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**OPINION**  
Dipak Gyawali



**VIEWPOINT**  
Samarjeet Singh Thapa  
Ashray B. Pande



**FORUM**  
Dr. Prabin Manandhar

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**Notes From The Editor**



Following the diversion of water of Melamchi River to a 26-kilometer tunnel link to Bagmati, the over-three-decade-long dream to bring drinking water to thirsty citizens of Kathmandu Valley has finally come true. Conceived during the Panchayat days and championed by the first leader of restoration of democracy and completed at the second tenure of Loktantrick era Prime Minister, Melamchi has a long story. Similarly, passing through the difficulties ranging from devastating earthquakes of 2015 to present global COVID-19 pandemic, alongside several political and natural turmoil over the last three decades, Melamchi Drinking Project has long stories of better and bitter experiments and experiences. Funded by Asian Development Bank, JICA and other several bilateral and multilateral agencies, the first mega basin diversion project also gave Nepalese technicians opportunity to learn many important and critical components of such projects. Of course, the project had pluses and minuses. But the starting of testing and commissioning of tunnels and other infrastructures of Melamchi project is a great achievement following 80 days COVID-19 lockdown. Funded by Asian Development Bank, a lead partner, JICA and other many development partners, turning the project at the present state is itself a great relief to all. However, the new challenge is now how to make this venture successful and that depends on distributions of water properly while controlling the leakage. During the period of construction, challenges were limited to technical and contractor mobilization. However, the challenge for the second phase of distribution requires more rigorous efforts. How prepared authorities are to distribute water remains to be seen. Large numbers of customers of the valley will have to wait for some time to come to receive water but the news or operating of the tunnel is itself a relief. Or, a false hope? This is our cover story.

**Keshab Poudel**

Editor



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# Sacrifice For Oli's Survival

*Pressure built by his rivals Prachanda, Nepal and Khanal has given Prime Minister K.P. Sharma Oli an escape from Millennium Challenge Corporation (MCC) ratification*

By KESHAB POUDEL

Whenever Prime Minister K.P. Sharma Oli faces political challenge and threat to his position, his adversaries and friends, foreign and Nepali, give him a way out for survival.

A few months back when his rivals in the party were putting pressure on him to resign, the inauguration of a road in Kalapani by Indian defense minister Rajnath Singh appeared to be his Sanjibini Buti (a life saver) for his government.

After the inauguration of the road, Nepalese politics turned into such a state that Prime Minister Oli, who was accused as corrupt and inefficient, became a national hero, who was able to amend the constitution of Nepal incorporating disputed land of Limpuyadhura and Kalapani on consensus.

From his staunch critics Nepali Congress youth leaders Dr. Minendra Rijal and Gagan Thapa to his party rivals Pushpa Kamal Dahal Prachanda, everyone hailed him as a hero of the country for taking a stand against India. His chauvinist anti-Indian slogan made him the overnight hero.

At a time when prime minister Oli was in a dilemma on what to do on MCC as a majority of his rivals in the party expressed the opposition against it, threatening to vote against the deal, his rival Prachanda, Madhav Kumar Nepal and Jhalnath Khanal, who joined hands to overthrow him, rescued him instead.

Had they not united to oust Prime Minister Oli, he would not have recommended ending the session of House of Representative in haste. After finding himself in a minority in the standing committee and parliamentary party, Oli had few options to avert his rivals' move.

Prime Minister Oli called a cabinet meeting in haste on July 5 and quietly visited President Bidhya Devi Bhandari recommending ending the session.

As his party colleagues Da-

hal, Madhav Nepal and Jhalnath Khanal were preparing a political move to summon a parliamentary party meet, president Bidhya Devi Bhandari prorogued the House session.

By doing so, Prime minister Oli not only blocked the move of his rivals to unseat him but also found a face saving with U.S on MCC ratification. Although these strategies helped him to boast about himself and save his chair, Nepal has to pay a high price on both counts.

His chauvinist anti-Indian slo-

guing Nepal Communist Party.

Finance Minister Dr. Khatiwada said the ongoing budget session of the federal parliament was prorogued due to COVID-19. So the US was informed that the MCC compact aimed at development of energy and transport sectors could not be endorsed by the parliament at present. He however said government was for the implementation of MCC compact.

"It can be discussed that some points in the MCC compact could have been presented differently. But, the dis-



gan and posture have damaged Nepal's close and friendly relations with India. His recent move to end the house and place MCC in pending will hurt Nepal's relations with U.S. as well.

"The government has informed the donor country, the USA that the Millennium Challenge Corporation (MCC Compact) was now on hold. With the expiry of deadline to endorse the compact by the parliament two days back, the Finance Ministry wrote a missive to the US in this regard," said Finance Minister Dr. Yubraj Khatiwada.

The delay in the endorsement of the MCC compact by the parliament was the effect of intra-party wrangling in the

parliament still persisting over some points of the compact affect trust on and perspective towards Nepal government." He suggested that some of the issues could be sorted out through letters of exchange.

Although the budget had incorporated some activities for the implementation of the compact, the difference within the ruling party halted it, pointing out the need of approval first by the parliament for undertaking the activities. With the end of the session, the MCC compact consisting of Rs 51 billion assistance by the US government to Nepal for energy and transportation sectors is in an uncertain state. Nepal has to pay heavily for the sake of Prime Minister Oli.

## NEWSNOTES

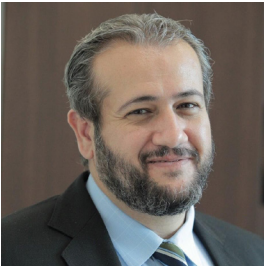
### Poudel Named NA Spokesperson

Brigadier General Santosh Ballav Poudel has been appointed the new spokesperson of the Nepal Army. Poudel is currently the Chief of the 15th battalion in the NA headquarters.

