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OPINION
Dipak Gyawali



VIEWPOINT
Prabal Adhikari



FORUM
Dr. Prabin Manandhar

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FORTNIGHTLY



NIS 2024

Few Deals, Many Rhetoric

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JAPAN'S FM KANIKAWA'S VISIT TO NEPAL
Strengthening Friendship

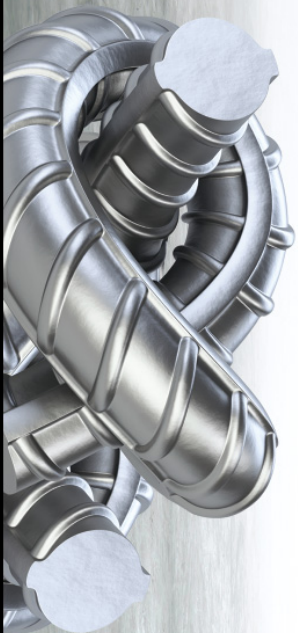


MOICS AND IFAD
SAMRIDHI For Entrepreneur And Employment

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लक्षितो जाति, बलियो ल्यानि

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हिमालय सुरक्षित घर बनाउंछ ।**



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The split of the Sanghiya Samajbadi Party, the fourth largest party in the House of Representatives, has raised concerns about political instability in the future. While the current coalition is not immediately threatened, the breakup of the party will have long-term implications. Just three months ago, the party broke its alliances with the Nepali Congress and Maoist Center, and its leader Pushpa Kamal Dahal is now aligning with CPN-UML leader KP Sharma Oli, who is known for his cunning political tactics. Under pressure from Oli, Prime Minister Dahal is now pursuing policies set by CPN-UML, a party known for its extreme anti-Indian stance. CPN-UML is pushing for the implementation of these policies through the Prachanda-led government, including the recent decision to replace old Rs.100 notes with a new one featuring a disputed map of Nepal. This move, directed against both India and Nepal, may face difficulties in the coming days, especially as India is currently in the midst of general elections. Despite the numerous political and other issues at hand, we have chosen to cover the Nepal Investment Summit 2024 as our cover story for this week. Nepal, facing an economic recession, is in need of funds to revive its economy. The government's inability to invest necessitates reliance on private investment through Foreign Direct Investment (FDI) as the sole solution. In light of this, the recently concluded NIS 2024 holds great significance. Likewise, the visit of Japanese foreign minister Ms. KAMIKAWA Yoko to Nepal, although brief, carries immense importance during a time when Nepal is in dire need of support.

Keshab Poudel

Editor

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Nepal Investment Summit: Unlocking Economic Potentials For Growth And Development



BY: DR. PRABIN MANANDHAR

Foreign Direct Investment plays a crucial role in Nepal's economic growth by bringing in capital, technology, expertise, and market access. The Nepal Investment Summit serves as a platform to showcase the country's investment opportunities and address the challenges hindering its economic growth.

The third edition of Nepal Investment Summit, April 28-29, 2024, aims to attract foreign investors, domestic investors, and non-resident Nepalis to Nepal. One hundred and fifty-one projects are being showcased at the Summit ranging from energy, transport, mining and minerals, tourism, agriculture, production, industrial infrastructure and trade, health and education, communications and information technology, water supply, and urban development are set to be showcased.

Nepal presents diverse opportunities across sectors, driven by its natural resources and strategic location. Its unique selling points, including the Himalayan landscape, cultural diversity, adventure tourism, spiritual significance, biodiversity, and hydropower potential, attract investors and tourists alike. These opportunities, coupled with supportive policies and infrastructure development, foster an environment conducive to economic growth. However, addressing challenges like bureaucratic hurdles, infrastructure deficits, and political instability is essential for Nepal to fully realize its potential and achieve sustainable development.

In conjunction with the Investment Summit, I propose that key leaders of political parties undertake joint visits to address crucial issues. Their focus should be on enhancing functionality, expediting project completion, improving market competitiveness, and streamlining decision-making processes.

Pokhara and Gautam Buddha International Airports

- Identify reasons for the non-functionality of international airports.
- Take measures to address operational issues and make the airports fully operational.

National Pride Projects (Hydropower, road, and irrigation)

- Investigate the causes of delays in national priority projects.
- Implement strategies to expedite project completion, ensuring timely delivery of infrastructure and development initiatives.

Open Border and Agriculture Competitiveness

- Assess challenges faced by Nepali agriculture in competing in the market, including issues related to the open border with India.
- Establish quarantine checks and implement measures to enhance the quality and competitiveness of Nepali agricultural products.

Governance and Political Economy

- Investigate reasons for delays and inefficiencies in decision-making processes within government agencies and simplify administrative processes and digitize services.
- Create formal mechanisms for intergovernmental coordination, clearly define the roles, responsibilities, and jurisdictions of each level of government to avoid overlaps and conflicts within the federal system.

- Address the undue influence of trade unions on procurement and decision making.

By addressing these critical issues and implementing necessary reforms, Nepal can enhance its attractiveness to investors, improve infrastructure, promote economic growth, and create a conducive environment for sustainable development. Political leadership and stakeholder collaboration are essential to drive these initiatives forward and realize Nepal's economic



potential.

Furthermore, cultivating a culture of efficiency, professionalism, and service orientation within the governance system is vital for mitigating adverse impacts on investment and fostering economic growth. Considering these factors, if Nepal has made substantial progress in policy reforms, maintains relative economic stability, enjoys positive investor sentiment, and aligns with development objectives, hosting an investment summit could indeed be opportune. Such an event has the potential to stimulate investment inflows, strengthen economic expansion, and boost developmental endeavors forward in the nation.

Author: Dr. Prabin Manandhar is an expert in international development. Currently, he is working as the Country Director of Helvetas Swiss Intercooperation Nepal. He is the Former Chair of the Association of International NGOs in Nepal (AIN). He is also a visiting faculty at Kathmandu University and the Tribhuvan University Institute of Crisis Management Studies. The opinions are his own and not that of his employer. He can be reached at prabin.manandhar11@gmail.com

NEWSNOTES

Bangladesh Embassy In Kathmandu Organizes Day-long Art Camp

A daylong art camp on the theme 'From Mountains to the Delta' was held on Monday, 06 May 2024 at the Embassy of Bangladesh in Kathmandu.

The art camp is a part of the weeklong art festival being organized by the Embassy in association with Art Bangla Foundation Dhaka and Siddhartha Art Gallery. Eminent artists from both Bangladesh and Nepal have participated at the art camp.

Participating artists from Bangladesh are Prof Emeritus Rafiqun Nabi, Artist Monirul Islam, Professor Mohammad Eunos, Artist Muniruzzaman Munir, Artist Kanak Chanpa Chakma and Prof Dr. Iqbal Ali. Participating artists from Nepal are Artist Kiran Manandhar, Artist Sashi Shah, Artist Vijay Thapa and Artist Krishna Manandhar.

During the opening of the art camp, Ambassador Salahuddin Noman Chowdhury in his remarks highlighted that Bangladesh and Nepal have a unique relationship that is rooted in social, cultural and civilizational linkages. He mentioned that the relations were as natural as streams flowing from the mountains to the ocean.

He emphasized that both the countries have a shared vision for preserving our socio-cultural identities and respecting our values and traditions and that the theme of the festival goes with the diversity of landscapes and the confluence of cultural values.

He hoped that the art camp would be a wonderful platform for creation of artworks by contemporary Bangladeshi and Nepali artists and display of their unique styles, perspectives and mediums, reflecting the richness of culture of the two countries. Congregation of such eminent artists from the two countries will further strengthen bonds of friendship.

Eminent artists Mohammad Rafiqun Nabi, Kiran Manandhar, Mohammad Eunos and coordinator of the art camp artist Ms. Sushma Rajbhandari also spoke during the opening of the art camp.

The art camp coincided with a musical event organized by the Embassy to welcome the Nepali and Bengali new year. Singers and musicians from Bangladesh and Nepal performed at the cultural event. The new year celebration and art camp was attended by the senior artists, art lovers, art critics and members of the Bangladesh commu-

nity in Kathmandu.

The artworks of the ten eminent artists will be exhibited from 07-10 May 2024 at the Siddhartha Art Gallery, Baber Mahal Revisited, Kathmandu.

Celebrating 50 Years of Friendship : K-Culture Event Held

The Embassy of the Republic of Korea marks the 50th anniversary of diplomatic ties between the Republic of Korea and Nepal, an exciting cultural event is set to take place, inviting the citizens of Nepal to join in the celebration of this historic milestone.

This event promises to be a vibrant showcase of the rich cultural heritage and artistic talent of Korea, offering a unique opportunity for K-culture appreciation. The Embassy look forward to welcoming Nepalese people to this unforgettable cultural experience and to sharing in the joy of this momentous occasion.

According to a press release issued by embassy of Republic of Korea, the events started with traditional performance but Fresh and New Martial Art Demonstration: K-Tigers.

Experience the elegance and power of Korea's traditional martial art, Taekwondo as skilled practitioners demonstrate ancient techniques and rituals passed down through generations with modern touch. K-Tigers, which developed K-pop into a cultural and artistic performance by combining it with Taekwondo, is a world-renowned Taekwondo performance team for 33 years.

The team recently participated in the famous K-pop show in Korea, <M-COUNTDOWN> held in Paris, France. There, K-Tigers attracted audiences with differentiated and colorful stages that combine K-culture Taekwondo and K-pop.

They show Taekwondo's various aspects of showing collaborations

with songs, performances, dances, and acting. K-Tigers are a mixture of tradition, art, and culture of Korea.

Exciting K-Dance Showcase: People on Stage Prepare to be amazed by the electrifying energy and creativity of Korea's renowned B-boy dance teams as they showcase their talent and innovation on the dance floor.

People on Stage including Gambler Crew, Animation Crew, Rolling Hands will attend many Dance Competition TV programs like M-NET <Hit the Stage>, JTBC



<Showdown>, <America’s Got Talent> etc. They are the top-notch performers showing K-Dance adding Korean cultural dynamism and modernity. In this event, they will show the performance of “Street on the Top” by Korea’s top dancers who want to communicate the cultural characteristics of Korea to the world.

Celebrating Friendship: Let us join hands in commemorating 50 years of friendship and cooperation between our two nations, as we look ahead to a future filled with mutual respect, understanding, and goodwill in the powerful cultural experiences.

The Embassy of the Republic of Korea organized this cultural event and immerse the sights, sounds, and flavors of Korea. Fan of K-pop, Taekwondo, performance to enjoy at this celebration of cultural heritage and friendship.

Ambassador Of Nepal To Canada Bharat Raj Paudyal Presented His Letters Of Credence

Bharat Raj Paudyal, Ambassador of Nepal to Canada, presented his Letters of Credence to Mary J. May Simon, Governor General and Commander-in-Chief of Canada, amidst a special ceremony held



at Rideau Hall in Ottawa on 30 April 2024.

Ambassador Paudyal was received in audience by the Governor General of Canada following the presentation of Credentials. During the audience, Ambassador Paudyal conveyed greetings and best wishes from the President of Nepal Ram Chandra Paudel and the Prime Minister of Nepal Pushpa Kamal Dahal ‘Prachanda’ to the Governor General of Canada for her personal health and happiness as well as for the continuous peace, progress and prosperity of the friendly people of Canada.

Ambassador Paudyal appraised the Governor General on the state of friendly bilateral relations between Nepal and Canada and shared major priorities of the Government of Nepal, including the consolidation of democracy and accelerating the economic development efforts.

Present on the occasion were high ranking officials of the Government of Canada including representatives of Global Affairs Canada and senior officials from the Office of the Governor General. During the ceremony, Paudyal was accompanied by his spouse, family members and the officials of the Embassy of Nepal in Ottawa.

NEPAL: Government, Development Partners Launch Public Expenditure And Financial Accountability Assessments

Nepal has a robust legislative and institutional framework for public financial management, but further reforms are needed to strengthen fiscal and budget outcomes to support green, resilient, and inclusive development, says the third Public Expenditure and Financial Accountability (PEFA) Performance Assessment Reports.

