Report on

State of Governance and Integrity in Nepal

Fiscal Year 2025/26

TRANSPARENCY INTERNATIONAL NEPAL
coalition against corruption

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About TI Nepal

Transparency International Nepal (TI Nepal) is an independent, non-partisan, and non-profit civil society organization established in 1996 under Nepal's Association Registration Act, 2034 (1977). TI Nepal works to promote transparency, accountability, integrity, and good governance across Nepal's public, private, and social sectors. As an accredited national chapter of Transparency International, headquartered in Berlin, Germany, TI Nepal focuses on citizen-based action at the federal, provincial, and local levels drawing on global anti-corruption knowledge and standard.

Limitations of the report

This report is based primarily on publicly available information and secondary data sources, supplemented by TI Nepal's own research, observations, and programme experience. As such, it may be affected by limitations in data availability, quality, and timing. The report does not offer legal findings or determinations of wrongdoing. Case examples referenced in the report are drawn from publicly available information, official reports, parliamentary discussions, judicial proceedings, and media coverage; their inclusion is intended to illustrate broader governance and accountability patterns and should not be read as a determination of legal liability or individual culpability.

Legal and Rights Note

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Foreword

Generations of Nepali citizens have struggled to establish a system of government that puts the interests of the people first, one that uses national resources for the betterment of citizens and lifts living standards to a level that is dignified and respected. Those entrusted with governing the country must act ethically to fulfil these aspirations, demonstrating integrity and responsiveness. This requires a governance system that upholds the core principles of democracy, in which power bestowed by voters is exercised under strict checks and balances.

Instead, repeated political movements and frequent regime changes over the past three decades failed to heed these aspirations. Political leaders and parties who came to power promising accelerated development too often placed emphasis on pursuing personal interest and retaining power. Rule of law, good governance, and control of corruption were repeatedly overshadowed by political interest.

For many years, shaped by political patronage and what this report calls 'policy-level corruption', key public decisions escaped effective scrutiny. This weakened accountability, degraded institutional effectiveness, and eroded public trust. The pattern showed no sign of correcting itself, until public dissatisfaction erupted in a countrywide protest led by Gen Z youth in September 2025. Unlike the political movements of 1990 and 2006, which were fought chiefly over political rights, inclusion, and the form of the state, this uprising was directed specifically at corruption, impunity, and the absence of transparency and accountability. The consequences were severe and irreversible: 76 lives lost, invaluable public and private property destroyed, the government forced to resign, parliament dissolved, and fresh elections called. A caretaker government, led by former Chief Justice as Nepal's first female Prime Minister and formed on 12 September 2025, was given a single mandate to hold parliamentary elections within six months.

The March 2026 election marked a turning point. The Rastriya Swatantra Party (RSP), founded three years earlier, won close to two-thirds of seats in the House of Representatives, unseating the parties that had governed Nepal for three decades. This reflects not only a government change, but a wider public awareness that the political parties should no longer ignore public expectations.

Implementation of the new government's Hundred-Point Governance Reform Agenda has shown some initial results: faster public services, finalization of the long-awaited National Integrity Policy and the second National Anti-Corruption Strategic Plan, and amendment of the Public Procurement Act, among others. It is too early to pass judgment on the government's overall commitment to reform, but it is not too early to note the concerns already visible. Questions have been raised about administrative reform and efficiency given the large number of advisors reportedly engaged at several ministries, and the scope of their work. Nor have the Government's decisions and actions prevailed the judicial scrutiny uniformly. Continuing effort is needed to strengthen institutions, improve judicial processes, and ensure political accountability at every level of government including priority legislation on conflict of interest, confiscation of illegally acquired property, whistleblower protection, and amendments to corruption-control laws.

Transparency International Nepal continues to play an independent and supportive role through policy advocacy, citizen engagement, and evidence-based research, and remains committed to supporting Nepal's transition toward a more transparent, accountable, and fair governance system.

As part of its mission to inform the public and other stakeholders about the state of governance and corruption in the country, TI Nepal has produced this report for the first time. We welcome feedback and input that will help improve future editions, which we intend to serve as a trustworthy source of information for public consumption and strategic direction for those in power.

TI Nepal sincerely thanks its members, partners, civil society organisations, media, youth networks, and development partners for their continued support and collaboration.

Madan Krishna Sharma
President

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Executive Summary

Growing public dissatisfaction, combined with long-standing governance concerns and rising demand for accountability, exposed deep structural weaknesses in Nepal's political and administrative systems during 2025/26. Political patronage, weak institutional oversight, and mounting concern about 'policy-level corruption' had, over many years, produced a widespread public perception that important decisions escaped meaningful scrutiny. Unlike Nepal's earlier political movements, the protests that forced this reckoning in September 2025 were directed specifically at corruption, impunity, and the absence of transparency and accountability.

The fiscal year under review in this report consequently spans three distinct governments: the coalition government the uprising removed, the interim government that governed for close to half the year and delivered free and fair elections while maintaining relatively clean record, and the elected government that followed. The March 2026 elections produced a major political realignment: the Rastriya Swatantra Party secured a strong parliamentary majority, and a new government took office on the foundation of a high-level of public expectations for improved governance and stronger accountability.

In response, the government introduced a range of reform measures under its Hundred-Point Governance Reform Plan, including administrative restructuring, review of the assets of current and former political leaders and bureaucrats, and expansion of digital governance systems including a new grievance-handling mechanisms, e-procurement platforms, and financial monitoring tools intended to improve transparency, efficiency, and service delivery. Nepal's continued placement on the Financial Action Task Force (FATF) Grey List has added further urgency to reforms in financial integrity, anti-money laundering, and oversight of high-risk sectors such as cooperatives, real estate, and informal financial networks.

Set against this early reform activity, the institutional baseline the new government inherited remains troubling. Nepal's performance on international corruption and governance indicators, almost all of which describe the pre-transition period rather than the record of the current government, has shown only limited improvement in recent years, reflecting a persistent gap between reform commitments and measurable outcomes over the preceding decade. Investigations, oversight activity, and enforcement efforts have become more visible, but their effectiveness continues to be constrained by legal limitations, institutional capacity gaps, judicial delay, weak inter-agency coordination, and limited conversion of investigations into convictions and asset recovery.

A central and growing concern running through this report is 'policy-level corruption': decisions that create opportunities for private benefit made through formal cabinet, regulatory, or administrative processes rather than through direct bribery or individual misconduct. Because such decisions are difficult to scrutinise through ordinary anti-corruption channels, they represent a distinct and, in some respects, more consequential governance risk than conventional corruption, one that requires legislative and procedural remedies rather than enforcement alone.

