

# A PROVINCE WITH MANY PROSPECTS

An Introduction to Province No. 3



Government of Province  
Province Policy and Planning Commission  
Province No. 3, Hetauda, Nepal  
2019



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**Chief Minister**

**Province No. 3  
Hetauda, Makawanpur, Nepal**

### **Message from the Chief Minister**

Nepal has embarked upon a trajectory of political stability and socio-economic development after the promulgation of the new constitution in September 2015 and successful election at local, provincial and federal levels by the end of 2016. In accordance with the constitution of Nepal, provinces constitute important linchpins towards implementing the federal system of governance in the country, including through co-existence, cooperation and coordination among the three tiers of government as well as serving as a bridge between the federal and local levels. Province No. 3 is uniquely placed among the seven provinces of Nepal on account of its central location, greater prospects for business and investment and bigger concentration of skilled human and abundant natural resources. In one year since its formation, the Government of Province has taken significant strides towards institutional development, legislation for conduct of business entrusted to it in accordance with the constitution, execution of budget and programmes, and delivery of services to the people. There still are many challenges towards meeting the expectation of the people and towards meeting the objectives of socio-economic development we have promised to them. There are formidable challenges ahead in terms of building the capacity of the provincial government institutions and in the development of infrastructure and delivery of the services. There are ample opportunities in this province for promoting business, enhancing trade, improving upon the state of infrastructure, including through connectivity with the neighbouring countries, and towards attracting foreign direct investment. The Government of Province is committed to doing everything under its capacity to further enhance these opportunities.

I am pleased that the Province Policy and Planning Commission has come out with this handbook introducing the Province and identifying the prospects for investment and socio-economic development in the Province. I would like to express my sincere thanks to Vice-Chairman Dr. Khim Lal Devkota and his entire team for their effort including in putting together an approach paper for the first five year development plan of the province as well as facts and figures of the province, including compilation of this handbook. I am hopeful that this modest publication will help introduce the activities and achievements of the Government of Province in one year since its formation and opportunities for development and investment in the province as well as to identify the challenges and prospects for better institutional and capacity development and better delivery of services.

**Dor Mani Paudel  
Chief Minister**

25 March 2019





**Government of Province  
Province Policy and Planning Commission  
Province No.3**

**Message from the Vice-Chairman**

Under the guidance of the Government of Province (GoP), the Province Policy and Planning Commission (PPPC) has been preparing the first five year development plan of the province. The GoP has already approved an approach paper for the first development plan of the province. After a short period since its inception, the PPPC also produced a compilation of facts and figures of the province. That publication covered many aspects of the province, including demographic and socioeconomic development indicators, status of agriculture, forests and environment, social development including health and education, economic development including industry, commerce and tourism, and governance and other cross-cutting issues. The PPPC has compiled this publication with a view to putting together major facts and figures and indicators of the province and major activities and achievements of the Government of Province since its formation. In this process, this handbook seeks to highlight the opportunities within the province for advancing socio-economic development, and promoting the environment of business and investment in the province.

I am grateful to Hon. Chief Minister, Mr. Dor Mani Paudel, for inspiring us to compile this handbook. I would like to thank the Member of the Commission and the staffs at the PPPC for their valuable inputs towards this compilation. I would like to take this opportunity to sincerely thank Mr. Madhu Raman Acharya for developing this handbook.

This publication is a compilation of existing and available information within the Government of Province and within the institutions and system of the Government of Nepal. It is my earnest hope that this publication will fill in the gap about the facts, figures and information of the province in the English medium.

Khim Lal Devkota, PhD  
Vice-Chairman  
25 March 2019



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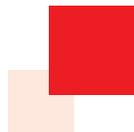
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# ABBREVIATIONS

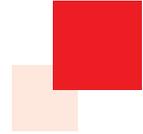


DPR	Detailed Project Report
EIA	Environmental Impact Assessment
FDI	Foreign Direct Investment
FY	Fiscal Year
GDP	Gross Domestic Product
GNI	Gross National Income
GoN	Government of Nepal
HDI	Human Development Index
GoP	Government of Province No. 3
ICT	Information and Communication Technology
IEE	Initial Environmental Examination
LDCs	Least Developed Countries
MIC	Middle Income Country
MTEF	Medium Term Expenditure Framework
NNRFC	National Natural Resources and Fiscal Commission
NPC	National Planning Commission
OCMCM	Office of the Chief Minister and the Council of Ministers
PPP	Public Private Partnerships
ppp	Purchasing Power Parity
PPPC	Province Policy and Planning Commission
SDGs	Sustainable Development Goals
SEZ	Special Economic Zone

An aerial view of a busy street in a traditional Chinese city, likely Beijing, showing a dense crowd of people walking and shopping. The street is lined with traditional buildings featuring tiled roofs and ornate facades. The scene is captured from a high angle, looking down the street. The image is overlaid with a semi-transparent blue filter. A red horizontal bar is positioned across the middle of the image, containing the number '1' in white on the left and the word 'BACKGROUND' in white on the right.

# 1 BACKGROUND

# BACKGROUND



The Constitution of Nepal envisions sustainable peace, good governance, overall economic development, and prosperity for the people of Nepal. It espouses the principle of inclusive development and social justice to end all kinds of inequalities and discrimination through socialism-oriented policies. The Constitution outlines the directive principles, policies and obligations of the state. It ensures the fundamental rights of citizens, the creation of a welfare state, the development of an exploitation-free society, the creation of a self-reliant national economy, inclusive and balanced development, an equitable distribution of the fruits of development, social justice and social security for marginalized and vulnerable groups, and the participation of the government, private sector

and cooperative sector in the overall socioeconomic development of the state.

To implement these ideals, the Constitution adopts a federal system of governance, which includes a three-tier structure consisting of federal, provincial and local governments with defined mandates and jurisdictions working in coordination, coexistence and cooperation with each other. The Constitution clearly outlines the authority of the different levels of government in its Schedules. It outlines the exclusive and concurrent list of functions of each tier of government. Provinces are an important linchpin within the federal structure. They exercise their roles in collaboration with federal and local government structures. In the



Secretariat of Province Policy and Planning Commission, Source: PPPC

## Box 1: Functions of the Provinces

1. Provincial police administration and law and order
2. Banks and financial institutions, cooperative institutions
3. Radio, F.M., television
4. House and land registration fee, vehicle tax, entertainment tax, advertisement tax, tourism tax, agro-income tax, service charge, fee, penalty
5. Provincial civil service and other government services
6. Provincial statistics
7. Province level electricity, irrigation and water supply, navigation
8. Provincial universities, higher education, libraries, museums
9. Health services
10. Provincial Assembly, Provincial Council of Ministers
11. Intra-province trade
12. Provincial highways
13. Provincial bureau of investigation
14. Management of the offices of the provincial government
15. Province Public Service Commission
16. Management of lands, land records
17. Exploration and management of mines
18. Languages, scripts, cultures, fine arts and religions
19. Use of national forests and waters and management of environment within the Province
20. Agriculture and livestock development, factories, industrialization, trade, business, transportation
21. Management of Guthis (traditional trusts)

*Source: Adopted from Schedule 6 of the Constitution of Nepal*

constitution, provinces are entrusted with the exclusive authority, jurisdiction and power to execute 21 functions as per its list of state powers (Box 1). In matters related to these functions, provinces are responsible for adopting their own laws and sectoral policies; plan and implement their own budgets and programs. Besides this, provinces share concurrent list of functions with the federal and local levels. In accordance with the decisions of the Government of Nepal (GoN), altogether

565 functions are assigned to provinces as per a report on the unbundling of functions prescribed in the exclusive and concurrent lists in the constitution (GoN, 2017). In comparison, the federal and local levels are assigned 870 and 360 such functions respectively.

According to constitutional provisions, provinces are supposed to execute most of their concurrent functions as per the federal laws adopted by the federal parliament. To execute these functions,

provinces are entitled to fiscal transfers in the form of revenue transfer, fiscal equalization grants, complementary grants, special grants and conditional grants. They are also authorized to levy taxes in the functional areas assigned to them.

Provinces are authorized to maintain their own treasury and accounts. They can adopt their own rules for the setting up of businesses and organizations, and the hiring of employees in accordance with the constitutional provisions and federal laws on the respective subject.

After the election of all three tiers of government, seven provincial governments came into existence in February 2018. Since their inception, the provincial governments have taken significant strides in legislation, institutional development, and the planning, programming, budgeting, and execution of projects for the overall development of their respective province. Provincial governments are guided by constitutional provisions and the federal laws, guidelines and policies adopted by the federal government as well as the pledges they have made to meet the expectation of the people for overall development of the respective provinces and better delivery of the services to the people in areas and subjects under their functional jurisdiction.

In doing so, the Provinces are giving serious attention to the vision adopted by the GoN under the leadership of Prime Minister Mr. K.P. Sharma Oli,

## LONG-TERM DEVELOPMENT AGENDA AND GOALS

Implementation  
of the Sustainable  
Development Goals  
(SDGs)

By  
2030

Nepal's graduation  
from the Group of the  
LDCs

By  
2022

Transforming Nepal  
into a "Middle Income  
Country"

By  
2030

The ambition of  
transforming Nepal  
into a "Developed  
Country"

By  
2043

including that for a "*Prosperous Nepal; Happy Nepali*." The Government of Province (GoP) is also guided by long-term development agendas and goals including the implementation of the Sustainable Development Goals (SDGs) by 2030, goals and programmes for Nepal's graduation from the group of least developed countries (LDCs) by 2022, the ambition of transforming Nepal into a middle income country (MIC) by 2030, and the Vision 2100 BS



Patan Durbar Square, Source: <http://www.newsrrn.com>

(2043) adopted by the National Planning Commission (NPC) to transform Nepal into a developed country by the turn of the next century in the Bikram Era. The GoP has aligned its policies, programmes and priorities towards meeting these national goals and targets, while focusing on its own development needs. It is also orienting its priorities towards bringing in more foreign direct investment (FDI) into the province and in the development of national connectivity with neighbouring countries through a vision for better air, rail, road and waterway connectivity with India and China through this province.

Under its own development vision and strategy, the GoP is developing its first five-year development plan and it is in the process of adopting several strategies, sectoral policies and programmes for

the overall development of the province to meet people's expectations of an improvement in the delivery of services, good governance, social justice, and inclusive development. In its first year, the GoP has made significant strides in institutional development, legislation, and the formulation and execution of policies and programmes.

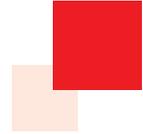
Among other things, this publication aims at introducing Province No. 3 and summarizing the activities carried out and to be performed by the GoP and its offices. It identifies and puts together the priorities, prospects, challenges and opportunities present in various aspects of provincial governance, especially for the overall development of the province, contributing towards the national objectives, goals and targets adopted by the GoN.



**2**

# INTRODUCTION

# INTRODUCTION



## History

Though Province No. 3 came into being politically after the adoption of the Constitution of Nepal in September 2015, the geographic areas covered by this province have contributed immensely to the history of Nepal. On account of its location, at the heart of Nepali civilization, this province has been the centre for economic development and political upheavals in the country during different periods of history.

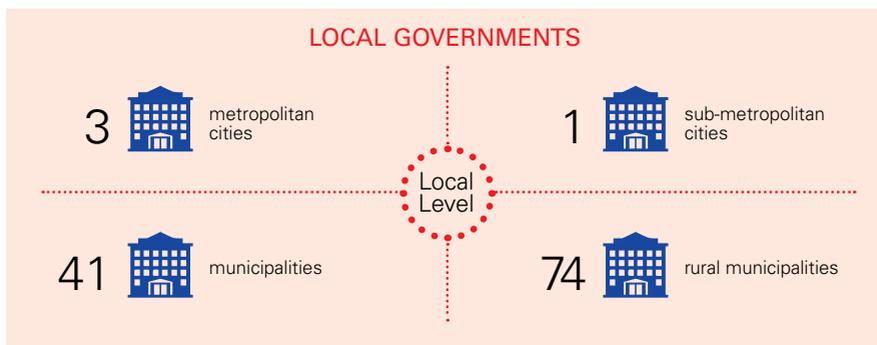
In the era before the first millennium, the area covered by this province was under the rule of the Kirat. In the first millennium, most of the areas under this province came under Lichhavi rule, who had a fairly advanced system of administration in the contemporary times. During the early second millennium, the areas of this province was ruled by the Mallas, who later divided into various smaller kingdoms, including the three kingdoms in the Kathmandu Valley. Outside the valley, there were smaller kingdoms including Dolakha in the east ruled by Malla kings and Makawanpur in the south ruled by the Sen Kings. The Mallas contributed to the growth of the cultural, artistic and architectural heritage of the valley which are assets for this province. After the

unification of Nepal in 1767 under King Prithvi Narayan Shah, the areas under this province came under the rule of the Kingdom of Nepal. Under Panchayat period (1961-90), most of the areas covered by this province were included in the erstwhile Central Development Region of the country. This province contributed to democratic political movements in 1950, 1990, 2006, and in the political transformations from 2008 onwards that changed Nepal into a “Federal Democratic Republic”

## General Features

Province No. 3 is centrally located and includes the national capital Kathmandu, the cradle of Nepal’s ancient civilization, culture, art, architecture, and diversity. This province has a concentration of Nepal’s cultural heritage, natural resources, biological diversity, economic activity, and demographic strength. Because of this relatively better concentration of resources, population, physical infrastructure and economic and industrial activities, the province has many good prospects and opportunities to ensure rapid socioeconomic development. There are opportunities for more domestic and FDI in this province. The provisional capital is located in Hetauda, which was also the headquarters of the erstwhile Central Development Region.

## LOCAL GOVERNMENTS



A committee in the Provincial Assembly has already submitted its report regarding the permanent capital of the province, which will be decided upon by the Assembly. Similarly, the official name will be adopted by the Provincial Assembly. According to the Constitution, the official name and capital of provinces are to be ascertained by the respective provincial assemblies.

Province No. 3 covers 13 of the 77 districts of Nepal and 119 of the country's 753 local bodies. It provides

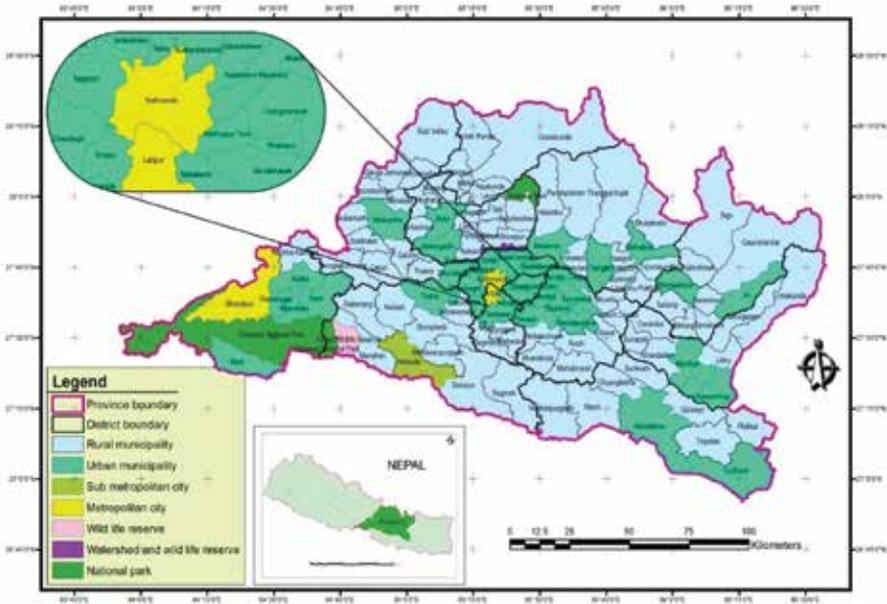
66 constituencies to the Provincial Assembly and 33 constituencies to the House of Representatives in the national parliament. At the local level, there are three metropolitan cities, one sub-metropolitan city, 41 municipalities and 74 rural municipalities in this province. A list of local government bodies with the names of their elected mayor/deputy mayor and chair/vice chair is provided in Annex 2. The names of heads and deputy heads of the District Coordination Committees appear in Annex 3.