The PEFA Performance Assessment Reports were jointly launched today by the Government of Nepal with support from the Multi-Donor Trust Fund. The assessment is based on the internationally recognized PEFA Framework to assess the progress of Public Financial Management (PFM) across the government. Based on the assessments, the Government of Nepal will prepare a medium-term PFM Reform Strategy and Action Plan.

“Public financial management has the power to change people’s lives and livelihoods,” said Honorable Barsha Man Pun, Minister of Finance. Nepal is committed to establishing a strong and robust public finance system and transforming the public financial management landscape through rigorous reforms and adoption of digital governance.”

The Government of Nepal partnered with the Nepal Public Financial Management Multi-Donor Trust Fund supported by Australia; European Union; the United Kingdom’s Foreign, Commonwealth, and Development Office; Norway; Switzerland; and U.S. Agency for International Development and administered by the World Bank to conduct the assessments. The reports consist of the PFM Performance Assessment, Climate Responsive PFM Performance Assessment, and Gender Responsive PFM Performance Assessment. Nepal is the second country after Bhutan in South Asia to undertake PEFA Climate and PEFA Gender Assessments.

According to the PFM performance assessment, the government has deployed a range of information systems to enhance the efficiency of PFM. The adherence to international standards in the budget and accounts classification ensures comparability, accuracy, comprehensiveness, and transparency in financial information. Budgets are designed with a medium-term outlook, and the predictability of resource

availability for spending units is at a high level. The fiscal transfers allocated to subnational governmentsexhibit transparen-



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cy and adherence to established rules while the scope and coverage of both the internal and external audits are extensive.

“Nepal’s successful completion of the PEFA assessment demonstrates its commitment to sound financial management practices,” said Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal, and Sri Lanka. “Development partners, including the World Bank, are committed to supporting the next generation of public financial management reforms for Nepal’s green, resilient, and inclusive development.”

The assessment highlights the following areas for potential PFM reforms to achieve better fiscal and budgetary outcomes in the future:

Restoring fiscal credibility through a sustainable medium-term expenditure framework, recalibration of fiscal rules, expenditure reprioritization, and risk management.

Improving public investment efficiency by reducing inefficiencies and building climate-resilient infrastructure.

Applying a climate and gender lens to fiscal decision-making to mainstream climate and gender considerations.

Enhancing fiscal transparency and accountability by enforcing fiscal rules and promoting accountability.

“As the PEFA assessment demonstrates, some crucial elements center on fiscal discipline and its impact on service delivery. Better fiscal discipline is needed for more effective, inclusive, and accountable delivery of services,” said Karen Welch, Acting Mission Director of USAID Nepal. “We, the development partners, bring assistance that supports the government’s efforts across many sectors, like health and education, environmental preservation, and attention to marginalized groups. Sound PFM allows us to work together to better benefit the people of Nepal.”

The program was chaired by the Finance Secretary, Madhu Kumar Marasini. Chief Secretary, Dr. Baikuntha Aryal, Revenue Secretary, Dr. Ram Prasad Ghimire, and Financial Comptroller General, Hari Prasad Mainali expressed their views and reiterated their commitment for PFM reforms as indicated by this assessment. The event also included a panel discussion on the topic: “How can Nepal improve capital expenditure to achieve development outcomes?”

ADB’s Vice President Yang Reaffirms Support For Private Sector Growth And Climate Initiatives In Nepal

Asian Development Bank (ADB) Vice-President for South, Central and West Asia Yingming Yang met with Nepal Prime Minister Pushpa Kamal Dahal and reiterated ADB’s commitment to supporting the country’s development priorities, including fostering an environment conducive to private sector growth and integrating climate

change and disaster risk management into ADB projects in the country.

Yang also met with Finance Minister and ADB Governor Barsha Man Pun on 26 April. During these meetings, Yang praised Nepal’s socio-economic progress, particularly noting the reduction in the poverty rate, and underscored the longstanding partnership between Nepal and ADB.

He also discussed the forthcoming ADB country partnership strategy for Nepal, 2025–2029, which is being prepared as a joint approach with the World Bank Country Partnership Framework. He prompted the government of Nepal to invest in disaster risk management, given the country’s vulnerability to natural hazards.

During his 4-day visit from 26 to 29 April, Yang attended the Nepal Investment Summit and stated in his keynote speech that ADB is looking for opportunities to expand its private sector operations in Nepal. He also mentioned that ADB will provide transaction advisory services for public–private partnerships, explore allocating resources from its Asia Pacific Project Preparation Facility, while also mobilizing concessional and grant resources for climate initiatives.

On 28 April, Yang attended the inauguration of the

Matatirtha substation under the South Asia Subregional Economic Cooperation Power System Expansion Project. Speaking at the inauguration, Yang expressed pride in ADB’s role in Nepal’s energy sector development, emphasizing the importance of prioritizing investments in large-scale hydropower and renewable energy to align with Nepal’s vision for energy security.

Alongside World Bank Vice-President of the South Asia Region Martin Raiser, Yang also participated in the high-level meeting between ADB, the Government of Nepal, and the World Bank on the financing of the Upper Arun and Dudhkoshi Hydropower Project.

This meeting—chaired by the Minister of Energy, Water Resources, and Irrigation Shakti Bahadur Basnet—built on the objectives outlined in the memorandum of understanding signed during COP28 by ADB and the World Bank, aimed at enhancing Nepal’s hydropower sector.

Yang also met with Assistant Secretary-General, Assistant Administrator, and Director of the Regional Bureau for Asia and the Pacific Kanni Wignaraja.



Additionally, he met with representatives of the development partner agencies, private sector, and think tanks. He also visited the ADB-supported Bagmati River Improvement Project and Melamchi Water Supply Project.

ADB Country Director for Nepal Arnaud Cauchois accompanied Mr. Yang in these meetings.

DPM Yadav Pays A Courtesy Call On UN Secretary-General

Deputy Prime Minister and Minister for Health and Population Upendra Yadav paid a courtesy call on UN Secretary-General António Guterres in New York. DPM Yadav was in New York to attend the fifty-seventh session of the Commission on Population and Development in New York .

He also addressed the fifty-seventh session of the Commission on Population and Development in New York today.

The Deputy Prime Minister emphasized that full implementation of the Program of Action of the International Conference on Population and Development (ICPD) is critical to attaining the 2030 Agenda for Sustainable Development.

Highlighting utmost priority and importance given by Nepal to the implementation and attainment of the Program of Action of the International Conference on Population and Development since its adoption in 1994, he put the audiences across various policies, plans, and programs Nepal has been implementing to increase the quality of life of every citizen in its efforts to create a just, inclusive, equitable, and egalitarian society.

He also reiterated the commitment of the Government of Nepal towards a rights-based, inclusive, innovative, and sustainable approach to population and development. In the afternoon,

Deputy Prime Minister also addressed the informal plenary meeting organized by the President of the General Assembly to mark the thirtieth anniversary of the International Conference on Population and Development.

Addressing the meeting, he said that thirty years since the landmark ICPD, the world has witnessed significant progress in poverty reduction, improved health systems, reduced fertility and mortality, increases in life expectancy,



access to primary education, promoting gender equality, and advancing health and reproductive rights. Yet, the progress we made is uneven within and

among countries and there remain significant gaps and inequalities, he said.

Celebration Of The 50th Anniversary Of The Korea-Nepal Diplomatic Relations

The Embassy of the Republic of Korea and Nepal Tourism Board jointly organized an event to commemorate the 50th anniversary of diplomatic relations between the Republic of Korea and Nepal on April 28, 2024.

The successful completion of the JUGAL Himal expedition by the joint team of Nepal and the Republic of Korea of recently opened mountain peaks in Sindhupalchok district nearby Kathmandu.

A renowned Korean mountaineer and honorary Nepali citizen Um Hong Gil lead the South Korean team and record-setter climber DawaYangzum Sherpa lead the Nepali team in the expedition from April 5 to April 27, 2024.

As a shining example of tourism collaboration between the Republic of Korea and Nepal is the successful maiden trekking expedition of joint expedition team. This historic achievement strengthened our bond of friendship and showcased the beauty of Nepal’s natural landscapes and the spirit of adventure.

This journey highlighted the potential for collaboration in the field of tourism sector to create unforgettable experiences for travelers and promote cross-cultural understanding.



Hit Bahadur Tamang, minister for Culture, Tourism and Civilavation, attended the Korea- Nepal Friendship Expedition ceremony 2024 in Kathmandu on 28 April 2024.

Minister exchanged congratulatory message on the 50th Anniversary of the establishment of diplomatic relations between Nepal and Republic of Korea.

He also pointed out that over the past 50 years since the establishment of diplomatic relations, both countries have always respected and trusted each other, setting a good example of friendly coexistence and mutually beneficial cooperation in various fields have yielded fruitful results.

PARK Tae-Young, ambassador of the Republic of Korea in Nepal emphasized the 50-year journey as a tale of shared values and mutual respect, contributing to personal and economic development. I have shared that Korean government has designated Nepal as a priority cooperation

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country for 15 consecutive years in development cooperation focusing on vocational education, health, agriculture and ICT.

The program was attended by Minister for Culture, Tourism and Civil aviation, Parliament members, diplomats, high level officials from Ministry of Foreign Affairs, media persons, businessmen from tourism sectors and all expedition team members.

Nepal Has Huge Investment Opportunities: UN Resident Coordinator Hanaa Singer-Hamdy

UN Resident Coordinator in Nepal Hanaa Singer-Hamdy said Nepal has huge opportunities for economic development as a very young population. She said that about 41 percent of Nepalis are between ages 16 and 40.



She said that these are young people, with muscle and brain power, bursting with energy and innovative solutions. This unique demographic dividend is a crucial win-

now of opportunity for Nepal, that begs to be tapped with great urgency!

“That is what the member states have committed to through the 2030 Agenda for Sustainable Development. And these three Ps, I believe, provide immense opportunities for investment in Nepal,” said UN

Nepal has a very young population. About 41 percent of Nepalis are between ages 16 and 40. These are young people, with muscle and brain power, bursting with energy and innovative solutions. This unique demographic dividend is a crucial window of opportunity for Nepal, that begs to be tapped with great urgency!

Nepal And China Ink Two Agreements , PM Prachanda Meets Chinese Delegation

Two agreements were signed between Nepal and China in the presence of Finance Minister Pun



Two important agreements were signed between Nepal and China in the presence of Finance Minister Barshaman Pun Ananta. The second agreement

was signed between Finance Secretary Madhu Marasini.

In the program organized to sign the agreement, Finance Secretary Madhukumar Marasini and Health Ministry Secretary Dr. Roshan Pokharel and Luo Zhaohui, head of China International Development Cooperation Agency signed the agreement. T

The organization has been working on the formulation of strategic standards for China’s foreign aid, the formulation of related policies and plans, and the reform agenda of foreign aid.

An agreement has been signed with the Ministry of Finance regarding human resource development support for global development efforts and an agreement with the Ministry of Health regarding bone marrow transplantation.

During Prime Minister Pushpa Kamal Dahal Prachanda’s visit to China last October, China promised to help start bone marrow transplant service in Nepal. According to the agreement, China will support the operation of bone marrow transplant services at BP Koirala Memorial Cancer Hospital.

For that, China has agreed to provide financial assistance for everything from building structures to theoretical and technical training for doctors.

Luo Zhaohui, who led the Chinese delegation, said that Nepal is a good friend of China and has always supported the development of Nepal.

Nepal’s Investment Landscape Revitalize By Nine Ordinances: FNCCI President Dhakal

President of Federation of Nepalese Chamber of Commerce and Industry (FNCCI) said that announcement of nine ordinance revitalize Nepal’s investment landscape.

“In a significant move aimed at revitalising Nepal’s investment landscape, the government has amended nine outdated laws and policies through ordinance, marking a pivotal moment for the country’s economic growth,” said Chandra Prasad Dhakal, President of Federation of Nepalese Chambers of Commerce and Industry.