Sustaining the current reform momentum will require structural change under both institutional and legal frameworks: stronger transparency and accountability in policy-making, enhanced anti-money-laundering and financial-monitoring systems, strengthened procurement oversight, whistleblower protection, and better coordination among accountability institutions. Civil society organisations, TI Nepal among them, continued to play a significant role during the reporting period in promoting accountability, public awareness, and policy dialogue, seeking to strengthen the link between citizen concern and institutional response.

Nepal's current reform moment is both nascent and challenging. Political change, high public expectations, expanding digital governance, and renewed attention to accountability have created real momentum. Whether that momentum translates into durable improvement will depend on whether these reforms become institutionalised, embedded in regular practice, rather than remaining dependent on individual leaders and the political cycle that brought them to office. If reform efforts are implemented consistently and backed by stronger institutions, Nepal has a genuine opportunity to improve transparency, accountability, and public trust. If momentum is lost and reform efforts remain uneven, the governance challenges documented in this report are likely to persist.

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Introduction

This report covers the period from mid-July 2025 to mid-July 2026 (Shrawan 2082 to Asar 2083) including past trends and follows a structured, non-partisan approach to assessing governance trends, corruption risks, and reform developments in Nepal during a period of exceptional political and institutional change.

The reporting period under review spans a change of government. Most quantitative governance and corruption indicators cited in this report are compiled from data collected substantially before the March 2026 election, and therefore describe the institutional system inherited by the incoming government rather than its own record. This reporting cycle in fact spans three distinct governments: the pre-uprising coalition, an caretaker government, and the elected government that followed.

The findings and analysis reflect information available to TI Nepal at the time of publication. While reasonable efforts have been made to ensure accuracy, completeness cannot be guaranteed, and subsequent developments may not be reflected here.

The analysis draws on multiple sources to ensure credibility and balance. These include legal and policy developments, official government reports, oversight-institution reports, publicly available datasets, internationally recognised governance indicators, media reports, and information generated through TI Nepal's own programmes and engagements. International indicators are used primarily to illustrate trends and Nepal's comparative regional and global positioning, rather than to provide a stand-alone assessment of governance performance.

Selected case examples are included to illustrate corruption patterns, governance concerns, and institutional responses. These are intended to highlight systemic issues and governance vulnerabilities, not to determine the guilt or innocence of any individual.

Insights generated through TI Nepal's own programmes such as policy dialogues, public hearings, stakeholder consultations, citizen reporting mechanisms, and advocacy engagements are also drawn upon, connecting grassroots perspectives with policy-level analysis and grounding the report's findings in citizen experience.

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Political Instability and its Impact on Governance

Political stability has a direct and significant bearing on governance and on corruption. An unstable political environment weakens state institutions over time, producing both gaps in governance and an unchecked rise in corruption. Nepal has been among the countries most affected by prolonged political instability and frequent government change.

Frequent Government Changes, 1995–2025

The People's Movement of 1990 introduced multiparty democracy with the promise of better governance and faster economic growth. Even governments elected with a parliamentary majority failed to complete a full five-year term, undone by the pursuit of power among political leaders. Frequent government changes and weak institutions could not deliver on public aspirations for social and economic development. The Maoist insurgency (1996-2006), followed by the People's Movement of 2006, transformed Nepal into a federal democratic republic, but the nearly nine years taken by two Constituent Assemblies to draft and promulgate the 2015 Constitution not only slowed economic growth but weakened the governance system further and allowed corruption to become rampant.

The federal system that followed has not, on its own, delivered stability or strong governance. Hung parliaments and frequently shifting, unpredictable coalitions often formed between parties with sharply opposing ideologies, or between parties that had contested each other at the polls, have repeatedly prioritised staying in power over the commitments made at the time of elections. Personal interest, patronage, and informal power relations continued to shape decisions and political alignment. This contributed to steady deterioration in the rule of law, weakened institutions, rise in corruption and unchecked abuse of authority. The following data shows a clear example of the frequency of changes in the federal and provincial governments since 2015.

Table 1: Number of changes in the federal and provincial government during 2015-2026

Federal	10
Provincial	41

Source: https://opmcm.gov.np; https://ekantipur.com/news/2025/09/26

Blurred Conflict of Interest

Close links between politicians, bureaucrats, and business interests have repeatedly blurred conflict of interest, allowing the executive to exert influence across all organs of the state and fostering cronyism and policy-level corruption. Over time, the gap between the commitments political leaders made and the actual state of governance widened; transparency and anti-corruption measures proved ineffective, and public trust eroded to a historically low level.

Weakened Oversight and Anti-corruption Agencies

The independence and capacity of Nepal's oversight and anti-corruption bodies have been compromised by appointment practices that favor former bureaucrats and people loyal to the parties in government, or to those represented on the appointing body. Public perception has been that such appointees follow party lines and leadership wishes rather than exercising independent accountability and integrity.

Beyond appointments, specific legal and policy barriers have narrowed the effective scope of investigation and oversight. Two examples illustrate the pattern precisely. First, cabinet decisions have been broadly defined as "policy decisions", a category that, in practice, excludes them from ordinary corruption review, regardless of their content or effect. Second, audit comments raised by the Office of the Auditor General have in many cases been settled by the very office being audited, rather than being resolved independently by the Office of the Auditor General. Both are not general weaknesses but specific, identifiable design choices, and both point directly to where legislative reform, rather than enforcement effort alone, is required. Compounding this, oversight institutions remain dependent on the government of the day for their budgets and staffing, a dependency with both direct and indirect consequences for their ability to operate independently.

Independence of the Judiciary

The judiciary has not remained insulated from politics. Judicial appointments and its decisions have been shaped significantly by political inteference, undermining both independence and professional fitness. Media reported cases include delayed justice, case backlogs, etc. (Myrepublica, May 29, 2026).

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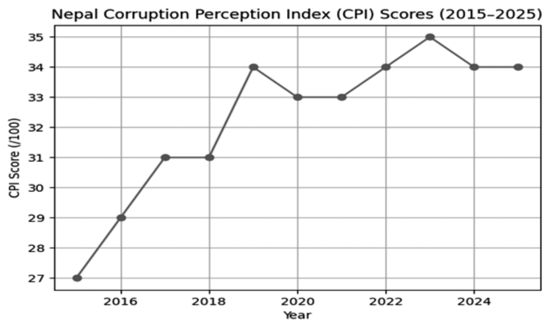
Level of Corruption and Institutional Effectiveness

As set out in the earlier sections, the indicators and datasets discussed in the following sections describe the institutional system as it stood under the pre-uprising government, the government the Gen Z uprising removed, rather than the record of either the interim government or the elected government. They are presented here as the baseline against which the rest of this report should be assessed.