**Table 1: General Features of the Province**

No.	Particulars	Province No. 3	Nepal
1.	Districts	13	77
2.	Local governments	119	753
3.	Rural Municipalities	74	460
4.	Municipalities	41	276
5.	Sub-metropolitan City	1	11
6.	Metropolitan Cities	3	6
7.	Constituencies to the House of Representatives of the Federal Parliament	33	165
8.	Constituencies to the Provincial Assembly	66	330
9.	Size of the Provincial Assembly	110	550

Source: Status Paper of Province No. 3, PPPC (2018)

## Map 1: Political and Administrative Map of Province No. 3



Source: Department of Survey and Local Level Restructuring Committee

### Geography

With an area of 20,300 sq. km., this province occupies 13.79 per cent of the total area of the country (147,181 sq. km.). Province No. 1 lies to the east of the province, Gandaki Province to the west and Province No. 2 to the south. This province touches the Tibet Autonomous Region of China in the north and the state of Bihar in India in the South. This province extends between latitudes  $26^{\circ} 55' N$  to  $28^{\circ} 23' N$  and longitudes of  $83^{\circ} 55' E$  to  $86^{\circ} 34' E$ . There is huge geographical diversity in the province. It extends to various ecological and climatic zones including tundra, alpine, temperate, subtropical, and tropical regions. Some 23.35 per cent of the province is spread over the Chure Hills,

the youngest and most fragile hills in Nepal, which extends across five of the 13 districts in the province.

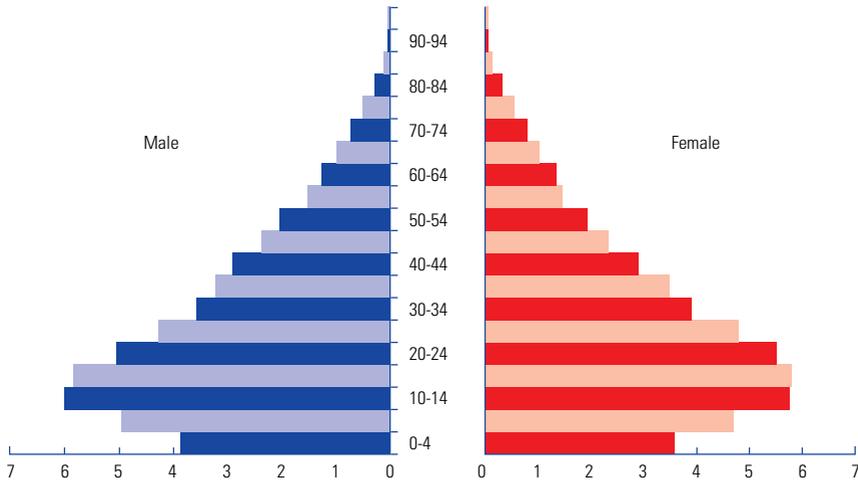
The province extends across three ecological regions including five Himalayan districts (Dhading, Rasuwa, Sindhupalchowk, Ramechhap, and Dolakha), two mountain districts (Kavrepalanchowk and Nuwakot), three districts in the Kathmandu Valley (Kathmandu, Bhaktapur, and Lalitpur), and three Inner Terai districts (Makawanpur, Sindhuli, and Chitwan). It extends from an altitude of 141 m at Goglaghat in Chitwan to 7,227 m of Langtang Himal, the highest peak in the province. There are several other mountain peaks above 7,000 m in the province, including Langtang Lirung (7,227 m), Langtang Ri

(7,205 m), Ganesh Himal (7,163 m), and Gaurishankar (7,135 m). Out of 414 peaks over 5,000 m in the country, 61 are located in this province.

This province is drained by two main river systems including the Koshi River in the East and the Narayani River in the West. The Koshi River system consists of its tributaries: Sunkoshi, Bhotekoshi, Tamakoshi, and Likhu (in the East) and the Narayani River system consists of the Trishuli, Budhi Gandaki and Narayani

makes up 20.87 per cent of the national population. The province also has a higher population growth rate (1.91) than the national growth rate (1.35). However, seven out of 13 districts (Dhading, Rasuwa, Dolakha, Nuwakot, Kavrepalanchowk, Sindhupalchowk, and Ramechhap) in the province have registered negative population growth rates in recent decades, owing to outward migration and few employment opportunities in these mountainous districts.

**Chart 1: Population Pyramid of Province No. 3**



Source: Status Paper of Province No. 3, PPPC (2018)

Rivers (in the West). Bagmati and Kama-la are the two other main rivers in the region. There are 10 sub-basin systems in the river systems of this province.

**Demography**

With a total population of 5.5 million, Province No. 3 is the most populated among the seven provinces of Nepal. It

The population density in the province (272 per sq. km.) is significantly higher than the national population density (180 per sq. km.). This province is home to nearly a quarter (23.42 per cent) of the total number of households in the country. But the average family size in the province (4.35) is lower than the national average (4.88). Nearly half of



42.5%

population in the province are economically active



23.42%

of the country's total number of households

the population in the province is young, below 30 years of age. Based on the 2011 census, the population pyramid of Province No. 3 shows that the highest proportion of the population are in the 10-14 age group followed by the 5-9 age group (Chart 1). The province also has a higher share of an economically active population (42.5 per cent) than the national average (39.9 per cent). The district wise distribution of population with population density and sex ratio is outlined in Annex 4.

This province has an absentee population of 312,200, which constitutes a significant share of the national

absentee population (16.25 per cent). Two thirds of the absentee population from the province reported employment as the cause of being absent during the 2011 census. Important demographic indicators of the province are provided in Table 2.

As a microcosm of Nepal's cultural, ethnic, linguistic and religious diversity, Province No. 3 has most of Nepal's major ethnic, cultural, religious and linguistic groups within its geography. It is inhabited by diverse groups of people, including several ethnic groups and indigenous peoples concentrated in some pockets of the province. Apart

**Table 2: Demographic Indicators of the Province**

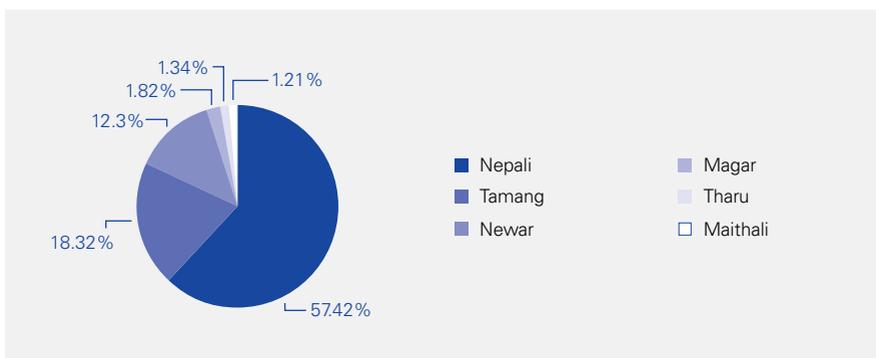
Particulars	Nepal	Province No. 3	Share of P3
Population (2011)	26,494,504	5,529,452	20.87
Population density (number per sq. km.)	180	272	
Male population	12,849,041	2,747,633	21.38
Female Population	13,645,463	2,781,819	20.39
Sex Ratio (number of females per 100 males)	94.2	98.8	
Economically Active Population (%)	39.9	42.5	
Households number)	5,427,302	1,270,797	23.42
Female-Headed Households	1,396,692	337,608	24.17

Particulars	Nepal	Province No. 3	Share of P3
Average family size	4.88	4.35	
Population growth rate	1.35	1.91	
Rural population (%)	37.05	27.43	
Urban population (%)	62.95	72.57	
Absentee population (number)	1,921,494	312,200	16.25

Source: Status Paper of Province No. 3, PPPC (2018)

from the Khas Aryas including Brahmins (18.28 per cent) and the Chhetris (17.28 per cent), this province has a higher concentration of Tamangs (20.42 per cent), Newars (16.92 per cent), Magars (4.89 per cent), Gurungs (2.25 per cent), Tharus (1.66 per cent), Rais (1.53 per cent), and Chepangs (1.15 per cent). There is a substantive presence of Dalits (4.92 per cent) and smaller marginalized ethnic groups in this province. There are 101 ethnic groups each representing fractions of less than one per cent of the population in the province. Notably, the Chepangs, who are on the lower side of human and social development indexes, are distributed in several districts of the province.

In terms of linguistic diversity, some 57.42 per cent of the people in the province speak the Nepali language, while there are significant proportions of people speaking the Tamang (18.32 per cent), Newar (12.3 per cent), Magar (1.82 per cent), Tharu (1.34 per cent), and Maithili (1.21 per cent) languages. Other different languages and dialects spoken in the province each represent less than one percent of the population. Fifty of these languages and dialects are spoken by less than 1,000 people each. In terms of religious diversity, a majority of the people (71.78 per cent) in the province are Hindus. There are also people observing Buddhism (23.28 per cent), Christianity (2.87 per cent), Islam (0.67 per cent), and Kirat (0.41 per cent).



## Urbanization

This province has a higher share of an urban population (72.57 per cent) than the national share (62.95 per cent). Due to the fast pace of urbanization, the population growth rate is the highest in Kathmandu. While urbanization in the province presents opportunities for economic activities, income, employment, and revenue generation, it poses challenges to infrastructure development, service delivery, and environmental sustainability.

## Natural Resources

This Province is endowed with abundant natural resources including water,

forests, herbs, biological resources, natural beauty, mines, and minerals. A brief description of these natural resources is provided in the respective sectors below. The prudent and sustainable use and exploitation of natural resources within the provinces are to be made in accordance to constitutional provisions including the principles and mechanisms defined by the National Natural Resources and Fiscal Commission (NNRFC). The provinces share the revenue generated from natural resources through a mechanism stipulated in the constitution and the *Inter-Governmental Fiscal Management Act, 2074 BS (2017)*.



Temple scape in Patan, Kathmandu Valley, Source: Website of the OCMCM



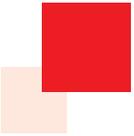
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# POLITICAL GOVERNANCE

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# POLITICAL GOVERNANCE



## Provinces in Federalism

According to the Constitution of Nepal, provinces are an important aspect of federal governance. Provinces are the linchpin in the system of political governance under the model of federalism adopted in Nepal. They serve as a crucial bridge between federal and local governments. The provincial structure is organized into legislative and executive functions while the judiciary in Nepal remains unified under the federal structure. However, some judicial authority is entrusted to the judicial committees of local governments. There are High Courts in each province under the Supreme Court, which is the highest judiciary in the country.

## Chief of Province

According to the Constitution, the Chief of Province appointed by the country's President is the representative of the GoN in the province. The Chief of Province is responsible for appointing the Chief Minister and the Council of Ministers. The Chief of Province also certifies provincial laws and decrees, and appoints the heads and members of provincial constitutional bodies in accordance with the constitution, usually on the recommendation of the Provincial Council of Ministers. The first Chief of Province No. 3, Mrs. Anuradha Koirala, was appointed in November 2017.

## Provincial Assembly

As stipulated in the constitution, the Provincial Assembly, which serves as the provincial parliament, is elected from 66 constituencies in the province. The Provincial Assembly has 110 members, including 66 members elected directly from each of the constituencies and 44 members elected on the basis of proportional representation. The Assembly elects its own Speaker and Deputy Speaker. Mr. Sanu Kumar Shrestha has been elected as the Speaker and Mrs. Radhika Tamang as the Deputy Speaker of the Provincial Assembly in Province 3.

Constitutional provisions and electoral laws ensure that the composition of the assembly is inclusive of women, ethnic groups and Dalits. The first election of the Provincial Assembly was held in November 2017. There are five thematic committees in the Provincial Assembly (Box 2).

## Legislation

Since its inception, the Provincial Assembly has adopted 24 provincial laws. A list of provincial laws adopted by Provincial Assembly is provided in Box 3. Among others, bills related to cooperatives and forests are under consideration in the Provincial Assembly. The GoP has constituted a

## Box 2: Thematic Committees of the Provincial Assembly

1. Provincial Affairs Committee
2. Public Accounts Committee
3. Finance and Development Committee
4. Education, Health and Agriculture Committee
5. Industry, Tourism and Environment Committee

committee for drafting legislation that it submits to the Provincial Assembly. The committee has identified 99 different subjects on which provincial laws are to be drafted and adopted. This includes legislation regarding

provincial and local government employees, provincial police, right to information, standards for physical infrastructure, social security, small and cottage industries, forest and environment, employment promotion,

## Box 3: Provincial Laws Adopted by the Provincial Assembly (As of December 2018)

1. Provincial Administrative Procedure Act, 2075
2. Provincial Assembly (Operations) Regulations, 2074
3. Province Finance (Procedure) Act, 2074
4. Rural Municipality/Municipality/District Assembly (Operations) Act, 2075
5. Remuneration and Benefits of the Chief Minister and Ministers Act, 2075
6. Remuneration and Benefits of the Officials and Members of the Provincial Assembly Act, 2075
7. Remuneration and Benefits of the Elected Officials of the Local Governments Act, 2074
8. Remuneration and Benefits of the Chief Attorney of the Province Act 2075
9. Province Finance Act 2075
10. Province Appropriation Act, 2075 (for 20774/75)
11. Province Appropriation Act, 275 (for 2075/76)
12. Tax and Non-Tax Revenue Act, 2075
13. Province Fiscal Transfer Act, 2075
14. Province Treasury Business Operations Act, 2075
15. Provincial Contingency Fund Act, 2075
16. Provincial Document Certification Act, 2075
17. Provincial Organizations Registration Act, 2075
18. Province Media Communication Management Act, 2075
19. Province Disaster Management Act, 2075
20. Province Vehicle and Transport Management Act, 2075
21. Province Health Services Act, 2075
22. Province Technical and Vocational Education & Training Council Establishment and Operations Act, 2075
23. Province Sports Development Act, 2075
24. Province Dairy Development Board Act, 2075

Source: PPPC (2018a)

agriculture and livestock etc. Many of these legislations will have to be based upon the principles, standards and norms of federal laws. As several federal laws are yet to be adopted by the federal parliament, the legislation of the respective provincial laws have been delayed. The shortage of skilled human resources has been one of the main constraints in drafting and adopting the required legislation in the province. The GoP has begun to publish its own gazette, including all the laws adopted by the Provincial Assembly.

### Government of Province

The GoP is the main executive authority of the province. A provincial council of ministers, consisting of a chief minister and five ministers has been constituted from among the elected Provincial Assembly members. Mr. Dor Mani Paudel was elected the first

chief minister of the province. There are seven ministries in the GoP including the Office of the Chief Minister and the Council of Ministers (OCMCM) and six ministries (Table 3) each headed by a minister.

### Provincial Policies, Regulations and Directives

Since its formation, the GoP has developed several polices in subjects under its jurisdiction. Besides, the GoP has adopted several regulations and directives on various subjects under its jurisdiction in accordance with the Constitution. This includes the creation of a Provincial Policy and Planning Commission, regulations regarding the operations and the allocation of business to the different ministries, the conduct of business, the procedures of the GoP, and the duties and responsibilities of the District Assemblies. The GoP has adopted a consultative process



Chief of Province, Mrs. Anuradha Koirala administers the oath of office to Mr. Dor Mani Paudel as the Chief Minister of Province No. 3 on February 12, 2018, Source: [ekantipur.com](http://ekantipur.com)

**Table 3: Council of Ministers of Province No. 3**

No.	Name/ Position	Portfolio
1.	Dor Mani Paudel, Chief Minister	Office of the Chief Minister and Council of Ministers Ministry of Physical Infrastructure Development
2.	Shalik Ram Jamkattel, Minister	Ministry of Internal Affairs and Law
3.	Arun Prasad Nepal, Minister	Ministry of Industry, Tourism, Forest and Environment
4.	Kailash Dhungel, Minister	Ministry of Economic Affairs and Planning
5.	Dawa Dorge Lama, Minister	Ministry of Land Management, Agriculture and Cooperatives
6.	Yuba Raj Dulal, Minister	Ministry of Social Development

with political parties, civil society, stakeholders, and the people in general before adopting these policies.

