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Ministry of Law and Justice

Nepal Rajapatra, Vol. 38, No. 48 (Extraordinary) Marga 1, 2045  
(November 16, 1988),

Kathmandu Valley Development Authority Act

Preamble

Whereas it is expedient to establish and manage the Kathmandu Valley Development Authority in order to provide essential services and facilities to the public and maintain the health, convenience and economic interests of the common people by reconstructing, expanding and developing existing towns as well as ensuring physical development in a planned manner in the context of the growing population and urbanization of Kathmandu Valley, now therefore, His Majesty King Birendra Bir Bikram Shah Dev has enacted this law on the advice and with the approval of the National Panchayat.

1. Short Title and Commencement

1.1 This law may be called the Kathmandu Valley Development Authority Act, 1988.

1.2 It shall come into force from the date prescribed by His Majesty's Government by notification in the Nepal Rajapatra.

2. Definitions

2.1 Unless otherwise meant with reference to the subject or context, in this act:

2.1.1 Authority means the Kathmandu Valley Development Authority established under Section 3.

2.1.2 Physical development plan means the physical development plan formulated under Section 5 and approved by His Majesty's Government.

2.1.3 Plan area means the Kathmandu Valley development plan area outlined in the Schedule.

2.1.4 Board means the Kathmandu Valley Physical Development Board formed under Section 13.

- 2.1.5 Board of Directors means the Board of Directors formed under Section 14.
- 2.1.6 Development Commissioner means the Development Commissioner appointed under Sub-Section 17.1 of Section 17.
- 2.1.7 Appellate Committee means the Appellate Committee mentioned in Section 23.
- 2.1.8 Land means any land; the term includes houses, structures, lakes, ponds, trees, etc permanently located thereon.
- 2.1.9 Building means a building or house constructed for residential, office, industrial, commercial or any other purpose; the term includes warehouses, sheds, cattle-sheds, garages, latrines, walls, or any part thereof.
- 2.1.10 Services and facilities mean roads, streets, open spaces, parks, entertainment places, play-grounds, water, electricity, telephone, drainage, schools, hospitals, etc.
- 2.1.11 Prescribed or as prescribed means prescribed or in the manner prescribed in the rules or bye-rules framed under this act.

### 3. Establishment of the Authority

The Kathmandu Valley Development Authority has been established for the purpose of formulating and implementing a physical development plan in order to develop Kathmandu Valley in a planned way and thereby make essential services and facilities available to the public.

### 4. Authority To Be A Corporate Body

- 4.1 The Authority established under Section 3 shall be an autonomous and corporate body having perpetual succession.
- 4.2 The Authority shall have a separate seal of its own.
- 4.3 The Authority may acquire, possess, dispose of or otherwise manage movable and immovable property like an individual.
- 4.4 The Authority may sue or be sued in its own name like an individual.

### 5. Formulation and Approval of Physical Development Plan

- 5.1 The Authority may formulate a physical development plan for the physical development of Kathmandu Valley in order to fulfill any or all of the following objectives:

- 5.1.1 To develop Kathmandu Valley into a major administrative, tourist, cultural and financial center of the Kingdom of Nepal.
- 5.1.2 To reconstruct, expand and develop existing towns, and build new towns.
- 5.1.3 To determine land-use areas for the purpose of physical development.
- 5.1.4 To make essential services and facilities available to the public.
- 5.1.5 To perform other related functions.
- 5.2 The physical development plan formulated by the Authority under Sub-Section 5.1 must have the approval of His Majesty's Government.
- 5.3 The physical development plan approved by His Majesty's Government under Sub-Section 5.2 shall be implemented by the Authority.

## 6. Functions, Duties and Powers of the Authority

- 6.1 In addition to those mentioned elsewhere in this act, the functions, duties and powers of the Authority shall be as follows:
  - 6.1.1 To divide the plan area into different land-use areas.
  - 6.1.2 To lay down necessary conditions for physical development in land-use areas and prescribe methods of construction works to be undertaken in such areas.
  - 6.1.3 To formulate and implement necessary projects for the proper development and maintenance of any religious, cultural and historical heritage in the plan area subject to current Nepal law relating to ancient monuments.
  - 6.1.4 To prescribe conditions in respect to construction and other activities to be undertaken in forests, rivers and streams, ghats, and aquatic areas for the conservation of nature and the environment in the plan area, and act accordingly.
  - 6.1.5 To prohibit the use of natural resources in such a manner as to leave an adverse impact.

6.1.6 To formulate and implement land development programs and building construction projects in land-use areas in the manner laid down in the physical development plan.

6.1.7 To perform other functions according to the directives issued by His Majesty's Government from time to time in keeping with the physical development plan.