Poudel takes over from Brigadier general Bigya Dev Pandey, who has been transferred to the North-western regional headquarters of the Army in Surkhet, according to the NA headquarters.

### WB Names Faris Hadad-Zervos Country Director In Nepal

Faris Hadad-Zervos is the World Bank's new Country Director for Maldives, Nepal and Sri Lanka. Based in the sub-regional office in Kathmandu, Nepal, he will lead World Bank support to Maldives, Nepal and Sri Lanka, overseeing the current total portfolio of around \$5.5 billion.



Hadad-Zervos succeeds Ms. Idah Z. Pswarayi-Riddihough, who will be taking on a new World Bank assignment. He previously served as the World Bank Country Manager for Nepal. A US national, he joined the World Bank in 1996 and held country manager positions in Malaysia and Bolivia. He also served as Manager of the Technical Cooperation Program with the Gulf Cooperation Countries, Head of Mission for Iraq, and Operations Manager for the West Bank and Gaza.

Hadad-Zervos' appointment comes at a time when governments of the three countries must quickly address both the immediate and longer-term health and economic impacts of the COVID-19 crisis.

"It is critical to protect lives and livelihoods and support economic recovery as countries are fighting the impacts of the COVID-19 crisis," said Hadad-Zervos. "My first priority is to ensure that World Bank-financed programs help alleviate the health and economic impacts of COVID-19, create jobs, and foster inclusive and sustainable growth in the Maldives, Nepal and Sri Lanka, and I look forward to working with governments, development partners, the private sector, and civil society."

### Border-Related Accusation Baseless: Chinese Ambassador

Chinese Ambassador to Nepal Hou Yanqi has said that any so-called "Nepal at the behest of China" accusation is baseless and comes with ulterior motives.



Ambassador Hou, in her interview with The Rising Nepal, has reiterated that the Chinese side has always respected for sovereignty and territorial integrity of the Nepali side.

"The issue of Kalapani involves Nepal and India.

We hope the two countries will resolve their differences properly through friendly consultations and refrain from taking any unilateral action that may

complicate the situation. China's position on this issue has not changed," said ambassador Hou.

"Such accusations are not only insult to the will of the independent country of Nepal and the consensus of the Nepali people, but also are endeavors directed at disruption of China-Nepal relations," said the ambassador in her interview with The Rising Nepal.

"Firstly, I'd like to reiterate that the Chinese side has always respected for sovereignty and territorial integrity of the Nepali side. The issue of Kalapani involves Nepal and India. We hope the two countries will resolve their differences properly through friendly consultations and refrain from taking any unilateral action that may complicate the situation. China's position on this issue has not changed," said ambassador Hou.

### U.S. Hands Over Medical Equipment To Nepal Army

Ambassador of United States of America Randy Berry handed over medical equipment to Chief of Army Staff General Purna Chandra Thapa amid a function at Nepal Army headquarter.



U.S provided medical support worth of \$450,000 to Nepal Army aiming to successfully implement National Campaign Project 2077 to Contain, Prevent and Control COVID-19.

COAS General Thapa expressed his gratitude for U.S. Government for providing such an important support at the time of crisis.

### UNFPA Urges Action To Stop Child Marriage

Every year, millions of girls are subjected to practices that harm them physically and emotionally, with the full knowledge and consent of their families, friends and communities, according to the State of World Population 2020, released by UNFPA, the United Nations sexual and reproductive health agency.

"Harmful practices against girls cause profound and lasting trauma, robbing them of their right to reach their full potential," says UNFPA Executive Director Dr. Natalia Kanem.

Nepal has one of the highest rates of child marriage in Asia. Although the legal age of marriage for both sexes is 20, an estimated 40 percent of Nepali girls are married before the age of 18. While child marriage rates are declining in the country, in the last five years the pace of decline has slowed down significantly. Investing in girls, giving them access to education and health services, and ensuring that they can postpone marriage and prevent early childbearing is essential for girls to have agency.

Also, the preference for sons over daughters has fueled gender-biased sex selection. Nepal has an increasing sex ratio at birth imbalance from 103 male per every 100 female newborns in 2005 to 110 male newborns in 2015. This is a reflection of persistent gender discrimination that undervalues girls combined with the declining fertility rate and high lev-



el of son preference, leading to an increase in the practice of sex-selective abortion.

Nepal has ratified international treaties such as the Convention on the Rights of the Child, thus has a duty to end the harm, whether it's inflicted on girls by family members, religious communities, health-care providers, commercial enterprises or state institutions. The Government of Nepal has progressive laws in place, but laws alone are not enough.



### **ADB Approves \$3 Million Grant To Help Nepal Fight COVID-19**

The Asian Development Bank (ADB) has approved a \$3 million grant from its Asia Pacific Disaster Response Fund (APDRF) to further support Nepal in its fight against the coronavirus disease (COVID-19) pandemic.

The grant, which is financed by the Government of Japan, will be used for emergency support for the improvement of quarantine facilities to effectively manage the inflow of returning migrants, especially in the border areas. It will also support the procurement of laboratory and medical equipment, medicines, and infection control supplies.

"This assistance will support the government to better manage quarantine facilities and contain the spread of the virus in the country," said ADB Country Director for Nepal Mukhtor Khamudkhanov. "ADB is committed to supporting Nepal to control COVID-19 and will continue to work with the government to minimize the health and economic impacts of the pandemic in the country."

The new assistance builds on ADB's previous response to the spread of COVID-19 in Nepal, including a \$250 million concessional loan to strengthen the country's public health systems and mitigate the adverse economic and social impacts of the pandemic, particularly on the poor. ADB's response also includes a \$300,000 grant to purchase emergency medical supplies and equipment for health care staff and others in the frontline.

