SCHALKWYK: OK, today is the 13th of March, 2009. I am with Mr. Deependra Thapa, the secretary of education in Nepal. To start the interview, I’d like to talk about—just give me a sense of the positions you’ve held in the past that have led up to your current position, particularly as they relate to the government’s reform program.

THAPA: I joined the civil service of Nepal in the year 1997, and the position of joint secretary. I shopped the ministries like Tourism, General Administration, which is more to do with the professional management of Nepal’s bureaucracy. Then I joined the Ministry of Environment and Operation, and then I joined the Ministry of Transportation and Labor, and then Office of the Prime Minister, and now with the Ministry of Education. So those are a couple of the ministries where I’ve worked.

During these years, especially when I was in the Ministry of General Administration [MOGA], I was involved in the governance reform program as the national program director, as well as later on, in the year 2009, as the secretary of that ministry. This—I mean, the ministry where I’m working presently—this also, to a large extent, is concerned with the governance. It is more with the education, but it is more or less a governance area.

SCHALKWYK: So when were you part of MOGA, what were the years when you were the National Program Director?

THAPA: In MOGA, it was in 1999 to 2001, two years. Two years I was in MOGA as the national program director of the reform program, and then in 2009 as the secretary later on.

SCHALKWYK: So which year?

THAPA: In 2009 as the Secretary of MOGA. During that time I was the National Program Director—that is the executive position—and in 2009 I was secretary for a couple of months.

SCHALKWYK: Well, 2009 is this year.

THAPA: Yes, this year, a couple of months.

SCHALKWYK: So you’ve recently become the ministry secretary.

THAPA: Yes, yes; before I joined this Education, I was in MOGA, that’s true.

SCHALKWYK: All right. So can you give me a very brief history of the civil service reform program in Nepal?

THAPA: It started—the reform program in—1957; ’57 was the first time that we started. I mean in the sense that it was owned by the Nepalese people. Before that, in 1953, we had a reform—I mean a program started by the Indian administrators and consultants, which is known as the Butch Commission. After that, in 1957, we started our reform program headed by the prime minister himself. So it was more or less owned by the Nepalese people. After that, we had a series of reform
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programs in the name of commissions, and then a milestone in this bureaucracy was the commission headed by the Koirala. This commission was in place in 1991. It is called the high level administrative reform commission. Then after that, it was in the year 1999, the Nepalese government started with the sponsorship of the Asian Development Bank. The program was known as Governance Reform Program. The national director of that program was myself, so it was, I mean—literally, it was the latest reform initiative that was initiated by the government of Nepal.

SCHALKWYK: How did the relationship with the Asian Development Bank start out?

THAPA: All right, that’s a good question. During those years, Nepal was involved in conflict, general conflict. So during those days all the prime ministers vowed four things. Number one, they would install good governance in Nepalese society; number one is good governance. The second is stability in terms of securing peace in the country. The third one: alleviating corruption from the society, especially from bureaucracy. And the fourth one is reform. So those are the four areas which the prime ministers vowed to implement.

They used to talk—I mean these things with development partners like World Bank, ADB and all the donor partners. ADB came with the proposal that, yes, I am going to support you. So initially they supported us with grant money, lots of grant money. Later on we also started the program with the soft loan, which basically was the support for the Nepalese government. So the—.

SCHALKWYK: So when did the grant money come through? When was the first round of grant—?

THAPA: This was in the year 1999, yes. I was the person who went in, negotiated with the ADB, and then started the job.

SCHALKWYK: What were the goals of the civil service reform, or the governance reform program?

THAPA: Yes, that is also a very good question. Actually, the goal of the program was to have a bureaucracy which is people-centered: generally responsive, inclusive, professional, aimed at reducing the poverty. I can provide you some of the literature, and if you like, you will be having some concrete ideas on the reform program. I can provide you some documents if you like.

SCHALKWYK: What were the targets? What did the reform program have to achieve in order to achieve these goals?

THAPA: Those were—this goal, I mean a people-centered, professional, and generally responsive, inclusive bureaucracy aimed at reducing the poverty in Nepal. So in order to realize this goal, the government of Nepal then—I mean the program had to have five components. One of them is the component called institutional management in managing the reform program. Number one. That was one component. The second component was, so far as I remember, increasing the efficiency in the civil service; that was second. Number three was introducing anti-corruption measures. Number four—.

SCHALKWYK: Was the motivation an incentive package part of the—?
THAPA: Yes, exactly. The package for the civil service, yes. The fourth component was to do with the pay policy—I mean transfer policy, transparent transfer policy, and also a new promotion system. The fifth one was to do with introducing the performance culture in Nepalese bureaucracy, which is a pretty ambitious component in this culture. I can provide you with the document.

SCHALKWYK: All right.

THAPA: Which will provide you—.

SCHALKWYK: Good.

THAPA: Concrete titles, all that. Each component had its own objectives which were destined to achieve the goal, are geared towards that goal.

SCHALKWYK: So what were the objectives of the first of the institution?