### Annual Policy and Programmes

The GoP unveiled its first annual policy and programmes in June 2018.

Among other things, the policy and programmes aim at achieving higher economic growth, creating a balanced and strong economy, developing human resources, creating opportunities for employment, ensuring development is inclusive, maintaining good governance,



Chief Minister Mr. Dor Mani Paudel unveiling a paper on the occasion of completion of one year of the Government of Province 3. Mr. Sanu Kumar Shrestha, Speaker of the Provincial Assembly was also present on the occasion, Source: Website of the OCMCM

and achieve results for the overall development of the province. Some highlights of the first annual policy and programmes are provided in Box 4.

Despite limited time and resources, GoP has started laying the foundation

for major activities that are expected to bear fruit within a short period of time. Since its inception in February 2018, GoP has achieved a number of things to fulfil its constitutional mandate. The major achievements of the Province 3 government in the past year are

#### **Box 4: Highlights of the First Policy and Programmes of the Government of Province**

1. Preparation of a province profile and indicators
2. Establishment of a provincial policy and planning commission
3. Establishing a provincial disaster management fund
4. Proposal to develop a provincial IT Park
5. Legislation for various prescribed functions
6. Strengthening provincial administrative structure
7. Setting up provincial police
8. Legal officers in local governments
9. Interface between the Chief Minister and people
10. Establishment of food standards and testing
11. Extension of agro-insurance
12. Promoting organic farming
13. One local government one product policy
14. Public-Private Partnerships
15. Integrated settlement programme
16. Fair price shop through cooperatives
17. Classification of land, integration and zoning
18. Online registration for vehicles and driving licenses
19. Irrigation to all arable land within five years
20. Mitigation of water-induced disasters
21. Provincial investment board
22. Extension of electricity to all local governments
23. Safe drinking water to all in next five years
24. Linking Kathmandu with tunnel road
25. Blacktopping roads linking all local municipalities
26. Free and compulsory education up to secondary
27. Compulsory school enrollment
28. Setting up a polytechnic and a provincial university
29. Provincial academy for culture and languages
30. Agro-forestry in the Chure
31. Banning plastics in the province in next three years
32. Promotion of tourist attractions
33. Attracting remittances for investment
34. One household one employment policy
35. Establishment of employment promotion centre
36. Identification of provincial pride projects

highlighted in Box 5. Many other activities that were started by this government are likely to show results by the end of the FY 2018/19.

### Box 5: Highlights of Major Achievements of the Government of Province

1. Adoption of rules, regulations and working procedure
2. Approval of 24 legislations by the Provincial Assembly
3. Adopted its polices, programmes and budget
4. Held a meeting of the Province Coordination Council
5. Appointed the Province Policy and Planning Commission
6. Established a Province Contingency Fund
7. Setting up provincial ministries
8. Trained civil servants
9. Publishing of Province Gazette
10. Appointed Legal Counsels in 74 local governments
11. Started a project bank concept
12. Prepared DPR for 29 roads, 13 bridges, 6 irrigation canals, and 15 drinking water projects
13. Started construction of 61 roads, 6 bridges, 2 drinking water projects, 3 town development projects and 8 rigation projects
14. Adopted provincial tourism policy
15. Set up a tourism development project
16. Registered 7,107 industries
17. Started powder milk pant, agro wholesale market, gravity ropeway, gene bank, and integrated lab
18. Adopted social security policy
19. Started to designate one nurse per school programme
20. Held provincial industrial fairs
21. Started construction of 20 new schools
22. Prepared approach paper for first five year periodic plan

### STARTED CONSTRUCTION OF



Source: GoP (2018)

A photograph of three men in traditional Nepali attire (dhoti, kurta, and dhaka topi) standing in a room. They are holding documents or certificates. The image is overlaid with a blue gradient and a red horizontal line. The number '4' is prominently displayed in a red square on the left side of the image.

4

# DEVELOPMENT PLANNING

# DEVELOPMENT PLANNING

## Provincial Policy and Planning Commission

In June 2018, the GoP constituted its Province Policy and Planning Commission (PPPC), under the chairmanship of the Chief Minister. Dr. Khim Lal Devkota has been appointed the Vice-Chair of the PPPC and Mr. Shyam Kumar Basnet as the member. The Principal Secretary and Secretary at the Ministry of Economic Affairs and Planning have been designated ex-officio members. The Secretary at the PPPC serves as the ex-officio member-secretary.

### Box 6: “Prosperous Nepal, Happy Nepali”

**National Vision:** *A country inhabited by healthy and educated citizens with a high standard of living; together with a prosperous, self-reliant, socialism-oriented, integrated and highly productive economy.*

#### Prosperous Nepal

1. High and equality-oriented income
2. Human capital development and utilization
3. Easily available and modern infrastructure
4. Production and productivity

#### Happy Nepali

1. Prosperous and respected life
2. Civilized and equitable society
3. Healthy and balanced ecosystem
4. Good governance
5. Strengthened democracy
6. National unity and dignity

*Source: NPC, document on long-term vision and status of preparation for the 15th Development Plan (January 2019)*

#### Vision for a Periodic Plan

After its inception, the PPPC has developed an approach paper for its first five-year provincial development plan for the period 2019-2025. The GoP has endorsed the approach paper in February 2019. The approach paper identifies the main drivers of development (Box 8) and strategies as well as working policies for each sector in the provincial development plan. It is guided by the national vision for a “Prosperous Nepal; Happy Nepali” adopted by the GoN (Box 6). Apart from the objective of the overall socioeconomic development of the province, the GoP has sought to align its priorities to constitutional guidelines, national goals and objectives, and the policies of the GoN (Box 7). According to the approach paper, the objectives

### Box 7: Alignment of Priorities of the Provincial Plan

1. Constitutional guidelines and directives regarding state polices and fundamental rights of the citizens
2. National goals of “Happy Nepali, Prosperous Nepal” adopted by the GoN
3. Policies and programmes adopted the GoN including attracting Foreign Direct Investment and connectivity with the neighbouring countries
4. Nepal’s graduation from the group of the LDCs by 2022
5. Middle Income Country Status by 2030
6. Implementation of the Sustainable Development Goals by 2030

Source: Based on the Approach Paper for the First Periodic Plan of Province No. 3 (2018)

### Box 8: Main Drivers of Development in Province 3

1. Quality rural and urban infrastructure
2. Specialized and commercialized agriculture
3. Specialized services human resources development
4. Industry and entrepreneurial development
5. Quality tourism.

Source: Approach Paper for the First Periodic Plan of Province No. 3 (2018)



Vice-Chairman of PPPC presenting about project bank to members of provincial assembly, Source: Annapurnapost

of the first development plan are to improve the living standards of people through sustainable and high economic growth together with social justice and promotion of investment in the province.

#### Project Bank

The GoP has decided to set up a Project Bank consisting of implementable projects to prevent the practice of long delays in the execution of projects. The PPPC is mandated with developing the Project Bank by analysing long-term cost-benefit and other aspects of implementable projects in the province. Among other things, the GoP is developing guidelines for inclusion in the integrated database of actionable projects and the information required for making decisions with regards to the selection of the projects. It has also identified a few provincial pride projects for execution.

In accordance with the policies and programmes, the GoP is preparing a plan for integrated settlement programme and a manual for rewarding the best performing local government.



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**5**

# INSTITUTIONAL SET-UP AND CIVIL SERVICE

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# INSTITUTIONAL SET-UP AND CIVIL SERVICE

## Institutional Structure

The Government of Province No. 3 is made up of the Council of Ministers with seven ministries, each headed by a minister. Under each ministry there are several offices transferred to the provincial level from the previous unitary government structures as required by the constitutional allocation of responsibilities and functions to each tier of government. Many government offices have been brought under their respective provincial ministries. They include directorates, division offices, project offices, service centres, hospitals, and district offices under various sectors, mainly related to agriculture and livestock, forests, health, physical infrastructure, roads, transport management, irrigation, cottage and small industry etc. There are 3,512 employees in 127 offices under the provincial government. A description of such offices has been provided with the number of approved employee positions in Annex 5.

## Civil Service

The head of the civil service in the OCMCM is a principal secretary and in each ministry there is a secretary.



The principal secretary and the secretaries of the provincial ministries are deputed from among the federal civil service. Until the finalization of the employee adjustment process in accordance with the Constitution, the GoP had been operating with a limited number of employees deputed from the federal government. A shortage of skilled staff for conducting various functions allocated to the GoP and its ministries has remained one of the key challenges for the provincial administration. This is expected to be rectified after the completion of the process of employee adjustment. The GoP can also hire its own staff after the enactment of the federal law for the creation of the Provincial Public Service Commission, for which a draft bill is under consideration at the federal parliament.



*Office of the Chief Minister and the Council of Ministers, Province No. 3, Hetauda, Source: Website of the OCMCM*

### **Chief Attorney's Office**

Upon the recommendation of the Chief Minister, the Chief of Province has appointed Mr. Surya Chandra Neupane as the Chief Attorney, who is to serve as the principal legal advisor to the GoP and set up an office for the Chief Attorney under the OCMCM. The Chief Attorney has submitted its first annual report for FY 2017/18 to the Provincial Assembly.

### **Physical Infrastructure of the Provincial Offices**

The ministries of Province No. 3 are operating in buildings, mostly used by the erstwhile Central Development Region. The GoP will develop a plan for building infrastructure for its ministries after the finalization of the provincial capital, for which a committee of the Provincial Assembly has already submitted its report regarding the feasibility study on

the matter. The offices that have been transferred to provinces from the GoN have come with their respective building and infrastructure, but need significant upgradation in terms of capacity-building to enable them to fulfil their functions.

### **Accounts and Treasury**

As stipulated in the Constitution, the GoP has established its accounts and treasury in accordance with existing accounting practices of the GoN. A Financial Comptroller's Office for the province has already been established to operate and oversee the treasure and accounts of various offices under the GoP. Due diligence has been applied in the operation of the accounts including in checking for misappropriation and corruption. The provincial ministries and offices have been using the accounting software developed by the GoN.



**6**

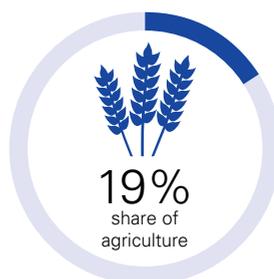
# AGRICULTURE, FORESTS AND LAND MANAGEMENT

# AGRICULTURE, FORESTS AND LAND MANAGEMENT

## Agriculture

Agriculture is one of the major economic activities in Province No. 3. Agriculture's share in the GDP of the province is rather low (19 per cent). According to the *National Sample Agricultural Census 2011/12*, 658,776 people engaged in farming in this province are using 328,297.4 ha of land for agricultural purposes, which is 13 per cent of the total land (2,525,639.3 ha) used by people in farming sector of the country (Table 4).

Because of the shortage of arable land, the production of paddy, corn, millet, and potatoes in this province



are on the lower side among the seven provinces. There is some coffee farming in Lalitpur, Sindhupalchowk, and Kavrepalanchowk districts of this province. Prospects for organic fruit and vegetable farming, livestock, meat production, fish farming, dairy, and

**Table 4: Agricultural Land Holding by Area and Population**

Province	Holdings (no.)	Area (ha)
Province 1	717,148	602,472.5
Province 2	672,927	541,268.4
Province 3	658,776	328,297.4
Gandaki	413,300	209,798.2
Province 5	697,293	484,678.0
Karnali	261,770	141,694.9
Sudur Paschim	409,879	217,429.7
Nepal	3,831,093	2,525,639.2

Source: *National Sample Census of Agriculture 2011/12*, CBS (2012)

poultry are high in this province, as is the cultivation of herbs and flowers. This province produces more than half (53.8 per cent) of chicken eggs produced in Nepal. It contributes nearly one-fourth of the corn, millet, buckwheat, potato, and meat production, and nearly half of poultry produced in the country (Table 5).



Among other things, the GoP is committed to utilizing opportunities in the agriculture sector through industrialization, marketization, specialization, and mechanization of the sector, ensuring minimum price support to farmers, food security, promote organic farming, and discouraging farmers from keeping farming land barren.

They include cooperatives for saving and loan, multipurpose, agriculture, dairy, electricity consumers, fruits and vegetables, tea, coffee, herbs, beekeeping, and health related activities. The cooperatives in this province contribute to over two-thirds (68 per cent) of the total capital generated by the cooperatives in the country.

### Cooperatives

Province No. 3 has 11,577 cooperatives (33.54 per cent of the national total).

The GoP is committed to developing the cooperative sector as an important

**Table 5: Agricultural Production in the Province**

No.	Crop production (m. t.)	Nepal	Province No. 3	Share of P3 %
1.	Paddy	5,230,327	510,896	9.8
2.	Corn	2,300,121	531,762	23.1
3.	Wheat	1,879,191	161,212	8.6
4.	Barely	30,510	2,490	8.2
5.	Millet	306,704	67,378	22.0
6.	Buckwheat	12,039	2,783	23.1
7.	Potato	2,91,037	656,789	24.4
8.	Oilseeds	231,901	31,869	13.7
9.	Milk	1,911,239	357,938	18.7
10.	Meat	332,544	75,006	22.6
11.	Poultry	57,268	26,121	45.6
12.	Eggs (no.)	1,338,312	720,071	53.8
13.	Fish	31,401	3,112	9.9

Source: Status Paper of the Province No. 3, PPPC (2018)

**Table 6: Food Necessity and Availability in the Province**

No	Particulars	Nepal	Province No. 3
1.	Food grains availability (m. t.)	6,398,348	852,680
2.	Food grains necessity (m. t.)	5,500,233	1,242,641
3.	Net Food Surplus/Deficit (m. t.)	898,115	-389,961

Source: Status Paper of the Province No. 3, PPPC (2018)

pillar of the economy and as a vehicle for providing services and cooperative agriculture activities. It will encourage cooperatives that are production, distribution, and service-oriented. Cooperatives will be supported through subsidies in technology, insurance, and agricultural inputs.

### Food Security

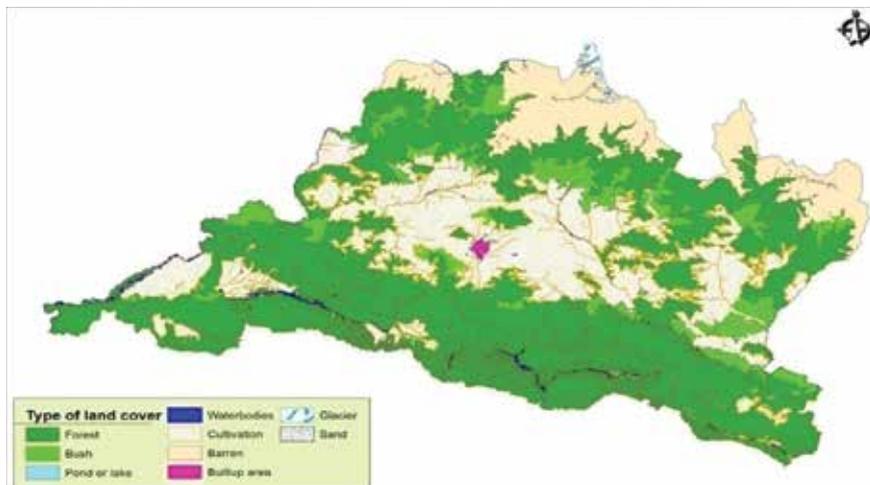
This province has a net food deficit of 389,961 metric tons (Table 6). Some of the hilly districts in the province (Ramechhap, Dolakha, Dhading,

Nuwakot, and Rasuwa) have problems of food security as they have a net food deficit. The GoP is committed to developing the agriculture sector through commercialization to create more employment opportunities and food security for the province.