He hailed the government’s proactive stance and said the amendments will help attract more foreign direct investment (FDI) and foster a conducive environment for business growth in the country.

“This is a momentous occasion for Nepal’s economic development. The amendments to these laws and policies signify a notable step towards removing longstanding barriers that have hindered investment inflows into our country,” Dhakal said.

NEPAL: World Bank Approves \$80 Million to Strengthen Financial Sector, Increase Access to Financial Services

The World Bank’s Board of Executive Directors today approved an \$80 million development policy credit for Nepal to strengthen the stability of the financial sector, diversify financial solutions, and increase access to financial services.

The third Finance for Growth Development Policy Credit aims to improve the functioning of the financial sector to support private sector-led growth. The operation will strengthen the supervision of the banking and insurance sectors in Nepal and foster financial product innovations in capital, insurance, and disaster risk markets. The operation



will also increase financial inclusion through digitalization, enhanced credit infrastructure and improved financial literacy, with a focus on women entrepreneurs.

“This project supports Nepal’s green, resilient, and inclusive development and will help create an enabling environment for private investment to contribute to Nepal’s economic growth, particularly benefiting the poor and vulnerable,” said Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal, and Sri Lanka.

The operation also supports Nepal’s climate agenda by, for example, enhancing supervision of climate risks by requiring disclosures of climate-related risks and impacts of the banking sector portfolio; introducing risk-informed pricing for insurance products, including climate risks; establishing a framework for the issuance of green bonds; and integrating climate-related mitigation and adaptation commitments into credit guarantee products.

“This operation supports the government’s transformative financial sector reform agenda to promote private sector-led growth. The reforms in banking, insurance, and capital markets are instrumental for the sector’s resilience and the critical role it plays to enable private capital mobilization,” stated Tatsiana Kliatskova, World Bank task team leader for the project.

Nepal Stands At A Pivotal Juncture In Its Pursuit Of Economic Growth And Prosperity: Finance Secretary Marasini

Finance Secretary and Alternate Governor of Nepal Madhu Kumar Marasini express my profound gratitude for the proactive role undertaken by the Asian Development Bank in adopting operational priorities best suited to the specific needs of the member countries to translate its

strategy 2030 into action.

He sincerely appreciates the ADB, the government, and the people of Georgia for hosting this meeting. Addressing the 57th annual meetings of Board of Governors of the Asian Development Bank in Tbilisi, Georgia which held from May 2-5, Finance Secretary and Alternate Governor of Nepal Marasini said that the government of Nepal appreciates the initiative taken by the ADB in recognizing itself as Asia and the Pacific’s Climate Bank and driving innovation and financing to meet the challenge of climate change.

“Our focus is on aligning financing with our current projects, improving infrastructure, and addressing climate change in an integrated manner. Thus, we urge the ADB and other MDBs to prioritize financing for coordinated, focused, and tangible climate actions that complement current initiatives while maximizing infrastructure projects that also contribute positively to climate objectives,” said finance secretary Marasini.

“With political stability, Nepal stands at a pivotal juncture in its pursuit of economic growth and prosperity. The Government of Nepal is dedicated to ensuring good governance, social justice, and economic prosperity. Our efforts are directed towards achieving sustainable development goals, with equal emphasis on climate action, social inclusion, and economic development.”

He said that the ripples of Covid-19 in the Nepali economy have been exacerbated by global economic challenges and headwinds. “Nepal, like many others, faces slow economic growth and fiscal constraints due to a contraction in economic activities with subsequent revenue deficits and increasing debt obligations.”

“To achieve our goals of economic prosperity, graduation from LDC status, and meeting the Sustainable Development Goals, we face a significant funding gap that cannot be filled solely through public finance.”



“We need to address this sizable financing gap by leveraging investments from private capital. We have recently hosted our third investment summit in Kathmandu to highlight Nepal’s favorable investment environment. I believe the ADB can play significant role in mobilizing technical assistance and knowledge solutions to design attractive investment arrangements in sectors where Nepal has comparative advantages, such as tourism, hydropower, and information technology.”

Considering the huge financing needs and underlying fiscal challenges, I call upon the ADB and other de-

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development partners to substantially increase concessional resources. The ongoing ADF14 and IDA21 replenishments are a testimony of our commitment towards the development of low-income countries.

“I believe Nepal’s home grown Green Resilient Inclusive Development (GRID) approach provides a partnership platform to all development partners to join hands in delivering development impact in necessary scale and speed,” said secretary Marasini.

Furthermore, given the effectiveness of SASEC initiative in enhancing interregional trade and connectivity, we urge further efforts for deeper economic integration to establish South Asia as an emerging region. We now need to focus on enhancing connectivity, innovation, and digitalization by leveraging our collective strength for the benefit of the entire region.

Finally, I extend my heartfelt appreciation to all the governors for their invaluable perspectives and contributions. I will again extend my gratitude to the Asian Development Bank for their enduring collaboration and assistance to Nepal and for being a trusted partner during our developmental journey.

In closing, I wish to express my sincerest thanks to President Mr. Asakawa for his effective leadership and to the entire ADB team for their unwavering commitment and dedication to the development and prosperity of the Asia and Pacific region.

Finance Secretary and Alternate Governor of Nepal Marasini is now at the 57th annual meetings of Board of Governors of the Asian Development Bank.

President Dhakal Invites Investors To Explore Nepal’s Promising Sectors

President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) Chandra Prasad Dhakal urged investors from around the world to seize the opportunity and invest in Nepal’s burgeoning economy.

Addressing at the 3rd Nepal Investment Summit 2024, President Dhakal emphasized the country’s colossal untapped sectors and its potential as an investment destination.

Dhakal highlighted Nepal’s strategic location between the economic powerhouses of China and India, underscoring its significance as a gateway to vast markets.



He emphasized the abundant opportunities across various sectors, including tourism, infrastructure, energy, agriculture, technology, and ICT.

Dhakal particularly spotlighted the immense potential in renewable energy, citing recent agreements for power trade with India and Bangladesh as indicators of Nepal’s capability in hydropower generation and regional trade.

He also underscored the need for modern infrastructure in tourism, agriculture, and technology sectors to harness Nepal’s rich cultural heritage, natural beauty, and young, dynamic workforce.

Moreover, Dhakal emphasized the importance of investing in technical education to bridge the gap between demand and supply of skilled human resources, thereby boosting both domestic employment and remittance inflows.

He commended the government’s efforts in implementing business-friendly policies and initiatives to facilitate foreign investment, including recent amendments and bilateral investment agreements.

Highlighting FNCCI’s role in boosting investor confidence through international business summits in New Delhi, Beijing, and Dubai, Dhakal assured continuous support and commitment from the Nepali private sector for joint ventures in all potential sectors.

He shared his belief in Nepal’s emerging growth story and encouraged forging partnerships to chart a path towards sustainable development and prosperity.

Data Hub Pvt. Ltd Honored With This Year’s National ICT Award

The Ministry of Communication and Information Technology honored Data Hub Pvt. Ltd in a program organized on the occasion of 7th National Information and Communications Technology (ICT) Day on Thursday.



Prime Minister Pushpa Kamal Dahal ‘Prachanda’ handed over the recognition to different individuals and organizations in seven different areas for their contributions to information and communications technology.

Data Hub Pvt Ltd is a prominent company in Nepal that specializes in providing a range of cloud-based solutions and data-center services. Established in 2011 as the first data center in the private sector, it has been providing services to more than 700 small and large companies including banks and financial institutions, NGOs, INGOs, ICT, e-commerce, telecom, hospitals, fintech, startups. also has a ‘Disaster Recovery Site’ in Butwal.

The company has also been providing facilities for Nepal to world famous organizations like Google, Facebook, Akamai. DataHub operates Yeti Cloud, public cloud, virtual private cloud (VPC), and private cloud services, along with disaster recovery and security services.

They operate dual data centers located in Kathmandu and Butwal, designed to meet international standards and suitable for a variety of clients. Their data centers are certified with ISO/IEC 27001:2013, ensuring compliance with international information security standards.

Global IME Bank Limited Has Launched A Global Green Home Loan Scheme At A Fixed Interest Rate Of 8.99%.

Under this loan scheme, there is a provision to take a maximum loan of 12 crore rupees for a loan period of up to 7 years.



With the aim of stimulating environment-friendly activities, the bank has been providing various banking

services and facilities in accordance with sustainable development goals.

Mobile banking and credit cards will also be issued free of cost to the customers participating under this scheme.

This loan can be taken for construction of eco-friendly houses/buildings and apartments, purchase of eco-friendly individual houses or residential apartments and flats.

Apart from this, while adopting environment-friendly measures, this loan can also be availed for upgradation of existing buildings to environment-friendly and maintenance of eco-friendly buildings.

Global IME Bank is the first commercial bank in the private sector with a network of branches in every district of the country. The bank has more than 1,100 service centers including 354 branch offices, 379 ATMs, 277 branchless banking services, 68 extension and revenue collection counters and 3 foreign representative offices.

Global IME Bank is a bank that provides banking services for all, which is providing excellent services to its more than 4.6 million customers through a variety of services and facilities.

The bank has been bringing in remittances from the United States of America, the United Kingdom, Canada, Australia, Malaysia, South Korea, Japan, Saudi Arabia, Qatar, UAE, Bahrain, Kuwait, India, Jordan, Hong Kong and other countries and making a significant contribution to the economy of the country.

Swiss Investment Fund For Emerging Markets Invested A US\$10 Million In Global IME Bank

The Swiss Investment Fund for Emerging Markets is going to invest 10 million US dollars i.e. about one billion 32 million rupees to Global IME Bank Limited.

Ratnaraj Bajracharya, Chief Executive Officer of Global IME Bank and Jörg Frieden, Chairman of Swiss Investment Fund for Emerging Markets have signed the agreement in this regard.

The bank will use this investment to increase financial access to agriculture, micro, small and medium businesses.

The purpose of this investment is to provide financial access to agricultural, micro, small and medium enterprises to help them become competitive in the market, improve financial inclusion and create jobs.

The Bank believes that this investment agreement with the Swiss Investment Fund for Emerging Markets will help in the development of agriculture, micro, small and medium enterprises in Nepal.

The Embassy of Switzerland in Nepal has expressed its happiness through its official social network that this investment has been able to cooperate with a big bank of Nepal for the expansion of agriculture, micro, small and medium businesses in Nepal.

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Global IME Bank's commitment to reducing plastic consumption, plastic consumption will be reduced

BUSINESS BRIEF

*Global IME Bank Limited has expressed its solidarity with the 'Planet vs. Plastic' (Plastic vs. Earth) campaign and will follow environment-friendly sustainable practices by reducing the consumption of plastic within the bank.

In this context, the bank has also promised to reduce the consumption of plastic in the next 3 years.

This environment-friendly initiative will start from the bank's corporate office and expand to all branch offices across the country through all regional offices.

Since its inception, the bank has been doing various activities to reduce plastic consumption and spread awareness against plastic pollution

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Finance Secretary Marasini Requests ADB To Increase Cooperation To Nepal To Deal With Climate Change

The Asian Development Bank (ADB) is going to provide additional assistance to Nepal to deal with the effects of climate change.

ADB President Masatsugu Asakawa made this commitment during a sideline conversation with Finance



Secretary Madhu Kumar Marasini, who arrived in Georgia's capital Tbilisi to participate in the 57th annual meeting of ADB.

Secretary Marasini proposed to

increase cooperation to deal with climate change, saying that Nepal is in the list of countries highly affected by climate change despite its insignificant contribution. In response, President Masatsugu said that assistance will be increased to help Nepal deal with the negative effects of climate change.

"I am aware of the problems that Nepal has to due to climate change", quoting Masatsugu's statement, Shreekrishna Nepal, Joint Secretary of the Ministry of Finance and Head of the International Economic Cooperation Coordination Division, who participated in the meeting, said, "ADB is ready for more support."