THAPA: Actually, the Nepalese bureaucracy—what has happened in the past, actually—there used to be two kinds of reform approaches in Nepal. One is the commission approach; the next one is the foreign expert approach. Commission approach and foreign expert approach. All these approaches used to provide a long list of prescriptions, like a doctor gives prescriptions to his or her patients. After that the doctor doesn't care whether the patient has taken the medicine from time to time, what has happened to the patient in terms of taking those medicines, and all that. So it was felt that the prescriptions, the recommendations, were like orphaned. They became orphaned.

So that is why, I mean the GR [Governance Reform] program started to look into it, and it planned to have the institutional arrangement in order to take care of all those recommendations.

SCHALKWYK: What were those institutional arrangements?

THAPA: That’s a good question. I will provide you with that, I mean literature regarding this. Initially, we started with a couple of ministries as pilot ministries. Those ministries were MOGA and the Ministry of Health, Ministry of Education, and also Ministry of Agriculture. Those were there pilot ministries. Now, MOGA played the role of coordinator. Our unit was established in MOGA and named as GRCU, which means, as you know, I am in the Governance Reform Coordination Unit, and it has the mandate to coordinate both time and vertical coordination as well as horizontal coordination. It has that mandate.

So GRCU coordinated with the ministries, like the Ministry of Finance, the Ministry of Health. So GRCU was installed in the Ministry of General Administration, MOGA, and then the units in the partner ministries were named as CU, Change Units. Then we also had one unit in the Ministry of Finance, named the Efficiency Unit, in order to look after all the financial matters. Those were then units established in the lower level of the reform program. Then above that was a committee headed by the Minister of General Administration. That committee was named ARC, Administrative Reform Committee. It was headed by the minister of general administration and represented by all the secretaries and even the chief secretary. It is a middle unit. Its mandate was to guide the pilot ministries, as well as the Ministry of General Administration, and also the Ministry of Finance. Above that, at the apex level, was the committee headed by the prime minister himself, named ARCMC: Administrative Reform Monitoring
and Coordination Committee. This committee was to provide overall guidance to the governance program, and it was headed by the prime minister and represented by the minister of finance, the minister of general administration, the chief secretary, minister of general administration, secretary of the Public Service Commission as well as the chairperson of the Public Service Commission. So I will provide the detail of all those documents—don’t worry, I will provide.

These were the institutional arrangement to take care the reform programs. They used to take care of the objectives and the individual components of the respective ministries, and the other arrangements were just to provide guidelines and monitoring the program.

SCHALKWYK: Was there an effort to sit down and plan the process of reforms and the sequence?

THAPA: All right, the sequencing of the plan—more or less sequences. We had a team of consultants comprised of international experts as well as the national experts. Bureaucrats were also involved in that consulting team. The idea was to have a process approach rather than prescription. So we, the consultants, played the role of facilitator, and we were just involved in identifying the problems, even identifying the needs and also finding out the solutions, and the consultants played the role of facilitator. So a process consult approach was adapted, and it was a nice team.

SCHALKWYK: So when did this take place?

THAPA: It was 1999 and went until 2001. Sequencing and consultation all were as planned. We also provided some metrics, I mean the policy metrics, having some timeline or something. It was all sequenced properly.

SCHALKWYK: How did the planning work out?

THAPA: Your question is more concerned with the implementation, yes?

SCHALKWYK: Yes.

THAPA: Implementation was a little bit—I mean, probably, I should say that the reform was 35% successful, 35 or 40% successful. Sixty percent probably failure. The success stories I would like to mention. Number one, we had been able to establish a computer-based, web-based PIS system. PIS is Personal Information System in MOGA. That was one of the achievements that we got out of this program, the PIS system. And ADB also rated this as the tangible output, and based on the success of this PIS system, even the Ministry of Education started the teacher—I mean integration system—they already started it. So this had some demonstration effect also to the Ministry of Education. So it was number one—it was the number one success component.

Second, in the case of anti-corruption, I think Nepal during that time was the champion of implementing anti-corruption measures. Evidently after this implementation of this reform program, the government of Nepal established the National Business Center.

SCHALKWYK: When was that established, what year?
THAPA: It was established in 2000—I think so, but I will provide you the document. Probably 2000. So it was established. It was aimed at preventative aspect of corruption. It was also the extended arm of the prime minister's office. So number one, project staff is there, and secondly, all the major anti-corruption acts and regulations were amended. The ombudsman's office, I mean the anti-corruption office which we named CIAA [Commission for the Investigation of Abuse of Authority], was an anti-corruption body. It was ombudsman's office, so this office—I mean the acts and regulations which are being implemented by this office—were amended. After that, within three weeks sometime, they became able to catch some corrupt people. Then 22 people were caught after the implementation of amendment of these acts, and they were caught, they were investigated. Some of them were already jailed. In that sense, in the case of anticorruption, tangible outputs. And during that time one thing also evolved: one major idea evolved, which had to with the anti-money laundering.

