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Research Report

What drives policy change in Nepal? A comparative analysis

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Report

What drives policy change in Nepal?

A qualitative comparative analysis

Tiina Pasanen, Barbara Befani, Nirjan Rai, Saumitra Neupane, Harry Jones and Danielle Stein

June 2019



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Acronyms and key definitions

ADB	Asian Development Bank
BAP	Bagmati Action Plan
BRBIP	Bagmati River Basin Improvement Project
Calibration	process of setting rules to convert case-based information on conditions into numeric or logical values (for example, 0 or 1)
CF	community forestry
CFUG	community forest user group
CIDBC	Committee for Integrated Development of the Bagmati Civilization
Conditions	characteristics of the cases that are selected for analysis
Configuration	combination of conditions or 'pathways' leading to the outcome
Danida	Danish International Development Agency
DFID	Department for International Development (UK)
DoTM	Department of Transport Management
DPC	Development Policy Credit
DUDBC	Department of Urban Development and Building Construction
DUI	driving while under the influence
EPI	Economic Policy Incubator
HIID	Harvard Institute for International Development
IMF	International Monetary Fund
IOM	Institute of Medicine
JICA	Japan International Cooperation Agency
LPG	liquid petroleum gas
MoFALD	Ministry of Federal Affairs and Local Development
NEA	Nepal Electricity Authority
NGO	non-governmental organisation
Norad	Norwegian Agency for Development Cooperation
Not (yet) successful	policy reform that has not been not implemented as intended (for example, formal legislation may have been passed, but has not yet been implemented in practice)
NPC	National Planning Commission
OPMCM	Office of the Prime Minister and the Council of Ministers
PBGS	performance-based grant system
PDIA	problem-driven iterative adaptation
PPMO	Public Procurement Monitoring Office
QCA	qualitative comparative analysis

Rubric	description of the scale of a condition's values
SC	Supreme Court (Nepal)
SEBON	Securities Exchange Board of Nepal
Successful case study	policy reform that is largely implemented as intended
TSA	treasury single account
UML	United Marxist Leninist
UNCDF	United Nations Capital Development Fund
UNCHS	United Nations Human Settlement Programme (now UN Habitat)
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme (now UN Environment)
USAID	United States Agency for International Development
VAT	value-added tax

Executive summary

This study investigates factors driving policy change in Nepal. It builds on 18 case studies, including many of the most important and surprising changes in the country over the past 30 years, such as the end of load-shedding, road expansion in Kathmandu and the community forestry initiative.

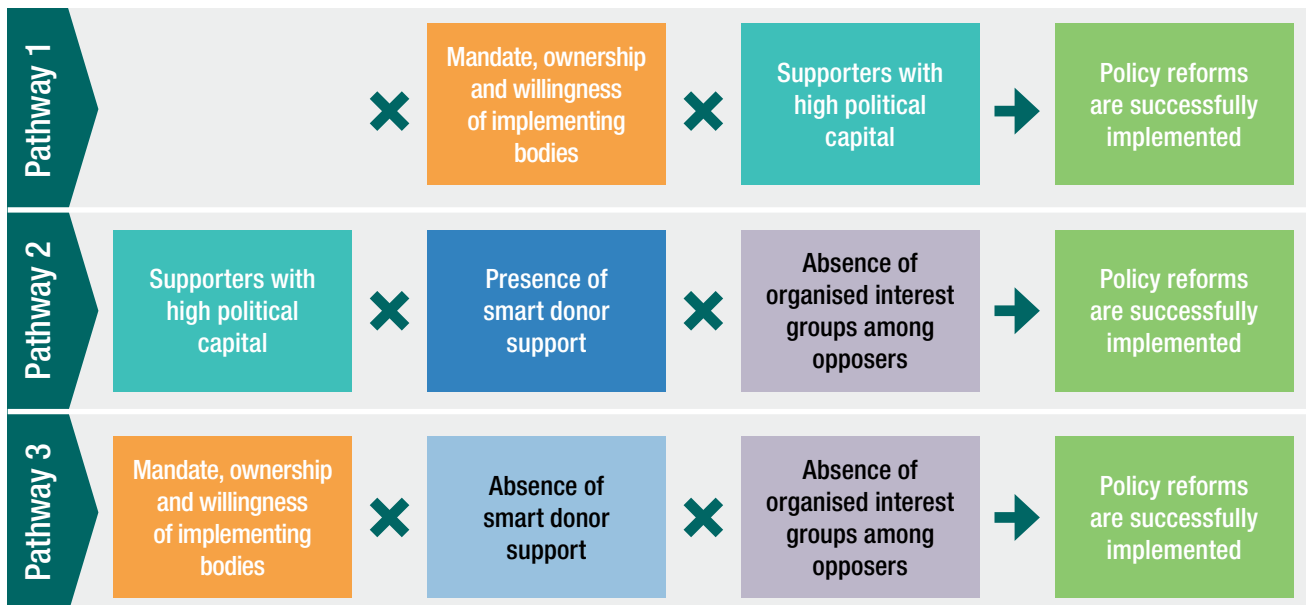
However, instead of conducting an exhaustive and comprehensive analysis of each individual case study or focusing on specific sectors, as is often done, this study aims to identify patterns across case studies in a systematic and rigorous manner. More specifically, it explores the conditions (factors) and combinations of conditions (pathways) associated with successfully and not (yet) successfully implemented policy reforms. By ‘successful’ policy reforms, we mean reforms that have been implemented in practice largely as planned, rather than just formally adopted.

This study uses qualitative comparative analysis (QCA) to analyse the cases. QCA is a useful and robust method of cross-case comparison, which allows complexity of causality. This means, for instance, that numerous pathways can lead to the same outcome, as we found in our study.

In our study, we found that no single condition was strictly required (*necessary*) for successful policy reform. Rather, several conditions were *sufficient*¹ for success, meaning that whenever these conditions were present, the reform was successfully implemented. The condition that was most often present in successful policy reform was ‘mandate, ownership and willingness of implementing bodies’. How this and other conditions are defined and rated is explained in Section 2.

However, as the successful implementation of policies is seldom the result of a single factor, we also identified several pathways to success. Figure 1 shows the pathways to successfully implemented

Figure 1 Pathways to successfully implemented policy reforms in the four-condition model I



Note: x = in conjunction with.

1 See Section 4 and Annex 2 for more details on necessity and sufficiency analysis.

policy reforms in our four-condition model, which includes the following conditions: (1) mandate, ownership and willingness of implementing bodies; (2) supporters with high political capital; (3) smart donor support; and (4) absence of organised interest groups among opposers.

Pathway 1 Alignment of political capital and the mandate and ownership of implementers

Policy implementation was successful in cases where supporters with high political capital and implementers with mandate and willingness were present. As this pathway is the only one in the four-condition model that sees a policy implemented regardless of organised opposition, this indicates that aligning political and bureaucratic interest is a powerful combination.

Pathway 2 Political capital with smart donor support and no organised opposition

The second successful combination is having supporters with high political capital, smart donor support and no organised opposition. It is worth noting that this is the only pathway in the model where smart donor support is present.

Pathway 3 Implementer-led change without organised opposition

The third pathway shows us that there are several cases where donor support is not needed, as long as implementers with mandate and ownership are driving the change and there are no interest groups to oppose it.

The research was highly iterative, and several models were tested. However, the combinations that explain most of the successful case studies are roughly similar across all of the models we tested.

Our QCA study highlights the following:

Implementing bodies and meaningful ownership are important to success

Not only are implementers with mandate and ownership present in those pathways that cover the highest number of successful cases, but their absence from unsuccessful pathways (see Section 4) underscores their crucial role. Moreover, this suggests that it is worth paying attention to whether the government is actually motivated and committed to acting on the policy, rather than merely seeking formal sign-off or alignment with existing policy priorities.

Supporters with high political capital are not sufficient to drive policy change in the absence of other factors

Though policy champions and supporters with high political capital play a decisive role in ensuring that reforms are implemented, based on our analysis, supporters alone are not sufficient for (or necessary to) success. Rather, their support needs to be combined with other factors, namely, strong implementing bodies or smart donor support.

Interest groups can block reforms, but cannot easily drive them

Our analysis shows that it is more important to avoid organised opposition than to try to win organised support. The results indicate that while organised interest groups are not a significant factor in getting a policy implemented, they can block it from effective implementation, though only if combined with other key conditions.

Donor support can be influential, but only under certain conditions and if it is 'smart'

The study highlights that donors can influence whether policies are implemented effectively, but that their influence is relatively limited in situations where there is political weight behind a policy, there is no organised opposition and support is 'smart' (that is, well timed, well targeted and well framed). Donors can also influence by way of the 'political capital' condition in cases where they have provided a large proportion of the budget. How likely this kind of influence is in future is discussed in Section 5.

Based on these results, we recommend that programmes seeking to influence policy implementation in Nepal:

Recommendation 1 Understand the political economy of issues, be responsive and adaptive

Our study shows that it is important to start with a thorough political economy analysis and focus specifically on the relationships between implementing bodies, the political capital of supporters and the nature of donor support. This can help to assess and predict potential areas of political interest, government ownership and organised opposition. These elements may not remain constant, so the ability to adapt and respond to changing circumstances will be needed, especially now that the country is moving towards federalism (see Section 5, Box 2 for more).

Recommendation 2 Pay attention to the implementing bodies, not just the champions

Groups and organisations are often advised to find a policy with a ‘champion’ or ‘owner’ willing to push it over the line, but our findings suggest that this is not enough: one needs to pay attention to the implementers. Seeking out policy areas where political and bureaucratic interests align may be a fruitful area for donors to work with government to develop solutions,

broker agreements, etc. This leads us to our final recommendation.

Recommendation 3 Work within the confines of what might feasibly be implemented

In many cases, influencing the factors identified in this study (such as organised opposition or high-level supporters) is likely to be challenging. It may be more realistic to support aspects of a policy area where the government has already invested resources and shown interest and ownership, and work within the confines of what might feasibly be implemented. While donors may have limited influence on whether policies are implemented, they may be better placed to support the content of the policies that are likely to be implemented and, thus, to increase the efficiency or effectiveness of reform.

Further studies and development

In many ways, this is an exploratory study. It is hoped that other studies can build on and refine it, for example, by adding more cases (especially unsuccessful ones) or disaggregating some of the conditions (such as ‘mandate and ownership of implementers’) to gain a more nuanced understanding of the factors that drive policy change. Moreover, it is hoped that this study will be developed into a practical tool to help organisations to assess the chances of policy change in Nepal as opportunities arise.

1 Introduction

1.1 Background

This study investigates the factors driving policy change in Nepal. Policy-making is a complex, multidimensional and highly contextual process (Jones et al., 2012) – and not just in Nepal. Theories of how policy change happens vary from broad global theories, such as ‘large leaps’ (Baumgartner and Jones, 1993) and ‘policy windows’ (Kingdon, 1995), to more tactical propositions, such as ‘diffusion’ (Rogers, 2003) or ‘messaging and framework’ theory (Tversky and Kahneman, 1981). Their usefulness in untangling assumptions about the inner workings of the policy-making process depends on context (Stachowiak, 2013).

Policy-making in Nepal takes many forms. In some cases, legislation is passed, but not implemented, resulting in no concrete action. In other cases, reforms take place without any formal legislation. A large number of studies and analyses (including political economy-type analysis) have been conducted on economic transformation in Nepal, examining how change happens (or does not). Many of these studies have a sectoral focus, concentrating on, say, natural-resource management (hydropower, forestry, etc.), tourism, transportation, employment or the labour force (see, for example, Springate-Baginski et al., 2003; Thapaliya et al., 2006; Jones, 2013; Harris et al., 2013). These studies usually examine the drivers and challenges of development, the relevant policy processes, the wider political context and the implications for the future. While this paper builds on what has been written, it takes a new perspective on the topic and uses a new cross-sectoral methodology.

As a precursor to this study, in 2017, at the request of the UK Department for International Development (DFID), part of this research team carried out a study on the drivers of

policy change in Nepal in order to inform the Department’s Economic Policy Incubator (EPI) programme. The study investigated six case studies, using cross-case analysis to examine five reform-related factors hypothesised by DFID: (1) the self-interest of a powerful bureaucratic body; (2) a locally transferrable model and widespread demand; (3) high-level political leadership; (4) strong and organised sector interests; and (5) crisis narrative and public pressure. The first study concluded, among other things, that strong local transferability and demand could be a major driver of political reform, but that political leadership, alone, was unlikely to be sufficient to drive policy change in the absence of other factors. The study also concluded that some of these conditions needed to be explored in greater detail and that additional case studies would probably bring new insights.

By adding 12 new case studies, broadening the range of potential influencing factors and using a QCA, we aim to identify the conditions and pathways associated with successful and not (yet) successful policy reform. We don’t focus on any particular sector, but take a cross-cutting, bird’s eye view in a bid to identify commonalities and patterns in a range of cases. As far as we are aware, this is a first time QCA methodology has been used to identify pathways for successful policy implementation.

This study was commissioned by the EPI programme to shape its work and contribute to broader knowledge in the field. The EPI programme is a joint project by DFID and the Ministry of Finance of Nepal, aimed at strengthening Nepal’s economic policies and policy processes through flexible approaches, instruments and entry points. It also aims to build strong partnerships with local stakeholders, including government agencies, civil-society organisations and the private sector.

1.2 Purpose, scope and limitations

The purpose of this study is to build on the understanding of what drives policy change in Nepal. Specifically, it addresses the research question of what conditions and pathways (combinations of conditions) are associated with policy reform in Nepal. We look at 13 successfully implemented policy reforms and five cases where policies has not been implemented, including cases where formal legislation was passed, but policy was never enforced in practice. This ‘implementation gap’ is a common issue globally, not just in Nepal (see, for example, CIPE, 2012).

It is important to note that we do not assess the quality or impact of the reforms, but focus solely on whether the policy change was implemented as intended, in line with its stated aims for a sustained period of time. How we define this is described in Section 3. We also need to bear in mind that while the selected case studies represent a range of policy reforms and cut across sectors, they may not be representative of all policy reforms in Nepal.

In the development sector, a lot of effort has been put into building institutional capacity; many attribute poor policy implementation to

a lack thereof. While we collected information on the ‘strength’ of Nepal’s legislating and implementing bodies and the incentives for them to take action, assessing the organisational capacity of those bodies was beyond the scope of this paper. Rather, we focused on the implementing bodies’ mandate, willingness and ownership to act on policy.

1.3 How to read this paper

This paper is divided into five sections. Following this introduction, in Section 2, we discuss why we chose QCA and how we applied it to this study. Also in Section 2, we present the key conditions and their scales. In Section 3, we introduce the 18 case studies (6 old, 12 new) and the information we have collected on key conditions. Those readers who are more interested in the results of the QCA and less interested in the details of each case study, may want to jump to Section 4, where we present a series of QCA analyses and highlight the pathways found in three- and four-condition models. Section 5 discusses the implications of these findings for organisations and programmes that want to influence policy in Nepal. More information on QCA analysis can be found in the annexes to this report.

2 Methods and study design

This section briefly introduces QCA and why we chose it for this study. It explains how the conditions were developed, then introduces each one and its scale.

2.1 What is QCA?

QCA is an analytical approach aimed at **systematic cross-case comparison**. An outcome is identified for each case, along with a series of factors or conditions assumed to have causally affected the outcome. Data are collected to test or refine these causal relationships and to determine which ones are most strongly supported by the empirical evidence. QCA is underpinned by configurational or multiple-conjunctural causality. This means that **causal factors are assumed to act as a ‘package’ rather than on an individual basis**.² QCA brings together the best of qualitative and quantitative methods and performs particularly well in terms of reliability, credibility and transferability of findings.³

QCA is based on set theory and dichotomous or multiple-point ordinal scales. This means that **QCA allows for the analysis of causal necessity and sufficiency**. In other words, QCA allows the researcher to discover not only which factors are associated with an outcome, but also which factors are required for an outcome, and which factors are sufficient to trigger the outcome without being required for its occurrence.⁴ In order for cases to be compared, both causal

factors and outcomes need to be ‘calibrated’ into numerical values, following the same conversion approach in all cases. The standard values are ‘0’s and ‘1’s, but more fine-grained scales of four to six values are also possible. For more information, please see Befani (2016).

2.2 Why did we choose QCA?

As mentioned in the introduction, policy-making is a complex, multidimensional and often highly contextual process. The successful implementation of policies is never the result of a single factor. Arguably, it stems from the interplay of several factors, which can be decisive in certain circumstances, but irrelevant in others. Certain basic conditions may be required for a policy to be implemented, but they may not be sufficient in and of themselves to always guarantee that outcome. At the same time, successful implementation may take many paths: depending on the sector, the interests involved and the political circumstances, different ‘winning formulas’ may be observed.

QCA was chosen for this study as it allowed the research team to make sense of the complexity of policy-making. While QCA does not reconstruct the policy process in detail or set out the various milestones on a timeline, it allows cases to be grouped into typologies that provide insight into the basic ingredients that make various policies work. Just as it cannot be

2 For instance, in regression analysis, causal factors usually act independently from one another, while in QCA, the causal package as a whole is assumed to affect the outcome, and the value of single factors is dependent on context or other causes.

3 QCA is rigorous in the sense that, given the same dataset and type of analysis, the findings are always going to be the same, no matter who performs the synthesis.

4 This is also known as ‘causal asymmetry’.

assumed that all policies work in the same way, nor can it be assumed that no similarities or trends will emerge from such cases.

In practical terms, from a database of complex information on a medium number of policies,⁵ QCA conducts a synthesis of information that simplifies the reading database, to causally relevant case information, allowing cases of a similar typology to be identified. This ‘middle-range’ level of complexity (Merton, 1949) allows for a relatively fine-grained understanding of the cases, while at the same time providing a general overview of the whole set.

Annex 1 includes a discussion on the caveats to and limitations of this approach, as well as questions on its external validity.