During the meeting, Secretary Marasini appreciated the contribution of ADB to the development of Nepal and asked for more support to fill the lack of development finance.

On behalf of Finance Minister Barshman Pun, finance secretary Marasini also said that minister Pun firmly hoped that ADB is expected to increase cooperation in Nepal during the term of Chairman Masatsugu.

Secretary Marasini invited President Masatsugu to visit Nepal on behalf of Finance Minister Varshman Pun.

In response, he informed that ADB has prioritized Nepal and said that he is willing to visit Nepal at an appropriate time.

Similarly, Secretary Marasini also met with Ying-ming Yang as Vice-President (South, Central, and West Asia). During that time, Joint Secretary Nepal informed that there was an agreement on the development of private sector in Nepal, expansion of private investment, improvement in portfolio implementation, development projects in the pipeline, mainly Dudhkoshi hydropower project with reservoirs, Melamchi drinking water project and budgetary assistance programs to be completed on time.

According to Nepal, it is necessary to improve the implementation capacity to increase the concessional resource mobilization and there is an agreement to cooperate with the poor parties to increase access to climate finance. Vice President Yang said that the ongoing Country Partnership Lovework preparation is being done in collaboration with the World Bank, so it can be a model for other countries as well.

The meeting was attended by Nepal's Finance Secretary Marasini and Joint Secretary Nepal and Vice President Yang along with Executive Director Supak Chaiyawan, Director General for South Asia Takeo Konishi and other officials participated in the meeting.

Indian Embassy Organized A Post Investment Summit India-Nepal B2B Meet

Embassy of India, Kathmandu in collaboration with the Investment Board of Nepal (IBN) and Nepal India Chamber of Commerce and Industry (NICCI) organized a Post Investment Summit India-Nepal B2B Meet in Kathmandu today.

The B2B meeting was attended by 35 delegates from Millenium India International Chamber of Commerce and Industry (MICCIA) and Nepal India Chamber of Commerce and Industry covering energy, agriculture, construction, tourism, cold chain, medical devices, finance, consultancy and law sectors.

Speaking at the event, Shreejana Rana, President, NICCI, identified hydropower, tourism and agriculture as potential areas for cooperation between Indian and Nepali businesses.

Ambassador Anil Trigunayat, President, MICCIA appreciated the recent bilateral connectivity initiatives and the importance of B2B connections in taking India-Nepal Economic Partnership forward.

Ramesh Adhikari, Under Secretary, IBN summarized and welcomed Indian investors to do business in Nepal. He appreciated the more than 50 members strong Indian delegation from FICCI, CII, ICC, MICCIA as well as several individual



businesses who had productive meetings at the 3rd Nepal Investment Summit from 28-29 April 2024.

The B2B meet witnessed the signature of an MOU for cooperation between MICCIA and NICCI. Indian delegates were also provided a copy of the 3rd edition of Handbook for Indian Investors Investing in Nepal, which had been unveiled a day before by Barshaman Pun, Finance Minister of Nepal.

IME Group, PT PLN Nusantara Power Join Hands to Explore Power Development Opportunities In Nepal

IME Group, a renowned conglomerate in Nepal, has forged a strategic alliance with PT PLN Nusantara Power, the state-owned power company of Indonesia, to delve into renewable energy projects in Nepal.

The Memorandum of Understanding (MoU) was inked by Chandra Prasad Dhakal, Chairman of IME Group, and Muhamad Reza, Director of PT. PLN Nusantara Power representing their respective organizations.

Under this collaboration, PT PLN Nusantara Power Services, a subsidiary of PT Nusantara Power, will embark on thorough studies and coordinate endeavors to identify and nurture renewable energy prospects in Nepal.



With a steadfast commitment to clean energy solutions, the partnership aims to harness Indonesian expertise in

the renewable energy sector to enhance Nepal's energy landscape.

Established in 2001, PT PLN Nusantara Power Services boasts specialization in operating and maintaining power plants, with a commendable track record both domestically and internationally.

Australian Investment Paves the Way For First Luxury Resort In Nepal's Picturesque Rara Lake Region

Australian investment has made its mark in the Rara Lake region, hailed as Nepal's premier tourist destination and often referred to as the "queen of heaven."

Australia's Expert Group is set to embark on its first venture into the area with plans to establish a luxury resort in Rara.

The agreement, inked in the presence of Culture, Tourism, and Civil Aviation Minister Hit Bahadur Tamang and Secretary Deepak Kafle at the 3rd Nepal Investment Summit, marks a significant milestone in the region's tourism development.

Representatives from Expert Group, Badri Aryal, and Sanjiv Sharma, alongside Abhishek Bikram Shah from Rara Holdings Pvt Ltd, formalized the agreement.

The initial phase will witness an investment of approximately 70 crore rupees for the luxury resort spread across 80 ropani in



Chhayanath Rara Municipality, Mugu.

Shah of Rara Holdings emphasized the resort's commitment to eco-friendly Nepalese design, incorporating local culture while leveraging locally available resources.

Perched at an altitude of 3,700 meters above sea level, the resort promises breathtaking views of Rara Lake and its environs.

"This pioneering project marks the inception of luxury tourism in Karnali province. Construction is on the brink of commencement, and we aim to complete it within the next 18 months," Shah stated.

The second phase of the project will witness an additional investment of 40 crore rupees.

Unfolding International Disorder & What It Portends for Small Countries



BY: DIPAK GYAWALI

As this column is being written, a dangerous escalation has occurred in the NATO-Russia conflict in Ukraine; and, as if this were not enough, the Middle East is about to see the eruption of a major regional war. After France's Emanuel Macron announced he would be sending French troops to Ukraine and UK's David Cameron said Ukraine was free to attack deep into Russia with British weapons, (including warmongering US politicians like Hakeem Jeffries baying for Russian blood), Russia announced its first ever tactical nuclear weapons drill and warned the Western Europeans it would respond by striking their military facilities in Ukraine and beyond! It has led India's strategically astute foreign minister S. Jaishankar to warn that all this could be merely a teaser compared to the actual conflicts that could unfold.

Following Israel's Netanyahu announcing that he would invade Rafah no matter what (and ordering Palestinian civilians to evacuate), Israel-Hamas Cairo truce talks are near collapse. Gaza has become another major flashpoint with much wider ramifications: Houthis of Yemen came out strongest among the Arab nations in supporting Hamas' effort to liberate Palestine from Israeli occupation by practically closing the Red Sea (and the Suez Canal) to shipping of Israel supporting Western countries. It has forced European cargo to go around Africa at much greater cost, thus contributing to European inflation and EU recession; and it has also demonstrated the helplessness of US Navy to do much of anything about it.

Till the middle of the last century, it used to be said that Britannia ruled the global waves, that power shifting after World War-II to the US. Now, reminding the world anew of US Congressman Matt Gaetz's bemoaning US losing in Afghanistan to "a bunch of goat herders waving rifles", its global naval might seems equally helpless against a bunch of Arab camel herders!

Both these conflicts did not suddenly start now: they have old antecedents going back to the post-World War-II defined Bretton Woods world order, its slow unravelling since 1971 with Nixon abandoning the Gold Stand-

ard, and its accelerating decline at the start of this century with America breaking its promise to Gorbachev not to expand NATO eastwards. As Putin has so perceptively remarked in his many annual 4-hour long press conferences as well as in the famous 2007 Munich Security Conference speech, with the collapse of the Soviet Union, the Warsaw Pact collapsed and with it the occupation of Eastern Europe ended. However, the (US) occupation of Germany, Japan, South Korea and other WW-II places continues.

NATO – whose purpose in Europe was so accurately described by its first Secretary General Lord Ismay as "keeping the Russians out, the Americans in, and the Germans down" – should have been disbanded or downsized: instead, it was expanded right to Russia's border and indeed even to the Indo-Pacific to presumably now keep the Chinese down! With the blowing up of Nord Stream pipeline and forcing Europe off cheaper Russian gas to import triply expensive American LNG, Germany is forced into de-industrialization and certainly kept very well down in an ironic reversal of Marshall Plan!

The third decade of the Twenty-First Century got off to an ominous start. It began with Covid whose origins as well as vaccine responses are shrouded in murky human corruption and complicity mysteries, and which put a break on the march of globalization as we have known it. It not only exposed the fragility of global supply chains and disrupted commerce and industry worldwide but it also forced governments North and South to revert to rethinking "localization" instead. Leaders with mass support such as Narendra Modi and Donald Trump began to talk of "Make in India/America". Countries would need to be self-sufficient in basic necessities such as food, clothing and energy available locally if their lives and economies were not to be violently disrupted. Such a localization of food and energy production would greatly reduce the environmental water and CO2 footprints of goods and services we all consume when they are imported from afar with subsidized fossil fuel-based transport.

Ukraine on the other hand exposed the limits of the

power of the Collective West to enforce its will via proxy wars and fiscal sanctions against Russia, sanctions that had not worked even against Cuba, North Korea or Iran. They did not stop Iran from becoming the pre-eminent military power in the Middle East or North Korea from developing its own nuclear deterrence. It certainly has not stopped Russia from strengthening its military capability, economy and, judging from support from Africa and BRICS countries, its diplomacy as well. Quickly followed by Israel's Gaza holocaust and the mass protests against it in campuses and streets of the Collective West, Houthi Red Sea blockade in retaliation as well as Iran's response to Israel bombing its diplomatic mission in Syria, the secondary position of declining Europe in G7 in relation to a rising BRICS is becoming obvious to beholders in the Global South.

Whatever the final outcome of Ukraine and Gaza wars, the biggest long-term impact is going to come from the rapid move towards de-dollarization it has precipitated, something self-inflicted by the US with its ill-thought of adventurism. Fiat paper currencies are based on faith, with the dollar as both global reserve and trading currency. The first blow against it was by Nixon in 1971 when he took the dollar off the gold standard. America, despite the OPEC shock that the move precipitated in 1973, was able to weather the storm till 2008 by printing its currency and selling US treasury bonds abroad. It allowed the US to essentially export inflation to other countries, live beyond its means, and to allow US economic policy makers the complacent belief that this would last forever.

It did not. Sanctioning Russia in 2014 and seizing its currency holdings in Western banks (and threatening similar measures against China, India and other countries that did not support the West's position) upended all that. It sent the message to governments and billionaires around the world that if the US could do this to Russia and China, what was to prevent it from doing the same to them? The dollar was a global currency, not just a US one, with the US being a trustee or custodian of that global faith. With wanton sanctions and threats, it violated that trust. Now, despite Janet Yellen's frequent trip to China to plead for its buying more US treasury bonds, it seems not just China but Japan as well as African and Middle East nations are dumping their US bonds in favour of buying gold.

How are we to understand this tectonic shift and the decline of the old world order? Italian political economist Giovanni Arrighi provides crucial insights. Examining the hegemonic rise of capitalist state powers from Genoa and Spain in the 14th Century to Dutch, British and final-

ly the US today, he shows that the decline starts when the hegemon shrinks away from the real productive economy to emphasis on finance, shifting from accumulation by productive material expansion to one by financial intermediation and speculation. (Remember "junk bonds" of the 2008 financial crisis?).

It all started with Western hubris when the Soviet Union collapsed with the fall of the Berlin Wall. As "the world's only super power", the US felt that controlling global finance, much like the Genoese and Dutch bankers did in the 14th Century, would allow it to rule the world even as its dirty, polluting industries (highlighted by US deputy treasury secretary Larry Summers infamous memo) were exported to the Global South. What the Genoese and the Americans forgot is that when manufacturing power shifted, with it shifted basic economic and military power.

And when the financial hegemon began weaponizing the US dollar to meet political and strategic objectives (e.g., "inflicting strategic defeat" on Russia and China through sanctions and assets seizure), it boomeranged on the hegemon exposing its feet of clay! Similar to agriculture where once the "culture" of agriculture is lost which cannot be easily restored, when manufacturing capability has shifted from US to China and other BRICS countries,

Leaders with mass support such as Narendra Modi and Donald Trump began to talk of "Make in India/America". Countries would need to be self-sufficient in basic necessities such as food, clothing and energy available locally if their lives and economies were not to be violently disrupted.

the US and declining Europe cannot easily recover that back overnight like a quick financial transfer.

