

Project Management Update from Nepal¹

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Project Management Matters: Lessons for a Results-Driven Public Investment Framework in Nepal

1. Introduction

Nepal stands at a critical juncture of ambitious national development. Strategic infrastructure projects range from hydropower plants and highways to urban networks and transmission lines. These initiatives are frequently announced with strong political backing. Budgets are allocated and groundbreaking ceremonies are celebrated with public fanfare. But implementation momentum often pauses shortly after the start. Land acquisition disputes, design changes, and coordination gaps impede progress. Contractors face cash flow constraints. Government agencies often operate in institutional silos. Individually, these hurdles appear manageable. Collectively, they inflate costs, extend schedules, and compromise project viability.

The consequences of such execution failures are significant. Incomplete road networks perpetuate high logistics costs. Delayed energy projects force industries to rely on expensive power alternatives. Unfinished public investments idle scarce capital while eroding trust in state institutions. The main constraint is not capital allocation or strategic vision. It is execution discipline. Foundational project management competencies remain inconsistent across the public sector. These competencies include clear planning, risk

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mitigation, and accountability. Without these controls, even well-intentioned initiatives lose trajectory during the project lifecycle.

Adapting global insights is essential for Nepal. Transforming ambitious plans into tangible benefits requires disciplined project management and integrated institutions. This report examines how Nepal can leverage best practices to bridge the gap between announcement and outcome. By establishing a results-driven public investment framework, Nepal can ensure that public investments deliver genuine value to citizens. The focus must shift from project inauguration to completion. True value comes from delivering services citizens can use.

2. The Gap Between Ambition and Delivery

Nepal's development landscape shows a clear disconnect between strategic intent and operational reality. Major infrastructure projects are frequently launched with political endorsement and budgetary approval. On paper, these projects signal national ambition. But in practice, a significant proportion stall before completion. This divergence between policy announcement and physical delivery is a critical inefficiency. The execution deficit undermines the economic potential of the nation.

Execution bottlenecks arise from multifaceted sources. Land acquisition disputes often delay site handover for years. Environmental clearances frequently exceed planned durations. Contractors encounter resource constraints. Coordination between federal, provincial, and local authorities remains inconsistent. Even minor disruptions accumulate into significant schedule variances and cost overruns. These delays are not merely operational frustrations. They represent a systemic failure to manage the project lifecycle effectively.

The consequences of these execution failures extend beyond operational frustration. Public confidence erodes when promised infrastructure remains incomplete. Economic returns are similarly compromised. Capital tied up in stalled assets cannot be redeployed for other initiatives. Businesses await critical infrastructure to become operational. Tourism potential remains untapped. Industries incur higher operational costs due to unreliable utilities. Each delayed project represents a missed development opportunity and an added fiscal burden. Funds tied up in stalled projects cannot be deployed elsewhere. Each delayed project represents a missed opportunity and an added burden on public resources.

Strong project management can bridge this gap. It ensures that every stage of the project lifecycle is structured and accountable. With proper management frameworks, resources are allocated efficiently and risks are mitigated proactively. In essence, disciplined project management translates political vision into measurable outcomes. This transition requires a fundamental cultural shift within the public sector. The focus must move from input-based metrics to results-based governance.

3. Global Lessons from the World Governments Summit

The World Governments Summit 2026 convened in Dubai from February 3 to 5, 2026. Policymakers and global leaders gathered to explore how governments can transform vision into value. They prioritized citizen-centered governance, collaboration, and strategic foresight. Sessions such as The Experience Economy illustrated how public services can be engineered for maximum impact. The summit highlighted a fundamental shift in modern governance. Success is measured by results. Panels emphasized implementation, accountability, and measurable outcomes.



A plenary session at the World Governments Summit in Dubai (February 3-5, 2026)

(Source: [World Governments Summit 2026](#))

Countries that succeed focus on translating vision into action. They utilize data and digital tools to monitor progress in real time. This transition from input-based to results-based governance requires robust performance metrics. A key lesson from the summit is the concept of government as a platform. By connecting agencies and services, governments can deliver seamless experiences. Trust is built through consistent, tangible interactions. The summit also highlights the role of cross-sector collaboration. Dubai's example demonstrates that breaking silos unlocks results. This ranges from AI-driven traffic management to partnerships creating new transport services. Ministries, private firms, and communities must coordinate early.