6.2 It shall be the duty of the Authority to perform functions under this act in coordination with the agencies of His Majesty's Government as well as with other concerned agencies.

## 7. Power to Impose Ban

7.1 For the purpose of implementation of the physical development plan, the Authority may publish clear public notices from time to time imposing a ban on any type of physical change in or fragmentation of any immovable property within the area prescribed in such notice for the period specified therein, but not exceeding three years.

7.2 The Authority must send a notice informing the appropriate registration office of the ban imposed under Sub-Section 7.1.

7.3 In case the appropriate registration office receives a notice as mentioned in Sub-Section 7.2, it shall not register any document involving fragmentation of such property.

## 8. Power to Regulate, Control or Prohibit

8.1 For the purpose of implementation of the physical development plan, the Authority may, by publishing clear public notices from time to time, regulate, control or prohibit the following matters according to need within the area prescribed in such notice, and no person shall take, or cause others to take, actions in matters so regulated, controlled, or prohibited:

8.1.1 Possession and use of natural resources, archeological, religious and historical sites, unclaimed lands, and immovable property.

8.1.2 Possession or use of reclaimed and waste lands according to the land-use plan.

8.1.3 Construction of buildings of any design, or extension of buildings already constructed.

- 8.1.4 Establishment of a colony or settlement of any type, or establishment or construction of an entertainment site, market, hat, industry, etc.
- 8.1.5 Activities which may adversely affect natural scenery, tourist spots, or public health, or lead to environmental pollution in any way.
- 8.1.6 Use of roads, bridges, means of transport, water, electricity, telephone lines, etc.
- 8.2 The Authority may impose restrictions on the possession or use of immovable property belonging to any person under Section 7 or Section 8.1 only after it is satisfied that such restrictions are in public interests and will be useful to the public. While taking a decision regarding such restriction or issuing a notice or order in respect thereto, the fact of such restrictions being in public interest shall be clearly mentioned.
- 8.3 For the purpose of Sub-Section 8.1, the Authority may grant or refuse to grant approval partially or wholly. While granting such approval, it may also prescribe necessary conditions.
- 8.4 The Authority shall have full authority to enter into land belonging to any person or to inquire of the concerned person for the purpose of collecting statistics or conducting surveys in respect to any immovable property located within the plan area.
9. Power to Stop or Demolish
- 9.1 In case anyone has taken any action that has been regulated, controlled, or prohibited by the Authority under Section 8 without the prior approval of the Authority, or in case he has taken any such action in violation of the terms and conditions, if any, prescribed by the Authority while granting permission to take such action, the Authority may immediately issue an order to stop such action, and in case any construction work has been undertaken in the context of such action, the Authority may order the concerned person to demolish or remove the portion which has been constructed without permission or in violation of the terms and conditions, by granting him a time-limit of 35 days.
- 9.2 Any person who is dissatisfied with the order issued by the Authority under Sub-Section 9.1 to demolish or remove any portion of any construction may submit an appeal to the Appellate Committee within a period of 35 days from the date of receipt of such order. The Appellate Committee shall take a decision on the matter within a period of 30 days from the date of the filing of the

- 9.3 The concerned person must demolish or remove any portion of such construction within 35 days from the date of the decision made by the Appellate Committee for such demolition or removal in the event of an appeal filed under Sub-Section 9.2, and if no such appeal has been filed, within 35 days from the date on which the Authority has issued an order under Sub-Section 9.1.
- 9.4 In case the concerned person fails to demolish or remove any portion of such construction within the time-limit prescribed in Sub-Section 9.3, the Authority itself may demolish or remove such construction, and the expenses incurred on such demolition or removal shall be recovered from the concerned person.
10. Power to Undertake Land Development Programs
- 10.1 For the purpose of making arrangements for residential plots and undertaking other urban activities to meet the basic need of housing for different income groups, the Authority may, subject to the policies and directives of His Majesty's Government, undertake the following land development programs in the course of the planned development of Kathmandu Valley.
- 10.1.1 To formulate a scheme relating to services or facilities in any part of the plan area with the participation of the local landowners and tenants also, and operate a guided land development program in such a way that the appropriate agency of His Majesty's Government, any corporate body, the local town Panchayat, or the local people, are required to make investments for the purpose of implementing such schemes.
- 10.1.2 To undertake a land pooling program after making arrangements to pool different plots of land located in any part of the plan area, develop services and facilities thereon in keeping with the physical development plan, and recover the expenditure incurred on the arrangements made for such services and facilities by selling developed residential sites, and return the remaining developed residential sites to their actual owners or tenants on a proportionate basis.
- 10.1.3 To undertake a Sites and Services Program after acquiring lands in any part of the plan area through His Majesty's Government under Section 11 for the purpose of preparing residential sites by arranging for services and facilities on such lands directly and selling or allotting such lands.

