



# Federalisation and the health system in Nepal: great opportunities, new challenges and persistent old habits

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10<sup>th</sup> National Summit of Health & Population Scientists in Nepal  
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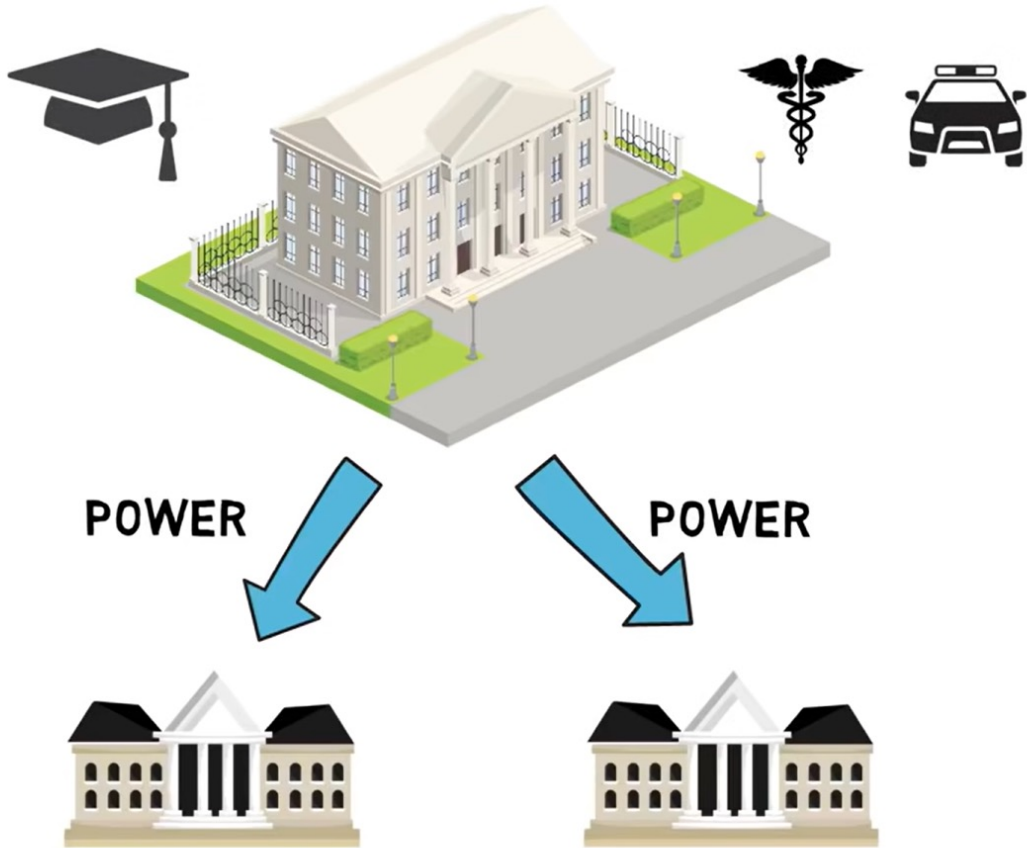
# HSRI Federalisation and Health Systems Team – April 2022