For Nepal, this implies adopting integrated digital monitoring and leveraging partnerships responsibly. Execution discipline defines a government's credibility. Bold action outweighs rhetoric. Projects succeed when planning and accountability are embedded into every stage. The summit establishes that governance is measured by execution. Traditional approaches focus on inputs. These include allocations, paperwork, and approvals. Modern governance prioritizes delivery and accountability. To turn plans into results, projects require defined goals, timelines, and indicators. These indicators allow authorities and citizens to track progress in real time. Public spending gains meaning

only when investments translate into functional roads, reliable energy, or accessible water.

This shift from input-based to results-based governance is critical for Nepal. By linking resources to measurable outcomes, Nepal can identify delays early. It allows managers to manage costs effectively. It ensures ambitious plans produce tangible benefits for citizens. Modern governance operates as a platform where agencies, services, and data systems connect seamlessly. Digital integration across ministries enables information to flow efficiently. This reduces bottlenecks and enables coordinated decision-making. When transport, energy, and urban planning departments share real-time data, delays caused by miscommunication disappear. Central to this approach are data-driven monitoring tools. These include dashboards, progress trackers, and automated reporting systems. They provide actionable insights instead of relying on periodic reports.

Transparency strengthens trust and encourages public engagement. Open portals and service trackers let citizens see how projects progress. They show where resources are allocated. For Nepal, adopting this platform requires connecting ministries digitally. It also requires ensuring citizens can interact with public projects. Initiatives like Digital Nepal serve as the foundation for integrated monitoring. This turns fragmented systems into a cohesive governance network that supports results-driven implementation. Successful project delivery relies on collaboration. The summit underscores that cross-ministry coordination mechanisms align objectives. They avoid duplication and resolve conflicts before they stall implementation.

4. Nepal's Public Investment Landscape

4.1. Scale of Public Infrastructure Commitments

Nepal has articulated ambitious plans to transform its infrastructure. National Pride Projects are designed to boost connectivity. These include the Kathmandu-Terai Expressway and the Mid-Hill Highway. Significant budget allocations signal strong political commitment to modernize transport, energy, and urban networks. Infrastructure is central to growth and balancing development across regions. The scale of these commitments reflects the national desire for rapid economic advancement. However, the volume of investment must be matched by the capacity to deliver.

4.2. The Execution Deficit and Cost of Inaction

Despite high-level commitment, flagship projects frequently stall. Mid-year reports for 2026 reveal a stark execution gap. Only 15 to 16 percent of funds earmarked for National Pride Projects were disbursed. Frequent deadline extensions and cost revisions have become the norm. Accountability mechanisms remain weak. Project underperformance is rarely linked to consequences. Without clear responsibility and regular performance tracking, slow execution persists. This undermines both efficiency and public confidence. These delays erode public trust and stifle economic returns. These examples highlight why strong project management is essential. Without disciplined planning, coordination, and accountability, ambitious projects remain promises rather than results.

4.3. Case Illustrations

Specific projects highlight practical challenges.

- The **Kathmandu-Terai Expressway** was launched in 2017. This 70.97 km expressway was intended to transform connectivity between the capital and the Terai. As of early 2026, physical progress has reached approximately 45 percent. There have been breakthroughs in four of seven tunnels. These include Dhedre and Lendanda. Thirteen of 89 planned bridges are complete. Managed by the Nepal Army, the project still faces coordination gaps between federal agencies, provincial authorities, and construction teams. Costs have ballooned to Rs. 213 billion. The completion target remains April 2027. The slow pace highlights how land acquisition, permitting bottlenecks, and inter-agency friction can stall high-priority infrastructure. This occurs even despite military oversight.
- The **Melamchi Water Supply Project** was conceived decades ago. It had an original 2006 completion target. This project is now operational but experiences seasonal, stop-start interruptions. Water supply to Kathmandu resumed in November 2025 after repairs. Yet long-term reliability remains uncertain. Multiple contractor changes, design revisions, political disruptions, and natural disasters contributed to setbacks. Poor contract management meant Kathmandu residents relied on tanker water for years. Long-term plans involve constructing a more robust headworks site. They also involve diversifying sources via the Yangri and Larke rivers. The project exemplifies how inadequate risk mitigation and reactive management can extend timelines across decades.
- The **Mid-Hill (Pushpalal) Highway** stretches 1,879 km across Nepal's hills. This National Pride Project illustrates how difficult terrain, contractor performance, and oversight weaknesses can derail progress. As of early 2026, construction in several sections has stalled. This includes Panchthar and Baglung. Progress has fallen far behind schedule due to contractor negligence and labor issues. Some western sections such as Rukum have been completed. Sections have remained idle for years due to abandoned sites and logistics challenges. The uneven progress demonstrates that even technically feasible projects falter without disciplined contract enforcement. It also requires realistic risk assessment and centralized monitoring.