### Forests

In accordance with the Constitution of Nepal, provinces can use national forests within their respective provinces. Province No. 3 has a forest area of 10,908 sq. km. which is 53.74

**Map 2: Topographic Map of Land Cover of Province No. 3**



Source: Department of Survey, GoN



per cent of the total area of the province and 16.5 per cent of the total forest area in the country (Table 7). The forested area in the province is rich in timber and other forestry products and has abundant medicinal herbs. There is significant biodiversity in the flora and fauna distributed in the province.

### National Parks

There are four national parks – Chitwan, Parsa, Langtang, and Shivapuri Nagarjun national parks – in Province No. 3. There is one conservation area (Gaurishankar

Conservation Area) and several Ramsar sites in this province.

The GoP has given considerable importance to the integrated management of forests, forest products, biological diversity, watersheds, and ecological services. It will develop biological corridors connecting the forests and conservation areas, introduce effective programmes for managing the Chure area, and encourage community forestry programmes.

### Environment and Climate Change

Environmental sustainability and climate change constitute significant challenges to Nepal, including in Province No. 3. In accordance with national policies and priorities, the GoP will give utmost priority to environmental sustainability and create conditions favourable for climate change mitigation, emission controls, and the adaptation of the affected communities.

**Table 7: Forest Cover by Provinces**

Province	Area (sq. km.)	Forest area (sq. km.)	Forest cover in P3 (%)	Share of forest area (%)
P1	25,905	11,342.50	43.78	17.16
P2	9,661	2,636.30	27.29	3.99
P3	20,300	10,908.77	53.74	16.50
Gandaki	21,504	7,969.91	37.06	12.06
P5	22,288	9,874.45	44.30	14.94
Karnali	27,984	11,906.31	42.55	18.01
Sudur Paschim	19,539	11,461.06	58.66	17.34
Nepal	147,181	66,099.30	44.91	100.00

Source: Department of Forest, 2017

The GoP has committed itself to getting rid of all petroleum fuelled vehicles by the next decade. It will enforce norms related to environmental assessment including

the Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) in execution of all development projects and industrial enterprises.



*One-horned Rhinoceros at the Chitwan National Park, Source: Nepal Tourism Board*



7

# INFRASTRUCTURE DEVELOPMENT

# INFRASTRUCTURE DEVELOPMENT

## Physical Infrastructure

The level of urbanization and the development of physical infrastructure is relatively better in this Province than compared to other provinces in Nepal. Though this province is ahead in most economic and social development indicators and infrastructure development, there is a marked unevenness and disparity within the province in the same. This is because of the legacy of an unbalanced approach to development and the marginalization of rural and backward areas of the

province. The GoP is committed to developing physical infrastructure as one of its main pillars of development. Because most urbanization in the past was haphazard, the planned development of urban infrastructure is a priority for GoP.

## Energy and Hydropower

This province produces nearly a third of the electricity in the country (Table 8). Major hydropower projects located in this province are: Kulekhani I (60 MW), Kulekhani II (32 MW), Khimti (60 MW),

**Table 8: State of Physical Infrastructure in the Province**

No.	Particulars	Nepal	Province No. 3	Share of P3 (%)
1.	Hydropower Production (MW)	1,006.8	340.3	33.8%
2.	Capacity of hydropower projects under construction (MW)	4,641.6	2,326.6	50.40%
3.	National Road Network (km)	12,898.19	2,451.58	19.00
4.	Rural Road Network (km)	57,632.08	14,479.03	25.12
5.	Road Density of National Road Network (km of road per sq km)	8.763	12.08	
6.	Road Density of Rural Road Network (km of road per sq km)	39.157	71.32	
7.	Airports	44	6	13.63

Source: Status Paper of the Province No. 3, PPPC (2018)

Bhote Koshi (36 MW), Sunkoshi (10.5 MW), Trishuli (24 MW), and Devighat (14 MW). Hydropower projects under construction in this province include Upper Tamakoshi (309 MW), Upper Trishuli (128 MW), Upper Trishuli A (60 MW), Upper Trishuli B (37 MW), and Kulekhani III (14 MW). The province also has the highest number of hydropower projects under construction in the country. Various hydropower projects with a total capacity of over 335 MW have been approved for private investment in this province.

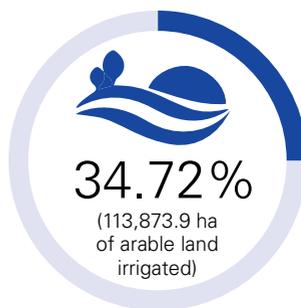
In coordination with the federal government, the GoP is expecting to attract more FDI for the development of the hydropower sector in Province No. 3.

The province has the highest per capita energy consumption among the seven provinces in the country. Nearly half (46.1 per cent) of households in the province depend upon firewood as a source of energy, mainly for cooking. The share of population using LP Gas for cooking (48.9 per cent) is increasing, though people still use biogas (2.0 per cent), kerosene (1.8 per cent), electricity (0.1 per cent), and other sources (1.0 per cent) of energy for cooking.

### Irrigation

According to the *National Sample Census of Agricultural 2011*, this Province has 113,873.9 ha of irrigated land, which is 34.72 per cent of the arable land in the province.

The GoP is developing a long-term perspective plan for the development



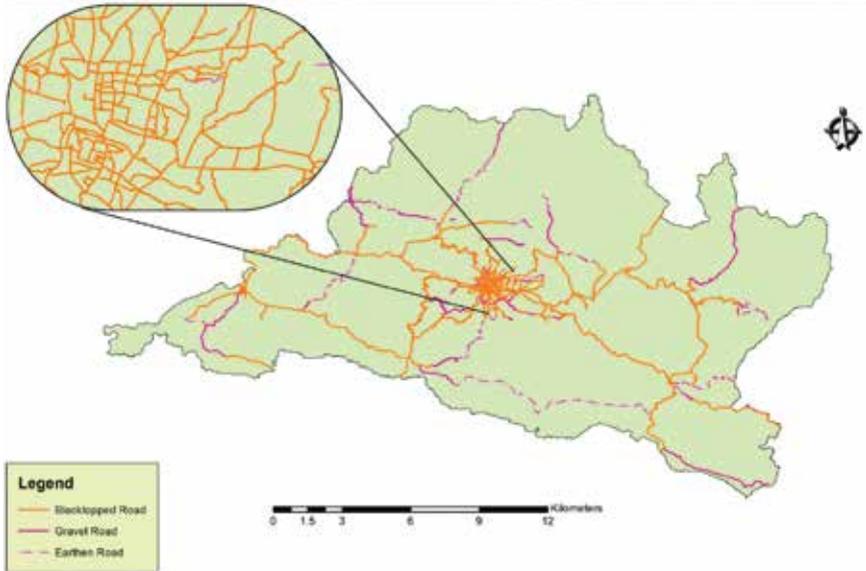
of irrigation sector and will implement medium and small-sized irrigation projects already identified within the province.

### Road Network

Province No. 3 is relatively well connected with other provinces. The state of transport infrastructure, including road networks is better in this province than other provinces in Nepal. All 13 district headquarters in this province are connected with black-topped road. Road networks touch most rural and urban municipalities. Major highway networks, including the East-West Highway and the Mid-Hills Highway pass through this province. Route A42 of the Asian Highway that connects border towns with India (via Birgunj) and China (via Kodari) crosses through this province.

Urban and rural road networks are relatively well connected in this province. This province has a network of 2,452 km (19 per cent) of the national road network and 14,479 km (25.12 per cent) of rural roads in the country. The road density, measured in terms of km of road per sq. km. of the area of the prov-

### Map 3: Road Network in Province No. 3



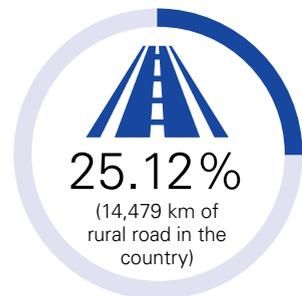
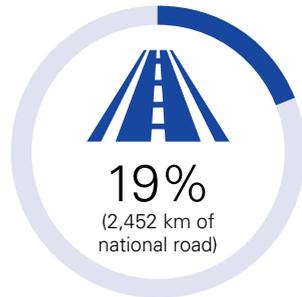
Source: Department of Survey, GoN

ince, is significantly higher in this province than the national road density (12.08) and rural road density (71.32) (Table 8). According to the Department of Rural Infrastructure, there are 1,317 suspension bridges in the province.

The GoP has pledged to upgrade roads by blacktopping the roads connecting the headquarters of local governments to the nearest highway within next three years. It has also initiated a feasibility study for a provincial ring road connecting the districts outside the Kathmandu Valley with each other and the provincial capital when finalized.

#### Connectivity with the Neighbouring Countries

Developing roads, rails, waterways, transmission lines, and ICT connections with neighbouring countries is a major priority for





Chief Minister Mr. Dor Mani Paudel visiting the ongoing construction of road to Rasuwagadhi towards Nepal's border with China, Source: OCMCM

Province No. 3 in coordination with the national government. This is necessary to unleash the potential of development in the province as well as in the country as a whole. The main North-South road corridor linking India and China (via Kodari and Rasuwa) passes through this province. Upon completion, the proposed 190 km Thori-Kerung corridor is going to have a transformative impact on the development of this province as well as that of Nepal's connectivity with its neighbours India and China. This road also has historic significance in reviving the traditional trade entrepot through Nepal. In this regard, connectivity projects agreed between Nepal and the People's Republic of China during the two visits of Prime Minister K. P. Sharma Oli including the upgradation of highways linking Kerung, construction of

a dry port at Rasuwagadhi, and extension of the railway from Tibet to Kathmandu as well as the development of ports and other facilities along the border with China will be of immense importance for the development of this province. There is also the prospect for developing connectivity with Tibet in China through Lamabagar in Dolakha district.

Similarly, this province attaches strong significance to the development of border connectivity with India through Thori via Chitwan, for which roads along the southern stretch needs to be upgraded. The completion of the Hulaki Rajmarg (Postal Highway), being constructed with assistance from the Government of India, will also be of immense significance for increasing road connectivity with other provinces.



Reservoir of the Kulekhani Hydropower project.  
Source: The Kathmandupost



### Airports

Nepal's only operational international airport in Kathmandu is in Province No. 3. There are six airports in the province including the operational domestic airports in Bharatpur and Ramechhap. The domestic airports in Jiri Meghauri, and Langtang are non-operational. The construction of the proposed Nijgadh International Airport in Province No. 2 and the Kathmandu-Nijgadh Fast Track Road is expected to significantly boost connectivity and tourism in the country with several benefits to Province No. 3 as well.

### Provincial Pride Projects

Province No. 3 has ten ongoing "national pride projects" within its geographical area (Box 9). Though the execution of these projects is under the jurisdiction of the federal government, their completion is going to have a significant impact on the development of the province. The GoP has initiated a few "provincial pride projects" which will have lasting significance on the development of the province and contribute to national development priorities.

### Box 9: National Pride Projects in Province No. 3

1. Upper Tamakoshi hydropower project
2. Budhi Gandki hydropower project (also extends to Gandaki Province)
3. Melamchi Drinking Water Project
4. Rashtrapati Chure Conservation Project
5. Middle Hill Highway (extends to other provinces except Province No. 2)
6. Kathmandu-Nijgadh Fast Track Road (also extends in Province No. 2)
7. Postal Highways
8. Pashupati Area Development
9. Galchhi-Rasuwegadhi Road Project

Source: [www.npc.gov.np](http://www.npc.gov.np)

In the annual policy and programme for 2018/19, the GoP has announced that it will initiate a study on a ring road connecting most of the districts of the province and the Bhimphedi-Kulekhani Tunnel road as provincial pride projects.

### **Communication and Media**

There is abundance of electronic and print media in the Province. There are 776 newspapers, 163 FM radio stations, and 64 television channels in operation in this province. Of the total households in the province, 743,625 households (58.6 per cent) have access to radio, 685,850 to television (54 per cent), and 496,841 to cable television networks (39.1 per cent). The number of households using computers (19.4 per cent), the internet (10 per cent), telephones (16.7 per cent), and mobile phones (76.2 per cent) is higher in this province than the national average on the respective counts (Annex 6). Many people in the province are yet to have easy digital connectivity and access to the internet, which is crucial for the better delivery of services as well as for better access to information and communication.

### **Disaster Risks**

Like other provinces, Provinces No. 3 is prone to various natural disasters including earthquakes, floods, landslides etc. This was among the worst hit provinces in Nepal during the 2015 earthquake, which affected most districts in the province. Nine out of 13

districts in the province face a high risk of landslides. The fragile Chure hills of the province are also under disaster risks. In its budget for FY 2018/19, the GoP has pledged to start mapping high risk settlements in the province.

### **Post-earthquake Reconstruction**

The process of reconstruction following the 2015 earthquake has been taking shape under the leadership of the National Reconstruction Authority (NRA) of the GoN. The NRA has identified that 628,265 individual houses need to be rebuilt, of which 88 per cent have entered into an agreement with the NRA for rebuilding and many have completed their reconstruction.

### **Housing**

According to the population census (2011), some 860,603 families in the province had houses of their own, of which 587,817 families lived in mud-brick/rock houses. There were 378,406 families living in rented places in the districts covered by the province. This represented more than half (54.47 per cent) of the families living in rented places nationally. Many of the traditional houses in mountainous districts of the province were destroyed by the 2015 earthquake and are being rebuilt individually as well as with the support of the government.

Providing secure housing, including for landless and homeless people, will be an important matter for the GoP.



**8**

# SOCIAL SECTOR

# SOCIAL SECTOR

## Education

Compared to other provinces, educational institutions are relatively well developed in Province No. 3. This province has a larger concentration

of educational institutions than other provinces in the country. There are 7,469 schools at the basic education level (18.54 per cent of the country) in the province. Likewise, there are

**Table 9: Education Indicators of the Province**

No.	Particulars	Nepal	Province No. 3	Share of P3
1.	Literacy rate (%)	65.94	74.85	
2.	Literacy rate male (%)	75.14	82.82	
3.	Literacy rate female (%)	57.39	67.04	
4.	Public schools (Primary)	28,913	5,234	18.1
5.	Public schools (Sower Secondary)	11,368	2,235	19.7
6.	Public schools (Basic Education 1-8 grades)	40,281	7,469	18.54
7.	Public schools (Ssecondary)	6,261	1,355	21.6
8.	Public schools (Higher Secondary)	2,725	565	20.7
9.	Public schools (Secondary 9-12 grades)	8,986	1,920	21.37
10.	Private schools (Primary)	6,298	2,006	31.9
11.	Private schools (Lower Secondary)	4,264	1,649	38.7
12.	Private schools (Secondary)	3,186	1,372	43.1
13.	Private schools (Higher Secondary)	1,056	413	39.1
14.	Teacher-Student Ratio: Primary (1-5)	113	98	
15.	Teacher-Student Ratio: Lower Secondary (6-8)	119	102	
16.	Teacher-Student Ratio: Basic Education (1-8)	166	153	
17.	Teacher-Student Ratio: Secondary (9-10)	103	80	
18.	Teacher-Student Ratio: Higher Secondary (11-12)	154	114	
19.	Teacher-Student Ratio: 9-12	165	121	

Source: Status Paper of the Province No 3, PPPC (2018)



1,920 public schools (21.27 per cent of the country) at the secondary level (Grades 9-12) in this province. The GoP has initiated a feasibility study for setting up polytechnic universities in Hetauda (Makawanpur) and Chautara (Sindhupalchowk). The teacher-student ratio at the basic education level (1-8 grades) and secondary level (9-12 grades) are lower in this province than the national ratio (Table 9). The gender parity ratio for enrolment into public schools shows that 102 girls are enrolled for every 100 boys at the basic education level (Grades 1-8).