Stagnant Corruption Perceptions Index

Nepal's score on Transparency International's Corruption Perce1ptions Index (CPI) rose sharply between 2015 and 2019, but the period since has been one of relative stagnation, with limited reform outcomes despite continued policy commitments. Several governance assessments point to continuing corruption risks and institutional weaknesses in public procurement, political financing, customs administration, and administrative decision-making (Transparency International, 2026; World Bank, 2024). This stagnation should be read specifically as a description of the state of governance until September 2025 uprising.

Chart 1: Corruption Perceptions Index Scores for Nepal, 2015–2025



Source: Compiled from Transparency International datasets.

Within South Asia, Nepal's CPI score of 34 out of 100 in 2025 places it in the middle tier of the region, trailing Bhutan, India, the Maldives, and Sri Lanka, while some regional peers have shown more visible progress and others continue to face comparable challenges (Transparency International, 2026). The Fifteenth Five-Year Plan had targeted a CPI score of 41 by 2023/24, against an actual score of 34 in 2018/19, a figure that has remained essentially unchanged through 2025. The Sixteenth Plan has set a more ambitious target of 43 by 2028/29, which will require specific, resourced action to achieve.

Continuing Institutional Weaknesses

Broader governance indicators associated with the CPI point to continuing institutional weaknesses. Government effectiveness and the rule of law remain relatively weak (World

Bank, 2024); corruption risk continues to affect business-government interactions (Global Insight, 2024); and governance reforms are often constrained by limited implementation capacity (Bertelsmann Foundation, 2026). Weak enforcement mechanisms and gaps in the justice system continue to reduce the likelihood of timely accountability (World Justice Project, 2025), while corruption remains a material constraint on the business environment (World Economic Forum, 2025). Democratic accountability continues to face challenges, particularly regarding transparency, political integrity, and institutional checks and balances (V-Dem, 2025).

Taken together, these assessments indicate that while policies, strategies, and reform commitments are frequently announced, implementation remains inconsistent. The picture is genuinely mixed: public participation and electoral engagement remain relatively strong, reflecting sustained citizen interest in democratic processes, even as concerns about institutional independence, media freedom, and civic space have grown. This underscores the continuing challenge of balancing institutional stability with democratic accountability and civic participation.

Slow Pace of Improvement in Governance Indicaters

The World Bank's Worldwide Governance Indicators, which measure perceptions of public power exercised for private gain on a scale from -2.5 (highly corrupt) to +2.5 (very clean), show gradual improvement in governance effectiveness, rule of law, and control of corruption over the past decade but a markedly slower pace of improvement in the most recent five years, particularly in corruption control and the rule of law.

Table 2: World Bank Worldwide Governance Indicators, Nepal, 2015–2024

Indicators	*2015*	*2020*	*2024*
Governance Effectiveness	*-1.16*	*-1.03*	*-0.88*
Rule of Law	*-0.60*	*-0.37*	*-0.30*
Control of Corruption	*-0.83*	*-0.70*	*-0.63*

Source: World Bank Data 360.

Political Corruption

The World Bank also draws on the index prepared by the Varieties of Democracy (V-Dem) Institute to assess political corruption, scored from 0 (low) to 1 (high) and covering executive, legislative, and judicial corruption, petty and grand corruption, and corruption affecting both law-making and implementation. Nepal's V-Dem political corruption index stood at 0.62 in 2024.

FATF Grey-List Status

Nepal was placed on the FATF Grey List for a second time in February 2025, having previously been listed from 2008 to 2014. This inclusion stems from Nepal's failure to fully implement the legal, policy, and structural reforms necessary to combat money laundering and terrorist financing. Despite some legislative progress, FATF has highlighted continuing weaknesses in enforcement, investigation, and prosecution of financial crimes, and inadequate regulation of high-risk sectors including cooperatives and real estate (The Kathmandu Post, 22 February 2025).

Corruption Complaints, Investigation and Adjudication

The number of corruption complaints received annually by the Commission for the Investigation of Abuse of Authority (CIAA) has grown many times over the past two decades, indicating both a wider public willingness to report suspected wrongdoing and a broader perception of corruption's reach. CIAA's complaint-clearance performance showed some improvement in 2024/25, reaching a clearance rate of 80.2 percent. However, the number of cases investigated and filed with the Special Court declined sharply over the most recent five-year period (mid-July 2077 to mid-July 2082) compared with the preceding five years, raising questions about CIAA's overall capacity and effectiveness.

Table 3: Complaints Received and Cleared by CIAA

	2004/05	2009/10	2014/15	2019/20	2024/25
Complaints Received by CIAA	4,759	4,295	31,213	25,152	37,026
Cleared	3,709	3,067	21,648	16,952	29,703
	77.9%	71.4%	69.4%	67.4%	80.2%

Source: CIAA Annual Report, 2081/82 (2024/25)

The challenge extends well beyond the investigation stage. Adjudication and resolution of corruption cases often take considerable time, and case outcomes are not always easily understood by the wider public. Delays in judicial and administrative processes reduce the perceived deterrent effect of anti-corruption measures and can undermine public confidence in accountability systems more broadly (World Justice Project, 2025). Most notably, the conviction success rate at the Special Court declined substantially over the past decade: from an average of 73.9 percent across 2015/16–2019/20 to just 49.6 percent across 2020/21–2024/25, with individual years ranging as low as 33.4 percent.

Table 4: CIAA Case Filings, Adjudication, and Conviction Trend, past ten years

Year	Cases Filed by CIAA	Cases Adjudicated by Court	Cases Convicted	Success Rate
2015/16	144	279	167	59.9%
2016/17	154	160	117	73.1%
2017/18	194	174	118	67.8%
2018/19	351	204	180	88.2%
2019/20	441	197	167	84.8%
Five Years Total	**1,284**	**1014**	**749**	**73.9%**
2020/21	113	113	81	71.7%
2021/22	131	148	57	38.5%
2022/23	162	341	114	33.4%
2023/24	201	237	152	64.1%
2024/25	137	393	207	52.7%
Five Years Total	**744**	**1232**	**611**	**49.6%**

Source: CIAA Annual Report, 2081/82 (2024/25)

This report treats the decline as a genuine open question rather than asserting a single cause, but notes that the data already presented above point toward a more specific diagnosis than "CIAA effectiveness" or "judicial efficiency" alone. In the more recent five-year period, cases adjudicated by the Special Court (1,232) substantially exceed cases filed by CIAA (744), implying a growing backlog being worked through rather than a simple decline in CIAA's filing activity, while the conviction rate on those adjudicated cases fell sharply. This pattern is more consistent with either a change in the evidentiary quality of the backlog being cleared, or constraints within the Special Court itself, than with a straightforward decline in CIAA's investigative capacity.

The major corruption cases handled by the CIAA continue to be concentrated in public procurement, revenue administration, public property management, administrative favouritism, and public service delivery (CIAA Report, 2024/25) suggesting that corruption risk remains deeply embedded in these areas despite ongoing efforts to strengthen oversight and enforcement.