### **MCC Nepal Compact Reassessed EIF Date**

The Millennium Challenge Account Nepal (MCA-Nepal) has made significant progress in the preparatory phase of implementing the Millennium Challenge Corporation (MCC) Nepal Compact. However, in recent months progress has been hampered due to delays in parliamentary ratification of the Compact and the global pandemic due to COVID-19.

Consequently, the previously targeted date of 30 June 2020 (Ashad 16, 2077 BS) for taking the program on implementation i.e. the Entry Into Force (EIF) is no longer achievable. MCA-Nepal is working with all relevant authorities to complete remaining Conditions Precedent (CPs), including parliamentary ratification of the Compact as soon as possible, to Enter into Force and begin implementation.

### **Stop Stigma And Discrimination, Spread Love**

UN And 30 National And International Organizations Launch SpreadLove Campaign

The United Nations Country Team in Nepal - together with over thirty national and international organizations -

collectively launched the Spread Love Campaign, calling for an end to stigma and discrimination against people, amidst the ongoing Covid-19 crisis in the country.

It has been five months since the first person who had COVID19 was reported in Nepal. Since then, there have been alarming accounts of stigmatization against COVID-19 recovered people and their families, returnee migrant workers, health workers, and vulnerable groups, including people from different backgrounds, ethnicities, and abilities. Right now, it is not only the virus itself that we must protect ourselves against. It is also fear, rumours and stigma. Our greatest powers are facts, reason and unity.

The collective press statement was issued by following organizations: FAO, ILO, IOM, UMN, UNDP, UNESCO, UNFPA, UNHCR, UNIC, UNICEF, UNOPS, UNRC, UNV, UNWOMEN, USAID, WFP, WHO, Association of Community radio broadcaster (CIN), Association of International NGOs in Nepal (AIN), BBC Media Action, CARE Nepal, Catholic Relief Services, DCA, Felm-Nepa, FINRC, Handicap International, Helen Keller International, Housing Recovery and Reconstruction Platform (HRRP) – Nepal, IPAS, Lutheran, Mercy Crops, Nepal Red Cross Society, NRCS, People in Need, Plan International, Practical Action, PSI, Save the Children, TDH, Tilganga, VSO International, WinRock International, World Vision, WWF and Yuwalaya.

### **Japan Provides R. 333 Million Grant To Nepal**

The Government of Japan has extended grant assistance of up to three hundred million Japanese Yen (¥300,000,000), equivalent to 333 million Nepalese Rupees to the Government of Nepal for the Economic and Social Development Program.

SAIGO Masamichi, Ambassador of Japan to Nepal, and Shreekrishna Nepal, Joint Secretary, the International Economic Cooperation and Coordination Division of the Ministry of Finance, signed notes to this effect.

The COVID-19 infection has rapidly increased over the world and affecting human lives as well as economic and social activities, furthermore the dignity of people.

Many countries have been trying to use their resources to take steps based on lessons learned in the past and cases of other countries to tackle the virus. Unfortunately, many also face difficulties to provide health and medical services, and this has already severely damaged economic and social activities and wellbeing of the people.

Japan has been working to archive the universal health coverage, however, the current crisis particularly affects countries with vulnerable health systems. Therefore improvement of the health system of each country is essential.

Based on awareness for the problems and in response to a request from the Government of Nepal, the Government of Japan will provide medical equipment to be utilized for taking measures against infectious diseases and the development of healthcare and medical systems.



## BUSINESS BRIEF

### ADB Approves \$200M Loan For Power Sector

The Asian Development Bank (ADB) has approved a \$200 million concessional loan to improve power supply and distribution systems in Nepal.



Nepal has made significant progress in electricity supply after years of chronic power shortages. However, its power transmission and distribution systems need further strengthening to increase the network capacity, improve quality and reliability, and remove delays between generation hubs and load centers.

The project will finance, among others, the reinforcement and modernization of the power supply system in Kathmandu Valley, Bharatpur metropolitan area of Chitwan district in Bagmati Province and Pokhara of Kaski district in Gandaki Province, where supply interruptions are frequent and prolonged. The project also aims to support Province 2, where the quality of electricity supply is poor and about 20% of households are still without access to the national grid.

“The project will help sustain Nepal’s improved electricity supply momentum over two years. This will facilitate meeting future demand from commercial and industrial activities as well as from communities, particularly women, who can now benefit from electricity-based enterprises and focus on productive economic and social activities,” said ADB Principal Energy Specialist Jiwan Acharya. “It is also very timely because the project will create employment opportunities for skilled and unskilled labor during the construction phase as the country adopts measures to mitigate the socioeconomic impact of the coronavirus disease (COVID-19) pandemic.”

Complementing ADB’s loan, the Government of Norway is providing a \$35 million cofinancing grant for the installation and upgrading of power distribution networks in Province 2 and various substations to evacuate hydropower in the country. In addition, it is providing a \$5 million technical assistance grant for capacity development of the Nepal Electricity Authority to ensure that gender equality and social inclusion are strengthened, and new technologies are used to make electricity infrastructure resilient.

The project is aligned with the South Asia Sub-regional Economic Cooperation program on intraregional power trade through cross-border power exchange. The upgrading of substations in Khimti, Barhabise, and Lapsipedi to 400 kilovolts will facilitate cross-border power exchange with India.

ADB and other development partners have been engaged in Nepal’s power system reform efforts,

including the approval of the Nepal Electricity Regulatory Commission Act of 2017, which created the Electricity Regulatory Commission as an independent regulatory body with respect to tariff-setting and consumer protection.