2.3 The QCA process in this study

The process of applying QCA to this project entailed six key steps, which are captured in Figure 2 and then explained in more detail:

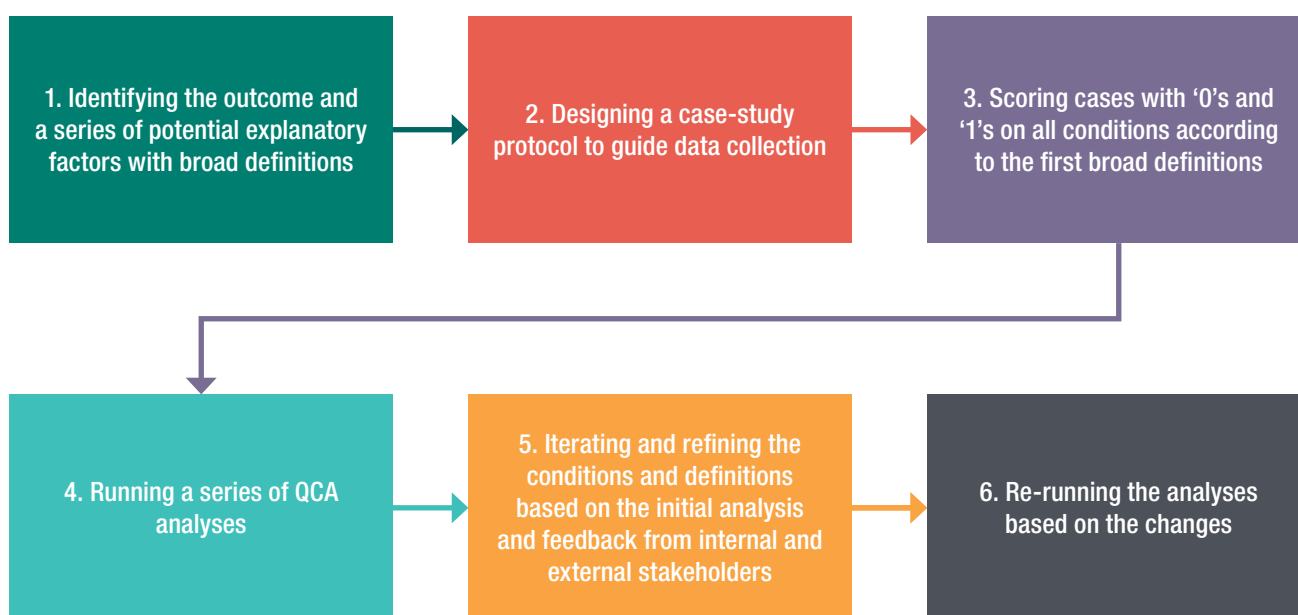
Step 1 Identifying the outcome and a series of potential explanatory factors with broad definitions. The first study, combined with the research team’s own experience of Nepal and

its policy reform, provided the basis on which the research framework was initially developed and the first key conditions identified. How we define outcomes is explained in Section 3. After further discussion, it was decided to switch to a more comprehensive approach and build a broader framework than the one used in the original six-case study. This made it possible to test a large range of potential conditions and combinations thereof.

Step 2 Designing a case-study protocol to guide data collection. Case-based narrative data were stored in MS Excel, allowing the systematic comparison of in-depth information on conditions for each case, leading to a ‘bottom-up’ calibration approach, as suggested by Befani (2016). Initially, the study protocol was piloted on six case studies, before being revised slightly and extended to the other cases.

The information related to the implementing or legislative bodies involved in the reform; the groups, stakeholders or interests involved, and various other characteristics pertaining to actors and beneficiaries. We considered stakeholders that supported and/or opposed the policy, or that played a technical, political or administrative role in it.

Figure 2 The QCA process in this study



5 A medium number of policies roughly refers to an interval of 5 to 30.

Step 3 Scoring cases with ‘0’s and ‘1’s for all conditions based on the first broad definitions.

There were some uncertain cases close to the mid-point and the value assigned to these cases affected the definition of those conditions (or the ‘calibration process’) for all of the other cases. Following this ‘bottom-up’ approach, the research process ended with the assignment of ‘0’s or ‘1’s to all of the key conditions, consistent with the values assigned across all 18 cases.⁶

Step 4 Running a series of QCA analyses on the obtained Boolean dataset:

- The superset analysis (or ‘necessity analysis’) allowed the team to check whether any condition was necessary to success, or was lacking.
- Two types of ‘sufficiency analysis’ (the subset analysis and the Boolean minimisation) allowed the team to identify a series of pathways that consistently led to success (or lack thereof) and to discover which pathway groups were able to cover the entire dataset, accounting for and ‘explaining’ the total amount of case diversity.
- An INUS (‘insufficient but necessary component of an unnecessary but sufficient cause’) analysis allowed the team to understand which individual conditions made the difference between success or a lack thereof and under which circumstances.

Based on the findings of the first analysis of the extended (long) models, we could see which conditions seemed more important, so we prioritised those to test new, more parsimonious models in subsequent iterations. In steps 4 and 5, we dropped the conditions that had conceptual overlap with others or weak explanatory power, that were

missing or had unclear values. The list of those conditions can be found at the end of this section.

Step 5 Iterating and refining the conditions and definitions based on the initial analysis and feedback from internal and external stakeholders.

The process was highly iterative: after a complete first round of case selection, calibration and dataset analysis, the team reviewed the findings and realised that some of the rubrics did not properly reflect the reality and diversity of the cases. As a result, the rubrics were refined and some values adjusted accordingly. A workshop was held in Kathmandu with stakeholders with knowledge of the policy process to review the cases and rubrics and to ensure all of the data were consistent with the Nepali context.

Step 6 Re-running the analyses based on the changes. Any revision to the dataset required all the analyses to be repeated from scratch, yielding new findings. It is worth noting that the new findings were largely similar to the previous ones, which confirmed their robustness. The QCA procedures are potentially sensitive to even a single change in a dataset, so to make these small changes and still obtain the same findings proved that the findings are not sensitive to potential errors in measurement and data collection. Notably, the final findings presented here are largely similar to those of the second iteration performed during the workshop in Nepal.

2.4 Key conditions

After numerous tests and iterations, we discovered that the clearest model, which was the best fit for the set of 18 cases, incorporated nine conditions. These conditions are presented in Table 1, along with their descriptions and scales (rubrics).

⁶ A possible limitation of our study is that not all individual values were checked by external stakeholders or experts. However, the research team consists of multiple experts and many of the individual values were discussed within the research team and beyond. Also, the research team did several iterations and the key findings remained relatively stable.

Table 1 Key conditions, descriptions and scales

Condition	Mandate, ownership and willingness of implementing bodies
Scale/rubric	<p>There are usually multiple relevant implementing bodies for each policy. Each body is designated as ‘strong’ or ‘weak’, depending on whether it has the power, will and mandate to act on the policy in question. It is then assigned a value of ‘0’ or ‘1’, depending on that score. The overall case score is ‘1’ if the policy has at least one ‘strong’ implementing body, otherwise ‘0’. Below are the definitions of ‘strong’ and ‘weak’ consistently applied across cases.</p> <p>STRONG (1): An implementing body is deemed ‘strong’ if it has political will, ownership and the kind of decision-making power that can directly determine who is affected by a given policy. Specifically, it needs to fall under at least one of the following categories:</p> <ol style="list-style-type: none">1. It has the overall mandate or responsibility for implementation, management or coordination of the policy.2. It allocates the resources for policy implementation.3. It recommends who should benefit from the main opportunities and resources offered by the policy, such as insurance pay-outs, vehicle registrations, potential public listing (via initial public offering, or IPO), or (production of and) access to electricity. <p>WEAK (0): An implementing body is deemed ‘weak’ if it has responsibilities in the implementation process, but no political will or decision-making power to directly determine who is affected by the policy, for one or more of the following reasons:</p> <ol style="list-style-type: none">1. Its formal power to implement the policy is restricted and it is dependent on decisions made by a higher authority level of government or its agencies (such as sanctioning the construction process, compensation pay-outs, setting prices, directing e-bidding, or taking decisions to be taken by forest owners).2. The cooperation and agreement of other sector institutions and stakeholders with strong political clout and capital are required to implement the policy (e.g. the role of the Nepal Electricity Authority (NEA) in network unbundling, powerful syndicates releasing route permits, university chancellors deciding affiliation).3. It has formal power, but is restricted in practice by lack of resources, stalled political dynamics or poor technical and institutional capacity.4. Its role is limited to complying with inter-agency coordination requirements to support implementation, but it has no actual authority over implementation decisions (for example, the mobilisation of security forces or the confirmation of funding).
Condition	Supporters with high political capital
Scale/rubric	<p>Each policy has different types of supporters. Each supporter is deemed to have ‘high’ or ‘low’ political capital, according to the criteria defined below. The overall case score is ‘1’ if the policy has at least one supporter with high political capital, otherwise ‘0’. Below are the definitions of ‘high’ and ‘low’ consistently applied across cases.</p> <p>HIGH (1): A supporter is defined as having ‘high’ political capital if it meets at least one of the following criteria:</p> <ol style="list-style-type: none">1. It is the ministry of finance.2. It is a political party, a constituency of political leaders, or a group connected to influential party leaders or the ruling government (for example, a committee established with the blessing of the prime minister).3. It is an individual who has been a high-ranking politician or held high-level office during the legislative process (from introduction to the policy agenda to parliamentary approval), for example, a minister or chair of the planning commission.4. It is a donor funding a significant part of the country’s development activities (particularly multilaterals and budget support).5. It is a private investor with the financial capacity to attract the attention of political and bureaucratic circles. <p>LOW (0): A supporter is deemed to have ‘low’ political capital if it does NOT meet any of the above criteria.</p>

Table 1 Key conditions, descriptions and scales cont'd

Condition	Presence of organised interest groups among opposers
Scale/rubric	By organised interest group, we mean a formally organised group of individuals or organisations with shared concerns and goals that attempts to positively or negatively influence government policies to further its own agenda. These can include, for example, non-governmental organisations (NGOs), professional associations, trade unions, worker unions, federations of employers, member organisations, a particular industry or sector, 'concerned committees' established by local communities with specific demands, consumer forums and civil-society organisations. The case score is '1' if at least one organised interest group exists, otherwise '0'.
Condition	Presence of organised interest groups among supporters
Scale/rubric	This is the same as for opposers.
Condition	Smart donor support
Scale/rubric	<p>Some policies are supported by one or more international donors. This condition condenses information about whether any donors are supporting the policy in a 'smart' way. A score of '1' is assigned to a donor if their support is deemed smart according to the below criteria, otherwise '0'. The overall case score is set at '1' if at least one donor supports the policy in a 'smart' way, or '0' if no donor supports the policy in a 'smart' way, or no donor supports the policy at all.</p> <p>SMART (1): Donor support for a policy is considered 'smart' if one or more of the following conditions apply:</p> <ol style="list-style-type: none">1. It fills a significant capacity, technical or financial gap that is preventing the government or local authorities from designing or implementing the policy (for example, funding technical assistance that provides fundamental strategic inputs for the formulation or implementation of a policy, or funding a pilot scheme that paves the way for the broader policy to be implemented).2. It significantly affects the framing of a problem so that stakeholders understand the need for such a policy (e.g. decentralisation).3. It significantly affects participation in the policy-making and/or policy implementation process (for example, by including groups that probably would not have been included without the support).4. It responds effectively to a natural disaster or environmental emergency to which the government or local authorities are unable to respond in a timely manner. <p>NOT SMART (0): Donor support for a policy is not considered smart if one or more of the following conditions are met:</p> <ol style="list-style-type: none">1. Despite its best intentions, the donor lacks sufficient contextual knowledge for its proposals to be feasible at the local or national level (for example, because it ignores or is oblivious to the local political dynamics that will determine implementation success).2. It funds studies or research that are not disseminated or understood in a way that can have a real impact on policy.3. It supports gradual change and prefers to oversee the process rather than intervene directly, acting more as an observer than a partner.4. There is not enough continuity for the support to have significant impact.

Table 1 Key conditions, descriptions and scales cont'd

Condition	Public awareness and support
Scale/rubric	<p>The public is not equally aware of all policies being drafted or implemented at a given time. Some policies are known to the general public, others are not. When the general public knows that a particular policy is being discussed or implemented, it does not necessarily support it. This condition informs the analysis on whether a policy is supported by the general public.</p> <p>Each case is scored '1' or '0' based on the below rubrics. In those rare cases where conditions from both boxes apply, a judgement is made as to which conditions are more pertinent or obvious. For example, a policy can simultaneously meet a persistently large need, but create disruption or add to the burden of regular activities. In such cases, if the disruption created is bigger than the extent to which the policy is meeting a public need, a score of '0' is assigned.</p> <p>SUPPORT (1): A policy is considered to be supported by the public if one or more of the following conditions apply:</p> <ol style="list-style-type: none"> 1. It is believed to meet a large public need, for example, in relation to the environment, transport, health or infrastructure. 2. Civil society and the media praise the staff involved in implementing the policy. 3. It tackles a popular problem that has long been the subject of public complaint. 4. It decreases the risk of public disruption, because, for example, it seeks a gradual transition, or prices are not significantly increased, or it puts an end to a problem that has prompted frequent protest. 5. It allows the public to exercise what it views as a right, for example, the right to a share of revenue from the exploitation of local natural resources. <p>NO SUPPORT OR KNOWLEDGE (0): A policy is deemed NOT supported if the public is unaware of it, or if one or more of the following conditions apply:</p> <ol style="list-style-type: none"> 1. The reform requires a level of technical understanding that the public does not possess. 2. It was driven by a small group of public-sector or government officials. 3. It is mostly relevant to a relatively small or specific group (such as those living in informal settlements), which may or may not lead to conflict with other groups. 4. The public does not believe that the policy can or will be implemented correctly. 5. The public feels that the policy will create disruption or place an additional burden on their regular duties or activities.
Condition	Time period (whether the policy reform took place before or after the end of conflict, 2006) ⁱ
Scale/rubric	This condition looks at whether the policy reform was implemented before or after the end of conflict in 2006. It is scored '1' if policy reform took place before the end of conflict and '0' if after that.
Condition	Objective strength of the implementing body
Scale/rubric	The following are deemed 'objectively' or 'generally' strong implementing bodies: the Ministry of Finance, the Office of the Prime Minister and the Council of Ministers (OPMCM), the police and the Cabinet. The overall case score is '1' if at least one of these bodies is involved in the reform, otherwise '0'.
Condition	Policy implementation yielding tangible benefits for implementers
Scale/rubric	<p>This condition scores '1' if groups involved in implementing the policy gain tangible benefits from implementing it (for example, municipalities increase their budgets, police forces take commissions on fines, or community forest user groups become managers of the forest).</p> <p>It scores '0' if no group has tangible benefits from implementation (at least compared with the costs incurred), or if the groups seeing tangible benefits from the policy were not involved in its implementation (for example, private developers, insurance companies, or other communities).</p>

ⁱ The internal armed conflict in Nepal lasted a decade and ended in 2006. This condition was included as the conflict had an impact on the policy-making process due to the weakening of the state and especially the failure to institutionalise its institutions in the nascent stage of Nepal's democracy, exacerbated by the insurgency and the perpetual political transition of the state from an absolute monarchy to a full republic.

While the clearest and best-fitting model included nine conditions, information was also collected on further conditions that were not ultimately a part of the analysis. The reasons for this included conceptual overlap with other conditions, weak explanatory power and missing or unclear values. Nonetheless, the process of collecting data on and testing these conditions makes the results of the remaining conditions even stronger. We further discuss this process in Section 4. The list conditions not included in the final analysis are:

- another variation of ‘objectively’ strong implementing body
- for legislative bodies, (1) their strength; (2) whether they gained extra budget when the policy was implemented/would have been implemented; and (3) whether they gained political power when the policy was implemented/would have been implemented
- for implementing bodies, (1) whether staff got a performance bonus; and (2) whether staff gained political power when the policy was implemented/would have been implemented
- whether beneficiaries/interest groups were involved in policy implementation
- for local groups, (1) whether they received benefits from the policy; (2) whether they received *tangible* benefits from the policy; (3) whether they were damaged by the policy; and (4) whether they were *tangibly* damaged by the policy
- for supporters, (1) the connection between them and their policy-making ministry; (2) the strength of that connection; (3) the presence of interest groups among them; (4) the strength of those interest groups; (5) the presence of official supporters; (6) whether official supporters would gain from the policy; and (7) the strength of official supporters
- for opposers, (1) their political capital; (2) the connection between them and the policy-making ministry; (3) the strength of that connection; (4) the presence of interest groups among opposers; (5) the strength of those interest groups; (6) the presence of official opposers; (7) whether official opposers would gain from the policy; and (8) the strength of official opposers.

3 Case studies

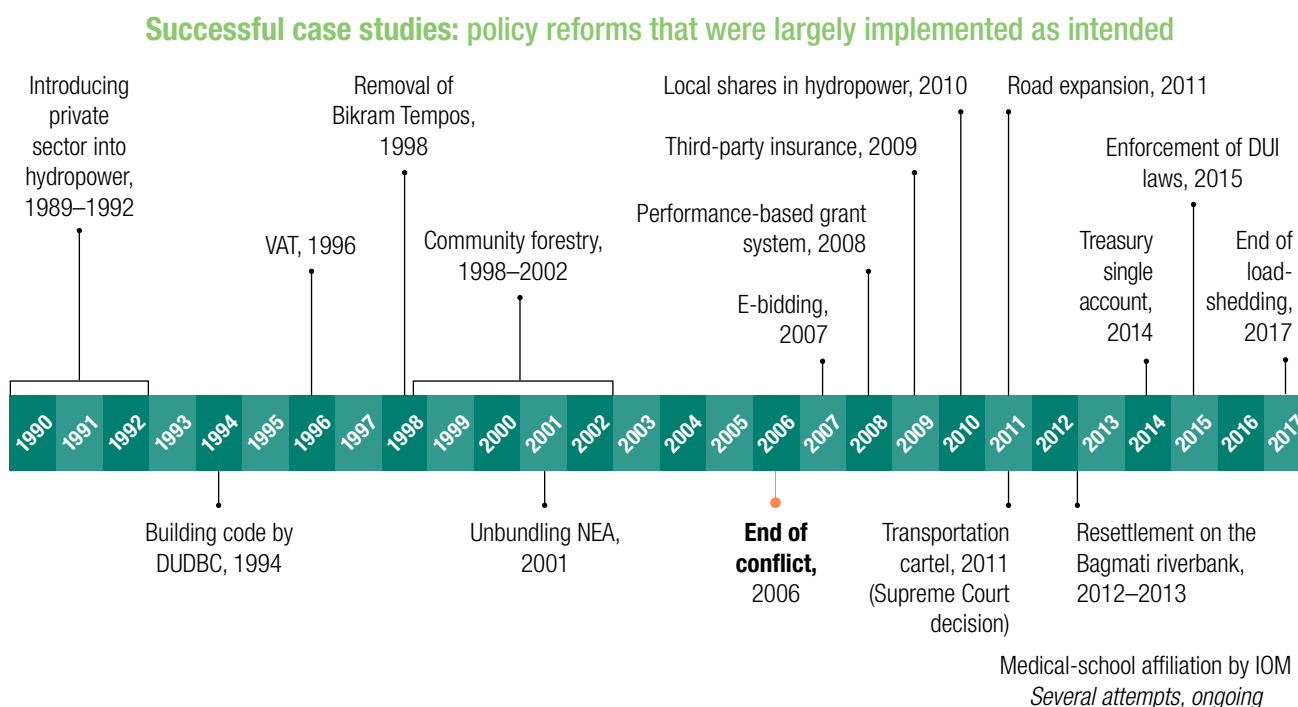
This study draws on 18 case studies of policy reforms in Nepal from the early 1990s to 2017 (see Figure 3). Of these case studies, 13 are considered ‘successfully implemented’ (hereafter referred to as ‘successful case studies’) and five have not led to changes in practice (hereafter referred to as ‘not (yet) successful case studies’).

