

# GOVERNANCE

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## Nepal's Telecom Scandal: Corruption Taints TERAMOCS Procurement

Photo by Onlinekhabar

Nepal's telecommunications sector has become the center of a heated debate as the government launches the Telecommunication Traffic Monitoring and Fraud Control System ([TERAMOCS](#)) in an effort to combat telecommunication-related crime. However, the procurement process and the subsequent selection of a service provider have raised serious concerns about corruption and irregularities within the system.

Initiated under the Telecommunication Act of 2053, the government insists that TERAMOCS is essential for maintaining law and order and does not infringe upon citizens' right to privacy. Nevertheless, actions taken during the equipment procurement process have cast doubt on the government's intentions, leading to questions about the rule of law.

The criteria for the tender process were heavily weighted toward technical aspects, with 80% of the evaluation based on a company's history, expertise, and experience and only 20% on the financial proposal. This approach deviated from the typical practice of favoring the lowest-cost bidder in public procurement. Observers noted that the criteria appeared tailored to favor a specific company, Vanrise Solutions, irrespective of financial considerations. The Public Procurement Act mandates that contracts should be awarded to the lowest bidder. However, the Canadian firm, TKC, offered the equipment and a 5-year service for \$11.5 million, while Lebanon's Vanrise bid \$23.77 million for the same package. Surprisingly, the significant \$12.27 million difference, equivalent to NPR 1.63 billion, was overlooked in favor of the company with the higher technical score.

One crucial condition for participating companies was that they must have prior experience working with foreign telecom regulatory bodies but not have associations with foreign telecom operators to avoid conflicts of interest. When the preferred company was not selected, the criteria and conditions were allegedly altered to enable companies with previous affiliations with foreign operators to compete.

The allegations of corruption and rule-bending within Nepal's telecom procurement process have raised concerns about transparency and fair competition. Such practices erode trust in the government and tarnish the country's reputation. Citizens and stakeholders are calling for a thorough investigation into the selection process to ensure that the procurement of the equipment for TERAMOCS is conducted in a fair and lawful manner.

Read more: [Online Khabar](#)

### Governance Issues of the Week

1. According to the Tourism Board, a staggering 117,307 tourists visited Nepal in the month of October, marking the highest number of visitors in a single month to date. This surge in tourist numbers represents a significant increase in the aftermath of the COVID-19 pandemic, with a remarkable 6.04% growth compared to October 2019, when 110,622 tourists visited. Cumulatively, from January to October 2023, Nepal welcomed a total of 879,678 tourists, signifying a remarkable revival of its tourism industry.

Read more: [Setopati](#)

2. The Lumbini Development Project initiated during the visit of the then-UN Secretary-General U Thant to Lumbini in 1967, is still incomplete after 47 years, despite an initial budget of \$55 million. The project, aimed at the development of Lumbini, the birthplace of Lord Buddha, was approved in 1978. Although it's 86% complete, it faces delays and cost overruns. The Lumbini Development Fund, formed in 1995, oversees the project and has incurred expenditures exceeding NPR 10 billion.

Read more: [Naya Patrika](#)

3. The Global Alliance of National Human Rights Institutions' sub-committee on Accreditation (SCA) has decided not to downgrade Nepal's National Human Rights Commission (NHRC) from its "A" status after a review. This decision came after concerns were raised in 2021 about the commission's compliance with the Paris Principles, which set the standards for human rights institutions. If the NHRC had lost its "A" status, it would have impacted Nepal's involvement in the UN Human Rights Council and other global human rights institutions.

Read more: [The Kathmandu Post](#)

4. Nepal has deployed its armed police force to begin the restoration and maintenance of boundary pillars along the Nepal-India border. This move comes after both countries showed an understanding to address the border issues beyond Susta and Kalapani, but challenges such as COVID-19 have delayed progress. The armed police will work on restoring approximately 3,853 boundary pillars in coordination with India. This effort is aimed at strengthening border security and addressing long-standing border disputes.

Read more: [Online Khabar](#)

5. The budget session of Nepal's Federal Parliament, lasting six months, concluded with the passage of only one bill, an amendment related to meter badge (loan shark) victims. Out of the 180 days of sessions, which began on May 7, 2023, the House of Representatives convened for 61 days and the National Assembly for 39 days only. Notably, a bill related to the prevention of money laundering and other key legislation remained unaddressed, raising concerns about Nepal's international reputation.

Read more: [EKantipur](#)

6. A bill aimed at amending and streamlining election-related laws has been pending with the Ministry of Home Affairs for over four months. The Election Commission, with the goal of conducting free, fair, and effective elections, submitted the bill to the ministry on December 29, 2021. The Chief Election Commissioner has confirmed that the bill has not been registered in the parliament as of now. The bill is part of an effort to address issues related to election costs, proportional representation, voter education, and continuous voter registration, among other matters.

Read more: [Naya Patrika](#)

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Presented by



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