Until that time, we never thought abut anti-money laundering, but during these discussions and consultation with the national and international experts, the idea of anti-money laundering emerged. I remember 911 cases and all that were all in that period. We were having all those issues. That issue emerged. This program was successful in drafting the anti-money laundering act. Now it has been endorsed by the parliament; it is implemented. Number one—I mean number three. Secondly, we also trained some of the people who are related with the anti-money laundering officers, like the financial and bank people. We trained the CIAA people; we trained some of the other police people. We did that. A big report has been produced regarding anti-corruption and anti-money laundering. A kind of awareness emerged during this time about anti-money laundering. It was a big achievement, I would say.

As a reason of this, I mentioned earlier, we have now the anti-money laundering act. So this is another achievement. You see?

SCHALKWYK: So what aspects made up the effort to increase the efficiency of the civil service?

THAPA: That is a good question. The first point is, the efficiency of the civil service—we started to actually—number one, we tried to have an idea how many people are there in the civil service, of what age, of what capacity. That to a great extent the PIS helped in this direction. And a scheme was implemented at that time. The scheme was called VERS; the golden handshake scheme was implemented by the government.

SCHALKWYK: Voluntary Early Retirement Scheme.

THAPA: Exactly, we did that in order to have a slim trim bureaucracy in Nepal. And as a result of this I think probably 2,200 people got early retirement with some benefit, number one. Secondly, as a result of this awareness towards having a rightsized, a slim trim bureaucracy, we froze the government then—I mean froze more than 7,000 positions. So it was initiated at that time, 7,000 back end positions were freezed. Then also national attrition was also taken as one of the major steps towards having efficient bureaucracy. That's why attrition was also taken as, I mean—for a couple of years the Nepalese government—I mean fulfilled vacancies for a couple of years also; that was done during that time. Then the policy of not fulfilling the vacant positions was adopted by the then government in order to have efficient bureaucracy. These were a couple of the steps that were taken at the time.
SCHALKWYK: Did you set goals for reducing the number of civil servants?

THAPA: Yes, actually, that’s a good question. As I mentioned earlier, in 1991 the reform commission was constituted, headed by the prime minister, and it has targeted 78,000 as the final goal of the civil service. So we targeted, that was our goal.

SCHALKWYK: What was the actual number?

THAPA: The actual number, actually, in terms of the vacant positions, I think at that time it was 100,000-plus, the vacant positions, and so far I know the fulfilled positions were 88,000. Then we froze 7,000. Almost we got that: we were at that goal, 78,000. So that’s by attrition and then freezing the positions and the early retirement schemes; all those contributed to us having that.

SCHALKWYK: How did you start the PIS? How did you develop the PIS?

THAPA: That’s a good question also. It’s a long story. Actually what is our problem is that we have all-mannered system, and the paper comes—it may take some time, I mean one month, when a paper comes to the Department of Records. See? Without having a proper record, how can we design some policies? Even sometimes we felt that because we’re so poor, even the people who are going to be promoted, we didn’t have actual records. There were records but they were not updated. So that is why we felt that we must have updated records. Then what we did, we then digitalized the manual data in the computer, but our concern was not only to digitalize the manual data but to have a system which will update the data regularly, and in the long run to have paperless governance, reducing the volume of papers and increasing the electronic version of the system.

SCHALKWYK: Who did the digitization?

THAPA: We actually hired consultants, national and international consultants, and they did a good job. My aim was—my vision was actually, establish the PI System over there, which must be web-based, and we have so many institutions in Nepal, and the personnel departments of those—I mean offices—should access the PI System with all security and all that, so that the papers do not come to the records department, and automatically the PIS will be updated. Authentication should be done by the Department of Records.

So information will be provided by—created by these institutions, and authentication should be done by the records department. So it was a simple—I should say, a good idea to have a paperless governance and reducing the paperwork. Too much of records, if you go there; still we have not got rid of those papers. All loose piles of papers, and we would like to dispose of that. So in that sense we started the web-based PI system. But a word of caution is that it is a successful project, the system is there—people don’t use it, that is the problem; it is all the mindset, you see. People are basically tuned to use the old system, the paper system. We trained a couple of people; still, the big challenge is that people aren’t using that system. The system is there, but if they don’t use it, what is the use of that system? So I’m worried about this system. We used a lot of money, invested a lot of money, a lot of time, but still the system is there. It’s a perfect system, but it is not operated; people are not using it.

They have to add money, get the most out of this system, but they are not doing it.
SCHALKWYK: How did you operate the system originally?

THAPA: Now?

SCHALKWYK: Yes.

THAPA: You see, out of curiosity people are using it. Sometime, quite a—we get the printout and we verify with it manual system.

SCHALKWYK: At the very beginning, when you started the system, how did you update the records? Did you carry out a census of the civil service?

THAPA: That’s a good question. Initially we started a census, but the census didn’t mean anything.

SCHALKWYK: When did you start the census?