The National Vigilance Centre (NVC), established under the Office of the Prime Minister and Council of Ministers, is Nepal's primary agency for corruption prevention and public awareness. Complaints filed with the Centre have concerned irregularities in public procurement, financial irregularities, delays and irregularities in public service provision, conflict of interest among public officials, misuse of resources in development projects, public property and natural resources, and revenue leakage (NVC Report, 2024/25). NVC's role in corruption control remains constrained by its largely recommendatory mandate and limited enforcement authority under the NVC Act, meaning its effectiveness depends heavily on the responsiveness and cooperation of other agencies creating a persistent gap between identifying irregularities and achieving meaningful accountability outcomes.

Irregularities and Non-compliances in Public Financial Management

Oversight institutions, and the Office of the Auditor General (OAG) in particular, play a critical role in identifying systemic weaknesses in public expenditure, financial management, compliance, and internal controls. Successive OAG reports consistently highlight recurring issues, including mounting financial irregularities, resource misuse, and growing arrears (OAG, 2025). Follow-up action, however, remains uneven: the persistent gap between identifying irregularities and ensuring effective enforcement, recovery, or corrective action continues to represent a major governance weakness.

Table 5: Categories of Non-compliance in Public Financial Management, 2019/20–2024/25 (Rs. in Billion)

Categories of Noncompliances	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
To be recovered	27.15	33.75	30.43	23.40	30.13	32.65
To be regularized	24.54	20.71	19.88	17.70	15.11	13.84
Not supported by documentary Evidences	37.46	48.66	59.11	47.20	40.95	36.29
Overdue Advances and Reimbursements	15.24	11.93	10.36	7.30	5.41	5.32
Total Annual Non-compliant Expenditure	104.38	115.06	119.78	95.60	91.60	88.09
Unsettled Balance from Previous Period	418.32	509.53	574.28	678.02	760.55	823.88
Settled During the Year	(13.17)	(50.31)	(16.03)	(13.08)	(28.27)	(66.11)

Cummulative Unsettled Non-complaint Expenditure	509.53	574.28	678.02	760.55	823.88	845.86

Source: OAG 63rd Report 2026

Systemic and Institutional Challenges

Nepal's corruption-control system continues to face significant institutional bottlenecks. Public demand for accountability has risen considerably, most visibly in the Gen Z protests, the loss of life and property, and the abrupt change of government in September 2025, but institutional capacity to respond has not advanced at a desired level within this period.

CIAA lacks the organisational structure, trained personnel, modern investigative tools, and dedicated research capacity needed to address the complexity of corruption modalities shaped by globalisation and rapid advances in information technology. There has been limited focus on preventive, as opposed to reactive corruption-control measures, and legal ambiguity persists around policy decisions taken by politically appointed officials (CIAA Report, 2024/25).

NVC's current organisational structure, resources, and technology are not commensurate with its expanding operational scope and the growing volume of complaints. The absence of clear, adequate legislation makes it difficult to take appropriate action on corruption and irregularities. Because responsibility for irregularities and for corruption is assigned to separate agencies, investigation and enforcement are frequently duplicated, inefficient, or mutually obstructive. There remains no clear legal framework for monitoring the income of public servants, and interest groups have at times obstructed impartial investigation of complaints regarding the misuse, encroachment, or disposal of government properties (NVC Report, 2024/25).

The Special Court, which handles corruption-related cases, remains centralised in Kathmandu. During the last five years, slightly over 50 percent of cases were adjudicated by the court. Its functioning is constrained by centralisation, inadequate infrastructure (land, buildings, equipment, and software) insufficient operational budget, and limited facilities; even where decisions are reached, implementation is often ineffective (Special Court Report, 2025/26.

The core challenge, therefore, is not simply to increase the number of investigations, prosecutions, or anti-corruption initiatives undertaken. It is to build a governance system in which prevention, detection, investigation, adjudication, and enforcement function as a single, mutually reinforcing chain. Stronger coordination among accountability institutions, timely follow-through on findings, and sustained institutional strengthening are essential if governance and integrity outcomes are to improve. Without such reforms, progress is likely to remain gradual and uneven.

The broader implications of these institutional weaknesses are reflected in the high-profile corruption cases, procurement controversies, and public-integrity concerns.

Corruption Risks Across the Sectors

Technology-related initiatives to reduce corruption present a mixed picture. Nepal has made considerable progress in expanding digital governance systems and electronic service delivery, but several digital projects have encountered challenges related to planning, procurement, implementation, cybersecurity, maintenance, and sustainability. As a result, the potential of technology to improve transparency, reduce discretion, and strengthen accountability has often been only partially realised.

Corruption risk remains evident across critical sectors, including health, taxation, customs administration, infrastructure development, natural resource management, and public service delivery. Experience during and after the COVID-19 period demonstrated how emergency procurement and discretionary decision-making can create opportunities for the misuse of public resources when oversight is weakened. Taxation, customs clearance, licensing, and business settlement processes continue to face risks from administrative discretion, political influence, favouritism, and informal payments creating unnecessary costs for citizens and businesses and weakening trust in public institutions.

Delays in Completion of National Pride Projects

Large-scale infrastructure projects, including projects of national pride, have generally experienced delays, cost overruns, contract disputes, and quality concerns. While some of this reflects genuine technical and administrative capacity constraints, allegations of rent-seeking, preferential treatment, and unofficial payment continue to be reported, undermining efficiency, raising development costs, and reducing public confidence in government performance.

Table 6: Examples of Delays in Completion of National Pride Projects

Project	Original Completion Target	Actual / Latest Target	Time Variation
Gautam Buddha International Airport	2017	Operational 2022	+5 years
Pokhara Regional International Airport	2021	Completed 2023	+2 years
Kathmandu–Terai/Madhesh Fast Track	2021	Revised target 2027 (ongoing)	+6 years
Melamchi Drinking Water Project	2007	Water supplied 2021 (full system delayed)	+14 years
Upper Tamakoshi Hydropower Project	2016	Completed 2021	+5 years

Source: Office of Auditor General and National Planning Commission project-monitoring reports

According to a report by a parliamentary subcommittee, Nepal's national pride projects could take at least another decade to finish at current speeds. Over 15 years of implementation, 15 key projects have reached an average completion rate of just 55%, with individual project progress ranging between 20% and 70% (Fiscal Nepal, 2026).

Corruption Cases and Scandals Reported in Media

Investigative journalism and media reporting continued to play an important role in exposing corruption and governance failures during the reporting period. Several high-profile scandals reported in recent years point not only to individual misconduct but to deeper structural weaknesses in decision-making, political accountability, regulatory oversight, and institutional integrity, which are patterns evident across successive coalition governments.