3.1 Case-study selection criteria

The case studies were selected by the study team and include the six cases covered in the first study. The research team aimed to find additional case studies that would provide insights into successful and unsuccessful policy reforms. The criteria for case-study inclusion were as follows:

- The policy fitted with the study **outcome definitions** (see Table 2).
- The policy was **implemented for a sustained period**. While this ‘sustained period’ was never explicitly expressed in years, the rule of thumb was implementation for at least a year. We also included a very recent case study – the end of load-shedding in 2017 – as we considered it as highly interesting and influential.
- The policy was **‘bounded’**. Some policy reforms include several components and sub-policies, some of which may be implemented while others are not. In this case, we focused on a specific component or sub-policy that was implemented largely as planned.
- **It was feasible to gather information** within the timeframe and resources available.

Figure 3 Timeline of the selected case studies



Source: authors.

Table 2 Case-study outcomes

	Type of outcome	What this looks like
Successful case studies	Type 1: Formal change in policy, programme, legislation, etc.	The policy is largely implemented in line with the stated aims of the policy for a sustained period of time.
	Type 2: Implementation change without major change in legislation or high-level frameworks	The reform is largely implemented in line with stated intentions for a sustained period of time, but without any major or recent changes in legislation or high-level frameworks.
Not (yet) successful case studies	'Negative' outcome: Policy is not implemented in practice	Formal legislation may have been passed, but policy has not been implemented in practice. In some cases, the policy was formally passed years ago, but it was never enforced or championed by those responsible for implementing it.

Table 2 provides our outcome definitions. We did not define a specific indicator or set of indicators to measure the magnitude of implementation, but looked instead at whether a reform was largely implemented in line with its stated aims or intentions. These assessments were made by the research team in close collaboration with the EPI programme team, based on their expertise in Nepali policy change. How implementation has played out in practice varies on a case-by-case basis and is described in the following case-study tables.

It is important to note that some not (yet) successful case studies may be considered successful at some point in the future, as implementation will eventually take place. For example, when information on the case studies was collected in late 2017, the transportation cartel case was deemed not (yet) successful. However, in 2018, implementation had moved forward.

3.2 Case-study data collection

Case-study data collection was carried out by a Nepali research team with expertise in policy processes, political economy and identifying policy solutions in areas of natural-resource management, governance and economic growth. To formulate a comprehensive picture of each

case study, the research team utilised its own areas of policy expertise, public documents and related research papers. The team also interviewed experts and researchers associated with the case studies, including previous and current policy-makers and other informed stakeholders. It also consulted EPI programme experts on selected case studies and conditions.

It is important to note that our analysis is based solely on the information that was *accessible* to the research team and which could be found within the timeframe and resources available for this study.

3.3 Selected case studies

The following tables provide a brief overview of the 18 cases used in this study, with brief explanations of the key conditions. Originally, we started with 19 case studies, but dropped the Investment Board of Nepal case study after several conversations with the research team and external stakeholders, largely related to whether the reform had been successfully implemented (as planned) or not. While the Investment Board was, indeed, set up, as of the time of writing, it had not managed to accomplish many of the things expected of it.⁷

⁷ For example, the Investment Board of Nepal signed two project-development agreements for large hydropower plants, but has done little since. Thus, it was difficult to decide whether the reform has been implemented largely 'as planned' per the study criteria.

1. Introducing the private sector into hydropower

Summary: The policy was aimed at encouraging private-sector investment in the development of Nepal's hydropower sector. After failing to secure funds for the Arun-3 hydropower project, the government, supported by donors and in line with its (and the global) push for liberal economic policy, drafted and eventually passed a law (Electricity Act/Regulation 1992) to promote private-sector participation in the hydropower sector, among other things.

Outcome: *Successfully implemented.* The policy reform attracted private investment into hydropower. However, electricity generation continues to lag demand.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Weak	The Ministry of Energy and its line agencies are required to issue licences to the private sector to invest in Nepal's hydropower sector. The agency, however, is focused more on awarding licences and less on the actual development of hydropower projects.
Supporters with high political capital	High	The key supporters of the reform were donor agencies and the private sector. In line with the global and regional push for liberalisation, certain donors, such as the Norwegian government, lobbied for a policy that allowed the private sector to invest in Nepal's hydropower sector. These are diplomatic agencies that finance a significant percentage of the country's development activities. There was also significant interest from the private sector, both domestic and foreign, in investing in Nepal's hydropower sector, especially with the right policy regime. Hydropower development is an expensive endeavour; those seeking to invest in it probably have the financial capacity to be well networked in political and bureaucratic circles.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	There was no specific opposition, as liberalisation was gaining significant traction in Nepal at the time.
Smart donor support	Present	The Norwegian government provided technical expertise in formulating and drafting the policy. There was a strong political push to liberalise the market and the government did not have the necessary capacity to do so.
Public awareness and support	Absent	While the public was aware of Nepal's potential for hydropower, knowledge among the general public as to the impact of the legislation was very limited.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	Before	The policy was implemented in 1992.
Objective strength of the implementing body	Absent	None of the objectively strong bodies was involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Absent	The policy did not yield tangible benefits for implementers.

2. Performance-based grant system (PBGS)

Summary: As part of a push to devolve authority to Nepal's local government entities, the central government devised the PBGS as a way of incentivising effective and accountable fiscal transfer. The system ensures the proper transfer of funds from central government to the country's local authorities, linking better performance to larger fiscal subsidies.

Outcome: *Successfully implemented.* The PBGS has been rolled out nationwide. While it has been fully implemented, the extent to which it has improved local fiscal management is questionable. Nevertheless, the PBGS gave the Ministry of Federal Affairs and Local Development (MoFALD) a base from which to estimate and allocate grants to local bodies.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	MoFALD is in charge of implementing the PBGS and has the overall mandate to draw up sector-specific laws.
Supporters with high political capital	High	The reform was supported by several groups. Experts in devolution supported the move, as a robust fiscal-transfer mechanism is at the heart of good governance in devolutionary practice. Though these experts were largely influential in the policy discourse, only a few had the political capital to impact the reforms directly. Donors expended a significant amount of development aid to promote a more robust local-governance system. As funding agencies, development partners (particularly the multilaterals) were in close contact with Nepali officialdom, particularly the Ministry of Finance. Local bodies also supported the reform (though their political capital was not considered strong), as a mechanism for fiscal transfers would make the process transparent and (theoretically) free them of arbitrary decision-making responsibility.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	There was no opposition to the reform.
Smart donor support	Present	Several donors were early supporters of the programme. The United Nations Development Programme (UNDP) and the Norwegian Agency for Development Cooperation (Norad) supported the Participatory District Development Programme, facilitating early discussions on devolution and decentralisation. The United Nations Capital Development Fund (UNCDF) and DFID supported the Decentralized Financing and Development Programme, which helped to pilot the PBGS. Eleven bilateral and multilateral development programmes supported the Local Governance and Community Development Programme, which helped to implement the PBGS.
Public awareness and support	Absent	While talk of the devolution of authority had been floating around in some circles, the general public was not particularly aware of the policy or the reforms related to it, especially elements such as the PBGS.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2008.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in the policy implementation.
Policy implementation yielding tangible benefits for implementers	Present	The municipalities receiving additional budget allocations and, thus, benefitting from the scheme are the ones who had to complete the minimum conditions and performance measure monitoring.

3. Value-added tax (VAT)

Summary: The authorities' interest in VAT reform was attributed to fiscal imbalances and the need to mobilise extra revenue through an efficient tax system. With the drive and support of donors (which had their own agenda, namely, a reduction in trade taxes), the reform was successfully implemented, despite some (fairly feeble) opposition. The introduction of VAT yielded increased revenue for the government and gave it additional oversight of the business sector.

Outcome: *Successfully implemented.* VAT has replaced sales and other similar taxes.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	The Inland Revenue Department (a merger of the VAT Department and the Taxation Department), an agency under the Ministry of Finance, has the mandate for collection and overall management of VAT provisions.
Supporters with high political capital	High	Supporters of the reform included Dr Ram Sharan Mahat of the National Planning Commission (NPC), donors and political parties, in particular, the Nepali Congress. Dr Mahat was Vice-Chair of the NPC when the idea was first introduced into the policy agenda. He went on to become finance minister once the Nepali Congress came to power. Donor agencies, as part of promised assistance on tax reforms, provided the necessary technical expertise. Their political capital came from their development assistance, especially their significant budgetary support. Political parties (especially the Nepali Congress Party, or NPC) galvanised the support needed to pass the corresponding legislation in parliament. The NPC was the ruling party when the bill was passed by parliament.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Present	The reform was opposed by Nepali businesses, who did not comply with the government's call for VAT registration. Nepali businesses can be highly influential and are one of the country's biggest interest groups. The Federation of Nepalese Chambers of Commerce and Industry is the largest association, comprising all registered businesses in Nepal. Among the political parties, the United Marxist Leninist (UML) party opposed the reform. When in government, in its 1994/95 budget, the UML announced the removal of the country's two-tier sales tax, an early predecessor of VAT. While this move derailed efforts to kickstart the reform, it is unclear whether the party actually voted against it. In any case, during the UML's stint in government, the reform process stalled.
Smart donor support	Present	Both the United States Agency for International Development (USAID) and the Danish International Development Agency (Danida) supported the reform in a timely and strategic manner. USAID provided technical assistance through the Harvard Institute for International Development (HIID). As this was Nepal's first major tax reform, technical assistance included strategic inputs to reform the administrative and legal structure of taxation. Danida has extended its technical assistance to HIID, so that it can continue its work.
Public awareness and support	Absent	Because of the technical nature of the policy, awareness was limited to the authorities and a segment of the literate business community.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	Before	The policy was implemented in 1992–1998.
Objective strength of implementing body	Present	The Ministry of Finance is considered a strong implementing body.
Policy implementation yielding tangible benefits for implementers	Absent	The policy did not yield tangible benefits for implementers.

4. Resettlement of an informal settlement along the Bagmati river bank

Summary: The committee overseeing a project to restore the environmental health of the Bagmati river and revive its aesthetic and cultural qualities decided to move a squatter settlement on the riverbank to achieve its goals. A lack of coordination between the agencies involved and consultation with the affected stakeholders (the squatters themselves and people in the proposed resettlement areas) meant the initiative was not implemented.

Outcome: *Not (yet) successfully implemented.* Relocation was attempted, but unsuccessful. The informal settlement is back on the Bagmati riverbank.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Weak	The implementing bodies included the Committee for Integrated Development of the Bagmati Civilization (CIDBC), which was formed specifically to implement the Bagmati Action Plan (BAP). It had the public support of (one of) the country's prime minister(s) and was deemed to have a mandate to evict the informal settlement. The Department of Urban Development and Building Construction was institutionally mandated to 'manage' the riverbank and the settlements on it. It had set aside funds for resettlement, but was slow to implement it. The Ministry of Home Affairs, which oversees Nepal's security forces, gave the CIDBC the institutional backing it needed to evict the informal settlement, but played only a limited role in implementing the reform.
Supporters with high political capital	Low	The reform was supported by the CIDBC, BAP and the Bagmati River Basin Improvement Project (BRBIP), which had been developed with a view to revitalising the Bagmati river and its immediate surroundings. The committee was established to ensure the implementation of the core components of BAP/BRBIP, under the auspices of previous Prime Minister Jhulanath Khanal. However, with the subsequent change in government, the reform appeared to gain little traction with new Prime Minister Baburam Bhattarai.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters (see above).
Presence of organised interest groups among opposers	Present	<p>The reform was opposed by the Society for the Preservation of Shelter and Habitat – Nepal, a federated network of squatter communities, as well as the NGOs that provided basic material needs to these informal communities, largely on a project basis.</p> <p>While not considered organised opposition, the reform was also opposed by the residents of the informal settlement, and those who lived in the proposed resettlement area.</p> <p>Prime Minister Bhattarai claimed to have been taken by surprise by the reform and said that the government was still in the process of making a decision on the eviction.</p>
Smart donor support	Absent	UN Environment (formerly the United Nations Environment Programme, or UNEP) had supported the National Trust for Nature Conservation in early discussions on the BAP. The Asian Development Bank (ADB) and the Japan International Cooperation Agency (JICA) were the BAP's funding agencies, but the nature and level of their contribution is unclear.
Public awareness and support	Absent	News of the dismantling of the settlement became public early in the morning, taking those concerned – including journalists, NGOs and human-rights workers – by surprise. However, it is not clear whether public opinion was unanimous on the issue. Many of the NGOs that had been working for the rights of informal settlers voiced their opposition to the reform. There was also opposition to resettlement in specific areas by the residents of those particular communities.
Time Period: Whether the policy reform took place before or after the end of conflict (2006)	After	The initiative was attempted in 2012–2013.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation. Though the Ministry of Home Affairs was involved, it did not play a major role in implementation
Policy implementation yielding tangible benefits for implementers	Absent	The policy did not yield tangible benefits for implementers.

5. Road expansion

Summary: Unplanned urban migration in Kathmandu had resulted in severe traffic congestion. Widening the capital's narrow streets was considered unthinkable, as many people with significant political capital owned properties that would need to be demolished. However, two officials saw through the reform by relying on a 30-year-old (near-) dormant law, winning the backing of an (urban planner) prime minister, other political actors and the public, who soon realised the potential benefits.

Outcome: *Successfully implemented.* The road has been widened as the law specified.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	Prime Minister Bhattarai made road widening one of his signature initiatives. Nepal's prime minister has overall executive authority, but this power can be limited by frequent changes of government. The Ministry of Finance (which held the construction purse strings), together with the prime minister, announced the budget for carrying out the road expansion. The Kathmandu Valley Development Authority was formed in 2012 to prepare and implement the road-widening plan, but had to wait for the Government of Nepal to sanction the construction process.
Supporters with high political capital	High	Prime Minister Bhattarai lent all necessary political and financial support to the proposal for widening the capital's roads. The reform was also supported by the Kathmandu Valley Development Authority, which oversaw project implementation, though its political capital was not deemed as high as the prime minister's.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	There were no organised interest groups among opposers. Some locals who had lost land opposed the reform, as they were compensated too little or not at all. They responded by trying to get help from high-level politicians, by taking to the streets or fighting the initiative in the Supreme Court (SC). They did receive some verbal support from high-level politicians initially, but this eventually petered out.
Smart donor support	Absent	Some of the donor agencies (JICA and the ADB) have invested in a number of urban-related programmes, but had very little direct involvement in this particular road. Several embassies refused to allow the widening of roads that affected them, including the US, Russian and Chinese embassies.
Public awareness and support	Present	There was widespread general awareness of the reform, as it affected, directly or indirectly, the lives of everyone in Kathmandu. Indeed, there was more far-reaching awareness of the reform, especially in other urban areas, as the success of the road widening in Kathmandu was soon replicated elsewhere as well. There was also a very high degree of support, as the wider roads were believed to serve the greater good. The sluggish rebuilding programme and the resulting degradation of air quality also led to Kathmandu being dubbed 'Dustmandu', with some concerns being raised. There were some local protests to stop the expansion. Some even petitioned the SC, especially in areas where there were disagreements over adequate or timely compensation. However, in many cases, people began to demolish any infrastructure that fell within the proposed route as soon as the municipality and other government agencies began marking out the areas.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2011.
Objective strength of implementing body	Maybe/no	The police (which fall under the jurisdiction of the Ministry of Home Affairs) provided protection during the demolition of illegal infrastructure, but were not otherwise involved in implementation.
Policy implementation yielding tangible benefits for implementers	Absent	The policy did not yield tangible benefits for implementers.

6. Community forestry (CF)

Summary: With Nepal's forests depleting, talk of a 'Himalayan Crisis' gave donors a way to support projects and policies that relied on direct community engagement for resource management. This policy reform is considered to be one of Nepal's most successful bottom-up initiatives. At the grassroots level, more than a third of Nepal's population are Community Forest User Group (CFUG) members. Communities caring for the community forests receive earnings from them and can extract essential livelihood resources, such as fodder and foliage for their cattle.

Outcome: *Successfully implemented.* Forest management has been handed over to the communities. The policy has been prolonged for more than 25 years, with only small modifications. CFUGs are now in all of the 75 districts of Nepal and are part of the government's key forest-management strategy.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	Numerous bodies have been involved in implementation. First, the Department of Forests, a line agency of the Department of Forests and Soil Conservation (in turn, part of the Ministry of Forests and Environment), has the mandate for overall management and regulation of the CF programme in Nepal. Second, District Forest Offices (present in all of Nepal's 75 districts), an agency reporting to the Department of Forests, is responsible for the overall management and coordination of all forest types. Third, CFUGs are the groups who implement the programme. They do not own the forest, but forest areas are handed over to them for management, regeneration and controlled extraction. The extraction is regulated by District Forest Offices.
Supporters with high political capital	High	Responding to the looming crisis of Himalayan environmental degradation, donors championed the causes of environmental protection, livelihood promotion, people's participation and good governance through active support for the design and implementation of policies and programmes for community forests. The policy was also backed by local communities, as it provided direct benefits to them. Political parties were late entrants to the discourse on forest management and CF, but the traction the policy had gained at grassroots level convinced the political parties to take forward the agenda.
Presence of organised interest groups among supporters	Present	The Federation of Community Forest Users Nepal is the largest community federation in Nepal, with over 10 million members. This large membership base is grounds for significant political interest in mobilising its members. Senior political leaders from all parties regularly feature in the federation's programme.
Presence of organised interest groups among opposers	Absent	At the time the policy was being formulated and implemented, there was no real opposition to it. The Nepali forestry bureau could be seen as being opposed to CF, but this was only in the very early days, before the policy was developed and implemented. Following the high rate of deforestation and degradation in the 1970s and 1980s, the forestry bureau had to admit that its centralised and exclusionary forest policies had failed. By this time, donor-funded participatory forestry pilots were already underway and showing promising results. This led to the advent of CF pilot programmes and, in time, CF policy and legislation.
Smart donor support	Present	Donors provided timely and strategic support for the reform. The ADB and the Government of Finland supported the formulation of the Forest Sector Master Plan (1989–2014). The plan, for the first time, emphasised the need for local people's participation in the conservation and management of the country's forest resources. Nearly all of Nepal's donors/development partners have extended their support to the policy and its implementation by providing funding and technical assistance, among other things. The CF programme, its extension and sustainability, largely depended on donor support.
Public awareness and support	Present	Public opinion is behind the programme. The policy reform is considered one of Nepal's most successful bottom-up initiatives. At grassroots level, more than a third of Nepal's population are CFUG members. CFUGs have organised themselves into a federation to protect, promote and lobby for a supportive policy regime. The policy has led to a win-win situation for both the government and the public.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	Before	The policy was implemented in 1998–2002.