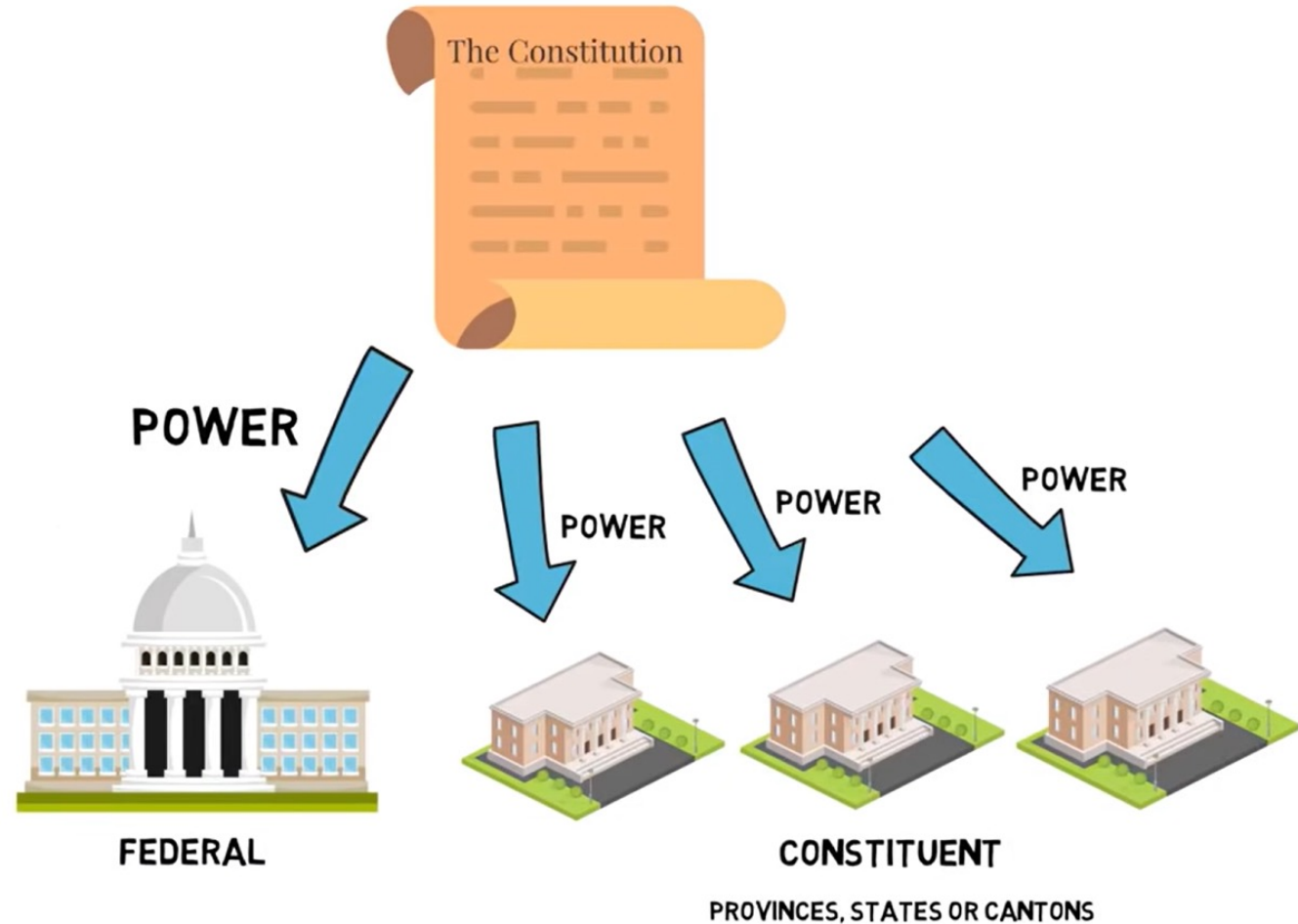


# Different systems of governance

## UNITARY SYSTEM

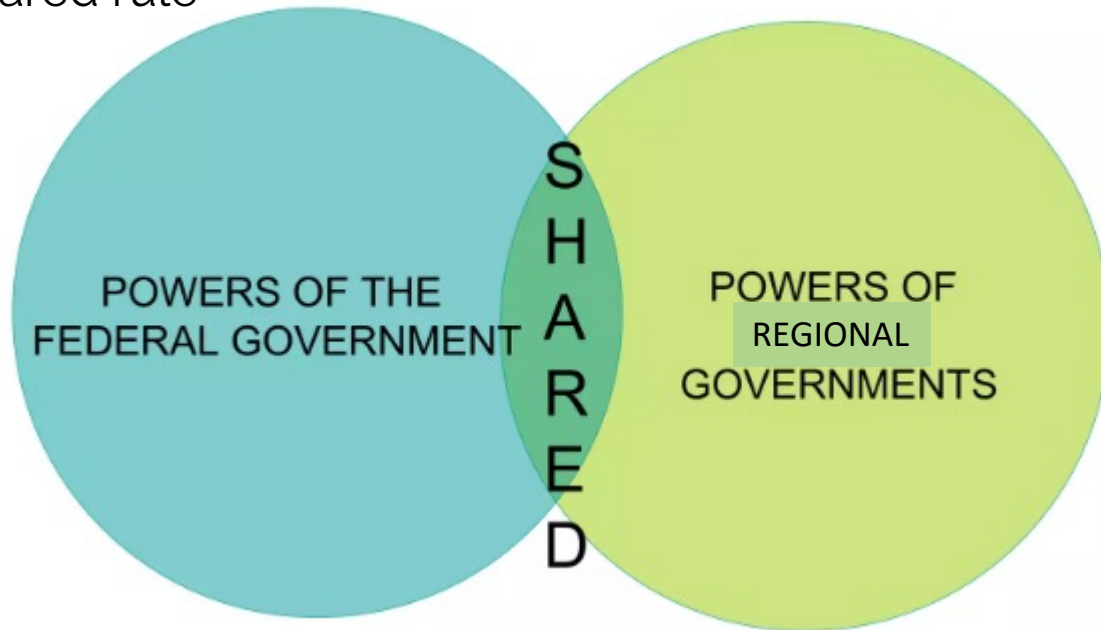


## FEDERAL SYSTEM



# What is federalism?

Federalism is a governance system of self-rule and shared rule



*“a mode of government that combines a general government (the central or "federal" government) with regional governments (provincial, state, cantonal, territorial or other sub-unit governments) in a single political system, dividing the powers between the two”*