10.1.4 In case land belonging to any landowner which has been pooled or acquired for the purpose of undertaking the land development program in accordance with the aforesaid Sub-Sections is less than the area of the minimum unit of residential site prescribed according to such program, one minimum unit of residential site shall be made available to him after realizing the expenses incurred on such site,

11. Land Acquisition

His Majesty's Government may acquire under current Nepal law such lands as may be necessary for the implementation of the physical development plan, and make them available to the Authority.

12. Power to Mobilize Financial Resources

For the purpose of meeting necessary expenses so as to carry on its business smoothly, the Authority may borrow money, receive grants, or otherwise mobilize financial resources with the prior approval of His Majesty's Government.

13. Formation and Functions, Duties and Powers of the Kathmandu Valley Physical Development Board

13.1 There shall be a Kathmandu Valley Physical Development Board comprising the following members to develop Kathmandu Valley:

13.1.1	Minister of Housing and Physical Planning	-	Chairman
13.1.2	Minister of Works and Transport	-	member
13.1.3	Minister of Tourism	-	"
13.1.4	Minister of Education and Culture	-	"
13.1.5	Assistant Ministers of Housing and Physical Planning-	-	"
13.1.6	Secretary, National Planning Commission	-	"
13.1.7	Secretary, Ministry of Finance	-	"
13.1.8	Secretary, Ministry of Housing and Physical Planning	-	"
13.1.9	Secretary, Ministry of Panchayat and Local Development	-	"

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| 13.1.10 | Secretary, Ministry of Land Reform and Management   | - | Member            |
| 13.1.11 | Secretary, Ministry of Forest and Soil Conservation | - | "                 |
| 13.1.12 | Secretary, Ministry of Communications               | - | "                 |
| 13.1.13 | Secretary, Ministry of Health                       | - | "                 |
| 13.1.14 | Zonal Commissioner, Bagmati Zone                    | - | "                 |
| 13.1.15 | Chairman, Kathmandu District Panchayat              | - | "                 |
| 13.1.16 | Chairman, Lalitpur District Panchayat               | - | "                 |
| 13.1.17 | Chairman, Bhaktapur District Panchayat              | - | "                 |
| 13.1.18 | Chairman, Kathmandu Town Panchayat                  | - | "                 |
| 13.1.19 | Chairman, Lalitpur Town Panchayat                   | - | "                 |
| 13.1.20 | Chairman, Bhaktapur Town Panchayat                  | - | "                 |
| 13.1.21 | Development Commissioner                            | - | Member-Secretary. |
- 13.2 His Majesty's Government may if it so deems necessary, effect necessary changes in the size or composition of membership mentioned in Sub-Section 13.1 by notification in the Nepal Rajapatra.
- 13.3 The working procedure regarding meetings of the Board shall be as prescribed.
- 13.4 The functions, duties and powers of the board shall be as follows:
- 13.4.1 To formulate policy regarding the formulation and implementation of the physical development plan .
- 13.4.2 To finalize the physical development plan.
- 13.4.3 To review and evaluate the progress made in the implementation of programs taken up under the physical development plan.

- 13.4.4 To approve the annual budget and the bye-rules of the Authority.
- 13.4.5 To issue necessary directives to the Board of Directors.

#### 14. Formation of the Board of Directors

- 14.1 There shall be a board of Directors to direct, supervise and manage the operations of the Authority.
- 14.2 Under the general direction of the Board, the Board of Directors shall exercise the powers and perform the duties vested in the Authority under this act and the rules and bye-rules framed hereunder.
- 14.3 The Board of Directors formed under Sub-Section 14.1 shall have the following members:
  - 14.3.1 Development Commissioner - Chairman
  - 14.3.2 Chairman, Kathmandu Town Panchayat - Member
  - 14.3.3 Chairman, Lalitpur Town Panchayat - "
  - 14.3.4 Chairman, Bhaktapur Town Panchayat - "
  - 14.3.5 Chiefs of the following offices looking after the programs for Kathmandu Valley
    - 14.3.5.1 Building Construction Department
    - 14.3.5.2 Archeology Department
    - 14.3.5.3 Roads Department
    - 14.3.5.4 Survey Department
    - 14.3.5.5 Tourism Department
    - 14.3.5.6 Department of Housing and Urban Development
    - 14.3.5.7 Water Supply and Sewerage Corporation
    - 14.3.5.8 Nepal Electricity Authority
    - 14.3.5.9 Solid Waste Management and Resource Mobilization Center.
    - 14.3.5.10 Guthi Corporation
    - 14.3.5.11 Nepal Telecommunications Corporation