The cases below are presented as illustrative examples, not as a complete account of all controversies reported during the period. These cases in the following section are based on publicly reported allegations, investigations, parliamentary discussion, audit findings, judicial proceedings, and media coverage during this period. Their inclusion does not imply a determination of legal guilt or liability.

Table 7: Some of the Media Reported Corruption Cases and Scandals

Case	Core Allegation	Status / Institutional Response	Sources
Cooperative frauds	Financial irregularities and fraud	Parliamentary investigation committee reported; fugitives largely un-arrested	The Rising Nepal, 23 Feb, 2025
Nepal Trust Land Scam	Trust land transferred/leased under political influence	Under investigation by anti-corruption authorities	The Kathmandu Post, 17 November, 2025
Lalita Niwas Land Scam	Government land fraudulently transferred to private names	One of the largest CIAA cases; charges against former PMs	The Kathmandu Post, 15 February, 2024
Giribandhu Tea Estate	Attempted land swap for real-estate development	Supreme Court struck down 2021 Cabinet decision	The Republica, 12 May, 2024
Patanjali Land Case	Land acquisition beyond applicable limits via Cabinet decision	Regulatory and judicial scrutiny ongoing	The Himalyan Times, 5 June 2025
Cooling-Off Period Bill	Tampering of cooling off provision in the Federal Civil Service Bill	Public and civil society criticism	The Farsight, 6 August, 2025
Pokhara International Airport	Cost variation, irregularities in procurement and tax-exemption	Auditor General and international-agency scrutiny	Fiscal Nepal, 7 December 2025
TERAMOCS Procurement	Telecom monitoring-system procurement irregularities	CIAA charge sheet filed (2025)	The My Republica, 15 May, 2025
Visit Visa Scandal	Visa misuse enabling irregular migration/trafficking	Government investigation and parliamentary debate	The My Republica, 25 May, 2025
Bhutanese Refugee Scam	Fraudulent refugee registration scheme, 875+ victims	Reported to police, investigation ongoing	Ekantipur, 5 Sepatember, 2025

These examples represent only a portion of the corruption-related controversies reported during the review period. Collectively, they illustrate how political influence, administrative discretion, and weak institutional safeguards can be used to secure private benefit at the expense of quality, timely public service delivery in important sectors. Even non-state institutions have periodically faced allegations of financial irregularity, resource misuse, and governance failure, suggesting that accountability challenges extend beyond the formal state and require broader, society-wide integrity measures.

Provincial and Local-level Governance Challenges

At the provincial and local levels, corruption vulnerability remains significant. Procurement processes, grant management, infrastructure implementation, and revenue collection frequently face capacity limitations and weak oversight. While federalisation has expanded opportunities for citizen participation and local decision-making, it has also created new governance risk where transparency, internal controls, and accountability mechanisms remain weak. Allegations involving misuse of authority, conflict of interest, and misconduct within local accountability agencies have raised questions about internal governance standards and the effectiveness of institutional checks and balances. These are concerns of particular importance given that these are precisely the institutions closest to citizens and best placed to serve as a first line of defence against corruption and abuse of authority.

Policy Corruption

Taken together, the cases above point to a governance concern more significant, in some respects, than any single scandal: a growing shift from conventional forms of corruption toward more systemic policy corruption (nitigat bhrashtachar), in which decisions that create opportunities for private gain are made through formal policy, regulatory, or administrative processes rather than through direct bribery or individual misconduct.

This pattern is directly traceable to the institutional mechanism where decisions made at higher political levels such as cabinet decisions, ordinances, regulatory exemptions, special policy arrangements are, in many cases, difficult to scrutinise or investigate effectively precisely because they are interpreted to fall within the same broad definition of "policy decision" that has been used to place cabinet-level choices beyond the reach of ordinary corruption review. The Lalita Niwas land scandal, the Giribandhu and Patanjali land-transfer decisions, the tax-exemption controversies, and the Bhutanese refugee scam each illustrate a variant of the same underlying mechanism: formal decision-making processes used to obscure accountability, shift responsibility, or reduce the likelihood of future legal scrutiny.

Not every controversial policy decision constitutes corruption. But the growing perception that policy can be shaped to favour specific interests has become an important governance challenge. It calls for clear legal definition of policy decisions restricted to wider public interest matters, stronger transparency, conflict-of-interest safeguards, legislative oversight, public participation in policy-making, and independent institutions. Addressing policy corruption will require reducing the opportunity for undue influence within the policy-making process itself with strong enforcement and not only prosecuting its results after the fact.

Impact on Socio-Economic Development

Weak governance and politically sheltered corruption have encouraged short-term, low-accountability returns at the expense of the state, benefiting interest groups close to those in power. Although the economy has remained relatively stable, buoyed by remittance inflows, this stability masks limited employment opportunities for youth, raises questions about sustainability, and reflects the country's failure to capture its demographic dividend. Nepal's economy remains primarily import- and trade-based, which inhibits industrial growth and limits innovation and entrepreneurial opportunity.

Furthermore, Nepal has persistently lagged behind its own development targets and budget commitments over the years, a pattern attributable, among other factors, to poor governance and inefficient use of available resources.

Table 8: Performance Against Key Socio-economic Targets, selected years (abridged)

Year	2020/21		2021/22		2022/23		2023/24		2024/25		2025/26	
Indicator	**Target/ Budget**	**Results/ Actual**	**Target/ Budget**	**Results/ Actual**	**Target/ Budget**	**Results/ Actual**	**Target/ Budget**	**Results/ Actual**	**Targets/ Budget**	**Results/ Actual**	**Target/ Budget**	**Results/ Actual**
GDP growth	7.00%	4.49%	7.00%	5.66%	8.00%	2.16%	6.00%	3.67%	6.00%	4.61%	6.00%	3.85%
Public Debt (% of GDP)	~38–40%	40.73%	~38–40%	~38–40%	35%	~38–40%	~38–40%	~42.67%	~40–42%	43.79%	~40–42%	45.10%
Internal Revenue. Rs. Billion	889.61	761.06	1050.82	984.34	1,240.11	867.07	1,248.20	929.04	1,260.30	1032.39	1,315.00	1127.87
Capital Exp (Execution) Rs. Billion	352.91	228.83	439.65	216.21	380.38	234.62	302.07	192.02	352.35	223.97	407.89	190.85
Recurring Exp. Rs. Billion	948.94	846.21	1003.74	954.31	1,183.23	991.5	1,141.78	929.12	1,140.66	956.58	1,180.98	1,045.25
Education Sector Exp. Rs. Billion	171.71	139.85	178.2	151.48	196.39	167.42	197.29	167.3	203.66	174.9	211.16	164.2
Health Sector Exp. Rs. Billion	90.69	65.15	133.01	93.68	103.09	72.48	83.99	62.45	86.24	70.75	95.81	72
Youth Unemployment (15–24) ILO	≤6%	~21.4–22.8%	≤6%	~20.6–22.6%	≤6%	~20.4–22.7%	≤6%	~20.4–20.7%	≤5%	~20.6–20.8%	≤5%	~20.56–20.82%
Foreign Employment Approval	Safe & orderly migration)	166,698	Safe & orderly migration)	630,000 (approx.)	Safe & orderly migration)	771,319 – 771,327	Safe & orderly migration)	741,297	Safe & orderly migration)	839,270 (record high)	Safe & orderly migration)	792187

Sources: Government Redbook, Budget Speech, Financial Statements of Government of Nepal, Annual Reports of Public Debt Management Office, Statement of Foreign Employment approval of Department of Foreign Employment of the respective years.

