

## **COVID-19 as a challenge to Nepal's newly federalised health system: capacities, responsibilities,**

**Abstract:** Objective: This study examines Nepal's response to the COVID-19 pandemic under its new federalized health system and draws lessons for health policymakers.

Methods: A exploratory qualitative approach involved 145 Key Informant Interviews across all government levels and locations, with NVIVO software aiding thematic analysis.

Findings: We found significant differences in perceptions between the local and higher levels of government. At the local level, major themes identified included: i) a good ability to enact an initial response based on locally-available resources and capacities; ii) a consequent raising of the profile of health amongst local governments; iii) a feeling that they had not received the necessary support from higher levels of government. At the higher levels of government, we found: i) doubts about the capabilities of local governments to manage a health crisis; and ii) uncertainty about the roles and responsibilities of Provincial governments.

**Discussion:** The newly-federalized health system faced challenges during the pandemic due to resource deficiencies and a centralized mindset among top policymakers, contradicting the decentralized nature of the system.

**Conclusion:** Beyond the pandemic, a change in mindset among Federal-level policymakers is crucial, shifting from a command and control approach to empowering lower levels for a robust federal health system

**Keywords:** Federalisation, Governance, COVID-19, Nepal, Health Systems, Health Promotion.

## **1. Introduction**

Nepal's shift to a federal republic in 2015 aimed to improve public services, including healthcare, but faced challenges in restructuring the health sector [1][2][3]. The COVID-19 pandemic worsened issues, revealing a lack of guidance for pandemic management and intensifying power struggles among governmental levels [5][6][9]. This study explores stakeholders' views on COVID-19 response challenges and lessons for Nepal's evolving federal health system.

The questions this study aims to answer are:

1. What were the strengths and weaknesses of the health system's response to COVID-19?
2. What can we learn from this experience about the future challenges for Nepal's move to a fully federalised health system?

## 2. METHODS

### 2.1 Study design and setting

This study, a part of a broader investigation on health system federalization in Nepal, examines COVID-related issues and stakeholder-identified lessons [4][9]. Key Informant Interviews (KIIs) were conducted across different health system levels, with ethical approval from the University of Sheffield, UK, and the Nepal Health Research Council (NHRC) Ethical Review Board (ref. 354/2020).

### 2.2 Study participants

From March to August 2021, 145 KIIs were conducted with stakeholders, focusing on Nepal's federal health system and COVID-19 experiences gaining informed written consent from the participants.

### 2.3 Data collection

Interview checklists and guides, based on WHO's health system building blocks, were developed with input from experts and literature. Nepali-speaking senior researchers, aided by associates, conducted interviews, ensuring consent and notes. Interviews were audio recorded, focusing on rapport while acknowledging power dynamics.

### 2.4 Data analysis

Audio recordings were transcribed and translated by a local Nepali translators. Three researchers verified the transcripts. Analysis was conducted using NVivo software, with themes identified through inductive analysis [9].

## 3. FINDINGS

The study uncovered significant insights into Nepal's newly federalized health system's response to the COVID-19 pandemic. Findings are presented through two main themes: first, lessons learned from COVID-19 response at the local level, and second, perspectives from higher-level stakeholders.

### 3.1 Local experiences: Lessons learned from the COVID-19 response

There are three main lessons identified by local level participants in respect of their experience of Nepal's COVID-19.

### **3.1.1 Local level governments were the key responders during the pandemic and were able to autonomously mount a response within their resource constraints**

Local governments promptly used executive powers to make necessary decisions and implement emergency measures, utilizing available resources and aligning actions with WHO recommendations and local needs.

An official from the health section of a Rural Municipality government in Mugu (a rural area in the Far West of the country) explained how necessary financial and material resources were obtained:

*“We managed by diverting the budget we had allocated for other programs for the prevention of infection. We conducted meetings with different organizations who helped us with masks, soap and other materials.”* (Mugu-210418-33-M-Health Coordinator)

Similarly, a ward chairperson in the same region described how his ward reallocated funding.

*“We invested almost 8-9 lakhs [around \$6-7,000 USD] on Covid management. We did PCR tests and referred some patients to Jumla.”* (Mugu-210415-24-RM-Chairman)

### **3.1.2 COVID-19 highlighted to local governments the importance of health, and helped unlock local level resource allocation**

Post-COVID-19, municipal governments prioritized the health sector in fiscal planning, leveraging authority under the new constitution.