5. Structural Weaknesses in Nepal's Project Management

5.1. Weak Front-End Planning

Many development projects falter before construction begins. This is often due to weak front-end planning. Feasibility studies are frequently incomplete. Critical technical and environmental issues remain unexamined before budgets are approved. Without a solid understanding of site conditions, stakeholder concerns, and regulatory requirements, projects enter execution with hidden obstacles. Cost estimation and timelines suffer from similar neglect. Budgets are based on optimistic assumptions. Inadequate risk

assessment compounds these challenges. Political and contractual risks are seldom fully mapped. For Nepal, investing in robust feasibility studies is essential. Strengthening these early stages prevents decades-long bottlenecks. It ensures that projects are viable before funds are committed.

5.2. Institutional Fragmentation

Nepal's project management is often hindered by institutional fragmentation. Multiple layers of government frequently have overlapping mandates. These include federal, provincial, and local levels. This leads to confusion over responsibilities. Decisions get delayed as agencies negotiate authority or duplicate efforts. This slows project execution. Frequent staff transfers exacerbate the problem. Key personnel overseeing projects may be reassigned before milestones are achieved. This disrupts continuity and institutional memory. New staff require time to familiarize themselves with project details. These further delays progress.

High-value projects often lack centralized monitoring. Without a dedicated body tracking budgets, timelines, and performance across ministries and agencies, issues go unnoticed until they escalate. This absence of oversight makes coordination reactive rather than proactive. It allows small delays or disputes to become significant obstacles. Addressing institutional fragmentation requires clearer mandates and stable staffing for critical projects. It also requires centralized monitoring systems. For Nepal, improving coordination between government levels can reduce bottlenecks. It enhances accountability and ensures that large infrastructure investments are delivered on time and within budget.

5.3. Procurement and Contract Management

Procurement and contract management represent critical points where Nepal's projects often stumble. A common issue is overreliance on lowest-bid selection. Choosing the cheapest option without considering quality leads to underperformance. Delays in bid evaluations and contract awards further slow progress. Lengthy review processes, inter-agency disagreements, and incomplete documentation leave sites idle for months. By the time a contractor begins work, project timelines slip. Inflation or scope changes add to the financial burden. Effective project delivery begins with choosing the right contractors. Value-based evaluation criteria prioritize quality and technical expertise alongside cost. This reduces the likelihood of delays, rework, or contractor defaults.

Enforcing penalties for delays is another weak link. Contracts often lack clear mechanisms to hold contractors accountable. Authorities hesitate to apply penalties. This reduces incentives to adhere to schedules. It fosters a culture where delays are tolerated. Addressing these gaps requires a shift toward smarter procurement. This involves evaluating bids based on quality, capacity, and risk management. It requires streamlining evaluation and award processes. It also requires enforcing clear contractual obligations. Prequalification standards ensure only firms with proven competence, financial stability, and relevant experience are invited to bid. Transparent e-procurement platforms make the selection process open. Digital tools allow bids to be submitted, evaluated, and

monitored online. For Nepal, applying these measures will lead to smoother execution and fewer cost overruns.

Ensuring contractors deliver on their commitments is as important as selecting them. Clearly defined KPIs set measurable expectations for quality, schedule, and budget. This creates accountability and makes performance easier to evaluate objectively. Regular performance audits allow project managers and oversight agencies to track progress against KPIs. They identify delays early and recommend corrective actions before problems escalate. Swift dispute resolution mechanisms prevent disagreements from freezing work for months or years. By providing structured, enforceable channels for resolving conflicts, projects continue without prolonged interruptions. For Nepal, embedding KPIs, performing regular audits, and resolving disputes quickly can improve execution. Strong contract performance management ensures that allocated funds translate into tangible results efficiently.

6. Building a Results-Driven Framework

6.1. Standardizing the Project Lifecycle

A results-driven approach begins with standardizing how projects move from idea to completion. A clear stage-gate process defines distinct phases. This reduces ambiguity and allows risks to be identified early. Mandatory approvals at each transition point reinforce accountability. Decision-makers confirm that requirements and budgets are realistic. This prevents projects from advancing with incomplete information. Formal change-control procedures are equally vital. Projects inevitably encounter unforeseen circumstances. But with a structured process, timelines and costs remain predictable. For Nepal, adopting this standardized lifecycle makes initiatives more predictable. It ensures that every project follows a proven path from conception to handover.