Public debt relative to GDP remains at a broadly manageable level, but investment in infrastructure is not being efficiently managed in terms of cost, timeliness, or effective socio-economic return. Public financial management continues to face operational challenges: capital spending is often delayed and falls below target because of slow procedures and weak coordination (Ministry of Finance, 2025). Domestic revenue continues falling short of target, but the public debt shows a general trend of overshooting the targets. These issues have been directly affecting both development outcomes and the quality of growth.

Sustainable Development Goals (SDGs) and LDC Graduation

Nepal's performance on governance-related SDG-indicators performance lags significantly behind the set targets, exposing the country's corruption vulnerability to international stakeholders. Graduation from Least Developed Country (LDC) status will be beneficial only if it is accompanied by a strong governance system, effective corruption control, and domestically driven economic growth. In the absence of which, LDC graduation risks bringing new challenges in the form of lost trade privileges, foreign aid access, and other economic protections.

Table 9: Selected SDG Governance Indicators Results Against Targets

Indicators	Base Year	Actual		Targets	
	2015	2024	2025	2022	2030
Revenue as % of GDP	19.10	18.50	20.80	24.20	26.00
Revenue as % of National Budget	76.00	51.60	56.90	77.90	80.00
Public Debt as % GDP	26.50	42.70	43.80	30.50	35.00
Transparency, Accountability and Corruption Control in public entities (Score Out of 6.0)	3.00	3.04	NA	4.00	5.00
Good Governance Index	-0.78	0.53	NA	1.00	2.00

Source: Economic Survey, 2082/83 (2025/26). (2025 actuals are not yet available for the two governance-specific indicators most relevant to this report.)

The Cost of Corruption

Corruption imposes a profound cost on public finances: governments collect less tax revenue and pay more for goods, services, and investment projects than they otherwise would. The true cost of corruption exceeds the sum of money lost, it distorts spending priorities and undermines the state's ability to promote sustainable, inclusive growth, drawing resources away from education, health, and infrastructure investments that improve economic performance and living standards. Countries that reduce corruption significantly can be rewarded with substantial gains in tax revenue. Public spending on education and health is consistently lower in countries where corruption is higher (IMF, Finance & Development, September 2019).

Because corruption is by nature concealed, much of it is never discovered or prosecuted, making its true cost impossible to quantify with precision. Global estimates of this kind are more accurately described as informed illustrations than measurements. The United Nations and World Economic Forum estimate the global cost of corruption at approximately 5 percent of world GDP; the Royal Institution of Chartered Surveyors estimated in 2021 that, absent significant intervention, up to US$5 trillion could be lost annually to corruption in the international construction sector alone by 2030 (GIACC, 2021). If this global estimate were to be applied in Nepal, the cost of corruption can be roughly estimated around US$2 billion annually based in 2025 GDP.

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The Gen Z Protests and Political Realignment

Decades of unmet promises, rampant corruption and lastly, the government formed in coalition of first and second largest parties in the parliament also could not deliver visible signs of governance improvement and corruption control. This fueled public anger to the bursting level and the Gen Z led protests on 8 and 9 September 2025 forced the government to resign but sadly with the loss of 76 lives and destruction of public buildings, heritage sites, and private properties. Federal Parliament was dissolved and a non-partisan caretaker government was formed with a mandate to conduct parliamentary election within six months.

The Caretaker Government

The caretaker government led by former Chief Justice, who became Nepal's first female Prime Minister, was appointed on 12 September 2025 largely on the basis of professional reputation and a clean record rather than party affiliation or patronage. This marked a departure from the appointment pattern that used to be applied previously.

The interim government's period covered close to half of the fiscal year under review, and, unlike the pre-Gen Z uprising period, was generally clean. Except for a few decisions related to tax exemption and appointments towards the end of tenure, corruption scandals of the kind that used to be normally experienced in the past is not attributed to the interim period. Several of the reform commitments later formalised by the elected government under its Hundred-Point Agenda had, in substance, already been adopted in practice by the interim administration.

The March 2026 Election and Political Realignment

The general election of 5 March 2026 produced a result few had thought possible: the major political parties that had governed Nepal for three decades were set aside. Led by younger politicians and activists, the Rastriya Swatantra Party, established only three years earlier, won close to two-thirds of seats in the House of Representatives. This gave a message that the aspirations of citizens and youth of the current era cannot be satisfied only with promises but with convincing governance reform with tangible results on service delivery.

Current Governance Reforms

This part of the report concerns only the government, in office since March 2026. Because this government has been in office for a matter of months, the findings below are presented as an account of early actions and initial institutional reforms and not a verdict on a governing record that is still being established.

Reform Push and Early Signals

The Hundred-Point Reform Agenda, approved by the newly elected government at its first cabinet meeting on 27 March 2026, places strong emphasis on political integrity, administrative efficiency, institutional discipline, digital governance, and anti-corruption measures (Office of the Prime Minister and Council of Ministers, 2025). A national commitment paper issued on 9 July 2026 set out a wider governance reform agenda spanning economic restructuring, civil service reform, digital governance, infrastructure development, and foreign policy.

A promising early signal of this reform push is the government's dual focus on comprehensive policy alignment and sector-wide integrity standards. The second edition of the National Anti-Corruption Strategy lays out a clear path across constitutional, legal, administrative, technical, and financial dimensions of reform (Government of Nepal, 2025). Complementing this, the new National Integrity Policy prescribes high standards of integrity intended for implementation across all sectors of society, including political parties (Government of Nepal, 2026). These represent significant policy commitments and signal genuine strategic momentum, but they must be backed by sustained political will, actionable legislative follow-through, and robust implementation frameworks if early policy signals are to be converted into measurable, long-term governance outcomes.

One notable initiative is the establishment of a Properties Investigation Commission to review the assets and wealth accumulation of public office holders since 1990, including former prime ministers, political leaders, and senior officials (Government of Nepal, 2025), an important effort to address long-standing concerns about accountability and unexplained wealth. Implementation has, however, faced legal challenge: the Supreme Court recently issued an interim order suspending the Commission's investigation into certain officials pending further judicial review (Supreme Court of Nepal, 2026), highlighting ongoing debate over the scope, legality, and procedural basis of retrospective asset examination.