# Why might countries choose to federalize?



Decentralizing Power



Promoting Tailored Policies



Encouraging Experimentation



Protecting Minority Rights,



Enhancing Resilience,



Balancing Regional Autonomy with National Unity

# Which countries are federal?

- 25 federal countries, representing >40% of world's population
  - Some of the world's largest & most complex democracies: Brazil, Germany, India, Mexico, USA



# Federalism in Nepal

Creation of 7 new provinces & 753 new local governments



## Politics in Nepal

- 100+ ethnic groups
- Modern state est. 1948
- Civil war 1996-2005
- Authoritarian history
- Peace agreement 2006
- New Constitution 2015

# The 3 tiers of government in a federal Nepal

**Federal  
Government**

**Federal Health Ministry  
(MoHP)**

**Provincial  
Government**

**Provincial Ministry (Ministry of  
Health/Ministry of Social  
Development)**

**Local Level  
Government**

**460 Rural  
Municipality  
(Health  
Section)**

**273  
Municipality  
(Health  
Section)**

**11 Sub-  
Metropolitan  
City (Health  
Section)**

**6 Metropolitan City  
(Health  
Division/Department/  
Section)**

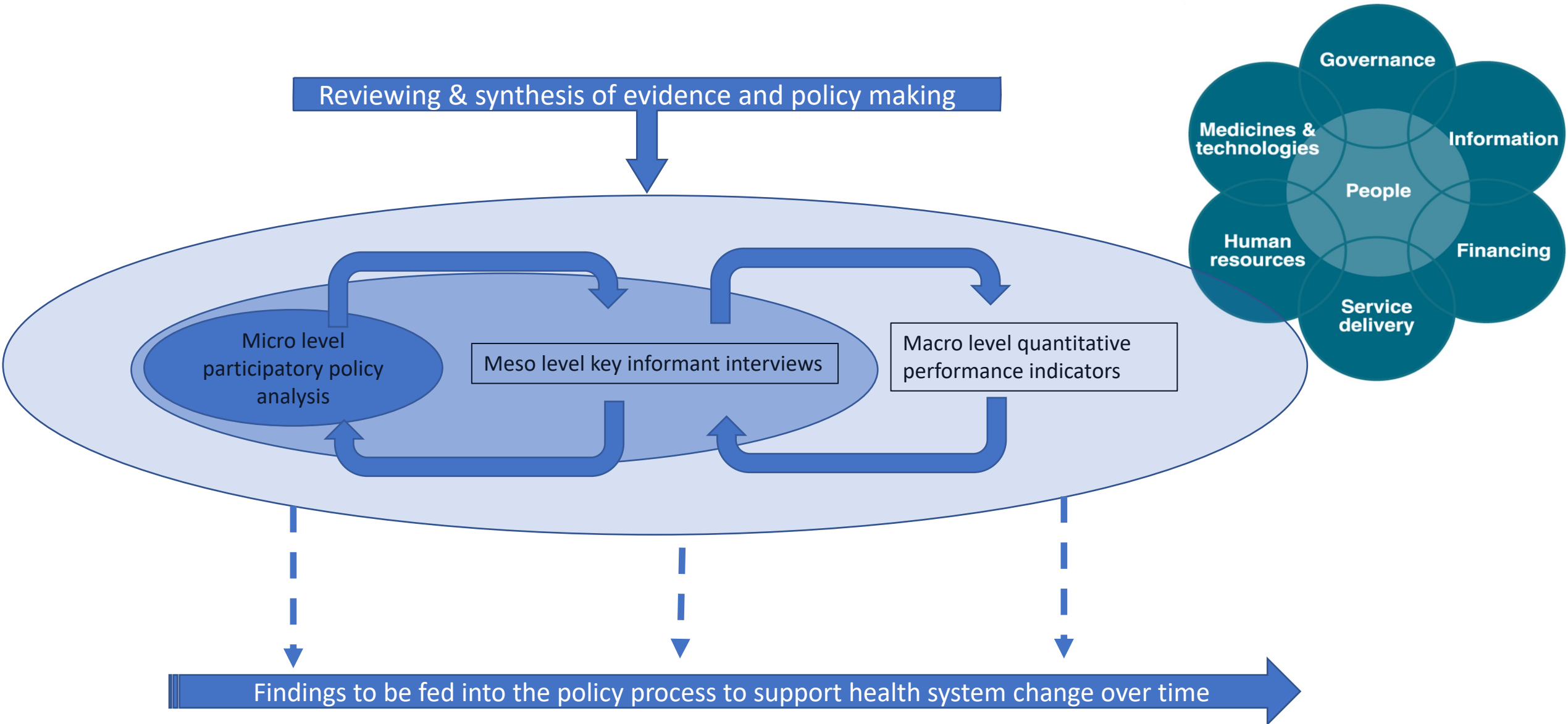
## **Significant changes**

Devolution of key responsibilities from central government to the newly-created Provinces, and below them to new local authorities