- 14.3.6 Chairmen of three village Panchayats within Kathmandu Valley, as designated by His Majesty's Government - Members
- 14.4 The employee of the Authority designated by the Board of Directors shall function as the Secretary of the Board of Directors.
- 14.5 His Majesty's Government may, if it so deems necessary, effect necessary changes in the size or composition of the membership mentioned in Sub-Section 14.3, by notification in the Nepal Rajapatra.
- 14.6 The Board of Directors may, if it so deems necessary, invit. any local or foreign expert or advisor to attend its meetings in the capacity of observer.
15. Working Procedures of Meetings of the Board of Directors
- 15.1 Meetings of the Board of Directors shall be held at least once every two months.
- 15.2 The quorum for a meeting of the Board of Directors shall be deemed to have been fulfilled if it is attended by at least 50 percent of the total number of members of the Board of Directors.
- 15.3 Meetings of the Board of Directors shall be presided over by the Chairman. In the absence of the Chairman, the meetings shall be held under the chairmanship of a member designated by the members from among themselves.
- 15.4 The opinion of the majority shall be binding on meetings of the Board of Directors. In the event of a tie, the person presiding over the meeting may exercise a casting vote.
- 15.5 Meetings of the Board of Directors shall be convened by the Secretary of the Board of Directors on the date and at the time and place prescribed by the Chairman.
- 15.6 The Secretary of the Board of Directors shall maintain on a current basis the decisions taken by the Board of Directors after having them authenticated by the presiding person .
- 15.7 Other working procedures of the meetings of the Board of Directors shall be determined by the Board of Directors itself.

16. Power to Form Sub-Committees

The Board of Directors may form sub-committees according to need for the purpose of smoothly performing its functions.

17. Staff Arrangements

17.1 Any person who is working or has worked in a special class post or in a higher post, or has gained eminence in the concerned field, shall be appointed by His Majesty's Government as Development Commissioner, who shall function as the executive chief of the Authority. His tenure shall be of a maximum of five years, and His Majesty's Government may extend it by another five years at the most, if it so desires.

17.2 Notwithstanding anything contained in Sub-Section (1), His Majesty's Government may, if it so deems necessary, grant retirement to the Development Commissioner from that post before the expiry of his tenure.

17.3 The Authority may appoint other employees according to need.

17.4 The remunerations, conditions of service, and facilities of the Development Commissioner and other employees shall be as prescribed.

17.5 The Development Commissioner may delegate any of his powers to any subordinate employee subject to his personal supervision and liability.

18. Restrictions on Members And Employees

No member of the Board or of the Board of Directors or any employee or advisor of the Authority shall be entitled to become a partner, either directly or indirectly, in any contract concluded with the Authority.

19. Fund of the Authority

19.1 The Authority shall have a fund of its own. The following amounts shall be credited to the fund:

19.1.1 Grants received from His Majesty's Government

19.1.2 Funds received from any international or foreign agency through His Majesty's Government.

19.1.3 Income earned from the movable and immovable property of the Authority.

- 19.1.4 Any other amounts available to the Authority.
- 19.2 All amounts belonging to the Authority shall be deposited with the Nepal Rastra Bank or any commercial bank in the name of the Authority.
- 19.3 All expenses to be incurred by the Authority shall be met from the fund mentioned in Sub-Section 19.1.
- 19.4 The account of the Authority shall be operated in the prescribed manner.
20. Accounts of the Authority and Audit
- 20.1 Accounts of the Authority shall be maintained in the form and according to the procedure followed by His Majesty's Government.
- 20.2 Accounts of the Authority shall be audited by the Auditor - General's Department.
- 20.3 His Majesty's Government may, if it so desires, scrutinize or direct the scrutiny of records relating to the accounts as well as other cash and store records of the Authority, at any time.
21. Penalties
- 21.1 In case any person takes, without the prior permission of the Authority, any action regulated, controlled or prohibited by the Board under Section 8, or contravenes terms, if any, prescribed by the Authority while granting permission, the Authority may impose on such person a fine not exceeding Rs 50,000.
- 21.2 In case any person obstructs any action taken or being taken by the Authority under this act or the rules framed hereunder, the Authority may impose a fine not exceeding Rs 5,000 on such person.
- 21.3 In case any person takes any action in contravention of the orders or directives issued by the Authority under this act or the rules framed hereunder, the Authority may impose a fine not exceeding Rs 25,000 on such person.
- 21.4 In case any person takes any other action in contravention of this act or the rules framed hereunder, the Authority may impose a fine not exceeding Rs 1,000 on such person.