What lies ahead in these murky times, especially for small countries such as Nepal, as the old world order dies but a new one is yet to

be born? No easy answers are found in the sciences, social or economic. Nepal's Hindu Jaimini astrologers have long maintained that the zodiac configurations with Saturn's two-and-a-half-year transition in Capricorn starting January 2020 and in Aquarius in 2022 (interestingly, the former coincided with Covid and the latter with Ukraine!) foreshadow "epoch-changing" shifts. (Interestingly, when I mentioned this to European friends, they sent me this European version!) We do live in very uncertain times when scientists have to fall back to these traditions to make sense of the present!

As a minimum, what small countries like Nepal need to do is to maintain strict non-alignment and neutrality, giving neighbouring and distant great powers no occasion to feel threats might be emanating from Nepal. They also have to prepare for the coming global economic upheaval by focusing on local production of food and other necessities. Alas, that would require the scarcest of commodities in this poor country – upright leaders with vision!

NIS 2024 Few Deals, Many Rhetoric

The 3rd Nepal Investment Summit concluded with limited agreements but abundant discussions, urging international investors to consider investing in various sectors of Nepal. The presence of key leaders from major political parties in Nepal at the summit signifies a unified stance on welcoming foreign investments.

By A CORRESPONDENT

The third Nepal Investment Summit (NIS) 2024 concluded with the major parties urging foreign investors to boost their investments in Nepal. Despite political divisions within Nepal's major political parties, they have presented a united front in support of foreign investment.

Prime Minister Pushpa Kamal Dahal 'Prachanda' highlighted in his opening speech that Nepal is becoming a top investment destination, providing vast opportunities for global investors and encouraging them to seize this chance. Nepal warmly embraces foreign investment and stands at the crossroads of opportunities, inviting investors

with its untapped potential.

The government's steadfast dedication to liberal economic policies establishes the groundwork for a dynamic and investor-friendly business environment. Prime Minister Prachanda emphasized that Nepal offers numerous investment prospects across various sectors, such as tourism, agriculture, manufacturing, ICT, readymade garments, high-value crop production, agro-processing, and infrastructure.

The inaugural session of the investment summit featured a speech by Sher Bahadur Deuba, the leader of the main opposition party Nepali Congress, while the closing session was addressed by CPN-

UML chair Oli, the leader of the largest party in the ruling coalition.

During the inaugural session of the summit, Deuba, the President of the Nepali Congress, highlighted Nepal's immense potential for development. However, he also acknowledged the country's lack of sufficient capital and appropriate technology to achieve the desired level of development. In an effort to attract foreign investment, Deuba presented Nepal as an appealing destination for investment and urged foreigners to consider investing in the country.

At the closing ceremony of the summit, KP Sharma Oli, the chair of the ruling coalition partner



CPN-UML, expressed his party's commitment to creating a favorable environment and providing legal facilitation for the prosperity of the country. Oli also emphasized his party's support for the efficient implementation of amended laws and the establishment of favorable conditions to encourage both domestic and foreign investments in Nepal.

Despite the government's earlier pledge to hold an investment summit every two years, the third investment conference took place after a gap of five years. Nepal possesses significant potential for hydropower generation, but only 3,200 MW has been harnessed thus far. Additionally, there are approximately 5,568 MW of large-scale power projects currently under construction or in the pipeline for execution through the Public-Private Partnership (PPP) modality.

Finance Minister Barsha Man Pun, who engaged in discussions with representatives from the World Bank, Asian Development Bank, International Monetary Fund, and United Nations Development Program during the event, as well as ambassadors from various countries in attendance at the summit, hailed

the third Nepal Investment Summit as a great success. He emphasized that such interactions underscore Nepal's potential as a key global investment destination. Minister Pun pledged to strengthen collaboration with development partners in the future.

Minister Pun expressed the government's dedication to working closely with the private sector through direct private investments and various public-private partnership models. He highlighted that the government has initiated policy reforms aimed at enhancing the business environment and instilling confidence in investors. These reforms involve streamlining regulatory processes, reducing business costs and time, and ensuring transparency and accountability in public sector governance. Minister Pun stressed that reform is an ongoing process and will continue in the future.

Sushil Bhatta, Chief Executive Officer of the Investment Board Nepal (IBN), commended the high-level delegation from different countries, development partners, and multilateral donors for their interest in investing in Nepal's promising sectors.

The third Nepal Investment Summit (NIS) 2024 took place on 28-29 April 2024 in Kathmandu. Hosted by the Ministry of Finance, in collaboration with the Investment Board Nepal (IBN), the primary focus of this Summit revolved around private sector engagement and foreign direct investment (FDI) in Nepal. The main goal of the Summit was to showcase Nepal as a burgeoning global investment hub and attract the interest of potential international investors towards the opportunities available in Nepal. This brief delves into Nepal's development goals within the framework of the Nepal Investment Summit, FDI in Nepal, and India's involvement as a development partner.

The Nepal Government had been working closely with bilateral and multilateral development partners, as well as Development Finance Institutions (DFIs), in preparation for the Summit. To promote the NIS 2024, the government had organized various bilateral visits and meetings with development partners since January 2024. Furthermore, promotional activities were conducted by the IBN and government as part of Nepal's development diplo-

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macy efforts.

Summit and Participation

The Summit welcomed government officials, potential investors, notable business figures, professionals, and high-level delegations from around the globe. As per the organizers, more than 2,500 participants, including approximately 800 foreign attendees from 55 different countries, were present at the Summit. The IBN reported that the majority of participants hailed from India and China.

Nepal presented a total of 152 potential projects at the Summit, with the majority of them being from the hydropower sector. The Summit concluded by signing over 12 MoUs with Nepal's Development partners and investors.

Furthermore, the government has introduced an online system for foreign companies to register and obtain approval for Foreign Direct Investment (FDI) in Nepal. The NIS 2024 successfully secured approval for investments worth more than NPR 9.13 billion for four projects in Nepal.

Moreover, the government has extended an invitation for Expression of Interest (EOI) on April 28, 2024, inviting investors to participate in a public-private part-

nership (PPP) tender process for specific projects. These projects encompass various transportation and connectivity initiatives, as well as hydropower projects.

Regarding previous Investment Summits, the Nepal government has previously organized two Summits, one in 2017 and another in 2019. During the NIS 2017, 16 companies from around the world signed Letters of Intent (LoI) amounting to a total value of US\$ 13.7 billion. However, according to FDI data from Nepal Rastra Bank (NRB), these commitments were not entirely fulfilled.

The NIS 2019 was organized as a result of significant policy reforms in the FDI regulatory framework. At the 2nd Summit, 15 project investment agreements worth US\$

12 billion were signed, covering various sectors such as international airport development, road construction, hydroelectricity, and agriculture sector development. However, despite these achievements, the FDI inflows did not meet the commitments made during the Summit.

Despite the best efforts of two consecutive governments in organizing the NISs, the desired objective of attracting foreign investment was not fully realized. Scholars and academia have attributed this to the decline in global FDI inflows caused by factors such as the Russia-Ukraine war, high food and energy prices, concerns about a recession, and debt pressures. Additionally, the ongoing political uncertainty in Nepal, characterized by frequent changes in the government, has negatively affected investor sentiment.

Navita Shrikanta, a governance expert from India who was invited to speak at the Summit, believes that the event was successful in sending a message to foreign investors. "One of the most positive aspects of the summit was the broader consensus among Nepal's major political forces. This is good news," Shrikanta stated.

The commitments expressed by the Indian private sector and the government of India hold great significance, especially considering the economic recession and decline in industrial and agricultural



production that Nepal has been experiencing. The Nepalese economy has been adversely affected by the COVID-19 pandemic, leading to various challenges in recent years. In light of this deepening economic crisis and the need for growth and development, the NIS 2024 was formulated.

Given Nepal's status as a land-locked country with limited financial resources and technical expertise, foreign investment is crucial to enhance key sectors and achieve its developmental goals. Since the 1950s, Nepal has relied on foreign aid to meet its developmental requirements after opening up to the world. With the initiation of economic liberalization in the mid-1980s, the country's focus gradually shifted towards the services sector, leaving the agriculture and industrial sectors underdeveloped, untapped, and underutilized due to insufficient investment.

It was expected that Nepal, after its liberalization, would be able to attract foreign direct investment (FDI) in its key sectors, which would contribute to its developmental goals and overall economic growth. However, Nepal has struggled to attract sufficient attention from global investors.

Over the past 37 years, FDI



inflows in Nepal have fluctuated between 0.1% and 0.5% of its GDP. The data reached its highest point at 0.7% in 2017, but also hit a record low of -0.1% in 2000. There is a lack of consistent data on the total commitment and actual realization of FDI in Nepal. The most recent FDI survey report published by the NRB highlights a significant gap between FDI commitments and actual net inflows. According to NRB data, the total actual net FDI inflow between fiscal years 1995-96 and 2021-22 stood at approximately 36.2% of the total approval.

The main reasons for Nepal's struggle to attract substantial foreign aid for development are pri-

marily the ongoing instability of political regimes and policy implementation. At the political level, there has been a comprehensive political transition following the general elections in November 2017, which has contributed to greater political stability. On the policy front, Nepal has introduced and revised several legislations on foreign investment and related policies since its liberalization.

In order to attract prospective foreign investments, Nepal needs potential markets that are easily accessible and well-connected. In this regard, India offers duty-free quota-free access to almost all Nepalese goods in the Indian market and also provides access to its two seaports, Haldia (Kolkata) and Vishakhapatnam, for Nepalese overseas trade. Additionally, Nepal's proposed hydropower export to Bangladesh requires a transmission line through Indian Territory. There is a trilateral



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power exchange agreement in progress, which is expected to be signed by the Bangladesh Power Development Board.

The trilateral agreement signing will enhance cross-border energy trade in South Asia and BBIN subregions, marking a unique and pioneering development. India's collaboration with Nepal in terms of development is a crucial element in Nepal's pursuit of FDI and overall foreign trade and commerce.

During NIS 2024, a video message from India's Minister of Commerce and Industry, Piyush Goyal, emphasized Nepal's significance as a key partner in India's 'Neighborhood First' policy. Goyal affirmed, "We are committed to investing in Nepal and strengthening our trade and business ties." He further encouraged Indian investors worldwide to consider investing in Nepal and be part of its growing economy.

However, concerns have been raised regarding the FDI-related policy reforms approved by the Nepal Government through an ordinance on the same day as the commencement of NIS 2024. The concerns revolve around the ordinance's passage and its subsequent adoption as an Act by the Parliament amidst ongoing political uncertainties.

To alleviate such worries,

Barshaman Pun, the Finance Minister of Nepal, has reassured that the NIS-2024 will remain unaffected despite any political changes. He emphasized that while governments and ruling coalitions may change, it will have no impact on the country's investment policy.

Another concern raised pertains to the frequent shifting of development projects from one foreign firm to another by the Nepal Government, resulting in unnecessary delays in project implementation in the past.

Additional challenges in-

clude difficulties in acquiring land and tax-related issues, such as the absence of tax rebates on reinvested profits. Furthermore, Nepal has witnessed an increase in copyright, trademark, and patent infringements due to inadequate enforcement of laws in the country.

Following the conclusion of the Summit, there have been comments from certain quarters expressing disappointment with the commitments made, particularly in the energy sector. It is believed that the Summit was unable to effectively address the broader challenges faced by the Nepalese political and economic landscape.