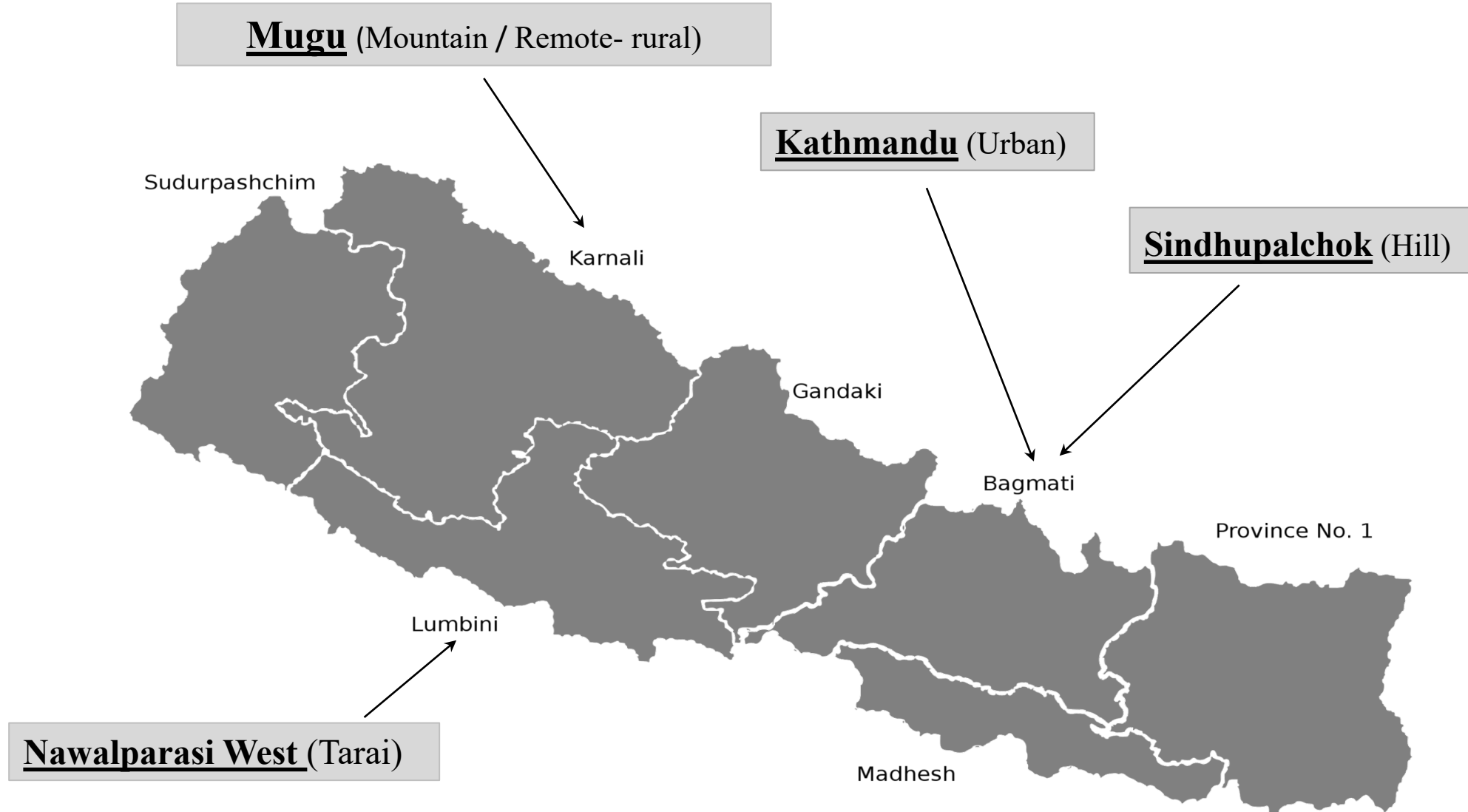
National Health Policy of 1991 replaced by new National Health Policy 2019 & 7 new Provincial Health Policies