### Accepting MCC Grant Is Nepal’s Choice: U.S. Embassy

The United States is aware that Parliament has not yet ratified the MCC Compact. Ratification is the next step needed to proceed with the \$500M grant, which the two countries signed in September 2017 and which Nepal committed to ratify by September 2019.

Delaying ratification is delaying the benefits of more jobs and increased economic growth for nearly 23 million Nepalis. Accepting this grant is Nepal’s choice but the availability of the funding is not open-ended. Tangible, near-term steps in Nepal are necessary to ensure the continued viability of the program.

The Government of Nepal and MCC have worked together continuously since 2012 under multiple governments, representing all major political parties, to develop the compact program. This compact will build electric transmission infrastructure and perform road maintenance activities and directly benefit 23 million Nepalis. The projects funded by the compact are priorities identified by Nepal during the nearly three years of project design to benefit the people of Nepal.

MCC is a committed partner, having successfully partnered with nearly 30 countries worldwide on 37 grant agreements of several hundred million dollars, totaling \$13 billion. These grants have helped lift millions of people from poverty by catalyzing investment and economic growth and have supported partner countries’ sovereignty. Every country eligible for a second grant has requested one. MCC’s transparency as a development partner is also recognized globally, and this year MCC was once again ranked as the top bilateral donor in the Aid Transparency Index.

The United States and Nepal share a 73-year partnership working together in many sectors successfully and to the benefit of both countries. The Nepali-led projects funded by the MCC compact support poverty reduction through economic growth.

### NMB Bank Signs Repeat Loan Mandate With IFC

NMB Bank Limited has signed a repeat loan mandate with IFC, a member of the World Bank Group for IFC Loan of USD. 25 Million. NMB becomes the only Bank in Nepal to receive consecutive financing from IFC over a span of two years.

This FDI will be the first of its kind being ushered into the country by a commercial bank in the current scenario and is set to give a morale boost in difficult



times.

The mandate was exchanged between Sunil KC, Chief Executive Officer, NMB Bank Limited and Santosh Pandey, Acting Resident Representative, International Finance Corporation, Nepal.

The credit line so extended shall enable NMB to meet the gap in financing being experienced by MSME/SMEs in the midst of the setbacks caused by Covid-19 and also to encourage new entrepreneurs in the said segments.



Loan size USD 25 Million shall be utilized to support the Government of Nepal's growth plans and shall be invested in strengthening the priority sector industries, especially SME/MSMEs and Green Projects.

### **Green Finance In Nepal, Bangladesh, Mongolia**

A new report by the IFC-facilitated Sustainable Banking Network (SBN) shows Nepal, Bangladesh and Mongolia have identified green finance as a top priority for sustainably developing their financial sectors.

The report— "Necessary Ambition: How Low-Income Countries Are Adopting Sustainable Finance to Address Poverty, Climate Change, and Other Urgent Challenges"—says these countries face immediate and significant impacts from climate change, pollution, biodiversity loss, and social inequality that require urgent responses.

In the wake of the challenges, the report says in Asia, promoting green finance, such as green bonds and green loans, is particularly a focus in Bangladesh and Mongolia. The two countries, along with Nepal, are also working on developing national sustainable finance roadmaps as part of efforts to reduce market risk and incentivize green finance flows.

"At a time when low-income countries across Asia and the Pacific are being adversely impacted by COVID-19, it's all the more vital for countries to embrace sustainable financial development to build resilience for the future," said Nena Stoilkovic, IFC's Vice President for Asia and Pacific. The report highlights these Asian countries are resolute in their commitment to promoting sustainable finance and going green in planning for the future.

CEO and a Board Member of the Mongolian Sustainable Finance Bankers Association and Co-chair of the SBN IDA Task Force, Naidalaa Badrakh says there is positive evidence of changes in the way banks

are managing environmental and social risks, compared to five years ago.

In addition to green finance, the report shows the three Asian countries are also exploring ways to expand sustainable finance to other areas such as financing for small and medium sized enterprises and agriculture.

"In the context of a circular economy, resource efficiency is key. Thus, sustainable finance has a larger role to play in poverty reduction," said Asif Iqbal, Joint Director, Sustainable Finance Department at Bangladesh Bank, the country's central bank.

Dev Kumar Dhakal, Executive Director of the Nepal Rastra Bank, the central bank of Nepal, said "The country should develop and implement sustainable finance related policies for a better and safer financial system. These policies should not be detrimental to development activities, rather should guide the initiatives taken".

Last year, IFC's green bonds issuance in Asia-Pacific crossed \$1 billion, addressing environmental and social challenges in some of the world's most vulnerable and poorest countries. Last month, Mongolia's Financial Regulatory Commission and IFC signed an MoU to further develop the market for green finance in Mongolia.

### **Himalayan Airlines And Huawei Cloud Join Hands**

Himalaya Airlines And Huawei Cloud join hands for a strategic partnership; create a Smart Silk Road to enhance passenger travel experience

Himalaya Airlines and Huawei Cloud, Chinese multinational technology company, have signed a memorandum of understanding for strategic cooperation, Jun 28, 2020 during a signing ceremony held at Huawei company office in Kathmandu.

Leveraging its advantages in ICT (Information and Communication Technology) products and solutions, Huawei, a leading global provider of information and communications technology will provide the airline with competitive products and services to enable it to provide its passengers, better ticketing options and travel experience. The agreement is expected to promote the construction of smart aviation and trans-Himalaya multi-dimensional connectivity to achieve more substantial results, opening up opportunities for Himalayan to be a leading airline in South Asia.