22. Appeal

Any person who is dissatisfied with the order issued by the Authority under Section 21 may file an appeal with the Appellate Committee within 35 days from the date of receiving such order.

23. Appellate Committee

23.1 There shall be an Appellate Committee to hear appeals against orders issued by the Authority under Section 9 or Section 21.

23.2 The Appellate Committee shall consist of the following members:

23.2.1 Regional Judge - Chairman

23.2.2 Two persons designated by His Majesty's Government - Members

23.3 The Appellate Committee shall have the same powers as are vested in a court in respect to recording statements, seeking evidence, subpoenaing witnesses, and directing submission of documents.

23.4 The Appellate Committee may adopt an appropriate working procedure while hearing or disposing of any appeal.

24. Liability for Actions Taken In Good Faith

No member of the Board or the member or employee of the Board of Directors or the Authority shall be personally liable for any loss or damage resulting from any action taken or sought to be taken by him in good faith in the course of the discharge of his duties or functions under this act or the rules or the bye-rules framed hereunder.

Provided that if any action has been taken with the intention of causing unnecessary trouble, harassment or inconvenience to any one, the concerned person shall bear liability therefor.

25. Delegation of Authority

The Board of Directors may delegate any or all of the powers vested in it under this act or the rules framed hereunder to any member of the Board of Directors or to the sub-committee formed under Section 16 or to any officer-level employee of the Authority.

26. Power of His Majesty's Government to Issue Directives

His Majesty's Government may issue necessary directives to the Authority in respect to the formulation and implementation of a physical development plan. It shall be the duty of the Authority to comply with such directives.

27. Powers of His Majesty's Government

- 27.1 In case the Authority takes or is about to take any action in contravention of this act, His Majesty's Government may order it to stay such action.
- 27.2 His Majesty's Government may, if it so deems necessary keeping the public interest in view, cancel partially or wholly any order issued by the Authority under this act.
- 27.3 His Majesty's Government may dissolve the Authority formed under this act in case it is satisfied that it has completed its task, or has failed to perform its functions and duties or to comply with the directives issued to it, or that it is no longer necessary to retain it.
- 27.4 In case the Authority is dissolved under Sub-Section 27.3, the rights and liabilities of the Authority shall vest in His Majesty's Government.

28. Contacts With His Majesty's Government

The Authority shall maintain contacts with His Majesty's Government through the Ministry of Housing and Physical Planning.

29. Power To Frame Rules and Bye-Rules

- 29.1 His Majesty's Government may frame necessary rules subject to this act for the purpose of implementing the objectives of this act.
- 29.2 Subject to this act and the rules framed hereunder, the Authority may frame necessary bye-rules.

30. Dissolution

- 30.1 The Town Development Board formed under the 1988 Town Development Act shall ipso facto stand dissolved after the commencement of this act.
- 30.2 After the dissolution of the Town Development Board under Sub-Section 30.1, the functions being performed by it and its rights and liabilities shall devolve on the Authority.

31. Transfer of Pending Cases

Cases on which action had been initiated by the Town Development Board formed under the 1988 Town Development Act but have remained pending at the time of the commencement of this act shall devolve on the Authority.

32. Power to Effect Changes in Schedule

His Majesty's Government may, by notification in the Nepal Rajapatra, effect changes in the Schedule according to need.

Schedule

(Pertaining to Sub-Section 2.1.3 of Section 2)  
Boundaries of the Plan Area

East: From Godavari Bhanjyang to the height of Panchhari Lekh and Chipudanda, via the edges of Triveni Danda and Patti-Bhanjyang, the eastern watershed of Amaldol, Rohini Bhanjyang and Kirtike Bhanjyang.

West: From Siapani to Bhudku and Panchmane-Bhanjyang via Kafi-Gaun, Bhattachaur, Lakshin-Kali, Taluk, the Gurdum Khola, the northern watershed of Chaknel, Chandragiri, Sishanjiang and the eastern watershed of Il Sini Gaun, the Dalachok Hill, Majura Gaun, and the eastern watershed of Dhundhanga Thunki.

North: From Panchmane Bhanjyang to Bolang and Chipu Danda via the edges of the Shivapuri hills.

South: From the edges of Godavari Bhanjyang to Siapani via the watershed of the Dhungakmani Khola, Bhigwan Danda, the edges of Lele Bhanjyang, Deorali Thunki, Babiya Gaun, the Southern watershed of Mane and the Bagmati river.

Royal Seal affixed on  
Marga 1, 2045 (November 16, 1988).

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