Visible early actions have included dismissals of politically appointed officials and resignations, rapid investigations, administrative restructuring, and review of earlier government decisions, signaling genuine intent to pursue reform and strengthen accountability. Their long-term significance will depend on whether such actions become part of regular institutional practice rather than remaining isolated interventions. Ensuring transparency, fairness, and strict adherence to due process is essential to sustaining public confidence in this regard. There is wider public concern over the reappointment of the Home Minister within less than two months of his resignation, without the report of the investigation committee examining the controversy over his property disclosure ever having been published.

Administrative Reform and Digital Services

The government has taken initiatives to improve administrative efficiency and public-sector performance, including rationalising the number of ministries and administrative structures, and depoliticisation within the civil service and educational institutions. There has also been a strong push toward digital governance, shifting an increasing number of public services into digital and automated systems intended to reduce administrative discretion, improve efficiency, and enhance transparency (Ministry of Communication and Information Technology, 2025).

These measures have real potential to improve service delivery and reduce opportunities for corruption; their ultimate effectiveness will depend on implementation capacity, institutional coordination, cybersecurity safeguards, and the ability of provincial and local governments to adopt and sustain these systems. On the other hand, increase in the number of advisors at the Prime Minister's Office and some Ministries, and the restoration of personal secretaries to members of parliament, contradicts the government's own commitment towards good governance.

Financial Integrity and Reform Push

Nepal's placement on the FATF Grey List has continued to shape governance and financial-sector reform priorities (FATF, 2025), with greater emphasis placed on financial transparency, anti-money-laundering measures, countering the financing of terrorism, and oversight of high-risk sectors. The Financial Intelligence Unit (FIU-Nepal), the Department of Money Laundering Investigation, Nepal Rastra Bank, and other regulators have expanded monitoring, reporting, and enforcement activity (FIU-Nepal, 2025; Nepal Rastra Bank, 2025). Financial institutions are now required to apply enhanced scrutiny to transactions involving Politically Exposed Persons, beneficial ownership structures, and other high-risk activities (Nepal Rastra Bank, 2025). Greater attention is also being given to informal financial flows, tax evasion and suspicious transactions and unexplained wealth and financial irregularities.

Enforcement, however, remains the central challenge. Converting investigation into successful prosecution, conviction, and asset recovery continues to be a lengthy and complex process. Delays in investigation, legal proceedings, and weak inter-agency coordination continue to affect outcomes and risk eroding public trust.

Nepal's reform efforts are further shaped by international commitments, particularly the UN Convention against Corruption (UNCAC) and regional initiatives such as the ADB-OECD Anti-Corruption Initiative for Asia and the Pacific (UNODC, 2004; OECD & ADB, 2024), which provide guidance, standards, and benchmarks while creating expectations that Nepal will progressively align its legal, policy, and institutional frameworks with internationally accepted anti-corruption and integrity standards. Such commitments have helped drive recent initiatives, including the second National Anti-Corruption Strategic Plan FY 2082/83-2087/88 (2025/26 -2030/31) and the National Integrity Policy 2083 (2026) (Government of Nepal, 2026), however, their effectiveness will ultimately depend on political commitment and sincere implementation, underpinned by a strong institutional accountability mechanism.

Increased Agility of Government Offices and Anti-Corruption Agencies

Recent developments indicate increased attention to accountability, oversight, and institutional performance of government offices and anti-corruption agencies. The alertness and swiftness in action of the government offices, regulatory bodies, and investigation agencies have improved and legal proceedings have increasingly reached senior political figures, including former prime ministers and cabinet members. Authorities have also opened investigations into suspected unexplained wealth, illicit enrichment, and other financial irregularities involving prominent businesspeople and a former deputy prime minister (The Rising Nepal, 2026), a notable shift from previous practice. At the same time, some of these initiatives have faced legal and procedural challenges, including some court decisions not in favor of the government actions (Ratopati English, May 12, 2026).

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Way Forward

An Opportunity for Reform

The year 2026 has created a rare and much-awaited window of opportunity for governance reform. Public expectations and support for change are unprecedentedly high, and political leadership has shown intent to respect public sentiment through time-bound reform direction and greater policy attention to anti-corruption efforts.

Viewed through the National Integrity System lens applied throughout this report, Nepal's accountability framework continues to expand but remains fragmented. Key oversight and accountability institutions are in place, yet their effectiveness, coordination, consistency, and follow-through remain the central challenges. Many recent reform initiatives have been executive led, while concerns persist about uneven institutional capacity and the need to balance rapid action with due process and fair adjudication. The core challenge is no longer initiating reform but ensuring that reform becomes sustainable and embedded across institutions.

Strengthening Political and Legal Integrity

A key priority is strengthening political integrity and closing gaps in the legal and regulatory framework. This requires improved transparency in political financing and decision-making, stronger oversight of high-level public decisions, and enhanced safeguards such as conflict-of-interest regulation, whistleblower protection, extradition and asset-confiscation mechanisms, and stronger asset-declaration systems, alongside advocacy for transparency measures. Laws governing NGOs, the construction sector, and private firms also require amendment.

Legal mechanisms must more effectively support accountability at every level, including stronger frameworks for identifying and addressing unexplained wealth, illicit enrichment, abuse of authority, and conflict of interest. Compliance with international commitments such as UNCAC and FATF standards among them should focus not only on legal reform but also on effective implementation and measurable outcomes. Without stronger enforcement, the risks associated with high-level corruption and policy influence will remain difficult to address.

Improving Institutional Coordination and Effectiveness

Institutional effectiveness remains a central challenge. While many oversight bodies are active, coordination among them is often limited. Strengthening collaboration among CIAA, the Office of the Auditor General, the National Vigilance Centre, the Department of Money Laundering Investigation, the Financial Intelligence Unit, and other relevant agencies is essential. Similarly, investigative findings, audit observations, and monitoring reports must be translated into timely corrective actions and enforcement outcomes.

Without stronger coordination and consistent follow-up, anti-corruption efforts will continue to deliver limited results despite increased investigative activity.

Expanding Digital Governance with Safeguards

The expansion of digital governance presents a significant opportunity to reduce corruption risk and improve government performance. E-procurement systems, digital financial-monitoring tools, online service-delivery platforms, and electronic grievance mechanisms can improve transparency, reduce administrative discretion, and strengthen accountability, while supporting real-time monitoring, better record management, and more responsive public services. Digital systems must nonetheless be implemented carefully and with appropriate safeguards such as data protection, cybersecurity, privacy standards, system interoperability, and independent oversight.