*“Giving priority to health, we are now allocating a budget of around 1 core [approx. \$75,000USD] for COVID 19 management .”* (Parasi\_R\_-210730-3-Elected Official)

Officials from Kathmandu for example felt that the local leadership has increased the priority of health services after the experience of COVID.

*“COVID has made them understand what health is. During the past 2 years - due to COVID – awareness amongst the leadership has increased. I thank Corona very much.”* (Kathmandu \_S\_-210727-1-Health Post Staff)

### **3.1.3 Stakeholders at the local level did not feel adequately supported by the higher levels**

Local governments, though active in pandemic response, faced capacity challenges. Ad hoc actions ensued without a national strategy. As the pandemic prolonged, they increasingly relied on higher levels for support, revealing gaps in the federal health system, criticized for slow and inadequate responses.

For example, when specialised equipment such as PCR machines, antigen test kits, and viral transport media were needed locally, the response from the Province was seen as too slow:

*“We don’t still have a PCR machine in this district. This and other materials like VTM, Antigen test kits, etc are supplied by the Province, not us.”* (Sindhupalchowk-210814-56-M-Senior Public Health Officer)

The Federal government, meanwhile, was seen as having been slow in disseminating COVID management guidelines to the local level:

*“The central level did not provide guidelines for the management of COVID on time, which might have caused confusion for proper management of the pandemic at the local level.”* (Parasi\_R\_-210729-3-EDP Staff)

## 3.2 Perceptions at the higher levels: What Federal and Province health stakeholders think

COVID posed challenges for Nepal's federal health system, echoing global struggles. Local responses were praised, but issues arose from insufficient support from higher levels and coordination gaps between tiers.

Federal and Provincial stakeholders expressed skepticism about local government capabilities, compared unfavorably to the past centralized system. Provinces also felt neglected by the Federal government, citing unclear roles.

### 3.2.1 Doubts about the capabilities of local governments

There were significant doubts expressed by participants at both the Federal and Province levels about the technical expertise of local governments in relation to health. One Federal level official, for example, said:

*“At the local level there is relatively little or no expertise in health. Having power, authority is one thing. But operationalizing that at the local level is quite challenging.”* (Federal- 210316-1-HF Expert)

Similarly, a senior Province-level official reported:

*“The local governments do not have the kind of technical expertise needed, Therefore, full rights should be provided to Provincial government: then we can have better results.”* (Surkhet-210409-16-Province-Senior Health Administrator)

A staff member from Department of Health Services (DoHS) at the (Federal) Ministry of Health and Population highlighted:

*"I am still saying that, despite our health system being in the federal structure, the central level should have the governing power right down to the grassroots level." (Federal-210314-1-DoHS Official)*

### **3.2.2 The unclear role of Provincial governments**

This comment about Provincial governments "hanging in the middle" resonated with the responses of interviewees at Province level, although their preferred solution was to more fully empower Provinces rather than disband them:

*"In this current situation [the COVID-19 pandemic], we do not see any activities or have any responsibility at the Provincial level." (Bagmati-210903-2-Health staff)*

*"The Province level is coordinating with all levels - Federal level and local - but what can we do when the Federal level itself is bypassing the province level?" (Lumbini-210804-1-Health Staff)*

## **4. DISCUSSION**

The COVID-19 pandemic revealed coordination issues in Nepal's healthcare during its federal transition [8]. Lessons underscore the need for collaborative shifts in the federal health system, focusing on capacity building and role definition [10]. Despite challenges, it prompted recognition of weaknesses and valuable lessons for resilience. The study acknowledges limitations in capturing only certain perspectives [7]. Overall, the pandemic exposed strengths and weaknesses, presenting an opportunity for improvement through enhanced collaboration and role clarity.

## **5. CONCLUSION**

The pandemic exposed limitations in the federalized health system. While capacities were known to be limited, it revealed a lack of adaptation to the federal structure among stakeholders, especially at higher levels. To benefit from federalism, key players should foster trust, clarify roles, and shift from a "command and control" to a "support and empower" outlook.

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