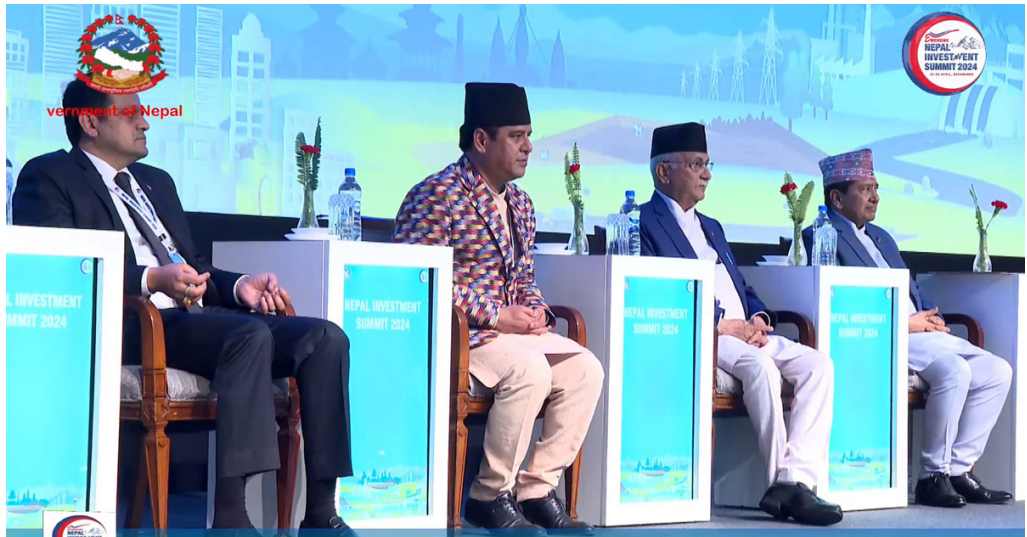
Nevertheless, it remains uncertain whether the efforts undertaken by Nepal in organizing the NIS 2024 will yield positive results in the future. Nepal has employed development diplomacy to capture the attention of its development partners and potential investors, urging them to invest in the country. This endeavor holds great significance considering the challenges faced by the Nepalese economy in recent times.

Additionally, it is crucial to



acknowledge that Nepal's transition from a Least Developed Country (LDC) to a developing country is scheduled for November 2026, which will result in a substantial loss of concessions and policy flexibility in key sectors. Against this backdrop, the NIS 2024 has concluded with the aspiration of attracting greater foreign direct investment (FDI) and fostering growth in Nepal. However, the ultimate success of this initiative hinges upon the actual investment secured in the coming days.

The government hosted the Nepal Investment Summit-2024 on April 28 and 29, citing a lack of sufficient domestic capital for the country's development and prosperity. To entice both domestic and foreign investors, the government has introduced amendments to nine laws through an ordinance. These amendments were implemented on the eve of the Nepal Investment Summit-2024 and address longstanding grievances from the private sector regarding existing laws that impede the creation of an investment-friendly



ly environment in the country.

Finance Minister Barshaman Pun has stated that these amendments are aimed at fostering trust among investors. He mentioned that the laws have been modified based on recommendations from the private sector, using an ordinance to facilitate investment.

Suryaraj Acharya, an expert in infrastructure and development, believes that regardless of what political leaders express during the investment summit, it should be analyzed from two perspectives. According to Acharya, it is crucial to reassure investors that political changes in the country will not disrupt the government's policy continuity. However, the true measure

of success or failure for this summit will be determined by the investments secured in the future.

During the event, representatives from Kathmandu-based missions, development partners, and private sectors have emphasized the importance of collaboration to explore untapped sectors and unlock Nepal's potential. They have expressed their commitment to prioritize collaboration in order to achieve this.

During the 3rd Nepal Investment Summit 2024, the Department of Industry has approved investments totaling Rs 9.13 billion for four distinct projects. These include Rs 6 billion for the establishment of an investment company in Bhaktapur, Rs 3 billion for the construction of a business complex in Kathmandu, Rs 76.6 million for a 200 KW hydropower project in Kailali, and Rs 62.5 million for the development of hotels and restaurants in Lalitpur district. The Director of the foreign investment and technology transfer unit under the Department of Industry, Shankar Singh Dhama, provided this information.



FROM POLITICS TO GEOPOLITICS: The Echoes Of Electricity



BY: PRABALADHIKARI

If someone asks me what two shortages are responsible for inhibiting the rapid hydropower growth in Nepal, I would like to lock my answer with money and market. Shortage of money is the product of limited priority for power sector by Government, whereas shortage of market is the product of limited space for renewable energy in the country's energy mix and lack of tactful shrewdness in dealing with the geopolitical complexities of South Asia. At the root of both shortages lies politics of the country and policies stem from politics. So far as cross border market is concerned for selling surplus power by Nepal, it must catch up with the rhythm of geopolitics. Surplus power is such a power that demands export market for being surplus after meeting domestic demand in the country of its production.

In the past years, Nepal has already experienced the real flavor of power trading in the sense how the integration with the Indian market was found to be beneficial to Nepal after 400 kV Dhalkebar-Muzaffarpur Transmission Line paved the way for bidirectional power transfer between Nepal and India. Further, when two other 400 kV cross border transmission lines under construction – Dhalkebar- Sitamarhi and New Butwal-Gorakhpur - are commissioned, the scenario will change drastically with lots of positive outcomes through power export from Nepal.

Export market will continue to be inevitable to hydropower development unless Nepal succeeds in its plans to create extra power demand within the country during the wet season months by establishing highly energy-intensive industries or by setting up green hydrogen plants to consume surplus electrical energy. However, considering the unstable, uncertain politics and the

lack of national tactics at diplomatic fronts, harnessing hydropower to an optimum capacity highly poses the risk of being stranded as a pendulum whose destiny is to swing between the two points of politics and geopolitics. As a result, as far as the country does not listen to the voice of economy with respect to hydropower, developers and investors will fear that such a situation would ultimately compel them to walk away from the sector. As such, Nepal is required to create more enabling environment for the private sector through risk sharing, policy refining and low-interest funding so as to scale up power generation for meeting national energy security as a whole.

Considering the lack of unanimous thoughts over resource utilization and power export and the lack of diplomatic acumen for dialoguing with neighboring countries as per the national interest, harnessing hydropower to an optimum capacity has highly embraced the risk of being stranded with the country's destiny to swing between the two points of politics and geopolitics.

However, the need of achieving regional energy security, clean energy transition and the scenario of seasonal complementarities of demand and supply between Nepal and the neighboring countries of India and Bangladesh provides the best opportunity for Nepal to export its surplus hydro-electricity and boost the economic growth through cross border power trading. Of course, the importance of transmission connectivity should not be undermined in this regard.

An encouraging point towards achieving energy security by Nepal in future is that private sector has been wonderfully performing in the electricity generation sector, as is evident with the PPA figures of around

9,500 MW executed so far and around 10,000 MW in pipeline for PPA-signing between Nepal Electricity Authority (NEA) and Independent Power Producers (IPPs). As a result, the wet season months are characterized by power surplus which needs to be exported to the neighboring countries and, with some more projects still in the pipeline for commissioning within the remaining months of the ongoing fiscal year, an estimated projection indicates that the system needs power export of around 1,300 MW during the upcoming wet season. On the contrary, Nepal also relies on India for meeting its electricity demand during dry season months by more than 40 percent which accounts for around 11 hours of the day for uninterrupted power supply to its consumers.

The National Energy Crisis Alleviation and Energy Development Action Plan, 2072 had cast positive impacts on the power supply situation in the country, especially to remove load shedding through, inter alia, additional hydropower plants commissioned by the IPPs and some power import from India. But the Government forgot to prioritize developing storage hydropower projects for long-term energy security as envisaged in the Generation Mix proposed by it in 2016. Still, the story did not end there. The percentage allocated for storage projects in the Generation Mix continued shrinking in the subsequent policies. The White Paper - Energy and Water Resources Decade 2075-2085, issued by the Ministry of Energy, Water Resources and Irrigation in 2018 downsized the share of storage hydro projects in the original Generation Mix from the earlier 50% to 35%. The share of the storage projects was further reduction to 25% as per the cabinet decision dated July 8, 2022. Nepal's frailty for focusing on storage projects is not only limited to policy documents, but also found as a ground reality at execution level. The Government failed to embark on any storage hydropower projects except Tanahu (140 MW) in the country since the Generation Mix was conceptualized, ultimately exacerbating the situation of energy security both on short term and long-term.



Energy Development Roadmap and Action Plan, 2023, formulated by the Ministry of Energy, Water Resources and Irrigation of Government of Nepal have provided a silver lining in the dark clouds hovering in the sky of power sector of the country. The total generation capacity of 28,500 MW projected by the roadmap comprises only around 4,400 MW on the part of the Government and hence the source of funds to be arranged by the Government will remain as a small portion only out of around 40 billion USD required in total for the generation sector. NEA's own projects currently in operation

and PPA-concluded projects will lead to the generation of around 10,000 MW, which along with the next 10,000 MW of hydropower projects in pipeline for PPA may contribute around 20,000 MW of capacity towards the target. The successful implementation of the roadmap will pave the way for Nepal's long-term energy security, power export and a rise in the per capita electricity consumption to 1500

kilowatt-hours by 2035. Over all, it has the potential to invigorate Nepal's economy significantly as energy and economy are inalienably inter-related.

While highlighting the prospects of cross border power trading from Nepal's perspectives, we should not de-prioritize the cross-border grid connectivity, for which private sector also should be given the role to participate. Building transmission infrastructures inside the country and at cross border level are absolutely necessary for seamless cross border power trading between Nepal and other countries. Further, collaboration and cooperation in power sector at various levels with the neighboring countries would help enhance mutual trust and the shared prosperity in addition to the benefit of knowledge sharing on the latest technology trends the world has been exploring and discovering in energy sector.

Shifting geopolitical dynamics may be a profound setback to Nepal's power sector and regional power trading in South Asia if Nepal loses its balance in dealing with the outer world including the neighboring



countries. India's strategic concerns are reflected in its cross border electricity trade guidelines and procedures, too, so as to repel some countries whom India does not want to see involved in the generation business of the neighboring countries. While India is so much concerned with its security matters, growing defense partnership between China and Pakistan, a SAARC member, does not seem to be comfortably perceived by India. Hence the possibility of regional cooperation through the SAARC process is losing ground fast. And, of course, it is not sensible to expect geopolitics-free energy partnership in the foul environment of defensive setups of the neighboring countries, despite signing the SAARC Framework Agreement on Energy Cooperation (Electricity) in 2014 by all the Member States of SAARC including India and Pakistan. Hence energy cooperation may take the route of another inter-regional association called BIMSTEC (Bay of Bengal Initiative for Multi Sectoral Technical and Economic Co-operation) which comprises seven countries – BBIN countries and Sri Lanka from South Asia (SA) and Thailand and Myanmar from South East Asia (SEA). Considering the persistent rivalry between India and China, it is learnt that India has made a significant shift in its foreign policy and defense strategy by deepening and reinforcing the defense ties with other countries beyond its own conventional track.

Since India seems eager to convey the clear message through its policy documents that any generation projects invested or controlled by the third country land-bordered with India but not having power sector cooperation agreement with it would be ineligible to export power to India and that it reserves the right to cross border power trading for the larger policy interest of the country.

Of course, China, despite being land-bordered, has not signed such agreements with India. Then, even if Chinese entities may be interested for making a huge investment in the development of hydropower projects in Nepal, the power such projects will be generating cannot be exported to India and any other countries like Bangladesh through India as per the existing Indian policies. We all should understand that market is the most important factor before making any investment decisions, whereas Nepal's domestic market of electricity remains very much limited for investment in large-scale hydropower projects. Further, power trading with China does not seem to be practical for Nepal except in a limited capacity or in a strategic move, especially attributable to the difficult terrains shared by the two countries in building infrastructures on the northern side, and, further, the Article 7 of the Millennium Challenge Compact (MCC) signed by Nepal and the USA might nurture China's geopolitical sensitivity as the agreement clearly exhibits the strategic interest to connect Nepal with India through New Butwal-Gorakhpur transmission line as an additional condition precedent to its entry into force. Of course, India is the most viable export market for Nepal's surplus power and Nepal must catch this opportunity at any cost by maintaining the geopolitical balance at the same time.