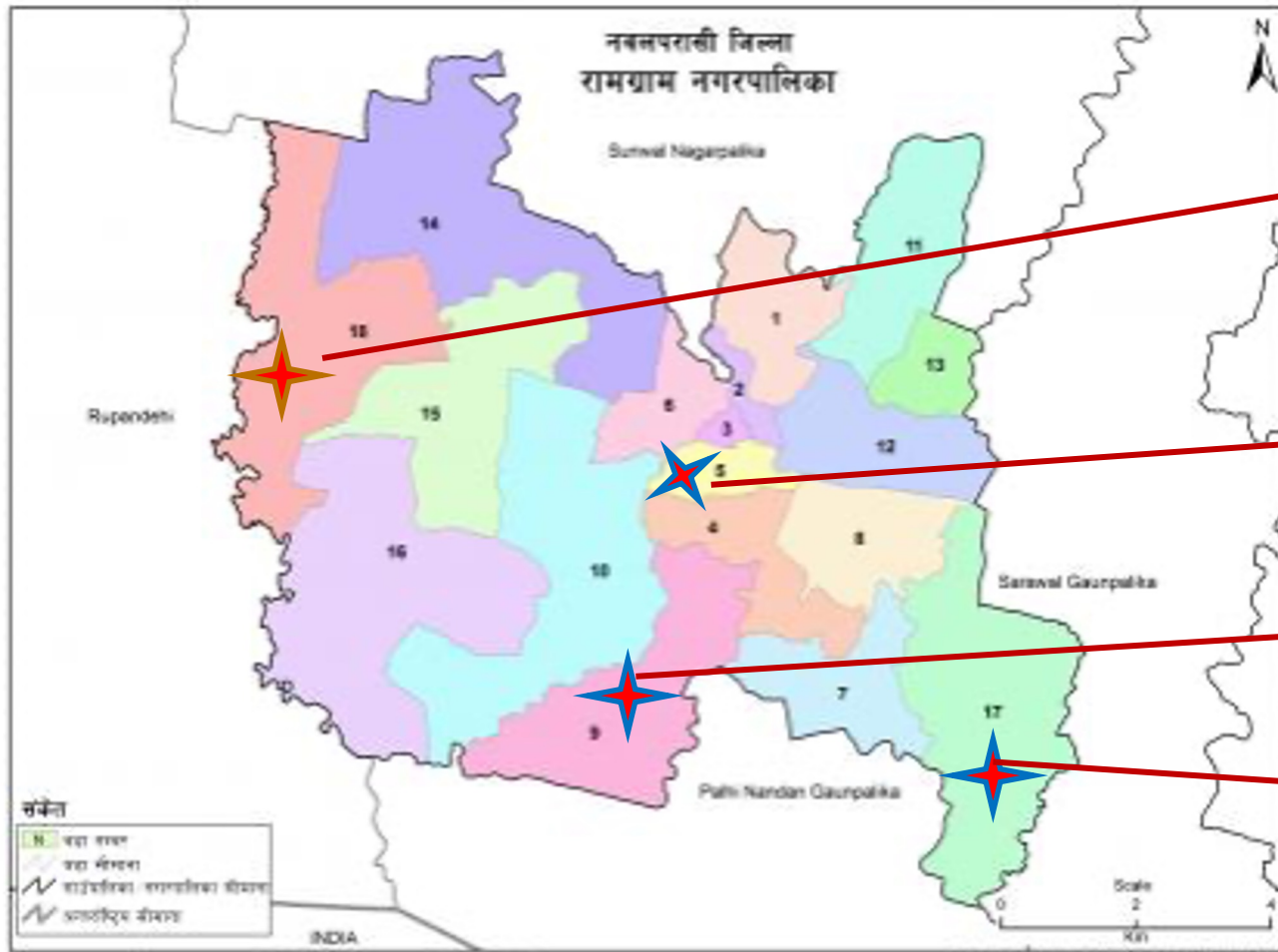
# How is federalism impacting on the health system?