THAPA: Actually, it was initiated well before 1999; it was initially done by some other consultants, Singapore-based consultants. It was done, but it was a census and that census basically became a futile exercise. The data that we got from the so-called census was not authenticated. You see? So after that, in ’99, we used the personal records that we had in the records department. We used that, which is the authentic record. So the census was a flop; I should say it was a flop; it didn’t work. Then, instead of the census we used the [...], which is the personal records, I mean records of individuals which are there in the Records Department; we used that. That was the source of information for us.

SCHALKWYK: This was funded by the ADB?

THAPA: Yes, entirely funded by ADB.

Now, there is one important aspect of this record program, which has to do with the civil society, I mean coordination and cooperation. We hired civil society as our partner because governance is tripartite. Coordination—basically, I mean a joint maneuver between government, public sector, private sector and civil society. So we used the leading civil society organization as our partner.

Initially there was strong resentment even from the donors. They were quite scared of the civil society organization. They were very critical of government, so they were scared. They thought that using them as a partner might disrupt the reform program. It took six months for me to make even the government, the donors, see that involvement of civil society is necessary. So it took a whole six months for me, it was a painful process.

So we took civil society as our partner and they were basically for lobbying of the reform program. They were basically to present the demands of the people. To definitely—the demands of the people. They were the organization; it was the organization which collected the demands of the people, and it was also, given the responsibility of client survey, and providing us feedback. So it was the partner of us, the reform program.

SCHALKWYK: Whose idea was it to bring in civil society?
THAPA: It was my idea. It took six months for me to convince my minister and also donors. It was quite—he was quite hesitant to use the civil society organization as a partner. Even the civil society organization was hesitant to work with the government. I challenged them. You guys are always criticizing us, now come with us and work with us. So after that they accepted our invitation and they joined us.

SCHALKWYK: So number four of the components, the transparent transfer policy and promotions policy. What changes did the reform program implement there?

THAPA: That’s a very good question. I think this is the least achieved component in my opinion. Well, as per the reports I got from the consultants, the Nepalese government has amended the Civil Service Act recently. They have amended it still. I mean the transfer policy, the promotion policy are not to the extent that we really want it to have. Still there are some big gaps in terms of the transfer policy and the recruitment policy.

SCHALKWYK: What were the amendments made?

THAPA: It was made recently, and it took a long time to amend the existing Civil Service Act, because people are quite hesitant in introducing a new system. But fortunately, we amended the act. The act is named Civil Service Act, and Regulation also. It has tried to include all the good things in the act. Take, for example, the position classification system. In our case, the promotion system is quite—it is not that transparent, in the sense that you don't know when you'll be promoted. So that is why, based on the report of the GRP program, the government amended the act, and it included one specific provision, which is basically to do with introducing position classification system in Nepalese bureaucracy—number one—it is there.

It also tried to incorporate the contracting-out system, I mean, in the Nepalese bureaucracy. Some of the operations could be contracted out, so it tried to do this also. It even has a provision of having a leadership assessment center. It is there in the act.

SCHALKWYK: So the act: were these the 2007 amendments?

THAPA: Exactly, the latest one. It was delayed by more than five years, but some of the good things have been included in this act. It is the credit that should be given to the GRP, basically.

SCHALKWYK: But they haven't been implemented yet, have they?

THAPA: Part of it has been implemented, but regarding the position classification, still much of the things have to be done. We had a consultant, and they have produced a report, but the report is basically theoretical framework. We have to do a lot of things in this direction. So position classification is still in the process. In the scale of 100, 10% has been done; 90% is still to be done. So this is one area where the government has done—. In terms of failure stories, the one failure is the—introducing a performance culture system. That is a failure, I should say. It was also a failure in the sense that the resources and time given to this component was quite less. It was quite less because change of a culture is a big step, it’s a big vision; it is a big objective and to have a ten-month consultant, ten or twelve-month consultant won’t change the culture. I think that this is one challenge we have to meet.
SCHALKWYK: How was that supposed to be implemented?

THAPA: I should say this component was not completed. Probably there is only 25% done; 75% is still to be done. It was supposed to be covered in the second phase of GRP, but it never came in the picture. This component is quite incomplete. This is the incomplete component. The other component was—even the first, the first was supposed to give ventilation to those people who are not capable enough or senior public servants. But what happened, most of the people who had commercial value, face value, good face value and were capable, they tried to get out of the bureaucracy. The target group was the people who are sick, the people who are not that professional, those were the target. But a lot of things happened.

The people who are capable enough are professional; they went out of the bureaucracy. So to that extent it was a failure. Although we achieved the goal of 78,000 almost, from that perspective we failed.

SCHALKWYK: Did you do anything to attempt to get around that problem?

THAPA: I couldn't get any answer from the consultants. I told them, is there any remedy to this. Nobody can answer you. Nothing could be done at that time. So it was a failure. I should say a partial failure, the system over there.