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JAPAN'S FM KANIKAWA'S VISIT TO NEPAL

Strengthening Friendship

Ms. KAMIKAWA, Japan's Foreign Minister, commenced her recent official tours from the iconic Mt. Fuji. As a fitting conclusion to her extensive journey across Africa and South Asia, she opted for Nepal, a nation renowned for its awe-inspiring Himalayas. On her first journey to the land of Mount Everest, she immersed herself in the local culture by visiting heritage sites and bookstores, observing the deep and lasting bonds between people.

By KESHAB POUDEL

Ms. KAMIKAWA Yoko, Japan's Foreign Minister, successfully completed her first official visit to Nepal. After arriving from Sri Lanka, a country surrounded by the sea, she was warmly welcomed by the majestic Himalayas, which had been hidden by haze for a few days.

Upon bidding farewell to Nepal late at night, the Himalayas were veiled in darkness, only to be

greeted by the iconic Mount Fuji in Tokyo the next morning. Ms. KAMIKAWA, the Foreign Minister, opted for a Nepal Airlines Regular Schedule flight to return home, thereby enhancing the reputation of Nepal's national flag carrier.

It was a striking coincidence that Ms. KAMIKAWA's official visit took her from the Indian Ocean to the Himalayas, eventually leading her to the homeland of

Mount Fuji.

In an article published in Gorkhapatra, national Nepali daily, the minister expressed her sentiments towards Nepal, mentioning the majestic Himalayan mountains and Mount Everest, which immediately come to mind when thinking of the country. Coming from Shizuoka province, located at the foot of Mount Fuji in Japan, Nepal holds a special place in her heart, and she



is thrilled to have visited the country for the first time.

During her brief yet eventful stay in Nepal, she engaged in numerous high-level meetings with government officials, including President Ram Chandra Poudel, Prime Minister Pushpa Kamal Dahal Prachanda, and Deputy Prime Minister and Foreign Minister Narayan Kazi Shrestha.

Minister KAMIKAWA also held bilateral talks with DPM Shrestha and took the time to visit Bshantapur Palaces, Mandala bookstore strolling through the streets and waving to the people along the way, despite the deteriorating air quality in the valley.

During her visit, Japanese Foreign Minister KAMIKAWA engaged in discussions covering a wide range of topics with her Nepalese counterpart, mirroring her journey from the depths of the sea to the heights of the mountains.

Foreign Ministerial Talks

According to a press release issued by Japanese Embassy to Nepal, Japan-Nepal Foreign Minister's Meeting lasted for approximately 60 minutes.

Ms. KAMIKAWA Yoko, Minister for Foreign Affairs of Japan

held a bilateral meeting with Shrestha, Deputy Prime Minister and Minister for Foreign Affairs of Nepal.

According to a press release the overview is as follows:

At the outset, Foreign Minister Shrestha expressed his welcome to Minister Kamikawa's visit to Nepal, and stated that he would like to further strengthen the relationship between the two countries through this visit.

In response, Minister Kamikawa congratulated Foreign Minister Shrestha on his inauguration and stated that she welcomes

the longstanding cordial relations between the two countries and expressed her hope to further broaden and strengthen the relations through this visit.

The two Ministers held a candid exchange of views on regional affairs, including the situation in East Asia and South Asia, and concurred on maintaining close communication between the two countries.

The two Ministers also exchanged views on global issues, where Minister Kamikawa stated that the concept of Women, Peace and Security (WPS) is becoming ever more important amidst the increasing uncertainty in the international community, and that Japan would like to further strengthen cooperation in the area of WPS in the future.

In response, Minister Shrestha stated that Nepal would like to maintain cooperation on global issues including WPS. The two Ministers also held a candid exchange of views on global issues including strengthening of the functions of the UN, including the Security Council reform, the rule of law, and nuclear disarmament and nonproliferation.

Japan-Nepal Foreign Minister's Working Dinner



Following the bilateral meeting held in the afternoon, Ms. KAMIKAWA Yoko, Minister for Foreign Affairs of Japan, who is visiting Nepal, attended a working dinner hosted by Shrestha, Deputy Prime Minister and Minister for Foreign Affairs of Nepal.

The overview is as follows. 1 Minister Shrestha, referring to the longstanding friendship between Japan and Nepal, expressed his desire to develop the bilateral relations toward the year 2026 when the two countries will celebrate the 70th anniversary of the establishment of diplomatic relations. Minister Kamikawa expressed her desire to further enhance understanding of Nepal through this visit.

Minister Shrestha expressed his gratitude to Japan's assistance over the years, and stated that Nepal would like to further strengthen practical cooperation with Japan. Minister Kamikawa stated that Japan would like to work together for the development of Nepal and for the peace, stability, and prosperity in the region through practical cooperation.

Minister Kamikawa also touched upon the wide range of cooperation that Japan has provided to Nepal over the years, including the



Nagdhunga tunnel, a yen loan construction project which the breakthrough has been achieved in April, and stated that Japan would continue to cooperate with Nepal for its sustainable development as the country aims for graduation from the Least Developed Country (LDC) in 2026.

The two Ministers concurred on cooperating to further promote mutual understanding and friendly bilateral relations through the establishment of a preparatory committee in both countries to consider initiatives befitting the 70th anniversary of the establishment of diplomatic relations in 2026, as well as the “Human Resources Develop-

ment Scholarship Program” (JDS), a grant aid program for training young administrative officials. The two Ministers also concurred on promoting people-to-people exchanges through Specified Skilled Workers and tourism.

Courtesy Call on President Paudel

Ms. KAMIKAWA Yoko, Minister for Foreign Affairs of Japan, who is visiting Nepal, paid a courtesy call on Ramchandra Paudel, President of Nepal.

The overview is as follows. 1 At the outset, President Paudel expressed his welcome to Minister Kamikawa's visit to Nepal.

President Paudel then referred to the article on local newspaper contributed by Minister Kamikawa and to the longstanding friendly relations between the two countries, and he once again expressed his appreciation for receiving the decoration of the Grand Cordon of the Order of the Rising Sun.

In response, Minister Kamikawa expressed her gratitude for President Paudel's message of sympathy for the damage caused by the Noto Peninsula Earthquake, and stated that she was honored to meet President Paudel, who has long supported people-to-people exchanges between Japan and Nepal as the





changes, as evidenced by over 170,000 Nepalis, including many exchange students, living in Japan.

Minister Kamikawa stated that she is pleased to see that the two countries have maintained cordial and friendly relations ever since the establishment of diplomatic relations in 1956.

Minister Kamikawa also stated that Nepal's sustainable development contributes to the stability of the region and that Japan would continue to cooperate in Nepal's efforts for sustainable

development through development cooperation such as the "Nagdhunga Tunnel Construction Project," a yen loan. In response, Prime Minister Dahal expressed his gratitude. 3 The two sides held a candid exchange of views on regional affairs and concurred on deepening cooperation between the two countries.

The meeting lasted for 30 minutes.

In connection with the vis-

Chairman of the Nepal-Japan Parliamentary Friendship League.

Minister Kamikawa also stated that she would like to continue to cooperate with President Paudel to further solidify the bilateral relations toward the year 2026 when the two countries will celebrate the 70th anniversary of the establishment of diplomatic relations.

Minister Kamikawa touched upon the wide range of cooperation that Japan has provided to Nepal over the years and stated that Japan would continue to cooperate with Nepal for its sustainable development as the country aims for graduation from the Least Developed Country (LDC) by 2026. In response, Prime Minister Paudel expressed his gratitude to Japan's assistance over the years. 3 The two sides also exchanged views on climate change.

Courtesy Call on Prime Minister Dahal

Ms. KAMIKAWA, Minister for Foreign Affairs of Japan, who is visiting Nepal, paid a courtesy call on Pushpa Kamal Dahal, Prime Minister of Nepal.

The overview is as follows.

At the outset, Prime Minister Dahal expressed his welcome to Minister Kamikawa's visit to Nepal. In response, Minister Kamikawa expressed her gratitude for Prime Minister Dahal's message of sympathy for the damage caused by the Noto Peninsula Earthquake.

Prime Minister Dahal stated that he welcomes the steady progress of the bilateral relations through fruitful people to people ex-



it to Nepal by Ms. KAMIKAWA Yoko, Minister for Foreign Affairs of Japan, Ms. KANEKO Mariko, Press Secretary/Director-General for Press & Public Diplomacy of the Ministry of Foreign Affairs, interacted with selected media.

“During her official visit to Nepal, Japanese Foreign Minister Ms. KAMIKAWA emphasized the longstanding cordial relationship between Nepal and Japan,” said Kaneko to the media.

She said that Japanese foreign minister KAMIKAWA expressed her commitment to strengthening the problem-free friendly relationship between the two countries in the future, particularly in terms of economic development.

In her briefing to media, Ms. KANEKO Mariko said that Japanese foreign minister held bilateral talks with Nepal’s Deputy Prime Minister and Foreign Minister Shrestha at the Ministry of Foreign Affairs. She said that the discussions focused on further elevating Nepal-Japan relations and enhancing bilateral cooperation.

After a successful visit, Ms. KAMIKAWA departed from



Kathmandu to Tokyo on a scheduled flight by Nepal Airlines Corporation. She was bid farewell by Foreign Secretary Ms. Sewa Lamsal at the VIP Lounge in Tribhuvan International Airport, Kathmandu.

The Nepalese ambassador to Japan, Dr. Durga Bahadur Subedi, the Ambassador of Japan

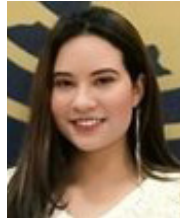
to Nepal, Kikuta Yukata, and other officials from the Ministry of Foreign Affairs were also present at the airport. This official visit took place at the invitation of Deputy Prime Minister and Foreign Affairs Minister Narayan Kaji Shrestha.

Japanese Foreign minister assured Nepal that Japan will support Nepal in LDC graduation. Surrounded by India and China, Nepal, a landlocked country, will graduate from the LDC status in 2026.

“Japan has been a long standing major donor and enjoys a high level of trust from the Nepalese side. History of deep rooted people to people exchanges, the visit is a highly important. Since 2026 will also mark the 70th anniversary of the establishment of diplomatic relations, the year will be more meaningful,” said Ms. KANEKO Mariko.



Enhancing Connectivity Between Rural And Urban Areas In Nepal Through Traditional Potato Storage: An In-Depth Analysis



BY: SUVA BC

Nepal, renowned for its rich cultural heritage and unwavering resilience, actively promotes the integration of rural and urban areas. A prime example of this integration can be seen in the Darche Rural Municipality, located in the Gorkha district. This municipality not only showcases the economic potential of rural regions but also highlights their landscapes and historical significance. In order to delve deeper into this phenomenon, a comprehensive case study has been conducted, focusing on the implementation of traditional potato storage houses in the villages of Lapu and Gumda within the municipality. This study sheds light on the pivotal role played by these storage houses in transforming the potato value chain and strengthening the connection between rural and urban areas.

Potato farming serves as a vital source of livelihood for the farmers residing in Lapu and Gumda villages. Thanks to the fertile land and favorable climate conditions, potatoes thrive as a lucrative cash crop for numerous households. However, the traditional storage methods employed, which involve the use of bamboo baskets, present several challenges. These challenges include weight loss, shrinkage of tubers, extended sprouting times, and low emergence rates.

To address these challenges, the Shree Swanra Integrated Community Development Center (SSICDC) collaborated with the Catholic Relief Services (CRS) to implement the Gorkha Earthquake recovery and resilience program. As part of this initiative, traditional storage houses were constructed in Lapu village as a means of enhancing livelihoods. These structures were meticulously designed to maintain optimal temperature and humidity levels, thereby significantly prolonging the shelf life of stored potatoes.