# Study locations



# Lumbini Province, Nawalparasi (West) District, Ramgram Municipality



## Selected Wards

**Ward no. 18  
(former VDC)**

**Ward no. 5  
(former RMC  
& district  
hospital)**

**Ward no. 9  
(former RMC  
and parts of  
VDC)**

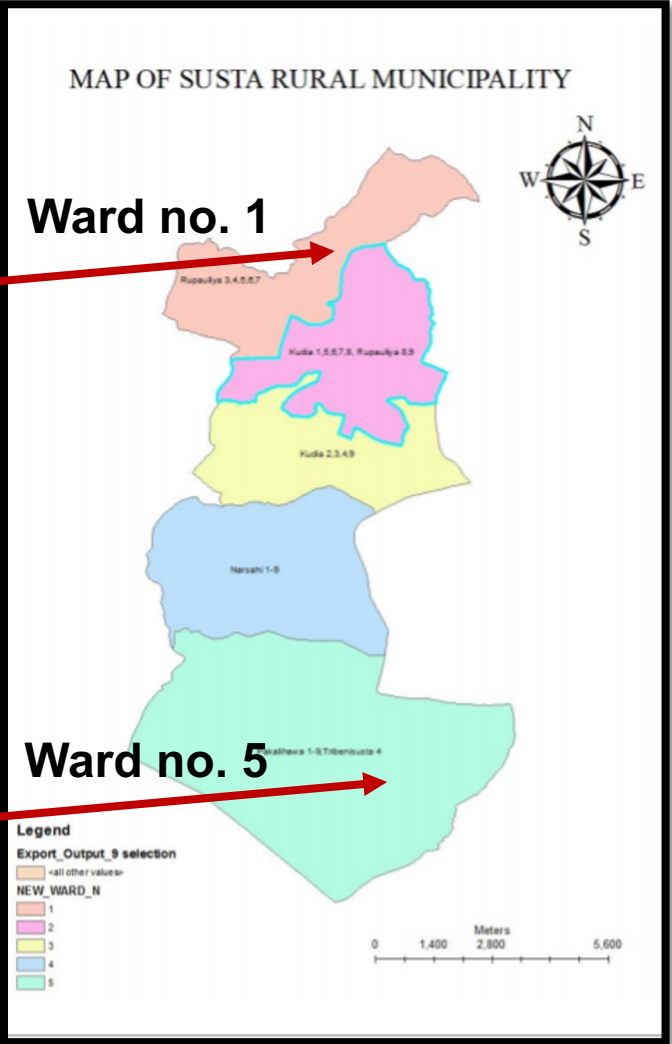
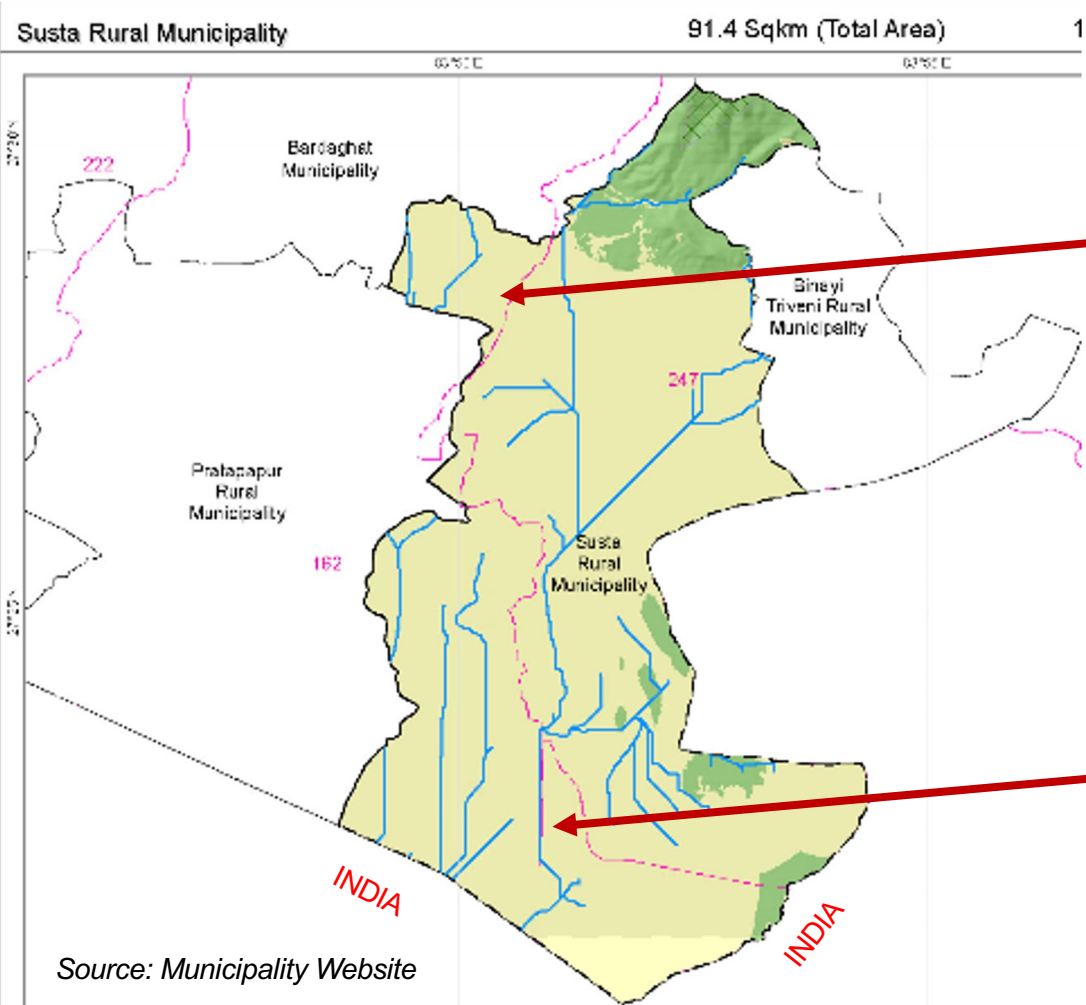
**Ward no. 17  
(former VDC)**