# Regional Tensions Viewed Through Old Historical Lens



BY: DIPAK GYAWALI

One ironic consequence of the Corona pandemic is how, even as much of the rest of the world, including Nepal, was adopting globalization and embracing broad ecumenism, the West has gone into reverse, espousing untouchability with its social distancing that might put even orthodox Brahmins to shame! US and Britain have gone nationalistically protectionist while communist China becomes the flag-bearer of free trade, Davos and WTO. Given these confusing role reversals, it is time to reflect, to step back, way back in history to try and make sense of what is happening and how we got here. Even Euro-America is being forced to look beyond the glitz of seductive consumerism back to its sordid history of ethnic cleansing, rape and plunder with the Black Lives Matter movement.

Disasters by definition cannot be anticipated; but, if seen as a forensic means of learning through hindsight, they allow one to appreciate the social and institutional weak spots that need correcting and thus to be more resilient in facing a similar crisis next time around. In tandem with the global pandemic, one disaster that looms large for this “yam between two boulders” country of ours is the evaporation of Modi-Xi bromance and the rhetoric of war that vitiates not just the region’s but the global atmosphere as well. To understand this, one has to go all the way back 500 years, the year 1500 CE to be exact as per historian Stavrianos, which saw the rise of capitalism as a new social organizing phenomenon in human history. While there has been trade and money since prehistoric times, this was the first time that human society began to be organized around a new logic of capital and profit to the exclusion of other human values. A corollary was the investment of capital in technology and its precocious development for the exploitation of natural resources and as instruments of war and pillage. Capitalism was not only money itself making more money but also society being restructured, first in Western Europe as Westphalian nation-states and later, as their colonies, the rest of the globe, to serve the market instead of the other way around.

This Western capitalism reached its apogee post-

World War II in the form of the US, a nation-child born of capitalism by erasing the land’s previous history and society. Called Pax Americana, this order faced a serious existential challenge from Soviet and Chinese communism in the early part of the 20<sup>th</sup> century but it overcame both by 1990, first by aligning with the latter and then outspending the former militarily. And then hubris set in along with the mistaken belief that, although capitalism was about land, labour and capital, primacy in finance capital and control over the banking system alone would assure hegemony and sustained profits. Manufacturing capital (a form of reorganizing “land” for profit-making artifacts) shifted to China and East Asia to take advantage of cheap labour, but once there, it acquired all the national characteristics a capitalist nation-state that is coming into conflict with the other Westphalian nation-states of the West.

It is in this context that the current Sino-Indian tensions are playing out. Both represent old civilizations under the garb of modern nation-states that are facing a future while coming to terms with their past. India is still British

Raj in its governance essence, the Raj’s successor state with the same ethos guiding its civil service Babudom and military. One sees three contending civilizations there with as yet unresolved outcomes: Westernized Raj India, remnants of the Moghul empire (even though fractured into Pakistan and Bangladesh, it still holds the largest Muslim population within it, larger than Pakistan’s and second only to Indonesia), and a resurgent Hindu Bharat.

Modi and BJP’s Bharat seemed initially to be a break

with the past but is by now obvious it is not (an English columnist had even prematurely written with Modi’s first victory in 2014 that it was India’s “second independence”). Instead of absorbing the Moghul element as Guru Nanak did, it is bent on ostracizing it, and rather than digesting the best of Western elements as Japan did, it is merely mimicking and pandering to it as (in Samir Amin’s description) a peripheral capitalist state. If Nehru, the last Englishman in beliefs and values to rule India quietly pushed aside Gandhian Gram

**In understanding Nepal’s current position between the two giants, matrimonial alliances, like every other aspect of bi- and tri-lateral relations, have to be understood in a much broader context than the mistake Modi made in 2015 to think that only Maithils and Avadis of Province 2 between Birganj and Rajbiraj have “roti-beti” relations:**



Swaraj of grassroots upliftment in favour of bureaucratic socialism and heavy industry, Modi seems content to continue with Manmohan Singh's approach of piggy-backing on the US to achieve great power status.

China took a very different turn. Unlike India, it avoided wholesale colonization although it did suffer a "hundred years of humiliation" after the Opium Wars and loss of Hong Kong to Britain's divine right to drug-dealing trade. When Mao unified China under his rule, with hindsight it is now obvious he was only using Marxism-Leninism to revive and restore the Confucian order with its now 90-million strong communist party functioning as the Mandarin bureaucracy. After Mao had made China a strong state, Deng used the state's strong capacity to bring the market to its service with the results that we see today.

China-India relations have to be understood within these and even older historical contexts. Henry Kissinger, writing On China in 2011, describes how Mao took the decision to counter Nehru's 1962 unilateral adventurism in pushing towards a British-defined border that China does not accept. Mao, in deciding to counter Nehru militarily, went back in history to the only two wars China had with India. The last was the Timurid invasion of Delhi at the end-14<sup>th</sup> century that Mao termed "half war" because it was essentially Turko-Mongol with China under Mongol rule. It was brutal and Mao did not want that. The other one was 700 years earlier during the Tang dynasty, when China "taught India a lesson", and brought centuries of peace with Buddhism coming to China.

Although Kissinger does not mention Nepal, that war was when Tang general Wang Xuance marched into Nepal and Magadh at the request of the Tibetans to oust usurper Bishnu Gupta supported by emperor Harshavardhan of Kannauj. He was replaced by the rightful ruler Narendra Dev, the grandson of Amshuvarma and the son of Ushay Dev who had taken refuge in Tibet. Amshuvarma had formed a "roti-beti" alliance with Tibet by giving his daughter Bhrikuti to the Tibetan king. She is the famous Green Tara who is credited with bringing Buddhism with her to her new home.