6. Community forestry (CF) cont'd

Conditions	Overall score	Details
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Present	CFUGs, community forest users, became the ones to manage the forests.

7. Treasury single account (TSA)

Summary: The TSA is a unified structure for government bank accounts, which gives a consolidated overview of government cash resources. It has been rolled out in all 75 districts of Nepal a year ahead of schedule – a process that can take several years in most countries. This means that processing budgetary expenditure, which would have taken hours, or even days, has been shortened to just a few minutes. The TSA is a technical reform that allows the government to know its cash position all over the country at the end of each day. It has reduced the liabilities of government agencies and encouraged bank-account-based transactions, contributing to a reduction in corruption.

Outcome: *Successfully implemented.* The single treasury system was implemented and rolled out in all of Nepal's 75 districts a year ahead of schedule.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	The Financial Comptroller General's Office is the Ministry of Finance department responsible for overseeing all government expenditures and for consolidating the annual fiscal statements. It also conducts the internal audit functions for Government of Nepal expenditure, revenue and retention funding.
Supporters with high political capital	High	The reform was supported by civil servants at the Ministry of Finance, who had pushed for better control over the government's finances. The Ministry of Finance is a coveted government portfolio and is considered to have high political capital.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	There were no organised interest groups present among opposers, though the reform was resisted by officials from implementing agencies, due to the steep learning curve involved in the IT-based system and the fear of transfer of authority and loss of rent.
Smart donor support	Present	The International Monetary fund (IMF) initiated the activity; the rollout was supported by the World Bank.
Public awareness and support	Absent	As this was a very technical reform, the general public was largely unaware of it.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2014.
Objective strength of implementing body	Present	The Ministry of Finance is considered strong.
Policy implementation yielding tangible benefits for implementers	No	The policy didn't yield tangible benefits for implementers.

8. E-bidding

Summary: Prior to this reform, bidders often resorted to intimidation or collusion when submitting bids for government tenders. Electronic bidding (e-bidding) has helped reduce cartels, collusion and rigging among bidders and done away with other forms of political influence on public procurement. As multilateral donors had made significant investments in large procurement programmes, they put a lot of effort (pressure) and funds into supporting the reform, though the initiative came from technocrats at the Ministry of Finance.

Outcome: *Successfully implemented.* Bidding on government procurement contracts is now carried out through the electronic system.

Conditions	Overall score	Details
Mandate, ownership and willingness of Implementing bodies	Weak	The line agencies of certain ministries, including the Departments of Irrigation, Water-Induced Calamities, Roads, and Health – all of which have a high number of construction-related tasks – served as focal points for the implementation of the e-bidding system. However, they are not considered strong in terms of power or mandate, as they are simply the implementing agencies of the e-bidding system, as directed by the Public Procurement Monitoring Office (PPMO).
Supporters with high political capital	High	Multilateral agencies supported the reform. As they had sizeable investment in large procurement programmes, they put a lot of pressure on the government and spent a lot of money supporting the reform.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	Similar to the TSA reform, opposition came mainly from officials in implementing agencies. There were no organised interest groups present among opposers.
Smart donor support	Present	The World Bank provided technical assistance to the Department of Roads to test the e-bidding system, while the ADB provided technical assistance to the PPMO in setting up the system. The support filled significant technical gaps.
Public awareness and support	Absent	As this was a technical reform, the general public was largely unaware of it.
Time Period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2007.
Objective strength of implementing body	Present	Developing policies for the Public Procurement Act is primarily the responsibility of the PPMO, which is an agency within OPMCM.
Policy implementation yielding tangible benefits for implementers	No	Policy didn't yield tangible benefits for implementers.

9. Introduction of compulsory third-party insurance for transport vehicles

Summary: Prior to the implementation of the policy requiring third-party motor insurance, in every fatal accident in Nepal, the vehicle owner had to pay compensation directly to the family of the deceased. This had significant repercussions: the families of the deceased would block highways (where most accidents happen) for hours, even days, until compensation was paid, leading to serpentine queues of trucks full of essential supplies, such as fuel, causing huge economic losses. The introduction of the policy making it compulsory for vehicle owners to have third-party insurance has helped to address these issues.

Outcome: *Successfully implemented.* All vehicles are required third-party insurance. The reform created a new business stream for insurance companies. By some accounts, motor insurance now accounts for around 60% of their total non-life insurance portfolio.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	This reform involves several implementing bodies. First, all vehicles have to be registered with the Department of Transport Management and it can refuse to register a vehicle without proof of third-party insurance. Second, the traffic police are responsible for the official account of the accident and any associated damage, and any insurance payout is based on their recommendation. Third, in the event of a disagreement, the case can make its way to court, the decision of which is final.
Supporters with high political capital	High	It is worth noting that both support for and opposition to the reform lay in the pricing, which had to be negotiated. Both travel operators and insurance companies agreed that implementing third-party insurance was a good thing. Nepal's travel operators, which are well organised, are connected to the political parties and involved in local politics. For them, proper implementation (especially at low cost) would ease pressure to pay damages arising from accidents. For the insurance companies, proper implementation (especially at a higher prices) would mean higher profit.
Presence of organised interest groups among supporters	Present	All travel operators have their own associations based on the type of vehicle they own. Nepal's insurance companies are not well organised.
Presence of organised interest groups among opposers	Present	Travel operators were initially opposed to the reform, as they felt the proposed pricing was too high. Insurance companies disagreed on the pricing, as they were worried about the high payout ratio, given the number of accidents in Nepal. They initially asked for high premiums.
Smart donor support	Absent	No donors were involved.
Public awareness and support	Absent	Awareness was limited to those who had purchased or registered a vehicle with the Department of Transport Management. The number of road closures due to demands for compensation became noticeably lower. There is no opposition to the requirement for third-party insurance, but people do think it a waste of money, largely due to the low level of trust in insurance companies. As the concept is still fairly new, most people who have not had to pay compensation through insurance consider it an additional financial burden.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2009.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	No	The policy didn't yield tangible benefits for implementers.

10. Enforcement of DUI laws

Summary: Nepal's law to penalise driving while under the influence (DUI) of alcohol existed for quite some time, but was seldom enforced. However, following the death of a prominent environmentalist (among other things), a high-ranking official in the traffic police decided to enforce the country's 'zero-tolerance' legislation. While there were initially some disgruntled voices from alcohol-related businesses and those who wanted allowable limits for cultural practices, there was significant support from the public, media and civil society. To make the campaign more effective, the government decided to 'incentivise' law enforcement by offering 15% of the penalty fines collected by the traffic police as a performance bonus. This was later discontinued.

Outcome: *Successfully implemented.* Traffic police implement the drunk-driving laws and the number of accidents has decreased.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	Traffic police are responsible for ensuring safety on public roads. However, even though the rule was always there, this was never implemented with strength and commitment from the police.
Supporters with high political capital	Low	There was widespread positive support from the media for strict implementation of the drunk-driving law. Also, civil society and the general public supported the reform and, despite initial unease, there was a general sense of public support, even if it meant difficulties at a personal level when it came to policy implementation. However, these were not considered supporters with high political capital.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	Businesses associated with the production or sale of alcohol formed vocal opposition (and, perhaps, engaged in direct lobbying) to implementation of the law. As this was a zero-tolerance policy, some of the communities that use alcohol at social or cultural functions came out against rigid implementation. They wanted to change the zero-tolerance policy to a certain limit of alcohol. However, there were no organised interest groups present among opposers.
Smart donor support	Absent	No donors were involved.
Public awareness and support	Present	Implementation of the drunk-driving laws was accompanied by an awareness campaign, but once the public heard about the crackdown through the media, everyone soon became aware of it. Anecdotes in social and traditional media suggest a significant number of people are now finding alternatives to drinking and driving. New services have sprung up as a consequence, offering driving services to those who have consumed alcohol. Public opinion has generally been in favour of the policy. The traffic police were lauded by civil society and the media for their ability to enforce the law (including for those with political connections).
Time period: whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2015.
Objective strength of implementing body	Present	The police were heavily involved in implementation.
Policy implementation yielding tangible benefits for implementers	Present	The police officers who take commission on the fines can be considered beneficiaries.

11. Reduction in load-shedding

Summary: Load-sheddingⁱ was a chronic problem affecting everyone in Nepal. The Managing Director of NEA, the country's state-owned public utility, who led the drive to efficiently manage power distribution and curb power leakages, was publicly credited with putting an end to the practice. NEA's official line is that the shortfall in power – about 300 MW during peak hours, equivalent to the amount used by all of Nepal's industry – was remedied by its policy decision. Technical experts, however, point to other reasons for the improvement, including (i) increased imports from India, thanks to the completion of major cross-border transmission lines, (ii) a rise in production by Nepal's independent power producers, and (iii) load management.

Outcome: *Successfully implemented.* Scheduled power cuts come to an end.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	The Managing Director of NEA decided to end the supply of uninterrupted power (about 300 MW) to large industry during peak hours and route that electricity to general users. In addition to other load-management measures, this was sufficient to end load-shedding in Nepal's major cities. The NEA Act has given NEA overall responsibility for generating, transmitting and distributing electricity.
Supporters with high political capital	Low	The reform was supported by the general public. Previously, people felt cheated by bad governance at NEA. Now, with new management that has been able to end load-shedding, the public view has changed and the Managing Director is deemed to have integrity. There was also significant support from the traditional media for the decision taken to end load-shedding, but the public and the media are not considered to have high political capital.
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	The reform may have been opposed by larger industry affected by the decision, but in public, they did not or could not oppose the reform. There were no organised interest groups present among opposers.
Smart donor support	Absent	No donors were involved.
Public awareness and support	Present	Load-shedding has been a chronic problem, affecting the lives of everyone in Nepal. The fact that it has been ended is known to everyone. The public credits the end of the practice to the integrity of the Managing Director of NEA, especially his decision to take the electricity from powerful industry and redirect it to the general public. This was welcome respite for the general public. This story has been covered extensively by the media and the Managing Director of NEA has been feted as a 'national hero'.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2017.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Absent	The policy didn't yield tangible benefits for implementers.

ⁱ Scheduled power cuts.

12. Removal of Bikram Tempos

Summary: In the mid-1990s, two-stroke-engine Bikram Tempos (mass-transit auto-rikshaws) were removed from Kathmandu's streets. The Bikram Tempos were considered to be one of the main sources of harmful vehicle emissions. The initiative was largely because of pollution levels in the Kathmandu Valley, which prompted the government to phase out the vehicles.

Outcome: *Successfully implemented.* Bikram Tempos have been removed from the streets of Kathmandu.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Weak	The Department of Transport Management (DoTM) is in charge of policy related to transportation management. While there have been instances when the DoTM has been able to implement policy, on other occasions, it has not been able to overcome the resistance of organised interest groups.
Supporters with high political capital	Strong	The reform was supported by several actors: first, by development agencies, including USAID/Global Resources Institute and Danida. Their support is framed around aid for the development needs of Nepal. Second, the reform was supported by tourism entrepreneurs. Believing that the worsening air pollution could negatively impact their business, travel entrepreneurs got together to lobby for a ban on Bikram Tempos. Third, some members of the general public did not support the policy due to the resultant increase in travel costs, though many were in favour of the change due to the deterioration in air quality.
Presence of organised interest groups among supporters	Present	Following a <i>Newsweek</i> article in 1996 that highlighted Kathmandu's deteriorating air quality, there was a significant push from the country's tourism industry to better manage environmental degradation. This included a public campaign to ban Bikram Tempos.
Presence of organised interest groups among opposers	Absent	There were no organised interest groups present among opposers. However, the reform was opposed by Bikram Tempo owners, who were set to be directly impacted by the decision. Their opposition was not so much about the ban, but the compensation and incentives involved, such as the customs-duty discount offered to incentivise a shift to other forms of transport. Those lobbying for other modes of transportation, especially importers of diesel-based vans and liquid petroleum gas (LPG)-based tuk-tuks, also opposed the reform. Here again, however, the opposition was less about the ban on the Bikram Tempo and more about profiting from the process. This was despite the fact neither vehicle was an ideal replacement for the Bikram Tempo, as both would continue to contribute to the problem of air pollution.
Smart donor support	Present	The reform was supported by donors in a timely manner. First, USAID/Global Resource Institute kickstarted discussions on banning the Bikram Tempos and provided necessary technical support for the process. Their support came at a time when pollution was becoming a major factor in Kathmandu and was instigated by initiatives from local policy-makers (including the Deputy Mayor of Kathmandu). Second, following the initial funding by USAID, Danida provided later-stage funding to ensure the successful transition from Bikram to Safa Tempos.
Public awareness and support	Present	The pollution in Kathmandu was getting worse and complaints were coming from all sectors. Much of the blame was put on the cheap two-stroke engines used in motorbikes as well as the Bikram Tempos. The story was widely covered by the national dailies. While Bikram Tempos were the transportation choice of many, particularly for their low cost and ease of use, the decision to slowly substitute them with other modes of transport made it easier to garner public support, especially when the reform was framed in the context of controlling air pollution. A massive petition was organised by certain tourism-related entrepreneurs, which managed to collect more than 100,000 signatures, including those of ex-prime ministers and ministers.
Time period: whether the policy reform took place before or after the end of conflict (2006)	Before	The policy was implemented in 1998.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Absent	The policy didn't yield tangible benefits for implementers.

13. Local shares in hydropower

Summary: The right of people to invest in infrastructure projects within their immediate locality has been established in law and in the constitution of Nepal. The law states that communities should be given up to a 10% share of such projects. After significant local protest and a Supreme Court case, the Securities Exchange Board of Nepal (SEBON) came up with a directive that mandated hydropower projects to allocate up to 10% of their equity investment to local communities.

Outcome: *Successfully implemented.* Hydropower companies must set aside 10% of their public equity for local communities. This is currently being implemented and the spirit of local investment has even been inscribed in Nepal's new constitution.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	While SEBON is the agency that formulated the policy, it is also in charge of implementation, as all companies conducting an IPO must get its approval. It can refuse a company's listing application.
Supporters with high political capital	High	<p>The reform was supported by those in the political arena, who were able to ride the wave of populism and take credit for the move; even the country's highest-ranking politicians were in favour of requiring hydropower companies to hand over local shares.</p> <p>Unsurprisingly, the reform was also supported by local communities. Given the high capital gains to be made on hydropower companies on the stock market, the public see the move as a genuine get-rich-quick scheme. Consequently, they have been demanding to be allowed to invest in local shares.</p> <p>Furthermore, private companies that intend to go public saw the policy as conducive to raising project equity and getting the buy-in of local communities.</p>
Presence of organised interest groups among supporters	Present	Most of the affected local communities established 'concerned committees' to demand local shares from the projects in question.
Presence of organised interest groups among opposers	Absent	<p>There were no organised interest groups present among opposers. However, the reform was opposed by private companies (private investors, both national and foreign) that had no plans for a public listing. While they did not really block policy implementation, they wanted the option of whether or not to issue local shares to the public.</p> <p>Also, private companies that were set up prior to the concept of local shares in hydropower, which had assumed almost all of the risk involved, had no incentive (or desire) to give away local shares in their project.</p>
Smart donor support	Absent	No donors were involved.
Public awareness and support	Present	There was widespread demand for local shares, with some local communities even going so far as to obstruct project development to get them. The public sees the reform as their right to invest in projects that use their natural resources. When SEBON initially wanted to minimise the risk to the local population and keep the share ceiling at 5%, the local community filed suit against that decision in the Supreme Court.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2010.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Maybe/absent	Though the communities investing are the ones who will, in theory, also benefit, the benefits are not necessarily considered tangible.

14. The unbundling of Nepal's public utility NEA

Summary: Talk of ending NEA's electricity monopoly has been doing the rounds for decades. It is fuelled by two particular issues: (i) the utility's inability to perform efficiently and provide adequate electricity and (ii) a push to increase competition in the sector, seen as benefitting all customers. The plan to unbundle NEA was first cited in the Hydropower Policy of 2001, drafted by the Ministry of Energy. The desire to pursue the reform lay largely in the fact that officials felt that the Ministry had lost control of the public utility, which it owned. NEA, however, had sufficient formal and informal power to push back. The formal power stems from its Act of Establishment, which gave it significant power over the electricity sector. The informal power lies in the fact that it has more than 10,000 employees (making it the country's largest employer), most of them unionised. The Ministry of Energy, which has the overall mandate for the country's electricity sector, has attempted to circumvent the issue by creating parallel institutions to generate, transmit and distribute electricity.