Linking Economic Governance and Accountability

Governance reform should be closely integrated with economic policy and public financial management. Improving transparency in public expenditure, strengthening procurement systems, enhancing oversight of state-owned enterprises, and ensuring accountability in large infrastructure projects can together support better development outcomes and improve investor confidence. Particular attention should be given to high-risk sectors such as infrastructure, energy, natural resources, and financial services, where strong governance arrangements can reduce corruption risks while enhancing economic growth and public trust.

Strengthening Civic Engagement and Social Accountability

Sustainable reform will also depend on meaningful citizen engagement. Mechanisms such as public hearings, social audits, citizen report cards, public consultations, and community monitoring can strengthen accountability, particularly at the provincial and local levels. Civil society organisations, professional associations, academia, community groups, and citizens all have important roles to play in monitoring governance and promoting accountability. In addition, expanding citizen reporting systems and civic participation platforms can help ensure that public concerns are reflected in policy discussion and decision-making processes. Broader engagement with media, youth groups, the private sector, and professional networks can help sustain public demand for reform, with strong collaboration among government, civil society, and citizens is vital for sustained reform.

Implementing the 100-Point Agenda

The real test of translating all the above initiatives into reality primarily lies in the effective implementation of 100-point agenda adopted by the Government of Nepal which requires coordinated efforts with time bound actions for tangible outcomes.

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TI Nepal and its Approach

Strategic Direction

Established in 1996, Transparency International Nepal is a leading civil society organisation working on corruption, integrity, and governance in Nepal. Over time, its role has expanded from primarily raising public awareness to engaging directly with policy reform, institutional accountability, and governance processes. TI Nepal positions itself at the intersection of citizen demand and institutional accountability, seeking to strengthen both public participation and the effectiveness of governance institutions.

Under its 2023-2027 Strategic Plan, TI Nepal takes a multidimensional approach to promoting transparency, accountability, and integrity, spanning anti-corruption and governance reforms, citizen awareness and youth engagement, partnership-building and institutional capacity strengthening. In the current period of political transition and renewed public interest in governance, this approach remains highly relevant.

TI Nepal's Key Advocacy Efforts

Reinforcing policy accountability: During 2025/26, TI Nepal conducted public advocacy efforts focused on accountability and governance reforms. Through advocacy campaigns and public engagement, it highlighted proposed legal and policy changes that were widely perceived as potentially weakening accountability mechanisms and promoting impunity.

Strengthening youth-led anti-corruption momentum: TI Nepal expanded its engagement with youth groups and emerging civic leaders, including representatives associated with the broader reform and governance movement that gained prominence during 2025 and 2026. These interactions focused on citizen-driven demands for transparency, accountability, and governance reform.

Promoting electoral integrity: During the House of Representatives Election in March 2026, TI Nepal issued public appeals and advocacy messages promoting transparency, fairness, accountability, and compliance with electoral laws, with a focus on ethical conduct in electoral processes.

Highlighting risks of political financing: TI Nepal continued with its public engagement and awareness activities highlighting the risks associated with opaque political financing and undue financial influence in elections. It advocated greater transparency in campaign financing and stronger oversight of political funding.

Enhancing awareness of corruption trends: TI Nepal disseminated findings from the Corruption Perceptions Index (CPI) 2025 through media engagement, public discussions, and stakeholder interactions, focusing on corruption trends, governance weaknesses, and reform priorities.

Supporting the reform momentum: TI Nepal publicly recognised positive governance and accountability initiatives introduced under the new government. It engaged constructively on reform measures while maintaining an independent and critical perspective where necessary.

Continuing Media Engagement: TI Nepal engaged with media through interviews on television, radio, print media and press release in bringing the pressing governance and corruption issues to the public notice and advocating for good governance and relevant actions to promote integrity and corruption control.

Project Initiatives: GIN and CGIP (2025/26)

During 2025/26, TI Nepal implemented two major programmes: the Governance Initiative Nepal (GIN) and the Climate Governance Integrity Project (CGIP).

GIN focused on strengthening transparency, accountability, and citizen participation in governance and public service delivery, bringing together government institutions, civil society organisations, media, youth groups, and citizens to discuss governance challenges and identify solutions. CGIP focused on promoting transparency, accountability, and integrity in climate governance and natural resource management, working with local governments, communities, civil society, and other stakeholders to strengthen oversight of climate-related decision-making and resource allocation.

Both projects shared a common objective of strengthening the link between citizen voice and government action and, emphasised practical accountability measures, citizen engagement, and institutional responsiveness, contributing to strengthened accountability and transparency within the national and local institutions they reached.

Outlook 2026/27

Looking ahead, TI Nepal aims to make its advocacy and programme interventions increasingly result-oriented, creating a stronger cycle in which citizen feedback informs advocacy, advocacy informs policy discussion, and institutions respond through concrete reform and action. In the current reform environment, there is a growing need to translate public concerns into practical policy and legal reforms, with priority areas being political integrity, transparency in public decision-making, conflict-of-interest management, public procurement, and anti-corruption measures. TI Nepal will continue to maintain a strong grassroots presence, ensuring that local priorities and citizen concerns inform national policy discussion. A balance between bottom-up engagement and top-down policy advocacy remains central to its strategic approach.

To maximise impact, TI Nepal will continue to focus on sectors where corruption risk remains high and accountability measures are most needed. They are public procurement, infrastructure development, public service delivery, climate finance, natural resource management, and public financial management.

Building partnerships remains a core element of TI Nepal's approach. These partnerships include working with civil society organisations, media institutions, youth networks, professional associations, academic institutions, private-sector actors, and development partners so that they contribute to strengthening collective action against corruption, while maintaining structured and constructive engagement with government institutions.

Credibility, Evidence and Public Role

In the current political environment, TI Nepal is placing increased emphasis on evidence-based advocacy and timely public engagement. Research, policy analysis, citizen feedback, and data-driven public communication will continue to be used to highlight governance challenges and sustain attention on corruption risk and reform opportunity. TI Nepal's position as a non-partisan and independent organisation remains one of its greatest strengths, enabling it to engage constructively across political lines while maintaining its focus on governance, accountability, and integrity.

In the period ahead, maintaining credibility will remain essential, and will depend on consistency, transparency, evidence-based positions, and responsiveness to emerging governance challenges. During a period of rapid changes in Governance landscape, TI Nepal's ability to combine principled advocacy with constructive engagement with key stakeholders will remain ccritical to strengthen anti-corruption efforts in Nepal.

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For Information :

TRANSPARENCY INTERNATIONAL NEPAL
coalition against corruption

P.O. Box: 11486
57/62, Chhakkubakku Marga, New Baneshwor
Kathmandu, Nepal
Phone: 977-1-4575062, 4575262
Fax: +977-1-4575112
Toll-free tel. no.: 1660 01 22 211
Email: trans@tinepal.org
Website: www.tinepal.org
/tinepal