KV, Nalsinggad-Kohalpur 400 KV and Kohalpur-Surkhet-Dailekh 132 KV national transmission line expansion work will be started.
3	Karnali's water-people's investment	Investment of local level, private sector, local citizens and non-resident Nepalis will be mobilized for the timely completion of the hydropower projects under construction as per the power purchase agreement.
4	Formation of Province and District Energy Coordination Committee	Energy Coordination Committee will be formed and the project will be formulated, monitored and evaluated.
5	Karnali Ujyalo program	Karnali Ujyalo program will be implemented to electrify the villages without access to electricity by coordinating with alternative energy.
6	Bheri-Wawai Diversion Hydropower Project Surkhet	Construction work of 46 MW hydropower project will be started in coordination with the federal government and 9 MW on the initiative of the state.

**Hydropower (Province Transforming Projects)**

S.N.	Program
7	Jagdulla Hydropower Project Dolpa (106 MW)
8	Nalsinghad Reservoir Hydropower Project Jajarkot (410 MW)
9	Betan Karnali Hydroelectric Project Surkhet (688 MW)
10	Phukot Karnali Hydroelectric Project Calicut (426 MW)
11	Upper Karnali Hydropower Project Dailekh (900 MW)
12	Bheri-1 Hydropower Project (440 MW)
13	Bheri-4 Hydropower Project (300 MW)
14	Humla Karnali-1 Hydropower Project Humla (235 MW)
15	Humla Karnali-2 Hydropower Project Humla (335 MW)

**Rural- Urban, Settlement Development**

S.N.	Program
1	Establishment of standards for systematic city and settlement development
2	State capital smart city construction
3	Jumla smart city construction
4	District Headquarters City (Economic-Business Center) Development Program
5	Development program of new small town (local level center)
6	Safe Integrated Settlement Development Program (200 Safe Integrated Settlement Development in coordination with Union and local level)
7	Public Housing Program (Construction of houses for the deprived, homeless and Dalit communities)

**Irrigation**

S.N.	Program
1	Formulation of Irrigation Development Master Plan
2	Integrated crop and water management
3	Surface irrigation project
4	New technology Irrigation project
5	Maintenance and rehabilitation of operated canals
6	Large multi-purpose water resources project
7	Vulnerable Settlement Protection Program, Large and Medium River Control Program

**Water Supply and Sanitation**

S.N.	Program
1	Water Supply Project (One House One Tap Program)
2	Water Supply program based on new technology
3	Water Supply Security Scheme, Water Supply Quality Improvement Program
4	Construction of public toilets
5	Establishment and operation of state level water testing laboratory
6	Province Capital Drinking Water Special Program

### Opportunities of Provincial government after Federalism

- ❖ Institutional restructuring.
- ❖ Staff adjustment.
- ❖ Formation of Chief Justice, State Public Service Commission and Planning Commission.
- ❖ Formation of other bodies and offices.
- ❖ Planning and budgeting system is institutionalized.
- ❖ Medium term expenditure structure has been institutionalized.
- ❖ Budget guidance and budget schedule implementation.
- ❖ The beginning of the project bank. PLMBIS implementation etc.

### Challenges of Provincial Government after Federalism

- Centralized federal structure.
- Staff management.
- Problems in intergovernmental coordination.
- Challenges in quality law making.
- Lack of working environment and motivation.
- Lack of clear basis for program prioritization and selection.
- In formulating participatory planning.
- Local Infrastructure Development Partnership Program.
- Delay in publication of annual program.
- Small programs, payment problems.

### Problems seen in budget implementation

- Problems in quality control due to lack of adequate technical staff.
- Duplication has been created in the operations of the federal, state and local levels.
- The monitoring mechanism could not be effective due to lack of staff and geographical remoteness.
- Lack of clear procedures (including national park policy and rules).
- Problems in the use of norms of diversified centers due to non-approval of various policy rules and norms of construction work by the states.
- Lack of Construction Material Testing Lab.
- There is a problem in operating the completed schemes from time to time due to lack of necessary budget for maintenance.
- Snow falls most of the time in 24.55% of the area.

### Problems seen in budget implementation

- ❖ Due to lack of adequate budget allocation for the projects under construction, it has taken many years to complete the project.
- ❖ Due to the road structures constructed by various agencies, the structures of drinking water and irrigation schemes have been severely damaged.
- ❖ Supply of explosives used in road construction, approval for transportation will take a long time.
- ❖ Problems related to IEE / EIA in construction works including roads.
- ❖ Disputes over the selection, distribution and fragmentation of distribution-oriented and fragmented schemes based on political influence.
- ❖ Conditional programs have a much lower budget allocation than liabilities.
- ❖ The construction businessmen have contracted contracts without any sense of responsibility.
- ❖ Local levels have not been able to coordinate with other stakeholders as expected.
- ❖ Lack of Baseline database.

### Learned lesson from budget implementation

- ❖ When the budget is released in time, the desired progress can be achieved.
- ❖ Filling the vacancies as per O&M will make the work easier.
- ❖ Monitoring and evaluation practices should be scientific.
- ❖ An effective monitoring mechanism should be set up to maintain the quality of the project.
- ❖ To be easy to implement when the participatory budget is prepared with the direct participation of all stakeholders.
- ❖ To be effective in projects where budget allocation is made only for projects with pre-feasibility study.
- ❖ The morale of the working staff should be high and adequate logistic support should be available.
- ❖ 360° Monitoring system to be effective.
- ❖ There should be adequate discussion among all levels to prevent duplication of programs before budget formulation

### Solution initiatives

- Karnali incentive allowance has been provided to the employees and they have been motivated to come to the state service by improving the adjustment or working.
- Coordination cooperation from the meetings of the Provincial Coordination Council and the Provincial Development Council.

### Way Forward

- Investment on energy sector.
- Initiation towards integrated settlement.
- Development of reliable transport facilities.
- Access of people on clean drinking water and total sanitation.
- Development of tourism places with better infrastructure.
- Introduce PPP, BOT, Cooperative model on development activities

### Way Forward

- Grant for Entrepreneurship to promote Small and Medium Enterprises.
- Energy Assurance at village level.
- Infrastructure funding only for economically justified projects.