Outcome: *Not (yet) successfully implemented.* The attempted reform has not been implemented, as there has been significant push-back from NEA.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Weak	The Ministry of Energy is in charge of ensuring that NEA unbundling takes place. While the law gives it formal authority to unbundle NEA, because of NEA's formal (Act) and informal (labour unions and political parties) power, officials have been unable to do much.
Supporters with high political capital	Low	<p>The reform is supported by the private sector, as it is burdened by having to sell its electricity to a monopsony that can dictate prices.</p> <p>The donors who invest in Nepal's energy sector see this as a push to establish a competitive electricity market, which they believe will perform better than the current system. While donors have supported the reform, in this case, their political capital is not considered high, as other stakeholders, especially in NEA, have significant influence.</p> <p>Also, certain experts in the energy sector support the unbundling, as they are convinced of the benefits of developing a proper market for electricity. However, their political capital is not considered high.</p>
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters. While the private sector favours the reform, it has not been organised in lobbying for it.
Presence of organised interest groups among opposers	Present	<p>The reform is opposed by several actors: first, NEA and its staff, as the move would end the public utility's monopoly and could signal the end of NEA in its current form.</p> <p>Second, certain politicians are also keen to win the approval of NEA staff and unions in a bid to gain political leverage in other areas.</p> <p>Third, some experts in the energy sector believe that Nepal's energy system is too small at the moment and that there is no need to create more institutions that could easily become ineffective as well.</p> <p>Fourth, there are four registered unions in NEA, each of which are understood to have loose affiliations (not official linkages) with national-level political parties.</p>
Smart donor support	Absent	<p>The reform is supported by several donors. The World Bank is currently negotiating a development policy credit for the energy sector, where one of the policy conditions is the unbundling of NEA. The conditions being set by the World Bank do not seem to take into account the politics surrounding the reform.</p> <p>The ADB, in contrast, has provided technical assistance, enabling studies to be carried out on unbundling. The bank is also part of the Development Policy Credit (DPC) discussion. Its studies are knowledge products that have not really had an impact on policy. The bank appears to favour not pursuing the 'hard unbundling of NEA', but a longer-term engagement that makes NEA a more fiscally responsible and sustainable institution.</p> <p>The Millennium Challenge Corporation was initially adamant on the separation of transmission lines prior to committing to invest in Nepal. It has since backed down and no longer requires such a reform.</p>

14. The unbundling of Nepal's public utility NEA cont'd

Conditions	Overall score	Details
Public awareness and support	Absent	Because of its technical nature, the public is unaware of the reform.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	Before	The unbundling of NEA was first mentioned in Nepal's Hydropower Policy of 2001.
Objective strength of implementing body	Absent	None of the objectively strong bodies is involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Absent	The policy wouldn't have yielded tangible benefits for implementers.

15. Transportation cartels

Summary: Anti-competitive practices, such as syndicates, cartels and price-fixing, are prevalent in almost every sector of the Nepali economy. The transport sector seems to be most affected. The general public has not only been paying premium prices for sub-par transportation services, but has also been exposed to high risk on their journeys, as they are forced to travel in dilapidated, old vehicles. This has resulted in unusually high death rates due to road accidents. Although the Supreme Court has declared cartels illegal, the government has not been able to enforce the ruling.

Outcome: *Not (yet) successfully implemented (as of end of 2017).* The reform had not been implemented when the data were collected in late 2017. However, when the new government was formed in early 2018, it took a strong stance against the transport cartels and was largely successful in breaking some of its monopoly. As the data collection and analysis was finished at this point, it was decided to keep the reform in its current outcome criteria.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Weak	The Vehicle and Transport Management Act gives the DoTM, part of the Ministry of Physical Infrastructure and Transport, the authority to license private operators for public transportation on designated routes. The transport cartels have great political sway, however, so unless the operators affiliate themselves with the cartels and receive route permits from them, the DoTM licence does not guarantee them access to those routes.
Supporters with high political capital	Absent	At the time of data collection, there were no supporters with high political capital. The general public has a positive view of the policy and is hoping for implementation, while the media has covered extensively the state's inability to root out the cartels.
Presence of organised interest groups among supporters	Absent	The Forum of Consumer Rights Nepal and the Federation of Nepalese Chambers of Commerce and Industry support the reform. The former usually petitions the courts to lobby for general consumer rights, while the latter is meant to lobby on behalf of the private sector, but this is a very limited role. Moreover, neither is sufficiently organised to lobby on this matter.
Presence of organised interest groups among opposers	Present	The Federation of Nepalese National Transport Entrepreneurs Association and individual transport operators are the main opposition to this reform. Transport operators benefit from the current syndicated arrangement: they do not have to compete among themselves and have privileges associated with being part of a collective. At the individual level, they do not have much political capital, but when they come together as an organised interest group, they yield significant influence.
Smart donor support	Absent	No donors were involved.
Public awareness and support	Present	Only a small fraction of the general public is likely to be aware that public-transport syndicates are illegal; they may have read or heard about it in the media. However, because these cartels are ubiquitous in Nepal, to many, they are an intrinsic part of the system. Public opinion is generally in favour of breaking up the syndicates, especially among those who recognise the link between the cartels and the dilapidation of public transport. There have been some demonstrations (and support for demonstrations) to end the cartel system.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The Supreme Court decision to outlaw the cartels was handed down in 2011.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation. Though many ministries have a hand in the issue, none of the objectively strong bodies has taken a leading role or had a major mandate.
Policy implementation yielding tangible benefits for implementers	Absent	The policy wouldn't yield tangible benefits for implementers.

16. Medical-school affiliation by IOM

Summary: Tribhuvan University's Institute of Medicine (IOM) has the authority to forge affiliations with private schools to offer courses in the medical sciences. Prior to receiving such affiliation, these private schools have to meet certain standards. However, with private medical education being a very expensive industry, there is significant scope for officials and politicians to seek rent. The cost of this practice is a flood of ill-prepared medical graduates into the medical industry, with the inevitable consequences for the general public.

Outcome: *Not (yet) successfully implemented.* The reform has not been implemented.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Weak	Tribhuvan University's IOM is in charge of creating affiliations with private schools to offer courses in the medical sciences. While there are minimum prerequisites to awarding such affiliations, these are overridden at the political level. Affiliation decisions are technically made by the dean of the Institute, but the university vice-chancellor, who is a political appointee, appoints the dean.
Supporters with high political capital	Present	Dr Govinda KC, professor of orthopaedics at the government-owned Tribhuvan University Teaching Hospital, has been the face of resistance to the influence of money and politics in Nepal's medical education industry and can be considered as having high political capital. Over the past five years, he has embarked on a dozen hunger strikes, through which he has been able to get some concessions from the government. Civil society and media have shown their support, mostly in the form of support for Dr KC's demands. Smaller, progressive political parties, such as the Bibeksheel Party, have been consistently supportive, as has the general public, by and large.
Presence of organised interest groups among supporters	Present	The Nepal Medical Association, the largest doctors' professional organisation, supports the reform. In solidarity with Dr KC's hunger strikes, they have suspended all services, except emergencies. In 2014, 200 doctors from the Teaching Hospital resigned en masse.
Presence of organised interest groups among opposers	Absent	There is opposition to the reform, but nothing that is organised. The opposers include politicians and parliamentarians with vested interests in medical schools seeking affiliation. Newspaper reports suggest that around 50 parliamentarians (out of the country's 601) have direct or indirect investments in medical institutions. As if to underline this, 146 of the 173 UML Party lawmakers appealed directly to the prime minister to allow the affiliation system to continue, threatening to disrupt parliament if he did not. Private institutions seeking affiliation also oppose the reform, as they have made significant investments and are expecting to see sizeable returns.
Smart donor support	Absent	No donors were involved.
Public awareness and support	Present	The public is largely aware of the informal role of money and politics in Nepal's institutions. The rampant irregularities in the dealings of the IOM have been widely covered in the media, particularly Dr KC's hunger strikes. While the public itself is not proactive on the issue of corruption within the medical education industry, they have backed Dr KC's calls to bolster the affiliation process (among other things). Dr KC's other, related and important contention is that medical industry, as an essential public-service sector, should not be driven by the profit-seeking private sector and that the state has a large role to play in ensuring its quality and equity.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	Several attempts after the end of conflict; this is an ongoing issue.
Objective strength of implementing body	Absent	None of the objectively strong bodies has been involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Absent	The policy would not yield tangible benefits for implementers.

17. Auto-pricing of petrol

Summary: Petrol pricing was a politically sensitive issue for years. The government's decision to allow the price of petrol to fluctuate, indexed (somewhat) to the international oil price, was considered a major step towards making (state-owned) Nepal Oil Corporation viable. This was not the case in other areas, such as electricity tariffs, however. It is actually in Nepal Oil Corporation's interests to keep the oil price high when international prices are low, as it reaps the profit, which trickles down to employees in the form of bonuses. The Corporation tried to do just this several years ago and a case challenging the move made it all the way to the Supreme Court.

Outcome: *successfully implemented.* Petrol prices reflect international prices.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Strong	The policy was implemented by the OPMCM (Cabinet), which has a strong mandate and continues to have a veto. For example, in the run-up to the election in 2017, the Prime Minister was opposed to an increase in prices, citing the impact it would have on the vote. State-owned Nepal Oil Corporation, under the auspices of the Ministry of Supplies, is the country's monopolist oil importer, stockist and domestic fuel supplier. It recommends a price to the Ministry of Supplies, which then forwards the recommendation to the Cabinet.
Supporters with high political capital	Absent	Supporters include sector experts and the media, none of which is considered to have high political capital. Sector experts have recommended de-politicising petrol pricing by establishing an independent petroleum authority, which would serve as sector regulator. There has also been extensive coverage of auto-pricing in the petroleum sector and the government's failure to implement the policy as it was intended
Presence of organised interest groups among supporters	Absent	There were no organised interest groups present among supporters.
Presence of organised interest groups among opposers	Absent	There was no opposition to the introduction of an auto-pricing mechanism, only to any increase in the price of petrol. The auto-pricing mechanism was expected to make it easier to raise the cost of petrol as and when necessary. Petrol pricing was a politically sensitive issue for many years. Regardless of who was at the helm, government shied away from raising the petrol price for fear of the political uproar it would cause. Regardless of who was in opposition, they would habitually seize any price-rise opportunity to protest and oust the minister, if not topple the government. However, there were no organised interest groups, as such, among opposers.
Smart donor support	Absent	No donors were involved.
Public awareness and support	Present	Because of the media's coverage, the general public is aware of the policy. Also, as there are no longer any public demonstrations, despite small price increases, the public has accepted that the reform is fully implemented. The public is generally in favour of the pricing mechanism, as it has stopped the politicisation of the issue. Whereas there had previously been (sometimes violent) street protests immediately after any price hike, this has practically disappeared since the introduction of the auto-pricing mechanism.
Time period: Whether the policy reform took place before or after the end of conflict (2006)	After	The policy was implemented in 2014.
Objective strength of implementing body	Present	The Cabinet/OPMCM is considered an objectively strong body.
Policy implementation yielding tangible benefits for implementers	Absent	The policy didn't yield tangible benefits for implementers.

18. Building code by DUDBC

Summary: Following the 1988 earthquake in Nepal, in 1994, the Department of Urban Development & Building Construction (DUDBC), with the technical support of UNDP, published a new national building code, setting minimum standards of building construction to protect houses from damage and collapse in case of an earthquake. Municipalities' failure to properly implement the code, due to weak capacity, was only realised after the devastating earthquake of April 2015.

Outcome: *Not (yet) successfully implemented.* Building codes have not been put into practice.

Conditions	Overall score	Details
Mandate, ownership and willingness of implementing bodies	Weak	Municipalities have the capacity to accept or reject building designs, but the institutional and technical capacity of many municipalities is very weak. Also, due to prevalence of corruption within municipalities, many officials turn a blind eye to rules and regulations.
Supporters with high political capital	Absent	Supporters of the reform include NGOs, such as the Nepal Society for Earthquake Technology, which trains construction professionals, such as masons, and carries out awareness campaigns on safe construction technologies.
Presence of organised interest groups among supporters	Absent	Though organisations such as the Nepal Society for Earthquake Technology support the reform, they have not attempted to intervene in the discourse.
Presence of organised interest groups among opposers	Absent	Nobody is against building codes per se; any conflict and opposition relates to policy implementation.
Smart donor support	Present	Donors include UNDP and UN Habitat (formerly the United Nations Human Settlement Programme, or UNCHS), which supported a three-year programme of 'Policy and Technical Support to the Urban Sector' within DUDBC in 1992–1993. One of its sub-projects was the 'National Building Code Development Project' in response to the August 1988 earthquake, which measured 6.7 on the Richter scale. UNDP also funded an update of the national building code in 2009 and the development of building-code guidelines in 2011, while USAID funded a project on building-code implementation in municipalities 2014–16.
Public awareness and support	Absent	The public is generally unaware of the existence of the national building code. It is only when they go to the municipalities for building approval that people discover they need to comply with it. In general, members of the public who built their houses after the 2015 earthquake are in favour of the building code, but many people feel it has merely added to building costs (for technical consultants, skilled manpower and the extra building materials that must be used).
Time period: Whether the policy reform took place before or after the end of conflict (2006)	Before	The national building code was established in 1994.
Objective strength of implementing body	Absent	None of the objectively strong bodies was involved in policy implementation.
Policy implementation yielding tangible benefits for implementers	Absent	The policy affects people building their own houses, but the benefit (greater resilience) is not obviously tangible compared with the tangible cost they incur.

4 Analysis and findings

This section illustrates the study's key findings. Given the number of pathways covered, we will keep the discussion relatively limited and explore the overall implications in greater detail in Section 5.

Here, we start by conducting a single-condition analysis, in other words, by investigating which individual conditions are necessary (*necessity analysis*) and which are sufficient (*sufficiency analysis*). Details of the models used can be found in Annex 4, including truth tables, prime implicant charts and INUS analysis. All findings are evaluated in terms of generalisability potential. For simplicity, we sometimes shorten the conditions to make the results easier to read. For example, 'organised interest groups among opposers' is sometimes referred to as 'organised opposition'.

4.1 Single-condition analysis

4.1.1 Necessity analysis

We found that **no single condition was strictly required for successful policy reform**. The two conditions closest to being necessary were the *presence* of mandate, ownership and willingness of implementing bodies and the *absence* of organised interest groups among opposers. Each of these conditions covered 85% of successful cases. We also tested which disjunctions (or logical unions) of two conditions were necessary. We found, among other things, that many of the necessary disjunctions were the same as we found subsequently in three- and four-condition models. These findings are presented in Annex 2.

4.1.2 Sufficiency analysis

When a condition is sufficient (without being necessary), it means that whenever it is present, the policy reform is successfully implemented – but it is not present in all successful cases. We found that **three conditions are sufficient in and of themselves for successful policy**

implementation: mandate and ownership of implementing bodies, objective strength of implementing bodies, and policy implementation yielding tangible benefits for implementers. The first two were variants of 'strength of implementing bodies' and their consistency was significant in both variations. This leaves **no doubt about the influence of strong implementing bodies on the success of policy implementation**. The third condition was also sufficient: whenever implementers received tangible benefits, policy implementation was successful. However, this only happened in three of our cases, so its significance was not as high (87%) as for the other two conditions, as can be seen in Table 3.

4.2 The pathways to successful policy implementation

While we started by investigating which single conditions were necessary and sufficient for the successful implementation of policy reforms, we were most interested in the pathways to successful policy implementation.

Our analysis tested different combinations of the nine most important conditions that emerged from the myriad potential conditions (see pages 15–18). The aim was to find simple and robust models with high coverage and consistency, and to synthesise the information in the dataset while simultaneously preserving causal relationships and avoiding loss of complexity. This was done by gradually reducing the dataset from the 18 combinations of conditions present in the 18 cases to a small number of simpler pathways that were still sufficient for success. Box 1 provides details on the important aspects of this calibration and analysis process. In the main body of the text, we focus our discussion on three- and four-condition models. Our key finding was that the combinations that explained most of the successful case studies were fairly similar across all of the models tested.

Table 3 Sufficiency analysis for key conditions

Condition		Successful	Not (yet) successful	All	Success rate	Significance*
Mandate, ownership and willingness of implementing bodies	Present	11	0	11	100%	100%
	Absent	2	5	7	29%	–
	All	13	5	18	72%	–
	Coverage**	85%	–	–	–	–
Objective strength of implementing bodies	Present	5	0	5	100%	97%
	Absent	8	5	13	62%	–
	All	13	5	18	72%	–
	Coverage	38%	–	–	–	–
Policy implementation yielding tangible benefits for implementers	Present	3	0	3	100%	87%
	Absent	10	5	15	66%	–
	All	13	5	18	72%	–
	Coverage	23%	–	–	–	–

* Significance is inversely proportional to the probability of achieving the same consistency over the same number of cases under random conditions. It is the probability that the consistency is not random and due to an underlying regularity. It measures the reliability of the sufficiency relationship.

** Coverage refers to the percentage/proportion of successful cases that present the condition and measures the importance of that condition or combination as a representation of the overall dataset.

Box 1 Calibration and analysis process

Many model variations, but consistent key results

The calibration process was highly iterative and collaborative, including several rounds of discussion with the project team. With each iteration, values were checked and revised, as needed, based on better understanding of the cases. While each revision produced slightly different QCA results, the explanatory power of key variables remained roughly the same throughout the process, confirming the robustness of results. However, during the final calibration, the ‘organised interest groups among opposers’ condition was replaced by the ‘smart donor support’ condition in the findings from the three-condition model. When we tested a four-condition model with the same three conditions and added ‘organised opposition’ condition, the results showed good robustness and consistency, but also highlighted the fact that this condition needed to be combined with three key conditions to explain the case studies. We also tested a four-condition model with three key conditions and the addition of ‘organised interest groups among supporters’, but that came back with unclear and inconsistent results.

Testing the rubrics

Our final calibration also included testing what would happen if we removed donors and ‘organised interest groups’ from the ‘supporters with high political capital’ condition. As donors, in particular, were often included as a supporter in this condition, the aim was to remove potential overlaps. However, this revision did not yield consistent results. After review, the research team decided to maintain the initial rubrics, as these conditions tested two different concepts: (a) whether there were any supporters with high political capital and (b) whether donor support was smart and timely. While donors were included in both conditions in some cases, it was not a conceptual problem in QCA as, say, (severe) multi-collinearity might have been in regression analysis. Rather, this was something to bear in mind when reading the results.

Box 1 Calibration and analysis process cont'd

Moving from a nine-condition model to a three-condition model

We started the formal Boolean minimisations with a nine-condition model and later extracted more parsimonious models to test on the basis of the most important conditions that appeared in this initial test. The findings from these tests returned smaller and smaller sets of conditions that we tested in isolation from the large group, until removing additional conditions decreased model fit in terms of consistency (the combinations were no longer perfectly sufficient) or coverage (the solution no longer covered the entire dataset). In this report, we wanted to focus on the final three-condition model that is the most parsimonious for retaining perfect consistency and coverage. We also mention a four-condition model obtained from the root three-condition model, plus a condition that was part of the three-condition model in a previous calibration. Ultimately, our aim was to explain the cases in simple and consistent ways. The prime implicant charts and truth tables for the nine-condition model can be found in Annex 4 for those who are interested. The downside of not presenting all our models is that we cannot discuss the importance (or lack thereof) of all nine conditions in detail. However, the most important findings across all models are included in the final discussion and recommendations section.