Enhancing Potato Value Chain

The incorporation of traditional storage facilities into the potato value chain has led to improved efficiency in logistics and enhanced operations within the supply chain. This advancement allows farmers to conveniently store their produce in close proximity to production areas, optimizing the timing of potato sales, especially during the off-season. By adopting this strategic approach, farmers can take advantage of higher market prices, particularly during the rainy season, and benefit from selling potatoes for seed purposes, resulting in increased profits. Farmer groups such as Namuna Farmers Group, Chungtangdanda Farmers Group, and Mankrang Devi Farmers Group play a crucial role in the collection and distribution of potatoes, providing economic benefits to farmers while promoting community development and empowerment.

This allows farmers to optimize their profits and invest in enhancing their farming methods. Additionally, improved product quality contributes to the expansion of the market, attracting more buyers and strengthening the connection between rural and urban areas. Furthermore, the involvement of farmer groups in the value chain fosters community bonds and facilitates collective decision-making.

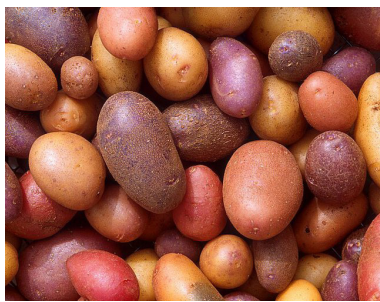
Analyzing from a critical perspective and considering governance, climate variability poses a significant threat to traditional potato storage methods, emphasizing the importance of sustainable solutions that incorporate climate-resilient infrastructure. Collaborating with organizations such as SSICDC and CRS provides farmers with essential resources and guidance to adopt new storage techniques. However, sustained government involvement is crucial for long-term success, ensuring technical assistance, financial resources, and policy support for community-led initiatives.

Although the introduction of rustic potato storage houses has yielded positive outcomes, it is crucial to address concerns regarding performance and maintenance to ensure their effectiveness. Regular inspections and repairs are necessary to prevent deterioration and guarantee long-term functionality. Establishing governance structures is essential to manage operational challenges and ensure fair access to storage facilities. Transparent systems are vital for the equitable distribution and utilization of resources, ensuring that all farmers equally benefit from improved storage capabilities.

Conclusion

The establishment of traditional potato storage facilities in Darche Rural Municipality showcases collaborative efforts to strengthen the rural-urban connection in Nepal. With the backing of the local government, these projects aim to improve quality, food security, and local economic development. Through the provision of technical knowledge and financial aid, farmers have been empowered to implement traditional storage methods, resulting in increased storage capacity and higher product standards. This assistance has also led to more efficient supply chains and improved productivity in the potato industry.

Suva BC is currently pursuing a Master's in Development Studies at Kathmandu University while actively engaging in various organizations and volunteering opportunities. As a research student, Suva is committed to deepening her understanding in the field of development and making impactful contributions, with a focus on promoting inclusivity, multicultural diversity, and addressing global issues. She can be reached at suabc1341@gmail.com



SAMRIDDHI For Entrepreneur And Employment

Numerous adolescents originating from diverse areas of Koshi, Madhesh, and Bagmati Provinces are currently exploring job prospects overseas. Nonetheless, after undergoing Vocational and Skill Training provided by the Samriddhi project, they are finding employment opportunities within their own nation. With the backing of the International Fund for Agricultural Development (IFAD) and under the management of the Ministry of Industry, Commerce and Supply (MoICS), the Rural Enterprises and Remittances Project (SAMRIDDHI) has effectively illustrated a pathway to stimulate job creation and entrepreneurship at a local level.

By Keshab Poudel

After completing his higher secondary school education, Sudarshan Adhikari, a 27-year-old resident of Mrigauliya Tole in Sundarharaicha Municipality ward 2 of Morang District, made the decision to seek employment in Oman in 2022. However, his plans took a different turn when he came across a public notice from the municipality regarding job skill training in Indian cooking. Intrigued by the opportunity, Adhikari applied for the training and was selected as an apprentice at Planet Lounge, a restaurant and party palace located in Sundarharaicha Municipality ward 10 in Biratchowk.

This notice turned out to be a stroke of luck for Adhikari, as it saved him from the scorching heat of a Gulf country. The Indian cook

training, which is a part of the Leading-to-Apprenticeship Model -1 (LAM-1) under the Samriddhi Project, has brought about a significant change in the lives of many young individuals. This project is techni-

cally supported by Helvetas Nepal and implemented through a private training and employment service provider company.

Adhikari, who successfully completed the Indian cook training,





is one of the beneficiaries of this program. Starting from an apprenticeship, he has now become the manager of the hotel and party palace. With a monthly salary of Rs.30,000.00, Adhikari has decided to abandon his plans of seeking employment abroad. He believes that having a good job close to home, surrounded by loved ones and in a familiar environment, would be foolish to give up for the sake of going abroad. The primary objective of the project is to alleviate poverty and establish sustainable peace by focusing on employment, promoting fairness and inclusivity in economic development. The Samridhi project has successfully expanded the range of economic opportunities available to impoverished rural households and unemployed young individuals. One such success story is that of Adhikari, who through his skills and dedication, earned the trust of his employer and was promoted twice within the past year and a half, ultimately be-

coming the manager of a restaurant.

In an industry where skilled individuals are scarce, the training provided by the Samridhi Project is also benefiting hotel owners. Planet Lounge, for instance, has employed four apprentices, including Adhikari, in various roles such as waiters and front desk staff.

All four individuals are now gainfully employed at the restaurant. Purna Bahadur Dahal, a 22-year-old resident of Chitrapur, ward 1 of Sundarharaicha Municipality, has even decided against seeking employment abroad due to his current job, which provides a moderate monthly salary of Rs.20,000.00. However, he remains uncertain about the future. Dahal completed his training as a waiter and is grateful for the opportunities provided by the project.

Despite having a secured job as Indian cook in the Restaurant, Sudip Rai, 20, said that his priority is foreign employment. "If I got job in foreign country, I will go for it. I am

earning Rs.20, 000.00 a month but it is not enough to fulfill the needs of the family," said Rai. He believes that his training can help him to find a good job in Gulf countries.

The journey of Ajit Raj Dhama, 27, a resident of Kalabajar of Barahachhetra Municipality Ward no 5, is unique. Completed VST Indian cooking Vocational Skill Training (VST) as a part of Leading-to-Apprenticeship Model -1 (LAM-1), Dhama worked for couple of months in local restaurant.

Although Dhama used to receive Rs.25,000.00 (\$170) monthly fixed salary at local restaurant in Itahari following the completion of training, he quit the job and decided to start small enterprise on his own.

With a modest investment of around Rs.50, 000.00, Dhama has started a make-shift fast food in rickshaw two years ago. Paying a small rent for a landadjoin the Barahachhetra road, Dhama's enterprise has thrived in just a matter of year.

With the business grow; Dhami registered his makeshift restaurant in Barahachhetra Municipality as Bibata Fast Food and Juice Center Pvt. Limited.

Backed by his spouse Sunita Dhami, the foods supplied by his makeshift tea stall get popularity for test and quality. With a daily transition of around Rs. 10,000 to 15,000.00, Dhami is able to make net monthly income of around Rs.50, 000.00.

As the demands of tea and other food from his restaurant increased in local areas, currently he hired a local boy as helper proving Rs.10, 00.00 a month.

With the skills and test of foods, he began to receive more order for different food items and eventually started employing others. With two of them regularly engaged in work while on other employed on a need basis

“I don’t need to go anywhere. I am satisfied with what I have been doing here,” said Dhami. “With business doing so well, I don’t think to go aboard for work,” said Dhami, whose elder brother in Kuwait. “We have opportunities back



home what we don’t have is skill and idea about doing business. Samridhi project gave me both.”

An aspirant for foreign job, Yam Bahadur Thapa, 24, a resident of Ling Danda of Myanglung Municipality ward 8 of Terhathum district, has changed his mind after taking Indian Cook training and getting employment Hotel Bagle as a cook.

After learning about the training program provided by the Samridhi Project in Koshi Province through the partnership of Myanglung Municipality Thapa decided to take training in Indian cooking to

learn new skills and increase his income. The training program provided Thapa with knowledge on how to cook various meals and utensils, different ingredients used in the food.

This knowledge proved to be helpful and Thapa was called immediately after completing the training as a full time cook. With a monthly salary of Rs. 17000.00 (\$150), Thapa is taking all order in the kitchen. “I have to spare more time on Friday and Saturday and there was normal business in other days. I have to cook many different foods as per the demand of customers,” said Thapa, who was roaming as an unemployed in the village.



All five stories are an example of how skill, knowledge with determination can make everything possible and bring positive changes in people’s lives and avert Nepalese to go outside country as unskilled labor.

The training they received not only enhanced their skills and knowledge but also provided them with the opportunity to search



for alternative opportunities for sustainability.

These are just a few instances of successful cases that have been supported by the Samriddhi Project. Since its inception, the project has made significant contributions to improving the lives of tens of thousands of individuals residing in 12 districts of Koshi, Bagmati, and Madhesh Provinces.

With the aim of reducing poverty and attaining sustainable peace through employment-focused, fair, and inclusive economic development, the Samriddhi project has expanded the range of economic opportunities available to impoverished rural households and unemployed young men and women.

By promoting self-employment, small businesses, and microenterprises that can generate higher incomes and employment op-

portunities, both in agricultural and non-agricultural sectors, the project has positively impacted numerous youths.

The role of Helvetas Nepal is to provide Technical Assistance (TA) for implementing the sub-component 1.3 (Decent Jobs) of Rural Enterprises and Remittances Project SAMRIDDHI).

These trainings were given in partnership with private led Training and Employment Service Providers (T&Es). In year 2023 till now, all allotted training events are completed.

Sanjeev Kumar Shrestha, an expert in Value Chain & Markets and a National Consultant at the International Fund for Agricultural Development (IFAD), highlighted that more than 80 percent of trainees in the Technical and Vocational Education and Training (TVET) program

have either secured employment or started their own businesses. This achievement is considered a significant success within this particular project,” stated Shrestha.

The project has implemented strict provisions where the training providers are only paid once they have demonstrated tangible results, including successful training and employment outcomes.

As per the project guidelines, the training and employment service providers will receive the first installment of payment for conducting the training events. The second payment will be released after thorough verification of the reports and data submitted by the providers.

“Our monitoring process is rigorous and robust. The Samriddhi Project follows a result-based financing model, which requires tangible outcomes for each investment,” ex-

plained Saroj Prasad Guragain, the Joint Secretary of the Ministry of Industry, Commerce, and Supplies (MoICS) and the Project Manager. “Additionally, during the training period, the VST graduates were also provided with Financial Education and Entrepreneurship Knowledge (FEEK) through collaboration with a subcomponent.”

He said that based on the updated curricula on 13 occupations, LAM training was conducted. There is also system of skill test by the National Skill Testing Board (NSTB) and SAMRIDDHI, of the skills trainee.

“The project lesson is a bigger as it showed the training and skill should be given to the local people on the basis of local demand. The result based financing modality ensures the employment guarantee to youth paving the way to find job,” said Sanjeev Shrestha, who involved



in the project evaluation team from IFAD. “The project is successful to achieve its goal.”

Dr. Prabin Manandhar, country director of Helvetas Nepal said, “generating employment is key to alleviate poverty and there need a quality and appropriate training

for this. Having a long experiences in conducting technical training, Helvetas-Nepal has high quality of knowledge.”

“The experiences and knowledge shared by the participants have shown that Vocational Skill Training (VST) and Leading-to-Apprenticeship Model (LAM) has proved itself to bring a drastic change in the life of many youths improving the economic conditions and generating employment opportunities.” said Sandip Poudel, team leader of Helvetas Nepal.

Samriddhi is taking the lead in addressing the obstacles of wage labor and widespread migration from rural to urban regions and overseas as the project approaches the end of its current phase. With operations spanning across 16 districts in Koshi, Madhesh, and Bagmati Province, IFAD and the MICS have effectively influenced more than 200,000 beneficiaries by providing financial education to around 300,000 individuals.



मुखको स्वास्थ्यमा ध्यान दिऔं

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