The GoP aims to increase access to quality education for all communities,

develop vocational and technical education and training, and support continuous improvement and innovation in the education sector.

### Health

In terms of health indicators, this Province is better off than other provinces in Nepal. Most health indicators in this province are better than the national average (Table 10). According to the Nepal Demographic and Health Survey (NDHS, 2016), the rate of child birth registration (63.7 per cent) and contraceptive prevalence rate (60.6) in this province are the highest among the seven provinces (Annex 7). Obesity and hypertension are the

**Table 10: State of Health Indicators in the Province**

No.	Particulars	Nepal	Province No. 3
1	Fertility rate	2.3	1.8
2	Newborn mortality rate (number per 1000 live births)	21	17
3	Infant Mortality rate (number per 1000 live births)	32	29
4	Child Mortality rate (number per 1000 live births)	39	36
5	Females using contraception (%)	52.6	60.6
6	Median age of first wedding (females 20-49 years)	18.1	19.7
7	Median age of first wedding (males 20-49 years)	21.7	23.2

Source: Status Paper of Province 3, PPPC (2018)



highest rate in this province among the seven provinces. Fourteen per cent of all women in the province do not have access to a modern method of family planning.

Though this province has more health facilities than other provinces, they are concentrated in a few urban areas including the national capital Kathmandu. There are 885 public health facilities, including hospitals (34), primary health centres (43), health posts (640), urban health centres (90), community health units (61), and other health facilities (18) in the province. There is a concentration of private sector health facilities, mostly in the Kathmandu Valley, in this province.

The GoP will ensure free and easy access to basic health services to all, improve the quality of health services, and integrate health-related services by developing referral and tertiary health services at the province level. It will attach a strong priority to the prevention and control of epidemiological and health-related disasters in the province.

### Drinking Water

Providing safe drinking water to people is a major priority for the Province

No. 3. In this province, 91 per cent of households have access to basic drinking water. According to the national census of 2011, only two thirds of households (67.2 per cent) in the country have access to drinking water through taps and spouts. Some families depend upon ground water, including that extracted from hand pumps (8.8 per cent), wells (5.3 per cent), and direct sources (2.9 per cent). According to the *Nepal Human Development Report 2014*, some 23.81 per cent of people in the province do not have access to safe drinking water.

The GoP is committed to providing safe drinking water and sanitation to all households in the province.

### Sanitation

As of December 2018, four districts in Province 3 have been declared Open Defecation Free (ODF) districts. According to the *Nepal Demographic and Health Survey 2016*, some 82.8 per cent of families in the province have access to a family toilet compared to 63.83 per cent nationally. Nearly a third of families (31.1 per cent) in this province use toilets that can be flushed and are linked to a sewage system. Another third share of families (35.9

per cent) have toilets with a septic tank. Some 17.2 per cent of families in the province do not have access to toilet facilities.

### Human Development

This Province has better human and social development indicators than all other provinces. It has the highest Human Development Index (0.558) among the seven provinces (Table 11). The indicators on health, education, and income that constitute the Human Development Index (HDI) are higher for this province than the national average. The level of life expectancy in the province (69.7) is higher than the national average (68.8). This province also has the highest rate of adult literacy (69.3). In terms of years of schooling, pupils in this province have the highest mean (5.14) among the provinces, which is much higher than the national mean (3.90). The per capita income [Purchasing Power Parity (ppp)] in this province (USD 1,767) is also the highest among the provinces and above the national average (USD 1,160).

However, disaggregated data shows low human and social development indicators among Dalits, women, ethnic groups, and indigenous people, as well as people from rural districts. This calls for increasing the attention on balancing socioeconomic development and focusing on people with low human and social development indicators

### Poverty

The incidence of poverty in this Province is lower than the national average and



**Table 11: Human Development Index**

Province	Life Expectancy	Adult Literacy Rate	Mean Years of Schooling	Per Capita Income (PPP US\$)	HDI
P1	68.45	65.33	4.25	1,184	0.505
P2	70.41	40.88	2.73	922	0.425
P3	69.70	69.30	5.14	1,767	0.558
Gandaki	69.67	67.54	4.37	1,186	0.515
P4	67.68	59.59	3.65	1,013	0.471
Karnali	66.81	52.98	3.08	784	0.429
Sudur Paschim	66.84	55.31	3.28	767	0.435
Nepal	68.80	59.57	3.90	1,160	0.490

Source: Status Paper of Province 3, PPPC (2018)

most other provinces. This is due to the lower incidence of poverty in the six most populated districts around the Kathmandu Valley. Even though seven of the 13 districts in the province have higher incidence of poverty than the national average. According to the first five year periodic plan (approach paper), 15.3 per cent of the people in this province live below poverty line. As per the plan, the province aims to reduce the poverty line to 7 per cent by 2023/24.

With a value of 0.051, this province has the lowest Multi-Dimensional Poverty Index (MPI) among the seven provinces of Nepal, below the national MPI of 0.127 (Chart II). This province has some 9 per cent of the multi-dimensionally poor of the country (Table 12).

### Malnutrition

According to *Nepal Human Development Report 2014*, nearly a third (32.05 per cent) of children under five in Province No. 3 are malnourished.

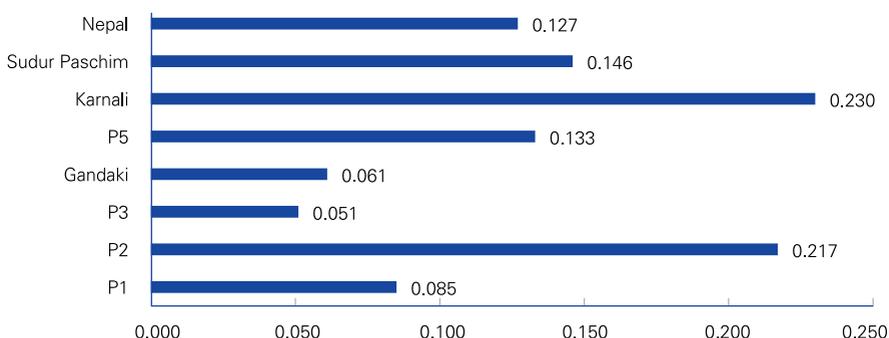


The GoP has initiated targeted programmes to provide social security for the socioeconomically disadvantaged, single women, people with different abilities, senior citizens, and backward and marginalized communities.

### Social Security

Province No. 3 has many vulnerable groups that need social protection and social security. The percentage of people with disabilities (1.63 per cent) in this province is lower than the national average, but they are under-reported

**Chart 2: Multidimensional Poverty Index by Province**



Source: NPC (2018)

**Table 12: Multidimensional Poverty by Province**

Province	Monetary Poverty Head Count Rate	MPI	MPI Head Count Ratio (%)	Distribution of MPI Poor by Province (%)
Province 1	16.7	0.085	19.7	12
Province 2	26.7	0.217	47.9	35
Province 3	20.6	0.051	12.3	9
Gandaki	21.0	0.061	14.2	5
Province 5	25.3	0.133	29.9	20
Karnali	38.6	0.230	51.2	8
Sudur Paschim	45.6	0.146	33.6	11
Nepal	25.0	0.127	28.6	100

Source: NPC (2018)

and scattered in all the districts of the province. Some 41,772 people have been provided with certification of disabilities categorized into four grades of disabilities. There are 83,539 senior citizens (people aged sixty or above) in this province.

The GoP has appointed legal counsels in most local bodies and established a provincial disaster management fund of NPR 50 million. The GoP has initiated programmes for employment promotion in the cottage and small industries sector including through a “One Household, One Employment” programme.

## Foreign Employment

A substantive number of people from Province No. 3 seek foreign employment. According to statistics from the Department of Labour and Employment, some 39,000 people from this province were provided labour permits for foreign employment from mid-July 2017 to mid-July 2018. The number of female workers seeking such permits has been growing. During that period, some 7,323 women were provided with labour permits. That comprises more than a third (38.25 per cent) of the total labour permits issued nationally to women during this period. Since 2018, Labour Offices have started to issue labour permits from within provinces, including in this province.

## Remittance

Though province wise data on remittance is not available, Province No. 3 receives a significant share of remittances, given the high number of migrant workers from this province. While this helps reduce poverty and improves many human and social development indicators, it increases consumption and imports widening the trade deficit.

This has been a source of concern for the country as well as the province. The GoP is committed to making use of the incoming remittance in productive sectors and investing it into economic activities.



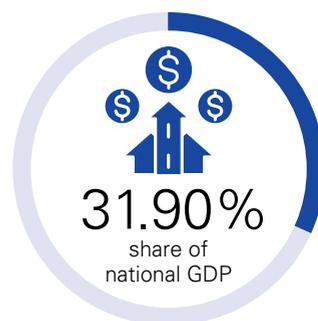
9

# ECONOMIC SECTOR

# ECONOMIC SECTOR

## Economic Indicators

Province No. 3 is the economic hub of the country. The province contributes to nearly a third (31.90 per cent) of the country's Gross Domestic Product (GDP). On the basis of projections, the GDP of the province in FY 2017/18 is NPR 959,330 million, out of the country's projected GDP of NPR 3,007,246 million (Table 13). Nearly 81 per cent of the province's GDP comes from non-agricultural sectors, mainly services, industry and manufacturing. There are greater prospects for this province owing to its potential in service and industrial growth. The per capita GNI in the province (PPP) is higher (USD 1,767) than the national average of USD 1,160. According to the Nepal Human Development Report 2014, the per capita GNI in four districts of this province (Sindhuli, Ramechhap, Dolakha, and Dhading) is lower than the national per capita suggesting income disparity within the province.



**Table 13 : Economic Indicators in the Province**

No.	Particulars	Nepal	Province No. 3	Share of P3
1	Per Capital Income (USD, PPP)	1,160	1,767	
2	Gross Domestic Product (Rs. millions)	3,007,246	959,330	31.90

Source: Status Paper of the Province No. 3, PPPC (2018)

## Box 10: Budget Priorities of the Government of Province No. 3

1. Modernization and mechanization of agriculture
2. Tourism promotion and development
3. Energy and Infrastructure Development
4. Easy access to health services
5. Quality education development
6. Forest and environment conservation
7. Law and order, corruption control and governance reforms
8. Industrialization and productivity growth
9. Partnership in programmes
10. Integrated settlement development

Source: The budget speech of the Minister of Economic Affairs and Planning for FY 2018/19

The main economic activities in this province include agriculture, tourism, industry, and services. This province contributes to the generation of nearly half of all revenues earned nationally and has further potential for resource mobilization at the provincial levels.

### Public Finance and Budget

In its first year, Province No. 3 received a tranche of NPR 1,020.5 million as an equalization grant from the federal government through its 2017/18 budget. In July 2018, the GoP unveiled its first full budget of NPR 35,315.6 million for the 2018/19 fiscal year with a slogan of “Strong Programmes and Effective

Implementation”. The Provincial Assembly adopted the budget before the start of the new fiscal year, as stipulated in the constitution. In the budget statement, the GoP outlined its priorities (Box 10). Of the total budgeted amount, 61.08 per cent was allotted to capital expenditure, while the remaining 38.02 per cent was allotted for recurrent expenditure. The Intergovernmental Fiscal Management Act, 2074 (2017) requires provinces to develop their own three-year projection of public expenditures as a Medium Term Expenditure Framework (MTEF).

The GoP has prepared its MTEF for the programmes and projects it has selected and approved. It has also prepared three-year projections of financial sources for multi-year projects.

### Fiscal Transfer

In accordance with the constitution and the Intergovernmental Fiscal Management Act, 2074 (2017), the GoPs are entitled to five kinds of transfers including fiscal equalization grants, conditional grants, complementary grants, special grants, and revenue transfers. In FY 2018/19, Province No. 3 received fiscal transfers from the federal government totalling NPR 26,050 million which included revenue transfers (NPR 9,460 million), fiscal equalization grants (NPR 5,970 million), and conditional grants (NPR 10,620 million).

The total provincial budget included a sizeable share (14.85 per cent) of fiscal transfers to local governments including fiscal equalization grants, conditional

grants, special grants, and revenue transfer from vehicle tax. The GoP has also allocated conditional grants and equalization grants to all local governments and a special grant for one local government in each of the 13 districts in the province. In FY 2018/19, the GoP has allocated fiscal transfers of NPR 5,288.2 million.

### **Sources of Revenue**

Province No. 3 generates nearly half of national revenue. Five of the top 15 highest revenue earning districts (Lalitpur, Kathmandu, Rasuwa, Chitwan, and Bhaktapur) in the country are located in this province. In accordance with the Intergovernmental Fiscal Management Act, 2074 (2017), 70 per cent of the revenue generated from Value Added Tax and Excise Duty is to be shared with the federal government, while the provinces and the local governments get 15 per cent each. Provinces are also entitled to a share of 25 per cent royalty obtained from natural resources, including mountaineering, water, electricity, forests, mines and minerals, and other natural resources.

The GoP is authorized to levy and collect tax and non-tax revenues in accordance with federal and provincial laws. Under tax revenues, it can levy and collect (1) house and land registration fee (2) motor vehicle tax (3) entertainment tax (4) advertisement tax and (5) agro-income tax. Under non-tax revenues, it can levy and collect (1) service charges/fees (2) tourism fees (3) penalties and fines.

In its budget speech for FY 2018/19, the GoP has pledged to initiate a study to identify and widen sources of revenue by bringing economic activities under the tax net of the province and develop a provincial tax structure.

### **Foreign Aid**

The GoP is yet to engage in substantive foreign aid supported programmes. Though this province has been receiving the highest share of Official Development Assistance (Table 14) among the seven provinces in the country, most of the aid received in this province is for the execution of federal government projects. According to the Nepal Development Cooperation Report 2016/2017, this Province received foreign aid totalling USD 354.768 million (excluding that in national projects). With approval from the federal government, the GoP is expecting significant investment in capacity-building activities including through foreign aid.

According to the Constitution of Nepal and the Intergovernmental Fiscal Management Act, 2075 (2017), the GoP expects substantive engagement by development partners in capacity development with the approval of the GoN.

### **Loans**

According to the Intergovernmental Fiscal Management Act, 2074 (2017), provinces can obtain domestic or foreign loan for their financing needs within the limits prescribed by the NNRFC and with the consent of

## UNDER THE TAX REVENUE, IT CAN LEVY AND COLLECT

house and land  
registration fee



motor vehicle tax



entertainment tax



advertisement tax



agro -income tax

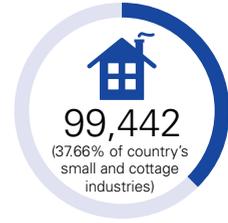
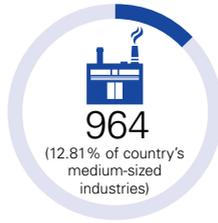
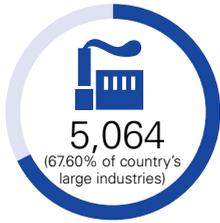


the GoN. The GoP has not taken any loan so far.

The GoP will prioritize loans only in projects like hydropower, production-oriented industries, tourism, and infrastructure development that have a high return and the capacity to generate employment and to repay the loan. It will mobilize loans with a view of bringing economic stability and development to the province.

### Industry

There are many big, medium and small industries and enterprises in Province No. 3. There are 5,064 large industries in this province constituting more than two-thirds (67.60 per cent) of the country's large industries. They provide employment to 349,090 people, comprising 60.83 per cent of the people employed in the sector nationally (Table 15). According to the National Census of Manufacturing Establishments, 2011/12 (CBS 2012b), there are 964 medium-sized industries in the province, comprising 12.81 per cent out of the 4,076 in total in the country. These industries provide employment to 49,001 people in the province, comprising nearly a quarter of those employed in the industries nationally. Some 99,442 small and cottage industries (37.66 per cent) out of a total of 264,086 in the country are located in this province. As of July 2018, there are 7,529 registered industries in this province with the total capital of NPR 627,045 million providing employment to 350,139 people in this province. A district wise data of industries is



provided in Annex 8. Because of a high concentration of educated and trained citizens in this province, it has good prospects for industrial and entrepreneurial development.