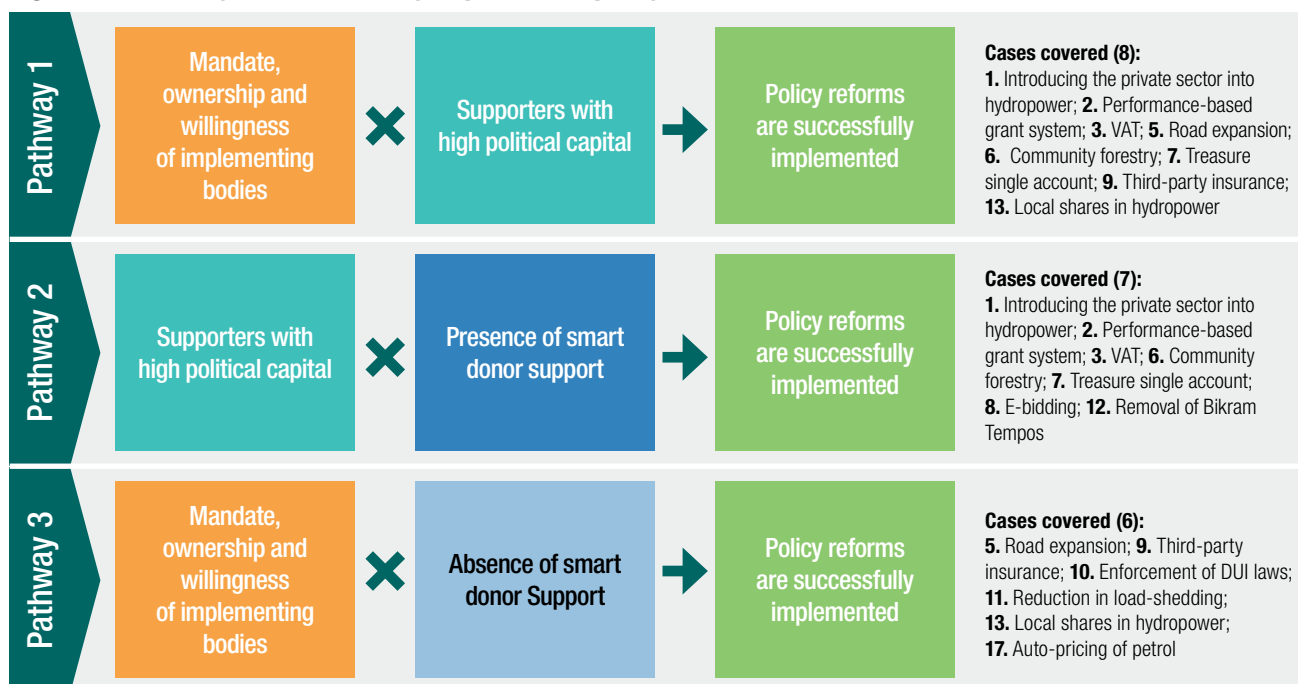
4.2.1 Three-condition model

Out of all of the solutions with perfect consistency and coverage to emerge from the high number of models tested, one is from a simple three-condition model (a model including just three key conditions):

- Mandate, ownership and willingness of implementing bodies
- Supporters with high political capital
- Smart donor support

Three pathways covering the entire set of successful cases are illustrated in Figure 4.⁸

Figure 4 Pathways to successfully implemented policy reform in the three-condition model



⁸ This model is highly significant (100%), as only 14 cases are needed for 99% confidence that the truth table rows are sufficient combinations when the model has three conditions (Marx and Dusa, 2011); in our case, we have 18 cases.

The diagram also shows that the outcome of a case study can be explained by more than one pathway. This simply means that a single case study can be synthesised and looked at from different angles. Each pathway in the three-condition model covers between six and eight cases out of 13 successful case studies.

The key take-aways from this model are:

Pathway 1 Alignment of political capital and the mandate and ownership of implementers

Policy implementation was successful in cases where supporters with high political capital and implementers with mandate and willingness were present. In these cases, donor support did not matter. This pathway had highest coverage, explaining eight out of 13 (62%) successful cases.⁹ However, it may be worth noting that in this three-condition model (unlike in the four-condition model, which we discuss later), the ‘unique’ coverage of the first pathway was 0%. This means that all the cases can also be explained by pathways 2 and 3. This reflects the aforementioned QCA feature that allows complexity in causality, whereby different pathways can lead to the same outcome. This doesn’t mean that the pathway is not significant, especially as it has the highest ‘raw’ coverage. In this model, only five case studies were explained by just one pathway.

Pathway 2 Political capital with smart donor support

The second successful combination was having supporters with high political capital and smart donor support. In these cases, it didn’t matter whether implementers had a mandate and willingness to act. For example, in the case of the ban on Bikram Tempos, the implementing bodies

were not considered strong, but the reform was supported by donors in a timely manner, and there were other supporters, such as tourism operators in the mix. It is important to note that this was the only pathway in the three-condition model where smart donor support was present. This pathway explained seven of the 13 successful cases (54%).

Pathway 3 Implementer-led change

There were several cases where donor support was not needed as long as the reform had strong implementing bodies. This pathway applied to six of the 13 successful cases (46%). Cases such as the Kathmandu road expansion, the requirement for third-party motor insurance and the auto-pricing of petrol were characterised by a lack of smart donor support or, in many cases, a lack of donor involvement altogether.

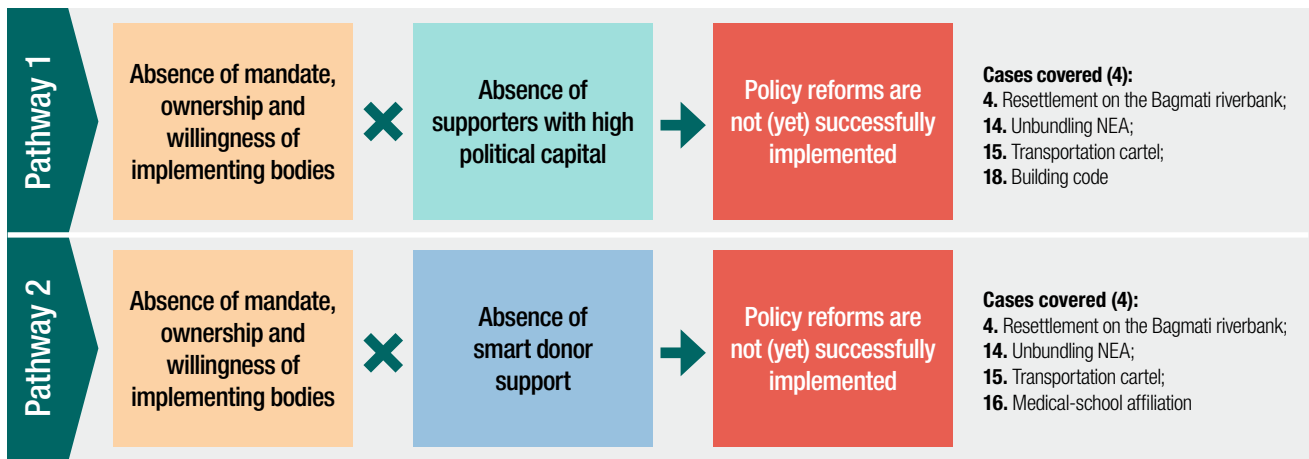
It may be worth noting that pathways 2 and 3 don’t explain any of the same case studies, unlike pathways 1 and 2, and 1 and 3. Our analysis indicates that donor support can be the difference between success and a lack of success when implementing bodies are not strong and when supporters with high political capital are present. Another interesting finding is that in the absence of smart donor support, the role of implementing bodies is crucial. In all cases where smart donor support was not present, having strong implementing bodies was both necessary and sufficient for success. We discuss the role of donors more in the next section.

Not (yet) successful policy reforms

Perhaps unsurprisingly, in the three-condition model, unsuccessful case studies can be explained by the absence of two out of three conditions. Figure 5 illustrates these pathways.

⁹ This coverage can be understood as ‘raw coverage’, or how many case studies the pathway covers in the dataset. We can also look for unique coverage, that is, how many case studies the pathway covers that are not covered by any other pathway. Unique coverage is as follows: pathway 1: 0% (0/13), pathway 2: 15% (2/13) and pathway 3: 23% (3/12).

Figure 5 Pathways to not (yet) successful reform in the three-condition model



The unsuccessful cases can be explained by the absence of implementers with mandate and ownership, combined either with (a) the absence of supporters with high political capital or (b) the absence of smart donor support. Both of these pathways cover four out of five (80%) unsuccessful cases.¹⁰

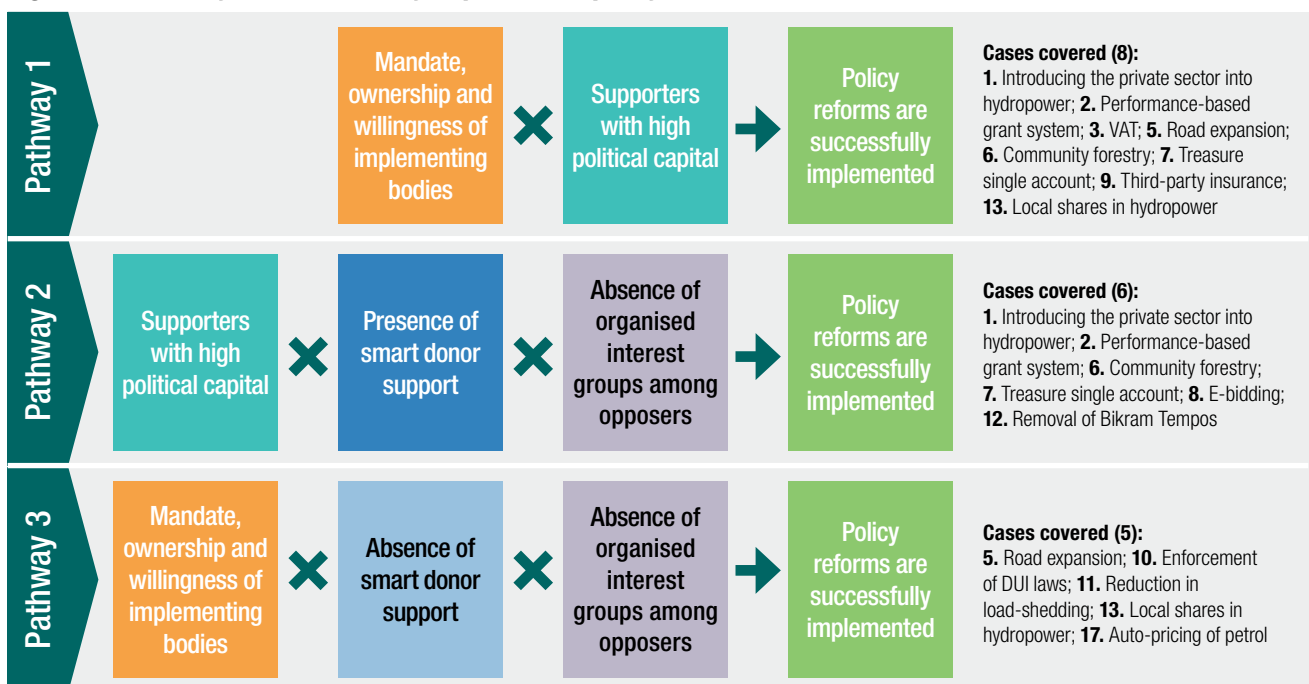
It is important to note that the absence of strong implementing bodies is necessary (but not sufficient) for a lack of success. There is no unsuccessful case where this condition is present.

Its presence seems to guarantee success (see single-condition analysis).

4.2.2 Four-condition model

We also tested a four-condition model using the three-condition model, but adding the ‘organised interest groups among opposers’ condition. This additional condition emerged as potentially important in the analyses carried out prior to the final calibration. The analysis yielded three pathways, illustrated in Figure 6.

Figure 6 Pathways to successfully implemented policy reforms in the four-condition model



10 Unique coverage is as follows: pathway 1: 20% (1/5) and pathway 2: 20% (1/5).

Pathway 1 Alignment of political capital and the mandate and ownership of implementers

This pathway is exactly the same as in the three-condition model, underscoring the importance of mandate and ownership of implementers and supporters with high political capital. As this is the only pathway in the four-condition model that sees a policy implemented regardless of organised opposition, it further indicates that it is a powerful combination. Its coverage (62%) is highest of the three pathways found in the model.¹¹

Pathway 2 Political capital with smart donor support and no organised opposition

Pathway 2 is similar to that of the three-condition model, except that it is now combined with an absence of organised opposition. As in the three-condition model, this is the only pathway with smart donor support. Pathway 2 explains 46% of successful cases.

Pathway 3 Implementer-led change without organised opposition

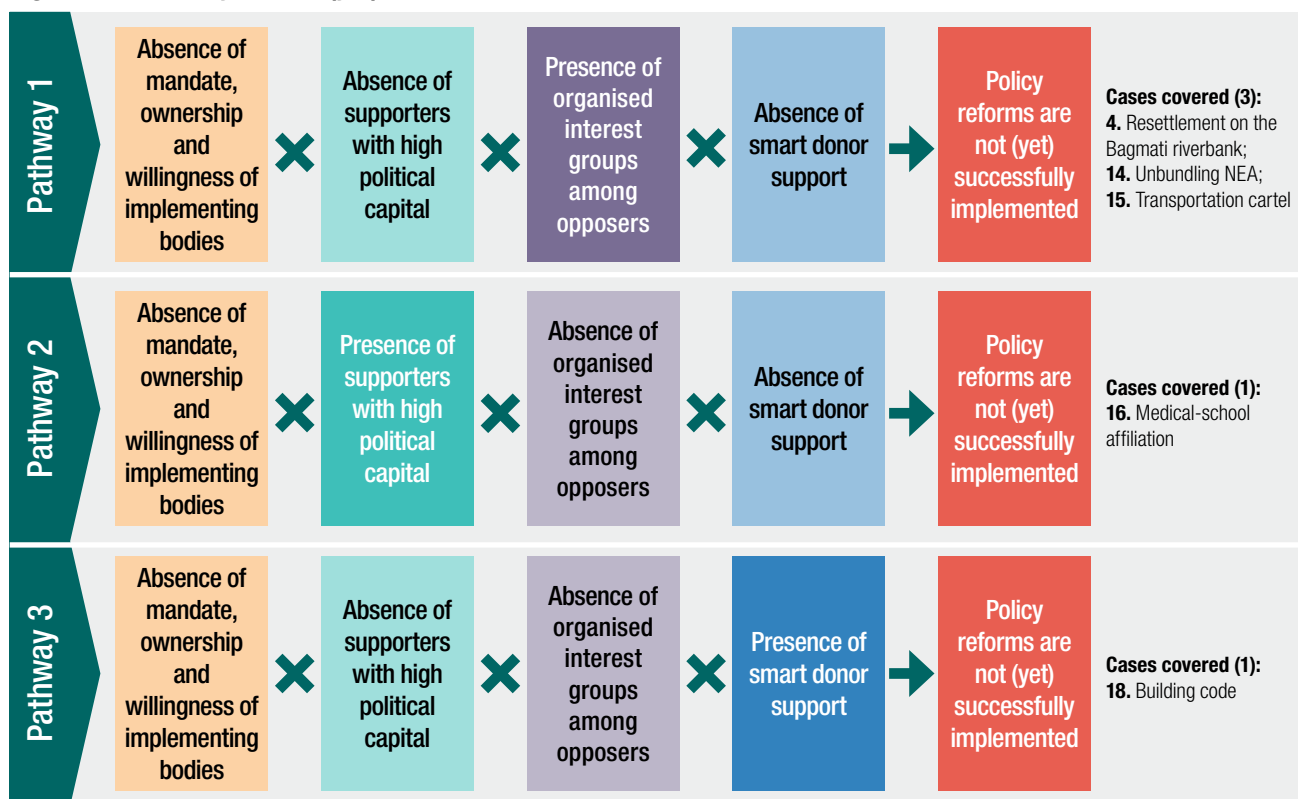
The third pathway is also similar to that of the three-condition model, but, as before, is now combined with an absence of organised opposition. This pathway shows that there are several cases where donor support is not needed as long as implementers with mandate and ownership are driving the change and there are no interest groups to oppose it. Pathway 3 covers 38% of successful cases.

The four-condition model tells us that while the absence of organised opposition can still be considered an important condition, it is not significant in and of itself, but has to be combined with other conditions for its role to be clearly understood. We will discuss this more in the next section.

Not yet successful policy reforms

The negative outcomes in the four-condition model can be explained by three pathways, as illustrated in Figure 7.

Figure 7 Pathways to not (yet) successful reforms in the four-condition model



11 Unique coverage is as follows: pathway 1: 15% (2/13), pathway 2: 15% (2/13) and pathway 3: 23% (3/13).

In this model, three out of five (60%) unsuccessful case studies were explained by the absence of three key conditions and by the presence of organised opposition (pathway 1).¹² Similar to the three-condition model, each unsuccessful pathway was characterised by the absence of strong implementing bodies, suggesting their absence is necessary (but not sufficient) for a lack of

success. This further underscores the role of the implementers.

Pathways 2 and 3 each cover only one case, in other words, coverage is 20% (one out of five). Pathway 3 explains the building-code case study and is interesting in that it is the only unsuccessful case in which smart donor support is present. We will discuss the role of smart donor support in the next section.

¹² The unique coverages are same as raw coverages.

5 Discussion and conclusions

5.1 Understanding policy change in Nepal

The results of this QCA analysis are robust, with high coverage and consistency, and have passed various statistical tests (see Annexes 1 and 2 for details). The combinations that explain most of the successful case studies are roughly similar across all tested models. The results also support many of the conclusions found in the first study (Jones et al., 2017), though that focused on slightly different aspects of the same conditions or actors. In this section, we discuss our overall key findings and their implications and refer to the broader literature.

5.1.1 Importance of implementing bodies and meaningful ownership

‘Implementation gap’ refers to a common phenomenon in which changes in formal policy do not guarantee that the reform will be implemented in practice (see, for example, CIPE, 2012). The findings of this QCA study (in both single-condition and combination-of-conditions analysis) strongly suggest that close attention be paid to the body that will implement a policy, rather than the body taking the formal decision. Not only were the implementers with mandate and ownership present in the pathways that led to the highest number of successful cases, but their absence from the unsuccessful pathways only highlighted their crucial role.