Another success was the introduction of the contract system. What happened, which I forgot to mention earlier, the success was to do with the contract system. The government came up with the contract manual, and it was implemented by the government. Now most of the operations, like the gardener, the sweepers, the cleaners, the messengers, even the photocopying job, all those are contracted out. Even the peon, I mean the lowest position in our bureaucracy, now it is also contracted out.

SCHALKWYK: Were these contracted out to private companies?

THAPA: Exactly, private companies, even the secretary. It was also one of the success stories of that GRP program.

SCHALKWYK: Has this saved the government money? What was the goal in doing that?

THAPA: Exactly. I mean saving the government money as well as getting the job done. I mean, normally, the people were on a permanent basis because much of this job security. Sometimes they never did their duty. So by introducing this contracting-out phenomenon, we have been able to get efficiency, as well as also, they rightsise to some extent.

SCHALKWYK: Just to go back to the performance-based culture, what was the plan for the performance-based management?

THAPA: Number one was, basically, we have bureaucracy is like this—not Nepal, Nepal is not an exception. The culture of work is not there in Nepalese bureaucracy. There is an element of publicness, red-tape-ism and all that, all those vices to do with the bureaucracy, it is there in the bureaucracy. So the number one challenge is this.
Secondly, we have not been able to link the individual performance with that of the agency performance. That was a big challenge, how to link the individual performance with the agency performance; that was the second question. Because the bureaucracy is not performance-based, so they are apathetic to the people, clients. They are not empathetic to people; they are apathetic. They don’t normally care about the service they have to provide to the people. So these are some of the challenges that we observed during that process. That is why we wanted to have a performance-based bureaucracy where we would be able to link the individual, I mean, performance with the agency performance and all that.

As I mentioned earlier, the resources, the time given to the component was little, less. Secondly, change of the culture is a big challenge.

SCHALKWYK: So who made the decisions about how many resources to give and how much time to devote?

THAPA: What did you say?

SCHALKWYK: Who made the decisions about how much time to devote and how many resources to provide?

THAPA: Actually, it has to be decided by the government, all that structure. Generally the Minister of General Administration, Minister of Finance, they have to decide on that. Somehow this component was left behind. Probably the government was a little scared of the objective of this component. They were probably biased in the sense that this may not be a successful component probably in the long run. So this component didn’t get enough attention in terms of time and in terms of money. I should say frankly, although it is number one, if you ask me it is one of the major components—but time, resources—.

SCHALKWYK: Did you think of any ways to link individual performance to agency performance?

THAPA: I also could not get an answer to this. Probably, I mean, the MBO cycle, probably that could be one option.

SCHALKWYK: Could you say that again?

THAPA: MBO, management by objective or management by result could be one option. But time and again I tried to get answers to this question, and I asked this question to the consultants, and they could never answer me. You see? What they suggested to me is that if you install the position classification system that you have in the USA, then that will provide you with the answer. So based on that, the government of Nepal decided to have a position classification system in Nepal.

SCHALKWYK: So can you tell me a little bit more about why they think a position-based system will help?

THAPA: I’m not sure. You see, the principles regarding position based system, is when people are—even if I did a good job in the present position, this doesn’t mean that I am eligible to get higher responsibilities. Because that was one problem in Nepal. People are promoted, but they don’t perform as they should perform. So we came to a conclusion that performance in the same level is not the guarantee of the promotion because in some cases, in most of the cases, people who are promoted, they didn’t do a good job. So number one was that question.
Secondly, in Nepalese bureaucracy, what we are feeling is that everybody gets the same amount of money as the salary. Even a person who is devoted to his job gets the same salary, and the person who doesn’t take care of the job gets the same salary. So we would like to do some performance-based payment system. Position classification could be one answer to that question, to challenge. So number two is that.

We also would like to have professional bureaucracy, because as of today I must say that our bureaucracy is more generalist approach rather than specialist approach. You understand? Today I am in the Ministry of Education, tomorrow I can be in the Ministry of Foreign Affairs. And there is a big difference in the Ministry of Education and Foreign Affairs. See? So that is the modus operandi of our bureaucracy. So we would like to have a bureaucracy that was more professional. In that direction, probably, position classification could give us an answer. Those were some basic considerations that we thought during that time.

SCHALKWYK: All right. What were the major resistances to reforms?

THAPA: That’s a very good question. I am a person who, to a large extent, I have felt that; I have gone through that pain. Number one is the lack of commitment by action. That means, people, when we talked reform in all those committees, all of the people, they were pro-reformist, but in terms of action, no action. So they were only lip service, as you say.

SCHALKWYK: Why do you think it was only lip service?

THAPA: People aren’t committed to reform. Probably they don’t believe in reform—probably, I don’t know. There may be some kind of risk associated with the reform to their present position, probably so. That is a good question, and it is very difficult to answer. Lip service was there, but it was not backed by action, number one. Secondly, I don’t know, what happened is that I tried to have a critical mass of people, but at that time the political situation was anti-current. The king has taken over the bureaucracy, I mean the political system. The parliament was squashed. There was no parliament, it was squashed by the elected prime minister and supported by the king. There were no parliamentarians.