6.2. Linking Budgeting to Performance

Aligning budgets with project performance is essential. Multi-year capital budgeting allows funds to match realistic timelines. This reduces pressure to spend quickly. Milestone-based fund disbursement ties payments to tangible achievements. Funds are released only when predefined targets are met. These targets include completion of a design phase or construction segment. This approach incentivizes contractors to stay on schedule. Public reporting of financial and physical progress adds transparency. Dashboards show how resources are used. This enables early identification of delays. For Nepal, connecting budgeting to performance can transform underutilized allocations into visible outcomes. Projects can benefit from phased financing linked to results. This ensures that funds translate into completed infrastructure rather than idle commitments.

6.3. Strengthening Risk Management

Effective risk management begins before construction starts. Early identification of potential obstacles allows teams to plan mitigation strategies. Contracts should include clear risk allocation matrices. Responsibilities are defined upfront to reduce disputes.

These responsibilities may lie with the contractor, government agency, or stakeholders. Contingency planning is critical to absorb unforeseen events. Natural disasters, market fluctuations, or policy changes can derail even well-planned projects. Allocating resources for these scenarios ensures projects stay on track. For Nepal, integrating robust risk management into National Pride Projects can prevent repetitive delays. Early planning and clear responsibilities turn potential obstacles into manageable risks. This increases the likelihood that projects deliver intended benefits efficiently. Risk is discussed as a weakness, a case study lesson, a framework component, and a PPP component. Centralizing risk methodology ensures consistency.

7. Technical Tools and Professional Capacity

7.1. Modern Project Management Techniques

Nepal's project execution requires modern tools that provide clarity, control, and accountability. The Critical Path Method identifies the sequence of tasks determining a project's completion time. By highlighting critical activities versus those with scheduling flexibility, CPM allows managers to focus resources where delays have the greatest impact. Similarly, Earned Value Management tracks cost and performance simultaneously. It compares planned versus actual progress to identify deviations early. This links expenditure to measurable work completed. It makes budgeting more disciplined and transparent. For complex projects, integrated master schedules provide a unified view of tasks, milestones, and interdependencies. These schedules improve coordination across multiple agencies and locations. They allow managers to resolve bottlenecks before they stall progress. For Nepal, applying these techniques to flagship projects will ensure large-scale initiatives move steadily from conception to completion.

7.2. Digital Monitoring and Data Systems

Digital monitoring systems are essential for keeping projects on track. Real-time dashboards allow managers to see progress as it happens. Integration with national financial management systems can ensure budget allocations and expenditures are tracked alongside physical progress. This creates a direct link between spending and outcomes. This reduces waste and improves accountability. GIS and remote monitoring tools enhance oversight. Roads and hydropower sites can be surveyed remotely. For Nepal, combining dashboards and GIS monitoring can strengthen supervision. Digital integration across ministries enables information to flow efficiently. It reduces bottlenecks and enables coordinated decision-making. When transport, energy, and urban planning departments share real-time data, delays caused by miscommunication disappear. Central to this approach are data-driven monitoring tools. These include dashboards, progress trackers, and automated reporting systems. They provide actionable insights instead of relying on periodic reports.

7.3. Professionalization of Public Project Leadership

Strengthening Nepal's project management requires investing in people. Certification requirements for project managers ensure that those managing major infrastructure have

proven skills. These skills include planning, risk management, and execution. This standardizes competence across government projects. It reduces reliance on ad hoc appointments. Continuous technical training programs keep staff updated on modern methods and international best practices. This helps teams anticipate challenges and manage risks effectively. Creating dedicated project management units within ministries centralizes expertise and oversight. These units coordinate multiple projects. They maintain institutional memory despite staff transfers. They provide a consistent point of accountability for high-value investments. For Nepal, professionalizing leadership means projects are managed by trained teams. Skilled leadership improves planning and reduces execution gaps.

8. Accountability and Transparency

8.1. Central Oversight Mechanisms

Effective oversight is critical to ensure that public investments deliver results. A national Project Management Office for major projects can serve as a centralized body. It coordinates planning, monitors progress, and resolves bottlenecks across ministries and agencies. This office provides institutional continuity. It offers a clear point of accountability for high-value initiatives. Unified reporting templates standardize how projects communicate progress, costs, and risks. When all ministries follow the same format, it becomes easier to compare projects. It becomes easier to identify delays and highlight areas needing intervention. Periodic performance reviews at the cabinet level ensure political leadership is informed and engaged. Regular high-level oversight allows for timely decision-making. It allows for resource reallocation and corrective action if projects are off track. For Nepal, centralizing oversight through a PMO can reduce duplication and improve transparency.

