

Interprovincial Compacts and Agreements: Fostering Intergovernmental Cooperation in Nepal's Federal System

Nepal's transition to a federal system of governance marked a significant departure from its historical centralised structure, with the aim of empowering local governments and promoting regional development. The Constitution of Nepal authorises all three levels to legislate, formulate plans and policies and mobilise resources within jurisdictions delineated to them. Schedules 5 to 9 of the Constitution delineate the exclusive and concurrent responsibilities and authorities of three levels of governments. Therefore, the successful adoption of federalism requires effective and efficient interrelationship between three levels of governments. However, the successful implementation of federalism hinges on effective collaboration and cooperation among the provinces. Interprovincial compacts and agreements emerge as essential tools in navigating the complexities of Nepal's diverse federal landscape, fostering intergovernmental cooperation and contributing to the realisation of shared development goals.

The federal structure in Nepal, comprising seven provinces with distinct socio-economic and geographical characteristics, necessitates a cooperative approach to address regional disparities and ensure inclusive development. Scholars argue that fostering collaboration among provinces through formalised agreements is paramount in mitigating potential conflicts arising from resource distribution and developmental priorities.

A noteworthy example of interprovincial cooperation is the recent agreement between Province 3 and Province 6. This ground breaking pact focuses on joint initiatives for the development of shared water resources, emphasising equitable distribution of benefits to address the concerns of both provinces. The agreement represents a strategic move towards fostering collaboration beyond provincial boundaries, setting a precedent for other regions to follow suit. Interprovincial compacts have proven vital in responding to health crises. The COVID-19 pandemic prompted collaborative efforts, such as the agreement between Bagmati Province and Province 1 to share medical resources and coordinate response measures. This not only ensured a more effective pandemic response but also highlighted the importance of solidarity in addressing public health challenges.

Interprovincial agreements after all offer a range of benefits, including the pooling of resources, sharing of expertise, and the establishment of a framework for coordinated development initiatives. Such compacts serve as a platform for provinces to jointly address common challenges, from infrastructure development to environmental conservation. Through the exchange of best practices and collaborative problem-solving, provinces can overcome individual limitations and work towards collective prosperity. Interprovincial agreements often focus on resource sharing and joint development projects. This collaborative effort aims to enhance connectivity, promote economic development, and facilitate the movement of people and goods across provincial borders.

Nepal has made significant strides in managing shared water resources in the last decade. The Constitution of Nepal 2015 has given the responsibility of managing water resources to all

three levels of government—federal, provincial and local. The National Water Resources Policy of 2022 has further provided a strong foundation for multi-dimensional and sustainable development of water resources through a national policy. However, a similar level of policy and progress is yet to be formalised at the provincial level, and the provinces are yet to enact their legislation fully. It is also unclear how inter-provincial transboundary water management (water-sharing between upstream and downstream jurisdictions) will occur.

While the potential benefits of interprovincial agreements are evident, challenges in their implementation remain. These challenges include negotiating power imbalances, addressing diverse priorities, and ensuring accountability in the execution of shared projects. However, overcoming these hurdles presents an opportunity for provinces to develop stronger ties, foster mutual understanding, and collectively shape the trajectory of Nepal's federal development. Drawing lessons from federal systems worldwide, particularly India and Canada, Nepal can refine its interprovincial agreements. Establishing joint bodies for ongoing coordination, standardising procedures for agreement ratification, and learning from the experiences of mature federations can enhance the efficacy of interprovincial compacts.

As Nepal continues its journey into federalism, the role of interprovincial compacts becomes increasingly pivotal. These agreements not only contribute to equitable development but also serve as a mechanism for provinces to transcend individual interests and forge a sense of unity. By fostering intergovernmental cooperation, Nepal can navigate the complexities of its federal system and work towards a harmonious, inclusive, and prosperous future for all its citizens.

In conclusion, interprovincial compacts and agreements are instrumental in fostering intergovernmental cooperation within Nepal's federal system. Through collaboration, provinces can address shared challenges, pool resources, and contribute to the overall development of the nation. The case of the agreement between Province 3 and Province 6 serves as a beacon of hope, showcasing the potential for provinces to work together towards common goals. As Nepal continues to refine its federal structure, the importance of these collaborative mechanisms cannot be overstated in building a resilient and unified nation. Intergovernmental natural resources management laws should be formulated to address the issues of benefit sharing and access over the natural resources and solving any dispute that may arise between the governments. The Constitutional Bench in the Supreme Court should be the last option in intergovernmental dispute settlement in natural resources and should exhaust all other alternative frameworks of dispute settlement before the formal judicial mechanisms through court.

References:

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