One of the components was to do with educating the parliamentarians. It was a very good component. We aimed at, even educating the ministers as well as the parliamentarians. Because the parliament was squashed; it was dissolved, so there were no parliamentarians. We could not train them. In order to have an enabling environment, we tried to achieve that also. We even tried to train our people, I mean the top bureaucrats. We changed some of the bureaucrats, but in the absence of parliamentarians we could not achieve that. That was also one of the failures of this, because of the political situation.

SCHALKWYK: Who was doing the training of the bureaucrats?

THAPA: Staff college.

SCHALKWYK: Staff college, okay.

THAPA: Nepal Administrative Staff College, which is in Jawalakhel. So in terms of educating the top-level brokers and also parliamentarians, staff college also, their course curriculum was designed. The course was more concerned with the
governance issues, anti-corruption, gender issues, inclusiveness; all those courses were put into the new curriculum. So it was also one achievement that we achieved during that time.

So the resistance was especially from the top bureaucrats. The change units were ill-resourced, the change units which I mentioned to you, because the change units were the champions of implementing reform programs and components, but they were ill resourced in terms of money, in terms of human resources, in terms of other logistics also. So that was also one of the causes of the failure, resources. So the resistance was from the top bureaucrats, especially from the secretaries and the joint secretaries.

SCHALKWYK: How did they show their resistance?

THAPA: You see, time and again I used to recall that some of the secretaries, they used to tell me that; I tried so many reform programs and nothing had happened. This time also nothing is going to happen. No, no, nothing is going to happen. All this kind of negativism, that kind of activities was there. We tried to convince them; we tried to—we invited them to all those meetings. We sent them all the documents. We organized so many seminars, governance campaigns. I don’t know. Some of the bureaucrats, the top bureaucrats, were not in favor of the reform program. Like this, they were like this, nothing is going to happen. All negativism and all this pessimistic approach was there. So that was also one problem.

SCHALKWYK: Who was organizing these seminars and all—?

THAPA: GRSU and consultants. We worked together. We had a team, it was a very good team. We tried that but somehow—because, I think at that time those people took reform as a side job; it was like a side job, it was like an additional job. So I think they took it as the side job rather than the main course of action of the ministries around that.

SCHALKWYK: Was the ARCMC or the ARC—were they not able to provide a push for reform?

THAPA: Yes, that was a good question. I mentioned earlier to you, in those meetings everybody seems to be in favor of reform. Oh yes, nice idea. Coming back to the implementation, very less commitment. You try to push people. Other times I used to mention, I used to tell—I was the coordinator, so I had opportunity to present thoughts and ideas. I presented many papers in those meetings. I used to tell the bureaucrats at that time that the day will come when people will throw a stone at you. Now see, people are throwing stones on the bureaucrats. If you see, in the streets, when there is some strike, the people first target the government vehicles and people. See? Because bureaucrats never supported the reform program. There are a couple of people, I mean, reform people, but they are in less number, so they are out numbered. So that was the main problem.

I had experienced a lot of pains during those days. Even when I used to call up people for the meeting, if a person who used to be senior to me, he never turned up in the meeting. In the sense that I’m junior and he’s senior, and how could reform be achieved with that kind of mentality? So what? If you are senior to me, so what? We are committed to reform. The cultural fact, the senior-junior culture fact. Even a day or two may count for those people. That also was a basic problem.
SCHALKWYK: I wonder if I could go back to the voluntary early retirement scheme?

THAPA: Yes

SCHALKWYK: What other options were considered? Why did Nepal choose a voluntary early retirement rather than forced retirement or something along those lines?

THAPA: You see, that has a history. The government of Nepal tried forced retirement also, in 1991—no 1994, '95. They tried it, but almost all of the decisions were revoked by the Supreme Court. So government never dared to introduce that system. So the only option was the voluntary system.

SCHALKWYK: The severance packages were paid—the retirement packages were paid for by the ADB?

THAPA: Yes. ADB money, yes. At that time, the ADB was quite instrumental in helping Nepal towards the reform goals. I really appreciate their endeavor. They were quite helpful. We had a very good time. You can even ask the question, they’re supporting us.

SCHALKWYK: Some people have complained or have suggested that the relationship with the Finance Ministry has been problematic with the reforms, and the Finance Ministry hasn’t provided enough of the resources provided by the ADB.

THAPA: That’s true.

SCHALKWYK: Could you tell me how that was a challenge for you?

THAPA: That is a challenge because, as I mentioned earlier, even the change units were the champions of reform. They were the units which had to implement all reform components even if they are not resourced; if they are not getting money then how can they implement? So the role of finance is linked with this challenge. Enough money was not given to the change units.

SCHALKWYK: Who controlled the money for the reform program?