संकेत  
N वडा क्षेत्र  
वडा सीमरे  
गाउँपालिका-नगरपालिका सीमरे  
राष्ट्रिय सीमरे

Projection System: SRTM, Reference: Everest 1960  
LLRC, 2016

Source: Municipality Website

# Lumbini Province, Nawalparasi (West) District, Susta Rural Municipality





# Mixed methods data collection

- Key Informant Interviews (KIIs)
  - with stakeholders at local, provincial and federal level, from village-level Female Community Health Volunteers to Federal-level government officials
  - 243 (*145 first round; 98 second round*)
- **Participatory Policy Analysis (PPA) Workshops**
  - at local and provincial level
  - 32 (*12 first round; 20 second round*)
- Quantitative Analysis of
  - HMIS data
  - LMIS data
- Analysis drawing on principles of systems thinking

## **Interview / workshop participants**

- Federal & Provincial health policy level staff,
- Health coordinators, health facility staff,
- Locally elected politicians,
- Private sector/NGOs representatives,
- Journalist & policy researchers
- Others









# Results

- So many results!
- Today, I will present only three overarching findings



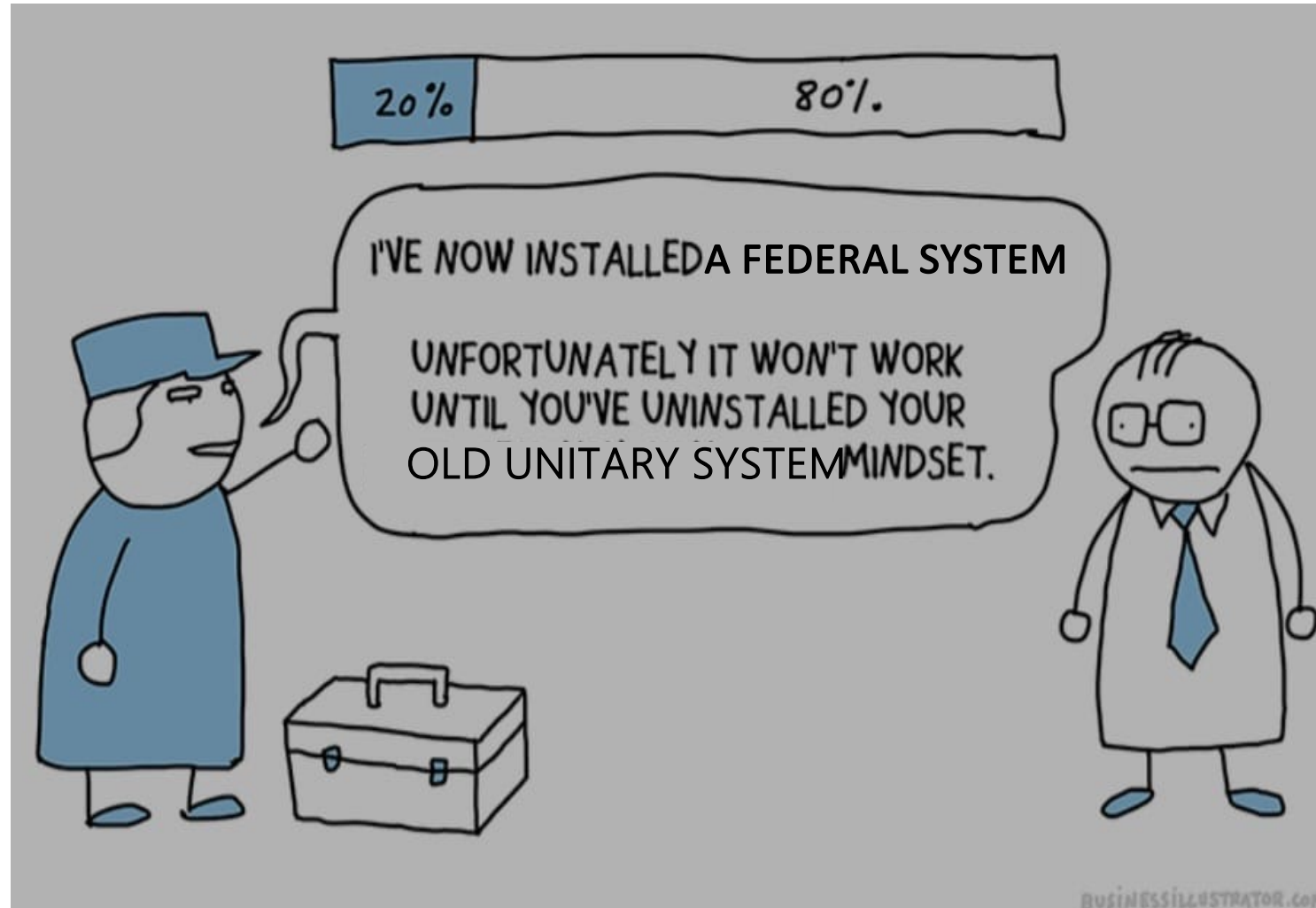


# 1. Federalisation: a complex transformation of an already complex health system





3. It has brought some improvements, with new challenges and persistent old habits







## Nepal Health Sector Strategic Plan 2022-30:

### Recommendations from the Nepal Federal Health System Project

08/05/2022 | 25/01/2079

#### Introduction

This policy brief presents key preliminary findings from our ongoing research project 'The impact of federalisation on Nepal's health system: a longitudinal analysis'.