There are four industrial districts in this province, out of a total of 11 in the country. Of them, Balaju has 97, Patan has 102, Bhaktapur has 35, and Hetauda has 63 operational industries. This province has two major border points with China, Tatopani and Rasuwa. Both points have been used for trade with China, including for border trade

with Tibet. A feasibility study is being conducted to established two new industrial districts in the province. For Mayurdhap Industrial District (Hetauda), land (135.14 ha) has been acquired, while land acquisition (76.35 ha) is ongoing for Shaktikhor Industrial District (Chitwan). Two Special Economic Zones (SEZ) have been proposed in this province in Panchkhal (Kavrepalanchowk) and Ratmate (Nuwakot). Feasibility studies have been completed for both. The SEZ Authority Act, 2016 makes it attractive for potential investors to invest in the proposed SEZs in addition

**Table 14: Foreign Aid Disbursement by Province**

Province	Disbursement (FY 2016/17, USD)	Population	Per Capita Disbursement	Human Development Index (HDI)
Province 1	61,683,545	4,534,943	13.60	0.507
Province 2	56,076,394	5,404,145	10.38	0.422
Province 3	354,767,607	5,529,452	64.14	0.506
Gandaki	34,719,436	2,413,907	14.38	0.493
Province 5	52,590,223	4,891,025	10.75	0.423
Karnali	58,891,948	1,168,515	48.69	0.390
Sudur Paschim	61,094,582	2,552,517	23.94	0.426
Nepal	679,823,735	26,494,504	25.65	0.490

Source: Development Cooperation Report, 2016/17, Ministry of Finance (GoN, 2017a)

**Table 15: Industry in Province No. 3**

No.	Particulars	Nepal	Province No. 3	Share of P3
1	Large industry (number)	7,490	5,063	67.60
2	Employment in large industry (number)	573,891	349,090	60.83
3	Total capital in large industry (Rs million)	1,653,388	624,633	37.78
4	Medium-sized industry (number)	4,074	965	12.81
5	Employment in medium-sized industry	194,867	49,001	25.14
6	Cottage and Small Industry (number)	264,086	99,442	37.66

Source: Status Paper of the Province No. 3, PPPC (2018)

to their proximity with China. There are investment opportunities in sectors including hydropower, transport, tourism, agriculture, manufacturing, ICT, banking and financial services, and health and education (Table 16). Many projects ready for investment showcased in the Nepal Investment Summit 2019 held in Kathmandu on 29-30 March, 2019 are to be located in this province.

The GoP is committed to making the investment climate attractive in the province through the development of infrastructure, utilization of provincial resources, and developing an industrial village for one product in each local government.

### Foreign Direct Investment

In accordance with the Constitution of Nepal, provincial governments

are entitled to enter into contractual arrangements regarding FDI with approval from the GoN. There are ample opportunities to bring in more FDI into Province No. 3. Many of the parameters for attracting FDI exist in abundance in this province (Box 11). That is why over 80 per cent of FDI coming into the country is concentrated in this province. Among other things, this province has good connectivity with neighbouring countries (India and China) as well as other provinces in Nepal due to its central location. There is also an abundance of trained human resources in the province. Financial and banking activities are spread out within this province.

The GOP is committed to attracting FDI into the province in accordance with national policies and priorities. It is in the process of setting up a Provincial



Investment Board for attracting FDI and domestic investment in the province.

### Mines and Minerals

There are good prospects for developing mines in Province No. 3. There are deposits of dolomite, granite, limestone, quartzite, talc, and zinc for which federal government licenses have already been issued for mining and exploring. Some 45 mining licenses have been issued to various private miners in this province. In its budget of FY 2018/19, the GoP has

appropriated a sum for an iron mine in Toshe (Ramechhap) and copper mine exploration in Khairang (Makwanpur).

### Trade and Commerce

The Province has relatively well-developed markets and commercial centres in the country. Major markets and commercial centres in the province are located in Kathmandu and Chitwan Valleys. A bulk of Nepal's international trade is carried out through the Tribhuvan International Airport and the

**Table 16: Sector wise Investment Opportunities in Province No. 3**

No.	Sector	Opportunities
1	Hydropower	Power plants, run-off the river and storage projects, distribution systems,
2	Transport	North-South corridors, mass transit, railways, cable cars
3	Agriculture	Seeds, fertilizers, agricultural infrastructure, high value organic crops, aquaculture, floriculture, herbal farming
4	Tourism	Hotels, MICE tourism, airports,
5	ICT	Telecom, Business Processing, IT Parks
6	Mines and Minerals	Metallic and non-metallic minerals, construction minerals, semiprecious stones etc., Mineral Water
7	Manufacturing	Consumer Goods, Construction Industry
8	Health and Education	Health infrastructure, pharmaceuticals, medical, IT and engineering education

Source: Adopted from Nepal Investment Guide, 2016, Office of the Investment Board

### Box 11: Investment Climate in Province No. 3

1. Strategic location and geographical advantage
2. Large pool of capable workers
3. Ease of doing business
4. Low competitive environment with potential of high profitability
5. Supportive labour laws
6. Availability of investable projects
7. Favourable policy environment
8. Supportive tax regulations
9. Special Economic Zones

Source: Adopted from *Nepal Investment Guide, 2016, Office of the Investment Board, GoN*

Rasuwa border with China which are both located in this province. According to the Department of Customs, there were imports of NPR 22,648.7 million and exports of NPR 1,166.2 million contributing to the collection of NPR 4,548.5 million in revenues in FY 2017/18 from the Rasuwa Customs alone. This province is witnessing an overall negative trade balance as most export-import trade in the country is concentrated in this province.

To further develop trade and commerce, the GoP will develop provincial policies, guidelines, regulations, and standards. It will establish provincial labs and testing centres, check cartels and syndicates, and develop infrastructure for exportable items from production sites to border points.

### Tourism

Province No. 3 attracts the largest share of incoming tourists on account of the concentration of natural attractions, cultural heritage sites, and development of tourism-related services and infrastructure. Eight of Nepal's ten cultural heritages listed in the World Heritage List – the famous temples of Pashupatinath and Changu Narayan, the Buddhist stupas of Swayambhunath and Bouddhanath, the three Durbar Squares of the Kathmandu Valley, and the Chitwan National Park – are all located this province.



*Swayambhunath Stupa in the Kathmandu Valley*  
Source: Nepal Tourism Board

Other famous religious and cultural sites in the province include Kalingchok, Gosaikunda, Palanchok, Devaghat, Namobuddha etc. There are many trekking, hiking and mountaineering routes and other tourist attractions in this province. This province also has historical forts at Makawanpurgadhi, Rasuwagadhi, and Sindhuligadhi. Four of the country's 12 national parks are located in this



White Water Rafting in Bhoté Koshi River, Source: Department of Tourism, GoN

province. There is immense potential for further developing the tourism industry and services in the province to create more opportunities for income and employment. The tourism sector also employs many people as there are large number of service providers including hotels, trekking agencies, and guides operating in the province. There are 125 star-hotels and 977 other hotels in this province. As of 2017, there were 101 community and private home stays in the province.

The GoP has accorded high priority in the development of tourism, including domestic tourism, and the development of tourism related infrastructure, identification of new tourist destinations, and better promotional packaging. The GoP will identify more tourist destinations and



attractions, develop infrastructure for their promotion, promote high quality tourism, and develop value chains in tourism-related services within the province.

### Banking and Financial Services

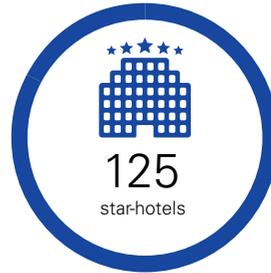
There is a higher concentration of banks, financial institutions, capital markets and trading institutions in Province No. 3 than in any other province in Nepal. According to the Nepal Rasht

Bank, with a count of 1,300 branches of banks and financial institutions in Nepal, this province has more than a third (33.38 per cent) of them in the country. This province contributes just over two-thirds (68 per cent) of the capital mobilized by the cooperatives in the country. As of July 2018, banking services with at least one branch of a commercial bank has reached 97 out of 119 local municipalities in the province. Though its budget statement in FY 2018/19, the GoP pledged to increase financial access for people through compulsory bank accounts for all within the next five years.

In coordination with the Nepal Rashtra Bank, the GoP is encouraging the extension of banking services to all local municipalities.

### Public Enterprises

There are 36 operational public enterprises in the province mostly under the jurisdiction of the federal government. Only one of them (Hetauda Cement Industry) is located outside the Kathmandu Valley.



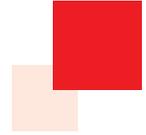


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**10**

# CROSS-CUTTING ISSUES

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# CROSS-CUTTING ISSUES

## **Sustainable Development Goals**

The GoP has given due priority and importance to the execution of the Sustainable Development Agenda and in the implementation of the 17 Goals and 169 targets through the national targets and indicators developed by the NPC. As per the strategy and guidelines set up by the federal government to internalize and implement the SDGs, the GoP is committed to implementing these important goals and target, internalizing their application in the province, and developing a mechanism to implement and monitor them including in the provincial planning, budgeting, and programming mechanisms.

The PPPC is in the process of localizing goals and target indicators in the province for implementing the SDGs towards sustainable development of the province. The GoP is committed to aligning its priorities, policies, programmes, and funding to activities related to the SDGs. It is expected that Nepal's partner countries and organizations will also align their funding priorities and programmes towards implementing the SDGs including in the provincial level in coordination with the GoN.

## **Gender Equity and Social Inclusion**

Though this province is relatively better off in gender parity in many social indicators, much needs to be done towards ensuring gender equity and social inclusion. Some of the districts in the province are affected by higher incidences of domestic violence against women than other districts.

Under its annual policy and programmes, the GoP has committed itself to preventing violence against women, including domestic violence, rape, witchcraft, child marriages, and human trafficking which are prevalent in some districts in the province.

## **Good Governance**

The GoP is committed to implementing the principles and practice of good governance, including better citizen-government interface, transparency in its activities, accountability of elected officials and civil servants, and prevention and non-tolerance of corruption in all functions and organizations of the provincial government.

In its annual policies and programmes, the GoP has adopted a slogan,

*“Transparent, Respected and Efficient Administration, Development and Prosperity on the basis of Good Governance.”*

### **Provincial Database**

According to the Constitution of Nepal, provincial statistics is among the functions and jurisdictions of the provinces. Paucity of relevant province wise data on important indicators has remained one of the main challenges in the execution of evidence-based policies and programmes within the province. The GoP and the Province Policy and Planning Commission have been using references from the latest national census (2011), the National Living Standards Survey (2011) and other surveys conducted by the Central Bureau of Statistics and the District Profiles prepared by the erstwhile District Development Committees. The data obtained from the reports of research institutions and the non-government sector has also been utilized in provincial planning and in the formulation of provincial policies.

The GoP is committed to developing a comprehensive database on the provincial economy, demography, and socioeconomic indicators.

This will require the alignment of partner support programmes related to capacity-building to be dedicated to the implementation of federalism and strengthening of provincial governance support with approval from the GoN.

### **Capacity Development**

Since many of the institutional, legal and programmatic aspects of the functions and aspects of the province are under inception stage, much needs to be done in order to build the capacity of the GoP and its offices. There are four distinct areas in which the GoP will require capacity-building support: i) development of provincial institutional infrastructure, ii) enabling legislation, iii) institutional capacity-building, iv) capacity of the civil servants with required skills and knowledge. In each of these areas, the GoP is expecting to develop a capacity-related programme and activities with support from the federal government. In view of the initial stages in the implementation of federal structure, the GoP expects that the partners will also align their priorities and programmes in accordance with the priority and programmes of the provincial governments in consultation with the GoN.

### **Public-Private Partnership**

The GoP has accorded high priority to Public Private Partnerships (PPP) in the execution of development projects and service delivery. In its approach paper for the first development plan, the GoP has identified PPP (including the private sector, cooperatives and non-government sector) as a strategy for developing partnerships with the respective sectors. In this regard, the GoP is also committed to introducing PPP in the execution of the “provincial pride projects” and projects under FDI. In this regard, the GoP is contemplating on bringing about its own legislation

with regard to the execution of projects under PPP modalities. The participation of communities will also be encouraged in the implementation of development projects and in the delivery of services in the province.

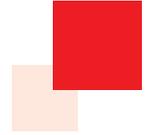
### **Inter-governmental Coordination**

The Constitution of Nepal has envisaged that the three tiers of government in the federal system will be working in an environment of cooperation, coexistence and coordination. Accordingly, various provisions have been put in place in the constitution for effective inter-government coordination among the federal,

provincial and local governments. As stipulated in the Constitution an Inter-Province Council headed by the Prime Minister and Chief Ministers of all the provinces has been set up. The Inter-Province Council has met a number of times. In its meeting in November 2017, the Inter-Provincial Council identified important steps and processes towards strengthening inter-governmental coordination and collaboration. The implementation of the agreed roadmap together with legislation will go a long way towards strengthening inter-governmental coordination between the federal and Government of Provinces.

**11**

**CONCLUSION**



# CONCLUSION

Considering the short span of time since its creation in February 2018, the GoP has made significant strides, including in setting up the provincial ministries, institutional structures, working procedures, and preparing the required procedures and laws for its operation. The GoP has adopted its policies and programmes and presented its budget to the Provincial Assembly in a timely manner. There are many challenges in implementing the expected roles of the GoP, including in meeting the expectation of the people for better delivery of services and speedier execution of socioeconomic development activities in the listed functions of the province. The shortage of staff, delay in federal legislation, and limited potential for raising its own revenue have compelled the provincial government to look upon the federal government for more staff, resources, and laws required to enable them to carry out the functions stipulated in the Constitution. Given the fact that the GoP has made considerable gains

towards institutional set up, legislation and transfer of fund, offices and programmes from the centre, it can be expected to build upon this momentum in the coming days. In this process, the GoP will continue to need more support and a better enabling environment from the GoN.

As a province with many prospects, Province No. 3 has ample opportunities in advancing the socioeconomic agenda of the country through better investment in infrastructure and the social and economic development of the province. There are good prospects for attracting more investment, including FDI, into this province. The GoP is committed to doing everything that is necessary towards advancing the overall socioeconomic development of the province and towards meeting the expectation of the people for better delivery of services in the areas entrusted to it in accordance with the Constitution.