Moreover, many may equate government ownership with whether a programme or policy change is aligned with existing government policy or political priorities, or whether there is formal government approval or sign-off of a change. The ‘mandate and ownership’ condition indicates that

this limited interpretation of ownership may not be so useful. Rather, focus would be better placed on where the government is actually motivated and committed to act upon a policy. In particular, a useful sign of deeper commitment and interest is whether a government is prepared to spend its own resources and delegate authority to an implementing organisation to put the policy into action.

This conclusion is echoed in the broader literature. For instance, according to Brinkerhoff and Brinkerhoff (2015), insufficient and superficial ownership is one of the key reasons leading to situations in which technical reforms are adopted in principle, but lack the behavioural and resource changes that are essential for them to function as planned.

5.1.2 Supporters with high political capital are not sufficient to drive policy change in the absence of other factors

The role of influential supporters (understood in our study to be actors ranging from individuals, such as a prime minister, to political parties, donors and the private sector) came across strongly in our analysis. This was unsurprising, as the role of influential supporters and champions in mobilising policy change is well known. For example, having motivated and strategic individuals on board with the incentives, values, interests and opportunity to push for change is one of the key ingredients in building political will (DLP, 2018). Moreover, one of the characteristics of policy-making in Nepal is its personality-driven decision-making processes, meaning that many high-profile decisions are made by an extremely small group of individuals, based on discussions and negotiations behind closed doors (Basnett et al., 2014).

However, based on our analysis, supporters alone are not sufficient (or necessary) for success and their support needs to be combined with other factors. This chimes with the findings of the first study (Jones et al., 2017).

If political capital meets implementers with mandate and ownership, as in the first pathways of both the three- and four-condition models, this would seem to be an unassailable force when it comes to ensuring successful reforms – as seen, for example, in the community forest, road expansion and VAT reform case studies, among others. However, this first pathway comes across as a rather ‘top-down’ approach and seems somewhat at odds with common understanding of the political economy in Nepal.¹³ This may signify that there is perhaps unrecognised power and potential in the system. However, it may be worth keeping in mind that policies are generally not well implemented in Nepal,¹⁴ so even this pathway (which applied to most of the successful cases in both the three- and four-condition model) may not happen too often in practice.

5.1.3 Interest groups can block reforms, but cannot easily drive them

Nepal has strong unions and a very active civil society. Our analysis understood organised interest groups to include unions, the private sector and civil-society associations who jointly lobby for or oppose a reform.

First, our analysis shows that it is more important to avoid organised opposition than to try to win organised support. This is consistent with the findings of the first study (Jones et al., 2017). Second, the results indicate that while organised interest groups are not a significant factor in getting a policy implemented, they can block it from being effectively implemented, though only if combined with other key conditions.

The result may also imply that, in Nepal, only a limited number of actors has the power to push through reforms, while many have the power to block them. Perhaps Nepal’s ‘consensus-based’

culture of politics and policy-making plays a role here, too (for more, see, for example, Byrne and Shrestha, 2014; Snellinger, 2015). In addition, unions’ role in seriously hindering private-sector development in Nepal has been noted before (see, for example, Basnett et al., 2014). Among our case studies, the role of unions in blocking reforms was apparent in the attempted unbundling of NEA, where the staff of NEA and their four unions successfully opposed the reform.

5.1.4 Donor support can be influential, but only under certain conditions and if it is ‘smart’

Donors have played an important role in Nepal for decades, but foreign aid has also been criticised for its fragmentation and lack of coordination (Basnett et al., 2014). Our study suggests that donor support can be influential, but within limits.

First, several reforms were implemented without any donor presence, such as the introduction of third-party motor insurance, the auto-pricing of petrol, and the allocation of local shares in hydropower. Moreover, one of the five unsuccessful reforms (building codes) was characterised by the presence of smart donor support. However, the analysis indicates that donor support can make the difference between success and the lack of it when implementing bodies are not strong and when supporters have high political capital.

It is important to note that in most of these cases, donor support did not take the form of traditional programmes, but was considered ‘smart’ (well timed, well targeted and well framed). For example, the ban on Bikram Tempos was supported by USAID/Global Resource Initiative, which kickstarted the discussion on outlawing the Bikram Tempos and provided necessary technical support to the process. Their support came at a time when pollution was becoming a major factor in Kathmandu and was instigated by initiatives from local policy-makers (notably, the Deputy Mayor of Kathmandu).

13 See, for example, Basnett et al. (2014) and Hatlebakk (2017), which discuss Nepal’s weak rule of law, questionable bureaucratic culture and consensus-based decision-making, among other things.

14 See, for example, World Bank (2018) and Dangi (2017).

Donors have also been influential by way of the ‘political capital’ condition in cases where they have provided a large proportion of the budget – this could open up possibilities for influence through both pathways 1 and 2. The proportion of Western donors’ contribution to national and provincial budgets can be expected to decline in the coming years, however, following a spike linked to reconstruction and humanitarian assistance following the 2015 earthquake.¹⁵ This, coupled with increased aid and investment from China, means that influencing reform through the ‘political capital’ condition may be less significant in the future for Western donors.

However, our findings emphasise the potential for donors to influence policy if they can find ways to deliver smart and strategic support, rather than use traditional approaches. Below, based on our findings, we have identified a number of points and recommendations for programmes that are seeking to influence policy implementation in Nepal.

5.2 Implications for influencing policy in Nepal

5.2.1 Understand the political economy of issues, be responsive and adaptive

Our study shows that it is important to start with a thorough political economy analysis and to focus specifically on the relationship between implementing bodies, the political capital of supporters and the nature of donor support. This can help to assess and predict areas where there may be the potential for political interest, government ownership and group-based opposition. It may not always be predictable, especially as political shifts and turnover alter which actors have political capital, as well as what issues are driven in ministries. Thus, an ability to adapt and respond to changing circumstances will probably be needed, especially now that the country is moving towards federalism (see Box 2 for more discussion).

5.2.2 Pay attention to the implementing bodies, not just the champions

Groups and organisations are often advised to find a policy with a ‘champion’ or ‘owner’ willing to push it through. While it can be worthwhile to seek out supporters with high political capital and look, in particular, for policy windows to open (for example, after elections, natural disasters, or other major events), our findings suggest that this is not enough: one needs to pay attention to the implementing bodies. Such interaction can include fostering genuine ownership of policy ideas by implementing bodies but, more importantly, trying to find policy areas where political and bureaucratic interests overlap. Alignment of this nature has proved a powerful pathway for successful policy implementation and can be a fruitful area for donors to work with government to develop solutions, broker agreements, etc. This leads us to our final recommendation.

5.2.3 Work within the confines of what might feasibly be implemented

In many cases, influencing the factors identified in this study is likely to be challenging. For example, actors with high political capital are typically hard to influence, as is trying to impact the organisation of those opposing a policy (Jones et al., 2012). There are various techniques to support this: for example, insights from behavioural science suggest reframing tactics can be used to influence policy-makers’ decision-making (see, for example, Cairney and Kwiatkowski, 2017; Hallsworth et al., 2018). However, it may be more realistic to support aspects of a policy area where government has already invested resources and shown interest and ownership, and work within what might feasibly be implemented.

While donors only have limited influence on whether policies get implemented, they may be better placed to influence the content of the policies that are likely to be implemented and to increase the efficiency, effectiveness and quality of these reforms.

¹⁵ While the volume of overseas development aid has increased, it has decreased as a share of the national budget from 29% in FY2017/18 to 22% in FY2017/18. Moreover, UK and US support has decreased slightly, while China’s contribution has increased. China was the fourth-biggest bilateral donor in Nepal in FY2017/18 (Ministry of Finance, 2018). This trend can be expected to continue.

Box 2 Nepal's move towards federalism

Nepal is moving from a unitary, centralised system of governance to a federal system. Under Nepal's federal structure, power is divided into three tiers of government: central, provincial and local. The decentralisation of governance requires that sub-national authorities are sufficiently resourced and have a degree of decision-making that allows them to implement their given responsibilities.

According to the World Bank (2018), while the transition to federalism will change incentives and contestability in Nepal and provide opportunities for positive change, it also poses risks. For example, if the responsibilities of different levels of government are not clarified, implementation capacity at sub-national level is not built, or if appropriate resources are not delegated, the transition may actually increase implementation challenges. There is still a considerable amount of uncertainty as to how federalism will unfold and what its effects will be (World Bank, 2018).

Bearing in mind this uncertainty and the fact that the reforms considered for this study took place before active implementation of the federal system started, we can, however, assume that:

1. Key factors in the policy process may remain relevant, especially at central and provincial levels

Though it is impossible to predict, there may not be drastic shifts in the factors influencing policy change in the near future. Formal institutional reforms, such as decentralisation and a transition to federalism, do not necessarily mean immediate or significant changes in the actors with political power or capital, the power of the government as a whole (although the internal power configuration may shift), or the power of interest groups to block reforms. This is backed up by the relative insignificance of the 'time period' condition in our analysis, which shows that our models have been relatively consistent over the past 30 years, a time in which Nepal has undergone significant structural political transition. However, the transition to federalism may have more, and different, effects on local-level decision-making. For example, decentralisation may increase the importance of organised opposition, as local governments may pay more attention to their local communities. Thus, we can assume that our findings may be less applicable to influencing reforms at the local level than at the central and provincial levels. This is an important topic for future research.

2. There may be greater potential for reforms

While the composition of key factors may not change under the federal system, the prevalence or likelihood of securing some of them may. For example, there may be more stability and continuity of government given the large majority of the ruling coalition, which may mean more stakeholders with good political capital and an ability to find alignment between this, government ownership and resourcing.

5.3 Implications for future research

It is important to note that our findings apply to Nepal. In a sense, our study forms 'middle-range theories' (Merton, 1949), whereby the relationships between cause and outcome are bound in time and space. Studies to test the conditions in other countries may come up with a different set of pathways.

5.3.1 Using QCA in future policy studies

In many ways, this is an exploratory study. As far as we are aware, this is the first time QCA has been used to systematically investigate factors associated with policy reforms in a developing country. Based on our experience, we encourage other studies to build on our work and apply it. However, there are challenges that groups should be aware of.

For example, those who are experienced in in-depth case-study analysis may be uncomfortable at times with assigning yes/no or high/low values (which are eventually turned into numerical values) to causal conditions. While it may be correct to say that many of these conditions are more like continuums than dichotomies (for example, whether a supporter has high political capital or not), the key is to decide in which direction the case study leans, based on the clear and consistent criteria assigned to that condition. In addition, having a robust peer review in assigning values bolsters the reliability of the assessments.

Furthermore, it is important to bear in mind that while each policy reform is nuanced and unique, it is also unwise to assume that no commonalities exist between cases. QCA aims to take a bird's eye view of a set of policy reforms, rather than provide an exhaustive and comprehensive view of single cases. It aims to develop middle-range theories, rather than full accounts of single cases or of a handful of cases. The benefit is that other studies can test and further such theories and hypotheses, as we hope will be the case with our findings.

5.3.2 Focus for further studies

We need to bear in mind that while the selected case studies represent a range of policy reforms and cut across sectors, they may not be representative of all policy reforms in Nepal. Moreover, our analysis could be strengthened

in the following ways: first, by including more unsuccessful reforms in the analysis. In our analysis, we had five not (yet) successful cases, but having more could further illuminate factors and pathways that lead to policy reforms not being implemented in practice as intended. Second, it may be worth adding cases where the condition of 'policy implementation yielding tangible benefits for implementers' is present. This condition was found sufficient in single-condition analysis, but because it was present only in three case studies, it didn't emerge as a significant factor in pathway analysis. Further investigating its role could forge new insights into locally led reforms.

Future studies could also unpack some of the conditions, especially the 'mandate, ownership and willingness of implementing bodies' and conduct more in-depth political economy analysis of a number of case studies to understand the nuances of those cases.

Lastly, we hope that our results can further support those seeking to influence policy implementation in Nepal by turning this paper into an analytical tool or framework. This tool is not meant to provide a static blueprint solution, but act as a dynamic guide that could help organisations to decide where they should focus their attention, for example, by identifying which conditions and actors need to be present or absent so that a policy reform is more likely to be implemented in practice.

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Annex 1 Additional methods information

Caveats and limitations

As for other research methods, the findings of a QCA analysis are as good as the quality of data and conceptual framing (such as assumptions and definitions). The same procedures were tried and tested on several slightly different datasets and, **after these sensitivity tests, the findings appear quite robust.** Even better, as the theory was refined and the dataset modified, the findings became clearer and clearer, lending ever more credibility and support to the theory.

The most controversial aspect of the study probably lies in the calibration, or definition of ‘0’s and ‘1’s for the conditions considered. The team put considerable care and effort into refining the conditions and the calibration should be sufficiently detailed and unambiguous to be reliable and consistent if the assignment of values is repeated by other researchers. However, this was not tried in practice: the calibration was carried out internally by the evaluation team, with three or four people playing different roles in the process. There was internal consistency in the values assigned by the Policy Entrepreneurs Incorporated team, but we do not know if this consistency would be maintained if another team were to repeat the exercise. The ultimate goal of research methods, however, is to offer enough transparency for the findings to be tested and challenged by an external audience, and we believe the current study easily allows this.

External validity

One question often asked about QCA findings is how generalisable they are. Are they just a synthesis of a specific dataset? Or are they indicative of underlying general regularities that are likely to be found outside the dataset as well? In other words, **what is their external validity?**

There are two ways to answer this question. One is to use the method developed by Marx and Dusa in 2011, which suggests that, for models with four conditions, at least 13 cases are needed to be 90% sure that the findings are not random, and for models with five conditions, at least 18 cases are needed. Our final dataset included 18 cases, so all the consistent combinations in the truth tables obtained from four or five conditions can be considered valid sufficiency statements (Marx and Dusa, 2011).

The other method, developed by Befani (2016), is to check for the reliability of super-subset associations (the findings of the necessity and subset analysis) by estimating the chance of a random association. If the regularity is repeated over several cases, it is unlikely to be random. Most of our findings pass this test.

Annex 2 Detailed QCA model analysis

In this Annex, the nine conditions are shortened as follows:

Mandate, ownership and willingness of implementing bodies	IMPLEMENT_BODIES
Supporters with high political capital	HIGH_CAP_SUPPORTERS
Presence of organised interest groups among supporters	ORG_INT_SUPPORTERS
Presence of organised interest groups among opposers	ORG_INT_OPPOSERS
Smart donor support	DONOR_SUPPORT
Public awareness and support	PUBLIC_SUPPORT
Time period (before or after conflict ended in 2006)	TIME
Objective strength of the implementing body	OBJ_STRENGTH
Policy implementation yielding tangible benefits for implementers	BENEFITS

When the condition is written in capitals in the following analyses, it denotes the presence of the condition, and when in smaller letters, the absence of it.

Necessity analysis

While no single condition is strictly required, several disjunctions (or logical unions) of two conditions are necessary. Table A1 shows the necessity-consistency of 13 pairs of conditions united in disjunctions. Each pair is perfectly necessary, that is, at least one of the two conditions needs to be present in order for a case to be successful (the first column denotes the proportion of successful cases presenting the disjunction/group of two conditions united in disjunction).

Table A1 Necessity analysis: necessity-consistency of conditions

1	org_int_supporters+obj_strength	1.000	0.000	0.722
2	DONOR_SUPPORT+time	1.000	0.200	0.765
3	org_int_opposers+benefits	1.000	0.000	0.722
4	org_int_opposers+public_support	1.000	0.200	0.765
5	HIGH_CAP_SUPPORTERS+time	1.000	0.400	0.812
6	HIGH_CAP_SUPPORTERS+org_int_supporters	1.000	0.000	0.722
7	HIGH_CAP_SUPPORTERS+ PUBLIC_SUPPORT	1.000	0.600	0.867
8	HIGH_CAP_SUPPORTERS+donor_support	1.000	0.200	0.765
9	HIGH_CAP_SUPPORTERS+ org_int_opposers	1.000	0.600	0.867
10	IMPLEMENT_BODIES + benefits	1.000	0.000	0.722
11	IMPLEMENT_BODIES + DONOR_SUPPORT	1.000	0.800	0.929
12	IMPLEMENT_BODIES + org_int_opposers	1.000	0.600	0.867
13	IMPLEMENT_BODIES + HIGH_CAP_SUPPORTERS	1.000	0.800	0.929

These two single conditions are closest to necessary condition.

1	org_int_opposers	0.846	0.714	0.846
2	IMPLEMENT_BODIES	0.846	1.000	1.000

Sufficiency analysis

Table A2 Sufficiency analysis: conditions

1	BENEFITS	1.000	1.000	0.231
2	OBJ_STRENGTH	1.000	1.000	0.385
3	IMPLEMENT_BODIES	1.000	1.000	0.846
4	ORG_INT_SUPPORTERS*TIME	1.000	1.000	0.154
5	public_support*ORG_INT_SUPPORTERS	1.000	1.000	0.077
6	PUBLIC_SUPPORT*TIME	1.000	1.000	0.154
7	DONOR_SUPPORT*time	1.000	1.000	0.231
8	DONOR_SUPPORT* ORG_INT_SUPPORTERS	1.000	1.000	0.154
9	DONOR_SUPPORT* PUBLIC_SUPPORT	1.000	1.000	0.154
10	ORG_INT_OPPOSERS *ORG_INT_SUPPORTERS	1.000	1.000	0.077
11	ORG_INT_OPPOSERS* DONOR_SUPPORT	1.000	1.000	0.077
12	HIGH_CAP_SUPPORTERS*TIME	1.000	1.000	0.308
13	HIGH_CAP_SUPPORTERS*org_int_supporters	1.000	1.000	0.462
14	HIGH_CAP_SUPPORTERS*public_support	1.000	1.000	0.462
15	HIGH_CAP_SUPPORTERS* DONOR_SUPPORT	1.000	1.000	0.538
16	HIGH_CAP_SUPPORTERS* ORG_INT_OPPOSERS	1.000	1.000	0.154
17	org_int_opposers*org_int_supporters*time	1.000	1.000	0.538
18	org_int_opposers*public_support*time	1.000	1.000	0.231
19	org_int_opposers* PUBLIC_SUPPORT*org_int_supporters	1.000	1.000	0.308
20	org_int_opposers*donor_support*org_int_supporters	1.000	1.000	0.308
21	high_cap_supporters *org_int_opposers*time	1.000	1.000	0.231
22	high_cap_supporters *org_int_opposers* PUBLIC_SUPPORT	1.000	1.000	0.231
23	high_cap_supporters *org_int_opposers*donor_support	1.000	1.000	0.231

Nine-condition model

After several tests and iterations, we discovered that the most sophisticated, clearest and best-fitting model covering and representing the set of 18 cases included nine conditions.