The study is being implemented in Bagmati, Karnali and Lumbini provinces, representing hilly, mountain and terai regions, and the Kathmandu metropolitan area to capture the urban context. Data were collected through 145 qualitative in-depth interviews and 12 Participatory Policy Analysis workshops which brought together health leaders, political leaders, administrators and implementers from the Local, Provincial and Federal levels.

Although many health system benefits of the move to a federal system were identified by participants in the study, this interim analysis focuses on some of the limitations and challenges reported by stakeholders. For each challenge, we have provided recommendations that emerged from the Participatory Policy Analysis workshops and ongoing interactions with key health system stakeholders and expert members of the project's Advisory Board.

#### Key messages from this research are as follows:

- Nepal's health system has been steadily improving over the past decades; in line with this, we found a general continuation of this positive trend since federalisation.
- Further improvements in key areas could help capitalise on new opportunities brought about by federalisation and mitigate ongoing challenges in the transition to the new system.
- The full benefits of federalisation are likely to emerge following a long transition phase, and actions taken over the next 10 years are crucial for embedding the new system. The Health Sector Strategic Plan 2022-30 therefore represents a key moment in, and opportunity for, the development of the new system.

#### F DECENTRAL

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Blocks and some of the issues for policy and practice that have arisen in

similar major system-wide reforms have been implemented. After thi

research questions and research methods of our study, which involve

interdisciplinary team of researchers from Nepal and the UK and wil

period of three years, from 2020 to 2023.



## The impact of federalisation on Nepal's health system Final project recommendations

7 March 2024

#### Introduction

This policy brief presents key findings from our research project 'The impact of federalisation on Nepal's health system: a longitudinal analysis', which ran from 2020-2024.

The study was implemented in Bagmati, Karnali and Lumbini Provinces, representing hilly, mountain and terai regions, and the Kathmandu metropolitan area to capture the urban context. Data were collected through 243 qualitative in-depth interviews and 32 Participatory Policy Analysis workshops which brought together health leaders, political leaders, administrators, and implementers from the Local, Provincial and Federal levels.

This document includes recommendations produced by local, provincial, and federal-level stakeholders during a two-day workshop held in Kathmandu on 9 and 10 January 2024. It also includes some of our [Interim Recommendations](#), presented to the Ministry of Health and Population in May 2022.

In this document, we present our recommendations according to five key Priority Areas that were discussed and agreed by participants in our January 2024 workshop, and which have been identified as important entry points for health system strengthening efforts. These are:

- **Building capacities for health system planning and management at local level.**
- **Improving the management, development, distribution, and retention of human resources for health at all levels of government.**
- **Enhancing coordination and communication between different levels of government.**
- **Collecting, sharing, and utilising high-quality data to inform decision-making.**
- **Making and implementing new legislation, regulations, and policies.**



# Caveat/limitation

It remains difficult to tease out the impacts of federalism from:

- Ongoing positive trajectory of the Nepali health system
- Everyday challenges faced by a health system in a resource-limited setting
- Impacts of COVID-19 on, and beyond, the health system
- Impacts of other “shocks” to the health system
- Federalisation of other systems and their interactions with the health system

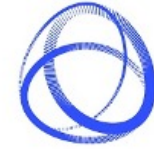
Each of these interconnect in different ways, adding additional layers of complexity and requiring new forms of resilience as they impact on people’s lives.

# Conclusion / Takeaway Message

Federalisation of the Nepali health system remains in a transition phase, with some components or functions federalised and others still somewhat unitary/centralised. While results have shown some improvements, unlocking the full potential of federalism requires concrete action in the short, medium and long term, including unlearning the old and building capacity for the new. Our participatory research conceptualised this major transition through a systems thinking lens and identified important entry points for health system strengthening efforts in a federal Nepal.

# Impact, sustainability and next steps

- Convening stakeholders from different levels to discuss (and hopefully find solutions to) key ongoing challenges
- Policy recommendations
- Disseminating findings among different audiences
- Moving from understanding the impacts of federalism (data collection and analysis phase) to supporting stakeholders to address challenges
- Training/capacity building (especially at local level) to support health system leadership and governance



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# Thank you!

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For more information see **Nepal Federal Health System Project:**  
<https://www.nepalfederalhealthsystem.com> / Twitter @federalisation