THAPA: That is the minister of finance. In terms of the money and the concern with the—the money was controlled by ADB. It was totally controlled by ADB. I mean the matching fund. I should say the matching fund provided by the government of Nepal was controlled by the minister of finance. They were, I should say, not so negative, but they were not in favor of providing money to the Change Units. All bureaucracy, I mean the process, the red-tape, all that. So during the initial part of the reform program, it is because of the resources, the lack of resources in the Change Units; it could not get the speed, the internal speed of the program. So that is why the Change Units were ill resourced in terms of money, in terms of resources and all that.

SCHALKWYK: Did you try anything to get around the lack of resources?

THAPA: Yes, we tried, a lot of times we tried. Again, the people said, no, no problem, we’ll provide money, but—

SCHALKWYK: Have any of the reforms undercut other reforms? Have there been contradictions between some of the reforms that you’ve attempted to do?
THAPA: During that time?

SCHALKWYK: Yes.

THAPA: Not much. I didn’t see that kind of contradiction. But initially Nepal’s bureaucracy was not that much sensitive to gender as well as sensitive to inclusiveness. It is this reform program which included that gender aspect as well as the inclusiveness aspect in our system. Now see, it is all—everybody is gender response and inclusiveness. So I should give credit to this reform program, which initiated these two important aspects of democracy. But initially, when you see the initial proposal you don’t see anything: no gender responsiveness, no inclusiveness. I should take the credit that I am the person who worked with the ADB and put gender sensitiveness in the goal.

If you like you can consult, have a good talk with a person, two persons are there in ADB who were with me when I was working with the GRP program. One is Dr. Ava Shrestha. She is a wonderful person, and she knows everything about the GRP, and she was with me from ADB side. If you have time, I suggest you meet her, from the ADB. She is here in Katmandu. The next person is Dr. Surya Prakash Shrestha. S.P. Shrestha. He is also a person who worked with us. These two people are—those people I think you should meet from the ADB side.

SCHALKWYK: How did you deal with the political instability at that time?

THAPA: At that time?

SCHALKWYK: Yes.

THAPA: It parted a lot. Even though the program was well conceived, well charted out and it was such a brilliant plan, but because of the political instability—I can cite some examples. Number one, ARCMC: the meeting of the ARCMC, held for one time or two times. In all those years, or all those months, one or two times. I remember I worked for two years, and it held for one time because of instability. Secondly, as the parliamentarians were not there, we could not implement one major component, which was to do with the training, educating the parliamentarians. So in that sense, at that time, the environment was not reform-oriented, it was more political instability and all that. So priority was more to resolving the conflict, the internal conflict. So political instability impacted a lot.

SCHALKWYK: What did you do to try to mitigate the impact of the political instability?

THAPA: It was very difficult to answer; we just had to wait and see. The king had—the prime minister has dissolved the parliament. The king has supported his step. There were no parliamentarians for years and years, for months and months. So that is why—I mean their focus was with the political stability, holding elections and all that. So it has impacted a lot, I should say.

SCHALKWYK: What impact do you think the government’s reform program has had on the Nepalese civil service?

THAPA: Basically the anti-corruption and anti-money laundering, PIS system, as I mentioned earlier to you, and especially position classification—at least to have the awareness to watch the department’s culture and having a professional
bureaucracy in the system. You see? So those are the—and also the new amended Civil Service Act. All those are the impacts of the reform program.

SCHALKWYK: And how has this contributed towards the goals of poverty alleviation and a citizen-friendly civil service?

THAPA: Right, that's a good question. I think to the extent—I suggest you to see some evaluation reports also. A couple of reports are there. One is being done by the stockholders themselves. They have given that opportunity to evaluate the reform program. I suggest you to see those documents and to read those documents. I think in terms of proper evaluation, it has not, I think, impacted a lot. The goal was quite ambitious, or quite evident. But in terms of answering the poverty alleviation, no, because after the completion of the GRP program, I think government did not take care of the innovations and achievements that were being achieved from GRP. It should be the part and parcel of—integral part of the system, but it never took that set. So I mean, in order to get proper evaluation it needed a couple of years. But since, after the completion of the program just some few innovations were—have we taken yet? Not all.

So that is why, probably during the project time period, it was a successful project, but after that, innovations, achievements, they just were not taken. So in terms of proper evaluation, I don’t think it has contributed. No, I don’t think so.

SCHALKWYK: So going back to the very beginning, for the motivation for the reforms, was the government motivated for the reforms—?

THAPA: Yes, yes.

SCHALKWYK: Because of political pressure?

THAPA: Definitely, political pressure as well as popular support. People were having a very bad time during those days. You can’t imagine, my goodness. You see security, stability—even the foreigners like you, American, a guy like you could not come to Nepal at that time. I mean all those kinds of people. You see? I remember. There were two, a couple who were with me in my house, an American couple. Their parents were so much worried. In America, they used to call me time and again. So it was a bad time at that time.

People were getting quite insecure from—insecurity as well as rampant corruption, and all those vices were there. So I should say the need at the time. It was the need at the time.

SCHALKWYK: Infrastructure problems can sometimes make reform difficult. How extensive was the governance reform project felt outside of the Katmandu valley?