Table A3 Truth table for a nine-condition model

IMPLEMENT_BODIES	HIGH_CAP_SUPPORTERS	ORG_INT_OPPOSERS	DONOR_SUPPORT	PUBLIC_SUPPORT	ORG_INT_SUPPORTERS	OBJ_STRENGTH	TIME	BENEFIT	OUTCOME	n	Incl.	PRI	Cases
0	0	0	1	0	0	0	1	0	0	1	0.000	0.000	18. Building code
0	0	1	0	0	0	0	0	0	0	1	0.000	0.000	4. Riverbank resettlement
0	0	1	0	0	0	0	1	0	0	1	0.000	0.000	14. Unbundling NEA
0	0	1	0	1	0	0	0	0	0	1	0.000	0.000	15. Transportation cartels
0	1	0	0	1	1	0	0	0	0	1	0.000	0.000	16. Medical-school affiliation
0	1	0	1	0	0	1	0	0	1	1	1.000	1.000	8. E-bidding
0	1	0	1	1	1	0	1	0	1	1	1.000	1.000	12. Removal of Bikram Tempos
1	0	0	0	1	0	0	0	0	1	1	1.000	1.000	11. Load-shedding
1	0	0	0	1	0	1	0	0	1	1	1.000	1.000	17. Auto-pricing of petrol
1	0	0	0	1	0	1	0	1	1	1	1.000	1.000	10. Enforcement of DUI laws
1	1	0	0	1	0	0	0	0	1	1	1.000	1.000	5. Road expansion
1	1	0	0	1	1	0	0	0	1	1	1.000	1.000	13. Local shares in hydropower
1	1	0	1	0	0	0	0	1	1	1	1.000	1.000	2. Performance-based grant system
1	1	0	1	0	0	0	1	0	1	1	1.000	1.000	1. Introducing the private sector into hydropower.
1	1	0	1	0	0	1	0	0	1	1	1.000	1.000	7. Treasury single account
1	1	0	1	1	1	0	1	1	1	1	1.000	1.000	6. Community forestry
1	1	1	0	0	1	0	0	0	1	1	1.000	1.000	9. Third-party insurance
1	1	1	1	0	0	1	1	0	1	1	1.000	1.000	3. VAT

Table A4 Nine-condition model, intermediate solution prime implicant (PI) chart

	E-bidding	Removal of Bikram Tempos	Load- shedding	Auto-pricing of petrol	Enforcement of DUI laws	Road expansion	Local shares in hydropower	Performance-based grant system	Introducing the private sector into hydropower.	Treasury single account	Community forestry	Third-party insurance	VAT	Total number of case studies covered
BENEFITS	-	-	-	-	X	-	-	X	-	-	X	-	-	3
OBJ_STRENGTH	X	-	-	X	X	-	-	-	-	X	-	-	X	5
IMPLEMENT_BODIES	-	-	X	X	X	X	X	X	X	X	X	X	X	11
Public_support* ORG_INT_SUPPORTERS	-	-	-	-	-	-	-	-	-	-	-	X	-	1
PUBLIC_SUPPORT*TIME	-	X	-	-	-	-	-	-	-	-	X	-	-	2
DONOR_SUPPORT* PUBLIC_SUPPORT	-	X	-	-	-	-	-	-	-	-	X	-	-	2
DONOR_SUPPORT* ORG_INT_SUPPORTERS	-	X	-	-	-	-	-	-	-	-	X	-	-	2
DONOR_SUPPORT *time	X	-	-	-	-	-	-	X	-	X	-	-	-	3
ORG_INT_OPPOSERS * DONOR_SUPPORT	-	-	-	-	-	-	-	-	-	-	-	-	X	1
ORG_INT_OPPOSERS * ORG_INT_SUPPORTERS	-	-	-	-	-	-	-	-	-	-	-	X	-	1
ORG_INT_SUPPORTERS*TIME	-	X	-	-	-	-	-	-	-	-	X	-	-	2
HIGH_CAP_SUPPORTERS* public_support	X	-	-	-	-	-	-	X	X	X	-	X	X	6
HIGH_CAP_SUPPORTERS* DONOR_SUPPORT	X	X	-	-	-	-	-	X	X	X	X	-	X	7
HIGH_CAP_SUPPORTERS * ORG_INT_OPPOSERS	-	-	-	-	-	-	-	-	-	-	-	X	X	2
HIGH_CAP_SUPPORTERS* org_int_supporters	X	-	-	-	-	X	-	X	X	X	-	-	X	6
HIGH_CAP_SUPPORTERS*TIME	-	X	-	-	-	-	-	-	X	-	X	-	X	4
org_int_opposers* PUBLIC_SUPPORT* org_int_supporters	-	-	X	X	X	X	-	-	-	-	-	-	-	4
org_int_opposers*public_support*time	X	-	-	-	-	-	-	X	-	X	-	-	-	3
org_int_opposers*donor_support* org_int_supporters	-	-	X	X	X	X	-	-	-	-	-	-	-	4
org_int_opposers* org_int_supporters*time	X	-	X	X	X	X	-	X	-	X	-	-	-	7
high_cap_supporters* org_int_opposers * PUBLIC_SUPPORT	-	-	X	X	X	-	-	-	-	-	-	-	-	3
high_cap_supporters * org_int_opposers*donor_support	-	-	X	X	X	-	-	-	-	-	-	-	-	3
high_cap_supporters * org_int_opposers*time	-	-	X	X	X	-	-	-	-	-	-	-	-	3

Table A5 Truth table for the three-condition model

IMPLEMENT_BODIES	HIGH_CAP_SUPPORTERS	DONOR_SUPPORT	Outcome	Case studies
1	1	1	1	1. Introducing the private sector into hydropower, 2. Performance-based grant system, 3. VAT, 6. Community forestry, 7. Treasury single account
0	0	0	0	4. Resettlement on the Bagmati riverbank, 14. Unbundling NEA, 15. Transportation cartels
1	1	0	1	5. Road expansion, 9. Third-party insurance, 13. Local shares in hydropower
0	1	1	1	8. E-bidding, 12. Removal of Bikram Tempos
1	0	0	1	10. Enforcement of DUI laws, 11. Load-shedding, 17. Auto-pricing of petrol
0	1	0	0	16. Medical-school affiliation
0	0	1	0	18. Building code

Table A6 Truth table for the four-condition model

IMPLEMENT_BODIES	HIGH_CAP_SUPPORTERS	ORG_INT_OPPOSERS	DONOR_SUPPORT	Outcome	Case study IDs
1	1	0	1	1	1. Introducing the private sector into hydropower, 2. Performance-based grant system, 6. Community forestry, 7. Treasury single account
1	1	1	1	1	3. VAT
0	0	1	0	0	4. Resettlement on the Bagmati riverbank, 14. Unbundling NEA, 15. Transportation cartels
1	1	0	0	1	5. Road expansion, 13. Local shares in hydropower
0	1	0	1	1	8. E-bidding, 12. Removal of Bikram Tempos
1	1	1	0	1	9. Third-party insurance
1	0	0	0	1	10. Enforcement of DUI laws, 11. Load-shedding, 17. Auto-pricing of petrol
0	1	0	0	0	16. Medical-school affiliation
0	0	0	1	0	18. Building code

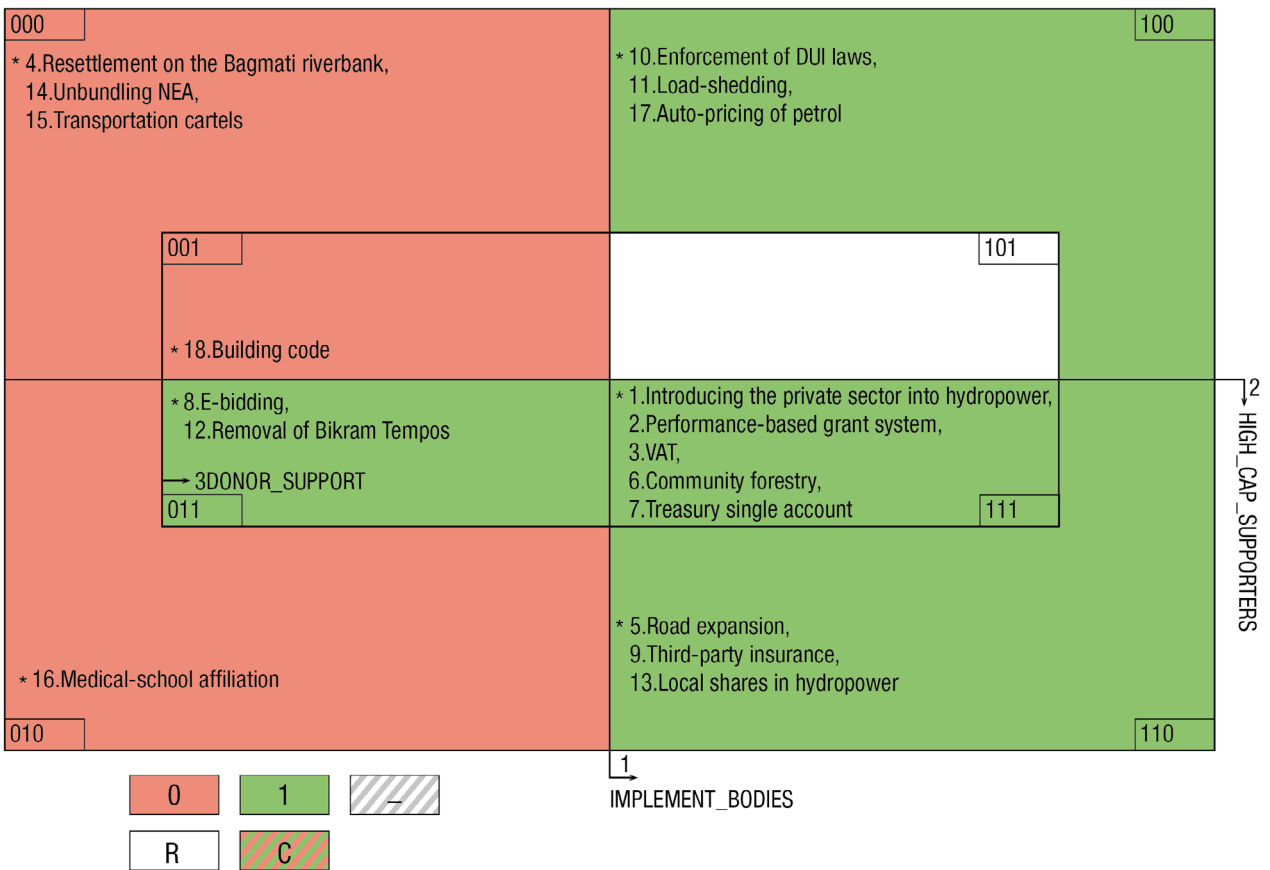
INUS analyses

The INUS analyses for the conditions that are not sufficient by themselves (HIGH_CAP_SUPPORTERS & DONOR_SUPPORT) revealed the following:

HIGH_CAP_SUPPORTERS makes the difference between success and lack thereof when implementing bodies are weak and donor support is present: we go from $\text{implement_bodies} * \text{high_cap_supporters} * \text{DONOR_SUPPORT} \Rightarrow \text{out}$ (Building Code) to $\text{implement_bodies} * \text{HIGH_CAP_SUPPORTERS} * \text{DONOR_SUPPORT} \Rightarrow \text{OUT}$ (E-Bidding, Bikram-Tempo).

DONOR_SUPPORT makes the difference between success and lack thereof when implementing bodies are weak and HIGH_CAP_SUPPORTERS is present. We go from $\text{implement_bodies} * \text{HIGH_CAP_SUPPORTERS} * \text{donor_support} \Rightarrow \text{out}$ (Medical School) to $\text{implement_bodies} * \text{HIGH_CAP_SUPPORTERS} * \text{DONOR_SUPPORT} \Rightarrow \text{OUT}$ (E-Bidding, Bikram-Tempo).

Figure 8 Venn diagram for the three-condition model

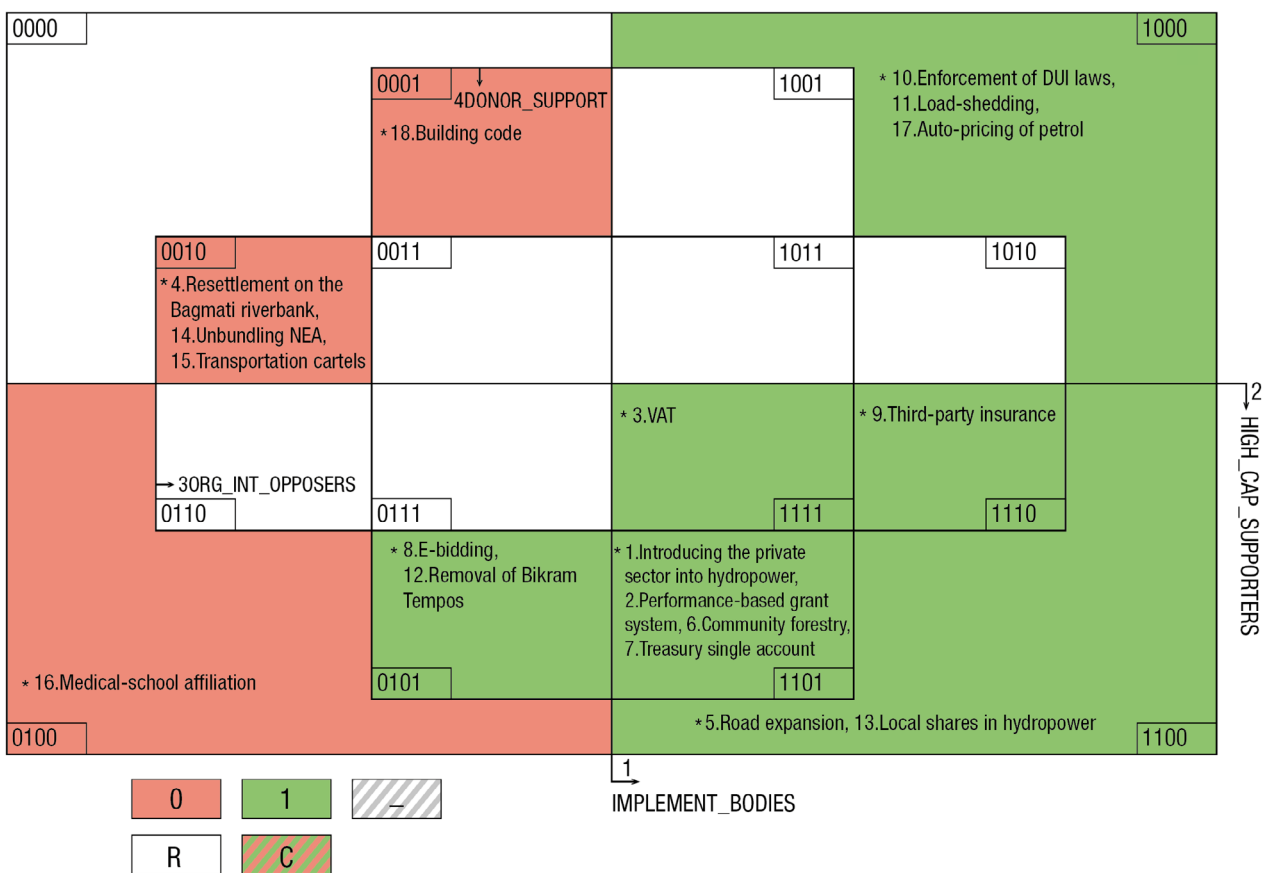


For the four-conditions analysis, the difference made by HIGH_CAP_SUPPORTERS above holds when ORG_INT_SUPPORTERS is negative: we go from $\text{implement_bodies} * \text{high_cap_supporters} * \text{DONOR_SUPPORT} * \text{org_int_opposers} \Rightarrow \text{out (Building Code)}$ to $\text{implement_bodies} * \text{HIGH_CAP_SUPPORTERS} * \text{DONOR_SUPPORT} * \text{org_int_opposers} \Rightarrow \text{OUT (E-Bidding, Bikram-Tempo)}$.

The same holds for the difference made by DONOR_SUPPORT: ORG_INT_SUPPORTERS must be negative. We go from $\text{implement_bodies} * \text{HIGH_CAP_SUPPORTERS} * \text{donor_support} * \text{org_int_opposers} \Rightarrow \text{out (Medical School)}$ to $\text{implement_bodies} * \text{HIGH_CAP_SUPPORTERS} * \text{DONOR_SUPPORT} * \text{org_int_opposers} \Rightarrow \text{OUT (E-Bidding, Bikram-Tempo)}$.

ORG_INT_SUPPORTERS in itself does not make a difference as a single condition when embedded in the nine contexts considered (those obtained by all possible combinations of presence and absence of the three other conditions in the model).

Figure 9 Venn diagram for the four-condition model



Annex 3 Dataset

Table A7 Dataset

Case ID	IMPLEMENT_BODIES	HIGH_CAP_SUPPORTERS	ORG_INT_OPPOSERS	DONOR_SUPPORT	PUBLIC_SUPPORT	ORG_INT_SUPPORTERS	OBJ_STRENGTH	TIME	BENEFITS	OUTCOME
1. Introducing the private sector into hydropower	1	1	0	1	0	0	0	1	0	1
2. Performance-based grant system	1	1	0	1	0	0	0	0	1	1
3. VAT	1	1	1	1	0	0	1	1	0	1
4. Resettlement on the Bagmati riverbank	0	0	1	0	0	0	0	0	0	0
5. Road expansion	1	1	0	0	1	0	0	0	0	1
6. Community forestry	1	1	0	1	1	1	0	1	1	1
7. Treasury single account	1	1	0	1	0	0	1	0	0	1
8. E-bidding	0	1	0	1	0	0	1	0	0	1
9. Third-party insurance	1	1	1	0	0	1	0	0	0	1
10. Enforcement of DUI laws	1	0	0	0	1	0	1	0	1	1
11. Load-shedding	1	0	0	0	1	0	0	0	0	1
12. Removal of Bikram Tempos	0	1	0	1	1	1	0	1	0	1
13. Local shares in hydropower	1	1	0	0	1	1	0	0	0	1
14. Unbundling NEA	0	0	1	0	0	0	0	1	0	0
15. Transportation cartels	0	0	1	0	1	0	0	0	0	0
16. Medical-school affiliation	0	1	0	0	1	1	0	n/a	0	0
17. Auto-pricing of petrol	1	0	0	0	1	0	1	0	0	1
18. Building code	0	0	0	1	0	0	0	1	0	0



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