8.2. Citizen and Stakeholder Engagement

Engaging citizens and stakeholders strengthens accountability. Public access to project status data allows people to track progress. They can understand budgets and see where work is being completed. Transparency builds trust and encourages constructive feedback. Structured grievance redress mechanisms give communities a clear, formal way to report issues or concerns. Timely responses prevent small problems from escalating into larger disputes. These disputes can delay work or increase costs. Furthermore, community participation in monitoring large infrastructure works empowers local residents. They can observe construction quality, environmental safeguards, and compliance with social agreements. Their involvement not only improves oversight but also fosters a sense of ownership. This reduces resistance and litigation. For Nepal, integrating these practices can enhance accountability and reduce delays. Ultimately, active stakeholder engagement ensures that public investments deliver meaningful benefits to citizens. It ensures they remain responsive to local needs.

9. Conclusion and Path Forward

For Nepal, transforming public investment requires a fundamental cultural shift. The focus must move from project inauguration to completion. While high-profile project launches are important, true value comes from delivering services citizens can use. Building execution discipline across all levels of government ensures that ministries, local authorities, and agencies coordinate effectively. They must follow standardized processes and maintain accountability throughout the project lifecycle. This transformation does not happen overnight. A pragmatic, phased approach provides the clearest path forward.

- **Immediate Actions:** Address urgent bottlenecks by standardizing lifecycle guidelines for all capital projects. Launch digital monitoring dashboards. Clear backlogs in land acquisition and DPR approvals. These steps can create a foundation for execution. They ensure projects move efficiently from planning to implementation. This addresses the urgent need for visibility and control.
- **Medium-Term Reforms:** Institutionalize structures that sustain results-driven delivery. Establish a centralized PMO. Integrate multi-year capital budgeting into fiscal planning. Strengthen procurement law enforcement. These measures can embed discipline and transparency. They transform ad hoc management into predictable delivery. This builds the institutional backbone required for long-term success.
- **Long-Term Institutionalization:** Fully embed a culture of results-driven project management through a digitized public investment ecosystem. Implement performance-linked evaluations for senior officials. Create a continuous learning framework based on post-project audits. This ensures reforms are sustainable. It ensures public investment becomes a predictable engine of growth. This cements the changes into the national governance structure.

Sustaining this momentum requires consistent political and institutional support. Collaboration with development partners provides access to international expertise and tools. Ultimately, embedding results-driven governance as a national norm turns accountability into standard practice. When timely delivery and citizen-focused outcomes are expected across all levels of government, reforms can become self-reinforcing. This ensures Nepal's public investments consistently bridge the gap between ambition and delivery. The nation must commit to this path to realize its development potential.

AI Use Declaration

In preparing this report, AI tools were used only to make the language clearer and easier to read. All content was written, reviewed, and edited under human oversight. The author takes full responsibility for the accuracy, integrity, and originality of the work.

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About the Author



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Yamanta Raj Niroula is an accomplished Project Management Professional with more than 17 years of rich experience in engineering, infrastructure development, and project management across a variety of global settings. His skill set includes project planning, procurement, contract management, stakeholder engagement, and risk management, all with a particular emphasis on delivering projects in remote and developing areas under challenging conditions.

Yamanta holds a Bachelor of Engineering in Civil Engineering and a Master of Arts in Rural Development, along with a Diploma in Civil Engineering. He has been a certified Project Management Professional (PMP®) and an active member of the Project Management Institute (PMI) since 2010.

Yamanta has extensive experience in overseeing construction projects from the initial planning stages to final evaluations, Yamanta specializes in the management of complex processes such as procurement, contracting, and project execution while ensuring efficiency and compliance with regulations. By keeping abreast of industry trends and innovations, he ensures that the projects he manages are sustainable, forward-looking, and adaptable to the ever-changing environment.

Yamanta has successfully managed large-scale infrastructure projects, including roads, electrical infrastructure, wastewater treatment plants, logistics facilities, and disaster recovery programs. He has served in various capacities as Project Controls Specialist, Design Manager, Planning Manager, Engineer and Project Manager across international organizations and UN agencies in Nepal, the Maldives, Singapore, Afghanistan, the Philippines, Nigeria, Yemen, Sudan, and Ethiopia.

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