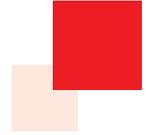


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**ANNEXES**

### Annex 1: List of Members of Provincial Assembly of Province No. 3

S.N.	Elected from the First Past the Post System				Political Party
	District	National Constituency No	Provincial Constituency No	Name	
1	Dolakha	1	1	Bishal Khadka	NCP
2	Dolakha	1	2	Pashupati Choulagai	NCP
3	Ramechhap	1	1	Shanti Prasad Poudel	NCP
4	Ramechhap	1	2	Kailash Prasad Dhungel	NCP
5	Sindhuli	1	1	Lekh Nath Dahal	NCP
6	Sindhuli	1	2	Pradip Kumar Katuwal Kshetri (KC)	NCP
7	Sindhuli	2	1	Binod Kumar Khadka	NCP
8	Sindhuli	2	2	Buddhi Man Majhi	NCP
9	Rasuwa	1	1	Prabhat Tamang	NC
10	Rasuwa	1	2	Prem Bahadur Tamang	Naya Shakti Party Nepal
11	Dhading	1	1	Rajendra Prasad Pandey	NCP
12	Dhading	1	2	Shalik Ram Jamkattel	NCP
13	Dhading	2	1	Ram Kumar Adhikari	NCP
14	Dhading	2	2	Jagat Bahadur Sinkhada	NCP
15	Nuwakot	1	1	Radhika Tamang	NCP
16	Nuwakot	1	2	Badri Mainali	NCP
17	Nuwakot	2	1	Keshab Raj Pandey	NCP

S.N.	Elected from the First Past the Post System				Political Party
	District	National Constituency No	Provincial Constituency No	Name	
18	Nuwakot	2	2	Hiranath Khatiwada	NCP
19	Kathmandu	1	1	Deependra Shrestha	NC
20	Kathmandu	1	2	Ganesh Prasad Dulal	NCP
21	Kathmandu	2	1	Sanu Kumar Shrestha	NCP
22	Kathmandu	2	2	Maniram Phuyal	NCP
23	Kathmandu	3	1	Chhiring Dorje Lama	NC
24	Kathmandu	3	2	Rameshwar Phuyal	NCP
25	Kathmandu	4	1	Narottam Vaidya	NC
26	Kathmandu	4	2	Kusum Kumar Karki	NCP
27	Kathmandu	5	1	Narayan Bahadur Silwal	NCP
28	Kathmandu	5	2	Deepak Niraula	NCP
29	Kathmandu	6	1	Keshab Sthapit	NCP
30	Kathmandu	6	2	Yogendra Raj Sangraula	NCP
31	Kathmandu	7	1	Basanta Prasad Manandhar	NCP
32	Kathmandu	7	2	Prakash Shrestha	NCP
33	Kathmandu	8	1	Rajesh Shakya	NCP
34	Kathmandu	8	2	Ashta Lakshmi Shakya (Bohra)	NCP
35	Kathmandu	9	1	Ajaya Kranti Shakya	NCP
36	Kathmandu	9	2	Keshab Prasad Pokharel	NCP
37	Kathmandu	10	1	Pukar Maharjan	NC

Elected from the First Past the Post System					
S.N.	District	National Constituency No	Provincial Constituency No	Name	Political Party
38	Kathmandu	10	2	Rama Ale Magar	NCP
39	Bhaktapur	1	1	Hari Sharan Lamichhane	NCP
40	Bhaktapur	1	2	Surendra Raj Goshai	Nepal Majdur Kisan party
41	Bhaktapur	2	1	Shashi Jang Thapa	NCP
42	Bhaktapur	2	2	Rajendra Man Shrestha	NCP
43	Lalitpur	1	1	Lal Kumari Pun	NCP
44	Lalitpur	1	2	Chet Nath Sanjel	NCP
45	Lalitpur	2	1	Madhab Prasad Poudel	NCP
46	Lalitpur	2	2	Gyanendra Shakya	NCP
47	Lalitpur	3	1	Raj Kaji Maharjan	NCP
48	Lalitpur	3	2	Jeeban Khadka	NCP
49	Kavrepalanchowk	1	1	Ratna Prasad Dhakal	NCP
50	Kavrepalanchowk	1	2	Chandra Bahadur Lama	NCP
51	Kavrepalanchowk	2	1	Lakshman Lamsal	NCP
52	Kavrepalanchowk	2	2	Basundhara Humagai	NCP
53	Sindhupalchowk	1	1	Arun Prasad Nepal	NCP
54	Sindhupalchowk	1	2	Saresh Nepal	NCP
55	Sindhupalchowk	2	1	Yubraj Dulal	NCP

Elected from the First Past the Post System					
S.N.	District	National Constituency No	Provincial Constituency No	Name	Political Party
56	Sindhupalchowk	2	2	Nima Lama	NC
57	Makawanpur	1	1	Prem Bahadur Pulami	NCP
58	Makawanpur	1	2	Dor Mani Poudel	NCP
59	Makawanpur	2	1	Kumari Moktan	NCP
60	Makawanpur	2	2	Indra Bahadur Baniya	NC
61	Chitwan	1	1	Dawa Dorge Lama	NCP
62	Chitwan	1	2	Krishna Prasad Sharma Khanal	NCP
63	Chitwan	2	1	Ghan Shyam Dahal	NCP
64	Chitwan	2	2	Bijaya Subedi	NCP
65	Chitwan	3	1	Krishna Prasad Bhurtel	NCP
66	Chitwan	3	2	Ram Lal Mahato	NCP

Elected from the Proportional Representative System		
S.N.	Name	Political Party
67	Beli Maiya Ghale	NCP
68	Juneli Maya Shrestha	NCP
69	Saraswati Bati	NCP
70	Shanti Thing	NCP
71	Dewaki Shrestha	NCP
72	Indra Maya Gurung	NCP
73	Sita Lama	NCP

Elected from the Proportional Representative System		
S.N.	Name	Political Party
74	Aasha Maya Tamang	NCP
75	Urmila Karmacharya	NCP
76	Rachana Khadka	NCP
77	Munu Sigdel	NCP
78	Saraswati Basnet	NCP
79	Goma Bhurtel	NCP
80	Mina Gyanwali (Nepal)	NCP
81	Parwati Silwal	NCP
82	Maina Aachhami	NCP
83	Milan Babu Shrestha	NC
84	Rajendra Gurung	NC
85	Nhukshe Narayan Shrestha	NC
86	Santa Bahadur Praja	NC
87	Radha Ghale	NC
88	Jeeban Dangol	NC
89	Bijaya Shrestha KC	NC
90	Rajani Amatya	NC
91	Rajaram Karki Chhetri	NC
92	Balaram Paudel	NC
93	Bhimsen Khatri	NC
94	Geeta Wagle	NC
95	Bijula Kumari Barma	NC

Elected from the Proportional Representative System		Political Party
S.N.	Name	
96	Kalpana Nepali	NC
97	Dinesh Maharjan	NCP
98	Aang Dendi Lama	NCP
99	Om Bahadur Glan	NCP
100	Himali Gole	NCP
101	Pratima Shrestha	NCP
102	Sita Adhikari	NCP
103	Bhawana Subedi	NCP
104	Kanchan Khanal	NCP
105	Biraj Bhakta Shrestha	BSP
106	Shova Shakya	BSP
107	Ramesh Paudel	BSP
108	Srijana Sayaju	NMKP
109	Rita Majhi	RPP
110	Rina Gurung	RPP

Source: *PPPC (2018)*

Legend: *NCP: Communist Party of Nepal, NC: Nepali Congress, RPP: Rashtriya Prajatantra Party, NMKP: Nepal Majdoor Kisan Party, BSP: Bibeksheel Sajha Party*

## Annex 2 : List of Local Governments and their Mayor/Deputy Mayor or Chairman/Vice Chairman

District	Local Level	Mayor/ Chairman (Party Affiliation)	Deputy Mayor /Vice Chairman
Bhaktapur	Changunarayan Municipality	Som Prasad Mishra (NCP)	Bina Bastola (NCP)
	Bhaktapur Municipality	Sunil Prajapati (NIMKP)	Rajani Joshi (NIMKP)
	Madhyapur Thimi Municipality	Madan Sundar (Jugulu) Shrestha (NCP)	Anjana Devi Madhikarmi (NC)
	Suryabinayak Municipality	Basu Dev Thapa (NCP)	Juna Basnet (NCP)
Chitwan	Kalika Municipality	Khum Narayan Shrestha (NCP)	Kamala Bhattarai (NCP)
	Khairahani Municipality	Lal Mani Chaudhary (NCP)	Sunita Kharel (NCP)
	Bharatpur Metropolitan City	Renu Dahal (NCP)	Parvati Shaha Thakuri (NC)
	Madi Municipality	Thakur Prasad Dhakal	Tara Kumari Kaji Mahato (NCP)
	Ratmanagar Municipality	Narayan Ban (NCP)	Bimla Devi Dawadi (NCP)
	Rapti Municipality	Prabha Baral (NCP)	Iman Singh Moktan (NCP)
	Ichchha Kamana Gaunpalika	Geeta Kumari Gurung (NC)	Kriti Kumar Shrestha (NC)

District	Local Level	Mayor/ Chairman (Party Affiliation)	Deputy Mayor / Vice Chairman
Dhading	Dhuniवेशी Municipality	Bal Krishna Acharya (NCP)	Niru Kharel (NCP)
	Nilkhantha Municipality	Bhim Prasad Dhungana (NC)	Man Raj Bhandari (NCP)
	Khanyabas Gaupalika	Ran Bahadur Tamang (NC)	Yo Maya Tamang (NC)
	Ganga Jamuna Gaupalika	Bal Bahadur Adhikari (NCP)	Anjila Tamang (NCP)
	Gajuri Gaupalika	Rajendra Bikram Basnet (NCP)	Sita Dhungana (NCP)
	Galchi Gaupalika	Krishna Hari Shrestha (NCP)	Radha Lamichhane (NCP)
	Jwalamukhi Gaupalika	Binod Raj Timalseña (NC)	Januka Simkhada (NCP)
	Tripurasundari Gaupalika	Shambhu Kumar Thapa (NCP)	Devi Kumari Burlakoti (NC)
	Thakre Gaupalika	Ram Kumar Acharya (NCP)	Ambika Rupakheti/ Poudel (NCP)
	Netrawati Gaupalika	Durga Kumar Shakya (NCP)	Urmila Tamang Gurung (NCP)
Dolakha	Benighat Forang Gaupalika	Pitta Bahadur Dailakoti (NCP)	Devi Prasad Silwal (NC)
	Rubi Valley Gaupalika	Cherung Tamang (RPP)	Bina Lama (RPP)
	Siddhalek Gaupalika	Prem Nath Silwal (NCP)	Kamala Sharma (NCP)
	Jiri Municipality	Tanka Bahadur Jirel (NCP)	Krishna Maya Budhathoki (Khadka) (NCP)
	Bhimeshwor Municipality	Bharat Bahadur K.C. (NCP)	Kamala Basnet (NCP)
	Kalinchowk Gaupalika	Vin Kumar Thami (NCP)	Kalika Pathak (NCP)
	Gaurishankar Gaupalika	Soyam Bahadur Khadka (NCP)	Urmila Thami (K.C.)
	Tamakoshi Gaupalika	Ishwar Chandra Pokharel (NCP)	Urmila Khadka (K.C.)
	Melung Gaupalika	Nar Bahadur Shrestha (NCP)	Kalpana Bhandari (NCP)
	Bigu Gaupalika	Yudhisthir Khadka (NC)	Sanjeev Wali (NCP)
Shailung Gaupalika	Baiteshwor Gaupalika	Chhabi Lama (NC)	Ravi Chandra Acharya (NCP)
	Shailung Gaupalika	Bharat Prasad Dulal (NCP)	LaI Maya Yoganjan (Ghising) (NCP)

District	Local Level	Mayor/ Chairman (Party Affiliation)	Deputy Mayor / Vice Chairman
Kathmandu	Kageshwori Manohara Municipality	Krishna Hari Thapa (NCP)	Bindu Pudasaini (NCP)
	Kathmandu Metropolitan	Bidya Sundar Shakya (NCP)	Hariprabha Khadgi (NC)
	Kirtipur Municipality	Ramesh Maharjan (NCP)	Saraswati Rijal (NCP)
	Gokarneshwor Municipality	Santosh Chalise (NC)	Shanti Nepal (NC)
	Chandragiri Municipality	Ghan Shyam Giri (NC)	Lisa Nakarmi (NCP)
	Tokha Municipality	Prakash Adhikari (NCP)	Jyan Maya Dongol (NCP)
	Tarakeshwor Municipality	Rameshwar Bohara (NCP)	Bhawani Dotel / Dhital
	Dakshinkali Municipality	Mohan Basnet (NC)	Basanti Tamang (NC)
	Nagarjun Municipality	Mohan Bahadur Basnet (NC)	Sushila Adhikari (NCP)
	Budhanilkantha Municipality	Uddhab Prasad Kharel (NCP)	Rama Devi Rai (NCP)
	Shankharapur Municipality	Suwarna Shrestha (NCP)	Shukra Laxmi Shrestha (Basi) (NCP)

District	Local Level	Mayor/ Chairman (Party Affiliation)	Deputy Mayor / Vice Chairman
Kavrepalanchowk	Dhulikhel Municipality	Ashok Kumar Bhanju Shrestha (NCP)	Bimla Kumari Chaulagai (Sharma) (NCP)
	Namobuddha Municipality	Tanka Prasad Sharma (NCP)	Ram Devi Tamang (NCP)
	Panauti Municipality	Bhim Neupane (NCP)	Gita Banjara (NCP)
	Panchkhal Municipality	Mahesh Kharel (NC)	Lakshmi Dunwar (NC)
	Banepa Municipality	Lakshmi Narsingh Bade Shrestha (NCP)	Rekha Sapkota (Dahal) (NCP)
	Mandan Deupur Municipality	Tok Bahadur Tamang (NCP)	Nirmala Shahi (NCP)
	Khanikhola Gaunpalika	Krishna Bahadur Khulal (NCP)	Rukmeni Gurung (NCP)
	Chauri Deurali Gaunpalika	Din Nath Gautam (NCP)	Tara Kumari Chaulagai (NCP)
	Temal Gaunpalika	Salaam Singha Tamang (NC)	Durga Maya Tamang (NC)
	Bethanchowk Gaunpalika	Prem Bahadur Timalsina (NC)	Sarita Lamichhane (NC)
Lalitpur	Bhumlu Gaunpalika	Guman Dhyoj Kunwar (NCP)	Kalpana Kumari Shrestha (NCP)
	Mahabharat Gaunpalika	Kanchha Lal Jimba (NCP)	Chet Kumari Majhi (NCP)
	Roshi Gaunpalika	Dal Bahadur Lama (NC)	Lakshmi Kumari Upreti (Bartola) (NC)
	Godawari Municipality	Gajendra Maharjan (NC)	Muna Adhikari (NC)
	Mahalaxmi Municipality	Rameshwar Shrestha (NCP)	Nirmala Thapa (NCP)
	Lalitpur Metropolitan City	Chiri Babu Maharjan (NC)	Gita Satyal (NC)
	Konyosom Gaunpalika	Gopi Lal Sinton (NCP)	Mingma Lama (NCP)
	Bagamti Gaunpalika	Bir Bahadur Lopchan (NC)	Ranjana Ghimire (NC)
	Mahankal Gaunpalika	Ram Chandra Dahal (NCP)	Kamala Lama Tamang (NCP)

District	Local Level	Mayor/ Chairman (Party Affiliation)	Deputy Mayor/ Vice Chairman
Makwanpur	Thaha Municipality	Lawsher Bista (NCP)	Khadga Bahadur Gopali (NC)
	Hetauda Sub-Metropolitan City	Hari Bahadur Mahat (NCP)	Meena Kumari Lama (NCP)
	Indrasarowar Gaupalika	Jiban lama (NCP)	Uma Kumari Lama (NCP)
	Kailash Gaupalika	Tanka Bahadur Moktan (NCP)	Suku Maya Thing (NCP)
	Bakaiya Gaupalika	Damodar Khanal (NC)	Sarala Bolakhe (NCP)
	Bagamti Gaupalika	Sarkesh Ghalan (NCP)	Dhan Maya Syangtan (NCP)
	Bimphedi Gaupalika	Hidam Lama (NCP)	Parvati Rana (NCP)
	Makawanpurgadhi Gaupalika	Bidur Humagai (NCP)	Harka Maya Rumba (NCP)
	Manahari Gaupalika	Ek Raj Upreti (NCP)	Manila Bista (NCP)
	Raksirang Gaupalika	Raj Kumar Malla (NC)	Nirmala Himadung (NC)
	Beikotgadhi Municipality	Rajendra Raman Khanal (NCP)	Kabita Dhungana (NCP)
	Bidur Municipality	Sanju Pandit (NCP)	Gita Kumari Dahal/ Aryal
	Kakani Gaupalika	Man Bahadur Lama (NCP)	Sita Lama (NCP)
	Kispang Gaupalika	Chhatra Bahadur Lama (NC)	Maya Devi Neupane (NC)
Tadi Gaupalika	Narayan Prasad Pandey (NC)	Ishwari Upreti (NC)	
Nuwakot	Tarakeshwar Gaupalika	Ramesh Bahadur Wasti (NCP)	Tara Devi Rimal (NCP)
	Dupheshwor Gaupalika	Yowindra Singh Tamang (NC)	Anju Acharya (NC)
	Panchakanya Gaupalika	Tej Bahadur Tamang (NCP)	Sita Parajuli / Khadka (NC)
	Meghang Gaupalika	Aasa Tamang (NC)	Shanti Lama (Gurung) (NC)
	Likhu Gaupalika	Dhrub Shrestha (NC)	Rojina Rai (NCP)
	Shivapuri Gaupalika	Ram Krishna Thapa (NC)	Manju Kumari KC (NC)
	Suryagadhi Gaupalika	Santa Bahadur Tamang (NC)	Manju Budhathoki (NC)