THAPA: Yes, that’s a good question. Initially, I mean it was centrally—it was being done centrally. The progress was the central administration and all that. Based on that, as I mentioned before, we selected four or five ministries as the pilot ministries, and based on those experiences, we were about to implement the reform program in the local level also. That is why we even hired the civil society organization to get the grassroots-level feedback and needs. So we tried to go beyond—expand our activities from central to local level but because after the completion of the program it wasn’t extended. That is why we couldn't go out of the valley; basically it was Katmandu. True that civil society organization, some
of the—perhaps were implemented in some of the areas, but it was just a small step, a very small step. In terms of the coverage, it was centrally located.

SCHALKWYK: Right. So if you had to write a handbook giving advice on civil service reform, what are the four or five things you would include in it as the most important aspects of civil service reform from your experience?

THAPA: There must be political—there must be national commitment, number one, backed by action, national commitment backed by action. Number one is that. Number two, even the team, structure, it must be domestically run rather than externally induced. Second is domestically run.

SCHALKWYK: And how domestically run was the GRP?

THAPA: Actually, we should take the demand side of the people; it was domestically supply-driven, demand-driven. Demand-driven will definitely take care of that domestic constituency. Demand is one of the most important aspects of the program. So second is the domestically run; it must not be externally induced.

The third is, there must be institutional arrangement in order to take care of the different programs. If only it was there it in the GRP, but after the completion of the program it was not seen. So there must be some kind of arrangement, institutional arrangement that should take care of the innovations, achievements, and take care of the reform program.

SCHALKWYK: Were any things in Nepal that helped the continuity of the reform?

THAPA: No. Excuse me, no. It was there in the system. I mean, if you visit some of the ministers like the Minister of Health, Minister of Agriculture, still they have a Change Unit. They have a Change Unit, but they are now dormant; they are inert. Again, the question of the commitment to the reform program. This leads to the other point, which is, the reform program must be the integral part of the system. It must not be taken as the side job. It must be part and parcel of the system. The fourth one is the mindset. Structurally, it is well structured and all that, but how to change the mindset of the people. So that is the moot question. Probably training and integration, probably some other campaigns, or mix up all those activities. We actually tried to make aware those people to have a proper kind of mindset. But it is a Herculean task. It is very difficult to have a proper kind of mindset, the reformist mindset. So the prime minister and ministers must be champions of the reforms; they must want the reform programs, and then the following people, consequently the other people will follow them. So even though the ministers used to tell us they’re in favor of reform, in terms of the implementation I didn’t see that commitment. So the mindset is also one problem.

It seems to me not a big effort. Even small things, like some kinds of resources in the Change Units in terms of some money, some logistics, some vehicles; these also count a lot. If a unit is given that responsibility but they are not given the resources, how can they maintain it—no sense. So providing some resources, at least minimum resources, is quite necessary in order to implement the reform programs. People can talk for hours and hours about goals and objectives, but if they’re not given enough money, enough support, how could they implement it?

SCHALKWYK: Do you have anything else to add before we finish?
**THAPA:** In addition to this, if you look at—we are in a very critical state in terms of political stability. Still we don’t feel that we are in a stable condition. To some extent I am quite scared of the present situation, because on one hand it seems that there is a kind of conflict in between so-called democratic parties and so-called Maoist party. Still there is some conflict, I mean it is a dangerous position, I should say. I pray to God again there should not be any conflict, and there shouldn’t be any kind of power takeover and all that. There should not be any dirty game of politics. That is one of my concerns.

The situation is quite different. When the GRP used to be implemented in Nepal, it was the time when there was fierce competition between the government and the dissidents. Now it is not the scenario, but still I feel that in terms of political stability still there is some risk and uncertainty. We don’t know what is going to happen; it is very difficult. Now the problem is that probably we are having the hardest time in life because we feel that we don’t feel rule of law. We don’t feel secure, and people just come to your office, they come to your office and they demand everything. We felt so insecure nowadays, quite insecure. I can’t express in words but insecure. People just come over—they used to come to your office and they just bang [banging on table], you have to do this, you have to do this. They threaten the system. So this is the biggest threat that I’m feeling nowadays.

That is why I feel that way; we are more fragile now than before because people, they want everything to be done. Actually it is not general people. It is an organized kind of group in the name of some organizations. They come and they threaten the civil service and the bureaucrats. If you go to Terai, the plain part of Nepal, because of the political conflict—political difference in the ideology—in the Terai part of Nepal it is quite difficult. Even the people like me, I’m a hill person, I can’t go to the Terai part now. There is such a threatening situation. You can be kidnapped, you may be murdered. People may demand a lot of money from you. So there is still the problem. And that has permeated in the valley, in Katmandu also.

So rule of law, rule of law. We are demanding rule of law, security, all of that. So let us see. This transition is a little bit painful to us; let us see what happens.
These are the challenges now.

**SCHALKWYK:** Okay, thank you very much.