In understanding Nepal's current position between the two giants, matrimonial alliances, like every other aspect of bi- and tri-lateral relations, have to be understood in a much broader context than the mistake Modi made in 2015 to think that only Maithilis and Avadis of Province 2 between Birganj and Rajbiraj have "roti-beti" relations: it is pervasive in west Nepal across the Mahakali, in the east with Darjeeling and Assam and also among the elite of Kathmandu. Indeed,

daughters-in-law from India and daughters given in marriage to India from Kathmandu elite families have been more Nepalis or more Indian in many cases than native born ones, despite the exceptional kerfuffle with Sarita Giri recently. Take Rani Jagadamba, princess of Buxar in UP married to Chandra Sumshere's youngest son who did more for the promotion of Nepali language than many Nepalis with wealth: Nepal's literary Nobel prize Madan Puraskar, Madan Memorial Girl's High School, Jagadamba Krishi College which now houses the ministry of local development, Nepali *dharmshalas* etc. have all been her contributions. One can expand the list to include many, many more, including not only the Kerala priest in Pashupati but all the Nepali priests in just about all major temples in India.

In light of such people-to-people connections and their contributions to the countries that became their *karma bhoomis*, it is easy to understand how K.P. Oli, the most pro-Indian among Nepali Left politicians (so much so that he would even attend the farewell reception of a departing Indian embassy press secretary!), has become the most embarrassingly anti-Indian of Nepali prime ministers. This is something for our Indian friends and the jingoistic media down south to reflect upon. National interests ultimately overwhelm personal predilections.

Nepal's 1792 Battle of Betrawati against Qin Tibet

ended in a treaty where the Chinese promised Nepal help against foreign forces. However, during the 1815 Anglo-Nepal wars, despite Nepal asking for help, the Chinese refused (as they similarly refused to resist Indian regime change in 2005), resulting in the Treaty of Sugauli whose definition of the origin of Mahakali is currently being disputed between Nepal and India. This did not stop Nepali rulers from continuing to further national interest diplomacy.

The historical researcher/novelist Amitabh

Ghosh describes this tellingly in the last of his Ibis trilogy, *Flood of Fire*. As British India was mounting its Opium War against China using Indian soldiers, King Rajendra of Nepal sent the Qin emperor information about Raj Indian military strength and the request to open a second front via Nepal against the British, to eventually oust them from the sub-continent. Bhim Sen Thapa had similarly tried to set up an alliance with the French and with Ranjit Singh of Panjab for a similar purpose. Neither the Qin nor the Nepali rulers were a match in perfidy against the "nation of shopkeepers". It helps, therefore, to look at the present through such a historical lens and understand that national interests, including all the compromises necessary to further them, over-ride personalities.



# Instability Rules

*Division, factionalism and instability are core parts of Nepali politics*

By A CORRESPONDENT

From sit-in-protest by junior leader of ruling Nepal Communist Party to nation-wide rally in support of Prime Minister K.P.Sharma Oli, all dramas are underway in the ruling party.

Even with nearly two thirds of majority in parliament, Nepal Communist Party's government has landed in trouble following the failure of prime minister Oli to accommodate his rivals in the party and in power sharing.

The crux of power sharing is yet to be found. In the past, the dispute ended in patch-up and even this round of struggle is likely to end with a decision to allow Oli to continue as the PM. However, it has badly damaged the credibility of the government.

Despite holding several rounds of talks, factional leaders of Nepal Communist Party are yet to come together. With hectic negotiations of four days, they were set to come to certain terms with unity message. However, it will not have significant impacts on the people.

Their actions have already generated a sense of instability among the people. For Nepal, therefore, instability is the rule. Nepal has seen many unstable courses in the last four decades. Be it a minority or two-thirds-majority government, nothing seems to make a difference. Thus, the new unity or division in NCP will not have any implication broadly.

The cause of a constant instability over the last 60 years, the political wrangling is not a matter of interest for an overwhelming majority of Nepalese people. Suffering from COVID-19 pandemic and economic slowdown, people have very little interest in the current politics.

The dispute in the party deepened following the closing of the budget session of House of Representatives by Prime Minister K.P. Sharma Oli, who has been openly blaming India and his

colleagues as working to hatch conspiracy against him.

After disputes intensified, the ruling Nepal Communist party (NCP) summoned the Standing Committee meeting. However, it was postponed several times. Surya Thapa, press advisor to Prime Minister KP Sharma Oli, said that the leaders will find a common ground for compromise.

Thapa said several rounds of discussion between party chairs KP Sharma Oli and Pushpa Kamal Dahal 'Prachanda' to sort out the latest political rift will bring the settlement in the party.

trust and protect party unity.

Stating since the country had been struggling with COVID-19 and locust invasion had also triggered a catastrophic alarm, they said that in this time of crisis the ruling party shouldn't plunge into intra-party disputes.

Amidst the latest dispute within the party, the central committee members of NCP took an initiative particularly. Minister for Women, Children and Senior Citizens Parbat Gurung, to pressurize the chairs to forge consensus.

Narad Muni Rana, CC member of NCP, said they were preparing to form



Party Spokesperson Narayan Kaji Shrestha expressed that the dispute in the party will be settled. Amidst growing calls for the resignation from the post of PM and as party chair, PM Oli abruptly closed the summer session and threatened to take political actions. He even met Nepali Congress leader Sher Bahadur Deuba.

As the top brass of the party failed to forge consensus on the latest rift in the party, the second rung leaders of NCP have launched a program to build pressure on the chairmen duo to rebuild

a pressure group of the CC members. "The intra-party dispute will remain as it is, if the chairmen will fail to rebuild trust. So, we are preparing programmes to put pressure on both the chairmen to forge consensus for party unity," said Rana.

A group of central committee members launched a Satyagraha asking the top brass of the party to sort out the differences and save party unity.

Whether the party is divided or remains united, people have lost their confidence on the government.