District	Local Level	Mayor/ Chairman (Party Affiliation)	Deputy Mayor /Vice Chairman
Ramechhap	Manthali Municipality	Ramesh Kumar Basnet (NCP)	Maya Kumari Karki (NCP)
	Ramechhap Municipality	Nar Bahadur Thapa Magar (NC)	Shrijana Khadka (NC)
	Umakunda Gaunpalika	Sher Bahadur Sunuwar (NCP)	Urmila Karki (Basnet) (NC)
	Khandadevi Gaunpalika	Prem Bahadur Tamang (NCP)	Makhmali Shrestha (NCP)
	Gokulganga Gaunpalika	Khanga Bahadur Sunuwar (NCP)	Radhika Shrestha (Newar) (NCP)
	Doramba Gaunpalika	Kamaan Singh Tamang (Moktan)	Krishala Ghising (NCP)
	Likhu Gaunpalika	Govinda Bahadur Khadka (NCP)	Dipshikha Neupane (Dahal) (NCP)
	Sunapati Gaunpalika	Dhawa Lama (NCP)	Gita Bista (Chaulagai) (NCP)
	Uttargaya Gaunpalika	Upendra Lamsal (NC)	Chameli Gurung (NCP)
	Kalika Gaunpalika	Sita Kumari Poudel/Adhikari (NCP)	Bhavani Prasad Neupane (NCP)
Rasuwa	Gosaikunda Gaunpalika	Kaisang Nurpu Tamang (NCP)	Kar Gyalimu Tamang (NCP)
	Naukunda Gaunpalika	Nurbu Syangwo Ghale (NC)	Sirjana Lama (NCP)
	Parbatikunda Gaunpalika	Buchung Tamang (NS)	Nabina Tamang (NCP)
Sindhuli	Kamalamai Municipality	Khanga Bahadur Khatri (NCP)	Manju Devkota (NCP)
	Dudhuli Municipality	Ghana Shyam Raut (NCP)	Bal Kumari Adhikari (NCP)
	Golanjor Gaupalika	Pushpa Bahadur Karki (NC)	Ganga Devi Shrestha (NC)
	Ghyanglekha Gaunpalika	Jagat Bahadur Bholan (NC)	Durga Devi Sunuwar (NC)
	Timpatan Gaupalika	Karna Bahadur Magar (NC)	Padma Maya Tamang (NCP)
	Phikkal Gaunpalika	Dhan Bahadur Karki (NCP)	Purvati Sunuwar (NCP)
	Marin Gaunpalika	Pani Raj Bomjan (NCP)	Sangita Majhi (NCP)
	Sunkoshi Gaunpalika	Deepa Vohora-Dahal (NCP)	Dirwa Singh Moktan (NCP)
	Hariharpurgadhi Gaunpalika	Carasang Lama (NCP)	Anita Kumari Rat (NCP)

District	Local Level	Mayor/ Chairman (Party Affiliation)	Deputy Mayor /Vice Chairman
Sindhupalchowk	Chautara Sangachowkgadhi Municipality	Aman Singh Tamang (NCP)	Januka Parajuli (NCP)
	Melamchi Municipality	Damber Bahadur Aryal (NCP)	Bhagwati Nepal (NCP)
	Bahrabise Municipality	Nim Funzo Sherpa (NCP)	Sushila Pakhreen (NCP)
	Jugal Gaunpalika	Hom Narayan Shrestha (NCP)	Srijana Tamang (NCP)
	Tripurasundari Gaunpalika	Bhupendra Shrestha (NCP)	Durga Devi Nepal (NCP)
	Panchpokhari Thangpal Gaunpalika	Tasi Lama (NCP)	Sunita Adhikari (NCP)
	Balephi Gaunpalika	Kedar Khatri Kshetri (NCP)	Kamala Shrestha (Kayastha) (NCP)
	Bhotekoshi Gaunpalika	Raj Kumar Poudel (NCP)	Dabuty Sherpa (Lama) (NCP)
	Indrawati Gaupalika	Banshalal Tamang (NC)	Mira Lama (NC)
	Lisankhu Pakhar Gaunpalika	Kamal Prasad Nepal (NCP)	Hem Ganga Moktan (NCP)
Sunkoshi Gaunpalika	Shrawan Kumar Gharti Kshetri (NC)	Lakshmi Poudel (NC)	
Helambu Gaunpalika	Nima Gyajen Sherpa (NC)	Kopila Pandit (NC)	

Source: PPPC (2018)

Legend: Communist Party of Nepal (NCP), Nepali Congress (NC), Nepal Majdoor Kisan Party (NMKPI), Naya Shakti (NS), Rashtriya Prajatantra Party (RPP)

### Annex 3: Heads and Deputy Heads of District Coordination Committees

S.N.	District	Head	Deputy Head
1	Sindhuli	Shankar Raj Tiwari / Barma	Samjhana Adhikari
2	Ramechha	Prem Bahadur Khadka	Deepa Pakhrin
3	Dolakha	Dawal Pandey	Man Maya Jirel
4	Sindhupalchowk	Gopal Tamang	Balkumari Sapkota
5	Kavrepalanchowk	Uddhav K.C.	Manju Gautam
6	Lalitpur	Ambar Bahadur Khadka	Binesh Maharjan
7	Bhaktapur	Navarej Gelal	Sarita Kunwar
8	Kathmandu	Shiva Sundar Rajbaidhya	Sarita Dahal
9	Rasuwa	Kul Prasad Bhatta	Chhopema Tamang
10	Nuwakot	Santa Man Tamang	Apsara Thapa
11	Dhading	Jagannath Nepal	Binda Baramu
12	Makwanpur	Raghunath Khulal	Bhagwati Pudasaini
13	Chitwan	Krishna Kumar Dallakoti	Munakumari Shrestha

Source: PPP

### Annex 4: Population Density and Sex Ratio in Province No. 3

District	Area (km)	Population 2001	2011					
			Total Population	Male	Female	Sex Ratio	Density	Growth Rate
Sindhuli	2,491	279,821	296,192	142,123	154,069	92.2	119	0.57
Ramechhap	1,546	212,408	202,646	93,386	109,260	85.5	131	-0.47
Dolakha	2,191	204,229	186,557	87,003	99,554	87.4	85	-0.91
Sindhupalchowk	2,542	305,857	287,798	138,351	149,447	92.6	113	-0.61
Kavrepalanchowk	1,396	385,672	381,937	182,936	199,001	91.9	274	-0.10
Lalitpur	385	337,785	468,132	238,082	230,050	103.5	1,216	3.26
Bhaktapur	119	225,461	304,651	154,884	149,767	103.4	2,560	3.01
Kathmandu	395	1,081,845	1,744,240	913,001	831,239	109.8	4,416	4.78
Nuwakot	1,544	44,731	43,300	21,475	21,825	98.4	28	-0.33
Rasuwa	1,121	288,478	277,471	132,787	144,684	91.8	248	-0.39
Dhading	1,926	338,658	336,067	157,834	178,233	88.6	174	-0.08
Makwanpur	2,426	392,604	420,477	206,684	213,793	96.7	173	0.69
Province 3	20,300	4,569,597	5,529,452	2,747,633	2,781,819	98.8	272	1.91
Nepal	147,181	23,151,423	26,494,504	12,849,041	13,645,463	94.2	180	1.35
% of P3	13.79	19.74	20.87	21.38	20.39			

Source: Analysis based on population census, 2011

### Annex 5: Offices and number of employees under the GoP in Province No. 3

No	Types of Offices	Number of offices	Employee positions
	Office of the Chief Minister and Council of Ministers	1	52
1	Provincial Policy and Planning Commission	1	16
	Ministry of Internal Affairs and Law	1	38
2	Office of the Chief Attorney	1	11
	Ministry of Industry, Tourism, Forest and Environment	1	45
3	Forest Directorate	1	28
4	Forest Research and Training Centre	1	10
5	Forest Division offices	15	1,006
6	Land and Watershed Management Offices	2	34
7	Industry, Commerce and Consumer Rights Protection Directorate	1	14
8	Cottage and Small Industry Committee offices	6	78
	Ministry of Economic Affairs and Planning	1	47
9	Province Financial Comptroller's Office	1	20
	Ministry of Physical Infrastructure Development	1	55
10	Transport Infrastructure Directorate	1	23
11	Transport Management Offices	6	295
12	Transport Service Offices	4	35
13	Infrastructure Development Offices	6	108
14	Urban Development and Building Offices	5	70
15	Drinking Water and Sanitation Divisions	5	106
16	Water Resources and Irrigation Divisions	15	161

No	Types of Offices	Number of offices	Employee positions
	Ministry of Social Development	1	68
17	Education Development Directorate	1	35
18	Education Training Centre	1	15
19	Health Directorate	1	37
20	Health Offices	5	64
21	Hospitals (including district hospitals)	9	554
22	District Ayurved Health Centres	8	56
23	Ayurved Pharmacies	2	12
	Ministry of Land Management, Agriculture and Cooperatives	1	73
24	Agriculture Development Directorate	1	38
25	Agro-business Promotion and Training Centre	1	16
26	Agriculture Knowledge Centre	7	129
27	Livestock and Fishers Development Directorate	1	25
28	Veterinary Hospital and Livestock Services Centre	8	88
29	Goat Development Farm	1	15
30	Fisheries Development Centres	2	22
31	Cooperatives Training Centre	1	13
	Total	127	3,512

Source: Updated from the Status Paper of Province No. 3, PPPC (2018)

## Annex 6: Health Indicators

Indicators	Other Provinces					
	P3 Nepal	P1	P2	Gandaki	P5 Karnali	Sudur Paschim
Percentage of children under 5 who have their birth registered with the civil authorities	63.7	61.4	45.0	60.8	56.8	54.4
Median age at first marriage among women age 20-49	19.7	19.5	16.5	18.6	18.1	17.7
Total Fertility Rate for the 3 year period preceding the survey	1.8	2.3	3.0	2.0	2.4	2.2
Contraceptive prevalence rate (CPR)	60.6	55.1	47.7	48.5	48.0	51.1
Percentage of currently married women 15-49 with unmet need for family planning (Total=Spacing+Limiting)	19.8	24.9	20.6	30.0	27.9	21.3
Percentage of all women 15-49 with unmet need for family planning (Total=Spacing+Limiting)	13.9	19.0	17.4	22.8	21.4	15.8
Neonatal mortality rate (per 1,000 live births)	17	22	30	15	30	41
Infant mortality rate (per 1,000 live births)	29	32	43	23	42	58
Percentage of children age 12-23 months who have received appropriate vaccination (BCG, DPT-HepB-Hib, oral polio vaccine and measles rubella)	29.7	38.3	40.0	29.0	46.7	31.7
				73.0		27.9

Indicators	Other Provinces						
	P3	Nepal	P1	P2	P5	Karnali	Sudur Paschim
Percentage of children under 5 years of age that are stunted	29.4	35.8	32.6	37.0	38.5	54.5	35.9
Women aged 15-49 years who are obese (BMI>30.0 kg/m <sup>2</sup> )	10.6	5.1	5.4	1.7	7.6	3.3	1.2
Percentage of women age 15 and above with prevalence of hypertension	19.1	16.8	17.7	13.1	23.8	18.8	10.1
Percentage of men age 15 and above with prevalence of hypertension	28.7	23.4	20.8	17.6	30.7	24.9	18.2
Percentage of women age 15-49 who have ever experienced physical violence since age 15	19.6	21.8	18.9	34.2	12.0	22.6	17.4

Source: *Nepal Demographic and Health Survey 2016*

### Annex 7: Communication facilities by households

District	Computer	Internet	Telephone	Mobile phone	Total household
sindhuli	942	236	2,921	26,007	57,544
%	1.6	0.4	5.1	45.2	
Ramechhap	427	111	1,086	22,006	43,883
%	1	0.3	2.5	50.1	
Dolakha	969	238	831	24,184	45,658
%	2.1	0.5	1.8	53	
Sindhupalchowk	1,021	395	1,332	39,543	66,635
%	1.5	0.6	2	59.3	
Kavrepalanchowk	5,468	1,648	5,750	53,834	80,651
%	6.8	2	7.1	66.7	
Lalitpur	36,470	17,895	33,264	94,440	109,505
%	33.3	16.3	30.4	86.2	
Bhaktapur	20,224	8,964	17,480	59,588	68,557
%	29.5	13.1	25.5	86.9	
Kathmandu	154,522	84,354	121,513	395,183	435,544
%	35.5	19.4	27.9	90.7	
Rasuwa	231	83	597	5,464	9,741
%	2.4	0.9	6.1	56.1	
Nuwakot	1,381	443	1,928	35,583	59,194
%	2.3	0.7	3.3	60.1	
Dhading	1,666	526	2,639	46,895	73,842

District	Computer	Internet	Telephone	Mobile phone	Total household
%	2.3	0.7	3.6	63.5	
Makawanpur	5,720	2,037	5,700	57,427	86,045
%	6.6	2.4	6.6	66.7	
Chitwan	17,780	9,533	16,709	105,636	132,345
%	13.4	7.2	12.6	79.8	
Province 3	246,821	126,463	211,750	965,790	1,269,144
%	19.4	10	16.7	76.1	
Nepal	395,034	180,746	399,699	3,504,929	5,423,297
%	7.28	3.33	7.37	64.63	
% of Province No. 3	62.48	69.97	52.98	27.56	23.4

Source: Extracted from population census, CBS (2011)

**Annex 8: District Wise Summary Sheet of Industry Registered In Province No. 3**

District	No. Of Industry	Total Capital	Fixed Capital	Working Capital	No. Of Employment
		(Rs. million)	(Rs. million)	(Rs. in million)	
Bhaktapur	170	13,894.72	12,049.96	1,844.76	15,820
Chitwan	206	25,050.48	20,096.24	4,954.25	13,029
Dhading	58	38,547.25	35,745.44	2,801.80	4,012
Dolkha	37	87,028.11	86,343.25	684.86	6,388
Kathmandu	3,345	214,329.73	165,818.83	48,555.60	232,236
Kavre palanchok	159	11,155.73	8,894.50	2,261.23	12,520
Lalitpur	843	51,179.57	36,792.13	14,495.44	46,432
Makwanpur	112	21,023.38	17,425.93	3,597.46	10,059
Nuwakot	48	22,098.73	21,566.33	533.39	2,423
Ramechhap	13	30,082.35	29,187.56	894.78	1,013
Rasuwa	20	62,832.03	60,284.59	2,547.45	2,347
Sindhuli	2	203.84	194.85	8.99	195
Sindhupalchowk	50	49,619.31	48,199.73	1,419.57	3,665
Total Province No. 3	5,063	627,045.23	542,599.34	84,599.58	350,139
Nepal	7,490	1,653,388	1,478,362.17	175,654.14	573,891
Province %	67.60	37.78	36.55	48.08	60.83

Source: Department of Industry, cited in PPPC (2018)









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