

## **Interstate (Interprovincial) Compacts and Agreements: Tools for Intergovernmental Cooperation: Analyzing the role of interstate agreements in enhancing collaboration among states in the federal system of Nepal**

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In federalism, intergovernmental relationships between federal units help to create effectiveness, transparency, accountability and efficiency at the operational level. Intergovernmental agreements have the ability to effectively govern behavior, resembling formal regulations in their negotiation, interpretation, execution, amendment, and termination processes. Despite lacking a formal character, they may operate much like legally binding rules until a major conflict arises, prompting the potential invocation of legal rules to supersede or overturn them. In essence, these agreements may function similarly to formal legal norms in guiding interactions and relationships among the provinces. One of the pivotal aspects of these Compacts or Agreements is that they can alter the constitutional landscape while avoiding difficult - and often impossible - constitutional amendments.

Interstate Agreements play a central role in various public domains, spanning from the administration of natural resources to education, environmental protection to healthcare delivery, agricultural policy to employment initiatives, family policy to the advancement of internal trade, and the coordination of fiscal policy. The targeted coordination and interstate collaboration addresses specific issues that require coordinated efforts, such as water management, healthcare initiatives, or regional economic development that can serve the unique needs of different regions. For example; Some agreements providing general operating principles, while others defining the responsibilities for very specific projects, such as road construction and some agreements establishing inter-jurisdictional agencies. Moreover, addressing the escalating potential for inter-provincial water conflicts in Nepal, given the increasing water demands and the exercise of constitutional water jurisdictions by provinces, necessitates the initiation of a trans-boundary agreement involving both provinces and the federal government to establish a framework for inter-provincial water management.

Interstate Compacts and Agreements provide flexibility in governance by allowing states to tailor agreements to their specific needs. This adaptability is valuable in addressing diverse regional challenges and accommodating different state priorities. Furthermore, it serves as a potent instrument for fostering collaboration among states on shared issues, exchanging resources and expertise, and collectively advocating for their shared objectives. Participating in an interstate compact empowers states in a federal system to present a more cohesive and efficient response to intricate challenges, enabling them to accomplish more collectively than they could individually. Thus, interstate compacts allow states to develop their own collaborative and dynamic structures and solutions for common problems.

The role of interstate agreements in enhancing collaboration among states in Nepal's federal system is multi-faceted. These agreements serve to establish formal, legal relationships among states with the aim of addressing shared challenges or advancing common objectives.

Additionally, they facilitate the creation of independent, multistate governmental authorities, such as commissions, enabling more effective resolution of issues that transcend individual state capacities. Interstate compacts play a crucial role in setting uniform guidelines, standards, or procedures for agencies across member states, promoting consistency and coordination. They contribute to economies of scale, reducing administrative costs, and respond to national priorities through consultation or partnership with the federal government. Importantly, these agreements allow states to retain sovereignty in matters traditionally reserved for them while also providing a mechanism to settle interstate disputes.