# The Dogma, The Discourse, And The Outcomes

When intellectuals, freedom-fighters, community leaders, social welfare specialists, casual bystanders, and reputed politicians are prominently discussing and rationalizing the issues of encroached border, redesigned map, legal recourses, political negotiations, or even flexed muscles, discussion about other mundane items, although equally important for the society, will seem less than interesting. But there are times, when squeezed between a rock and a hard place, agnosticism can be useful and appearing innocent can be the safest mode of behavior.



BY: DR. K. UPRETY

Clearly, today, wherever one goes, or whichever media channel one puts on, national political scenes are filled with dogmatic discourse, conventional rhetoric, and classical rebuttals, often far from ground reality. The competing demands amongst the media, whether print or visual (not limited to only one country), and their attempt to portraying the body politics in one way or the other, have led to a redesign of the freedom of the press and expression, thereby sidelining the oath of presenting facts truthfully to the public.

Similarly, the governance practice of the body politics even in lauded democratic systems, which also does not hesitate to thrive on deceiving the public by blurring the views of the opponents and spinning its own achievements, has led many nations through dark tunnels.

Natural calamity and disasters, from time to time, divinely intervene, and provide opportunity to correct the course of anomalies. But soon after the problem is contained (without much human effort), those who have the reign of power tend to forget to draw lessons and continue with business as usual. Rather than opting for concerted and pragmatic liberal avenues and prepare for the future, the powers-to-be frequently exploit such situations and divert attention by bringing in more new issues in the gamut of confusion. Recent examples in some nations have shown how wide-ranging those diversion tactics can be. Many have taken the route of debating the question of open versus sealed borders or reinvigorating the focus on the concept of national sovereignty, which may have been victimized by one's own tactical moves. In that lot, miraculously, all forget to address the important issues of food, health, and shelter for the citizenry-at-large.

The table of new debates will now onward seemingly revolve predominantly around nationalism versus internationalism, global versus national governance, privacy of individuals versus state intervention, communities' rights versus eminent domain, individual human right versus global community rights, or power centralization versus decentralization. The Westphalia principles may be nearing redesign, if not disappearance.

Indeed, liberal behavior and thinking are often easily practiced when lifestyles are cushy. But suddenly, when fate takes an unusual and unexpected turn, conservatism becomes

the norm, friends become foes, and magnanimity just vanishes in the air. This phenomenon was so obvious during and after the COVID-19 outbreak, even in places regarded as the beacons of freedom and unalienable rights.

In today's world, expecting better behavior from others is fine only when one lives by example, and imposing one's own rules on others makes sense

only when others are also given the same latitude. Certainly, that is not what happens in realpolitik. It is the opposite. Hegemonic behavior, now, is not limited to one continent only; it is found in every cluster of regions. Certainly, one may find a few exceptions, but they are there only to confirm the prevailing norm, disproving which will be difficult. It would be interesting to see nations, for instance, prohibiting steel production during the time of war to avoid pollution, or letting floods of immigrants when their domestic employment statistics are negative. Such behaviors, however, can only be conceptualized and expected in the annals of fiction writing.

However, truth also needs to be told. An adequate amount of moisture and the right type of soil is needed for a tree to grow to satisfy your taste and style. Else, the tree will have an unnatural growth, thus, without value. A nation behaves the same way. It also needs soil, moisture, and the right variety of seed. There would be no point, for instance, in buying a book for the bookshelf if nobody reads or in claiming religious freedom when the values and practice are far from the theological diktats.

Similarly, in political parlance, there is no point in having rights if they are selectively enjoyed, laws if they are randomly implemented and unduly interpreted, and in taking oath under the constitution when each of its provisions is violated. Certainly, this is not new in the Nepalese context. It has been common practice since the day modern Nepal was established, and which this scribe has also repeatedly alluded to in the past (in this Magazine). What is noteworthy is that the practice and pace of indulging in dogmatic discourse have not reduced, but the outcomes have continued to fall much below the average. Nepal, nonetheless, does not retain a monopoly over such behavior; it is also common practice in many nations around the world, rich and poor alike.

Therefore, it seems better to generally maintain low expectations to avoid being disappointed and hurt and continue to stay happy. But many, who genuinely believed in the promises made in the past and were expecting a sea-change in their life, may be truly disappointed with the real outcomes. The onus of proving that their expectations are misplaced is on those who so promised!

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MELAMCHI

# Dream Come True

*Almost thirty six years after it was conceived as an alternative source of drinking water supply to Kathmandu valley, Melamchi Drinking Water Project, which has seen many political, technical, administrative, managerial and natural disruptions, has finally started the commissioning and testing process of carrying water to Kathmandu valley. Many ministers and leaders might have aspired to lead the ministry during the beginning of Nepal's mega project. However, what a coincidence, Minister Bina Magar, of the same age as the project, is leading the ministry with a competent team of technically sound secretary Madhav Belbase for this historic moment*

By KESHAB POUDEL

It was 9:45 am on Sunday morning, July 8. The water of Melamchi River, which flows to Indrawati, got diverted to a tunnel through a coffer dam built at the river. Following this, the journey of Melamchi water started towards the Bagmati basin, going down a 27-kilometer tunnel.

According to tunnel testing protocol, it will take 17 days to fill the tunnel or the tunnel will be filled

with water by 22 of July. As per the protocol, water need to store 10 days inside the tunnel. Similarly, it will take another 17 days to release the water. 7 days will be spared to inspect tunnel. The testing and trial period will take 51 days. Then another 17 days for filling the water for the distribution to Kathmandu. It means water will arrive in Kathmandu for distribution another 70 days or second week of September.

Although it will take a certain time to start the distribution of water all over the valley, a few lucky costumers having old connections will receive the water of Melamchi from the second week of September.

Despite bringing the water, it will not drastically change the current state of water supply but people will get at least two hours of supply daily. However, it will increase following the





construction of the 9-kilometer tunnel linking Yangri and Larke.

It was a great moment for development partners, planners, technicians and persons involved to make the project a success. Built in a most fragile geology at Himalayan fault line, the construction of 27-kilometer long tunnel is itself a technical challenge overcome by a country like Nepal which does not have any experience of going through this kind of mega structure in its history.

Asian Development Bank's Kathmandu Residence Mission has also expressed its happiness sending congratulatory letter to secretary of Drinking Water Madhav Belbase.

Started 21 December 2000, the Melamchi Water Supply Project is assisted by the Asian Development Bank to bring 170 million liters of water per day to Kathmandu. The con-

struction work of the project started in 2008.

However, the second phase of construction of tunnel to Yangri and Larke to bring additional 340 million liters is still in the planning phase.

Although the water is diverted by constructing a temporary coffer dam, the construction of permanent structure including diversion weir, river-training structures, and sediment exclusion basin is going on.

As the water diversion, the testing and commissioning tunnel and other works begun, Minister for Drinking Water Bina Magar, whose last decision had virtually pushed the project to collapse, might be the happiest person to see completion. She has seen the project going into turmoil and returning to the right track again through her own decisions.

Financed by Asian Devel-

opment Bank with various partners including JICA, Finland and others, Melamchi Project is now a reality and no more a rhetoric.

Since 1973, the government has explored the alternative sources of water to Kathmandu valley. In 1988, British consultants suggested Melamchi as a viable alternative project. In 1992, Snowy Mountain Engineering Corporation SMEC carried out full feasibility study. In 1996, the bankable study was carried out and Norplant published the updated results in 1999.

Although many secretaries and project managers have played different roles to make this mega project a success, Secretary Madhav Belbase, who always prefers to remain in a shadow, has facilitated quietly with different groups, contractors, technicians to bring to fruition the first basin diverting project.

## COVERSTORY

Secretary Belbase never bores his personal qualities. However Belbase, who was a key technical person behind using TBM in Bheri Babai Diversion Project, has immensely contributed to complete the tunnel of inter-basin water transfer and multi-purpose projects using modern technologies.

During his tenure as Director General of Department of Irrigation, Belbase implemented Improvement of Community Managed Irrigation sys-

as a joint secretary at Water and Energy Commission, secretary Belbase finalized a proposal to start the basin plan of all rivers in Nepal.

“This is a great time for me to see the testing and commissioning of Melamchi Project. This is a moment of pride for all of us to see a great technical achievement completed with the involvement of many Nepali and foreign technicians. Despite taking time, Nepalese technicians have also learned many things through this,”

nel! Let’s appreciate those who have been working during this pandemic!! MELAMCHI coming!!!”

Given the decision taken during his role as a secretary, Sharma had reasons for jubilation.

### 20 Years of Melamchi

In the last 20 years, 14 individuals served as Executive Directors of Melamchi Water Supply Development Board. Executive Director Tires Prasad Khatri, who is in-charge of commissioning and testing of the structures including 27 kilometer tunnel, testing and commissioning of mega project is a great moment in Nepal.

“We started the project 20 years ago without any experience of construction of such a mega project. However, we have learnt many technical as well as managerial skills including contract management, mobilization and contract bidding of large scale,” said Khatri. “With funding gap, contractors problem, technical problem, the project took almost 12 years to complete from the beginning of construction.”

The project was conceived in 1980s. However, the construction of the project began in 2008 with an aim to bring the water in end of 2013. However, the board cancelled the contract agreement with Chinese Railway Company in 2012 following contractor’s

failure to meet the target. The second contract agreement was signed with Italian Company in 2013.

Melamchi Water Supply Development Board terminated its contract with China Railway 15 Bureau Group Corporation on September 2012 by executive director Krishna Acharya that time. The company had constructed 6.5 km of tunnel over three years.

Following the termination of agreement, the government called retender and signed a contract agreement with Italy’s CMC Cooperativa



Minister Bina Magar

tems all over Nepal.

Having a wide knowledge and experience on basin transfer, secretary Belbase played a key role to implement Sunkosi-Marin Diversion Project and Kali Gandaki Tinaru diversion. Coincidentally, he is now in a ministry under which testing and commissioning of Melamchi Drinking Water Project is undergoing. This is the first large scale basin diversion project in Nepal.

In his entire career, secretary Belbase remained active in planning and implementation. During his tenure

said secretary Belbase.

Immediate predecessor of secretary Belbase, former secretary Deependra Nath Sharma, who played a crucial role in arranging contract award, modality of construction and timeline just before retirement, recently made his comment with jubilation.

Sharma, who facilitated in settling the issue of payment with local vendors and subcontractors of previous Italian Contractor, wrote in his Facebook wall visiting the project work on June 28.

“Light at the end of the tun-



Muratori e Cementisti di Ravenna for developing diversion tunnel and head-work of the Melamchi Drinking Water Project (MDWP) under which the contractor committed to complete the construction within 36 months or by June-July 2016.

With a minor dispute with contractor, the government scrapped the contract with Italian builder in January 21, 2019. Surya Raj Kadel, executive director of the Melamchi Water Supply Development Board, issued the notice. This move pushed the national pride project into a limbo again. The positive side was that, Italian Company had completed almost 90 percent of the work when it left.

With the cancelation, Chinese company Sino hydro Corporation Limited has been employed to complete the remaining work related to tunnel.

After the termination of contract with Italian contractor in January 2019, the construction work came to halt for eight months.

Tiresh Prasad Khatri, executive director of Melamchi Water Supply Development Board signed the contract agreement for the implementation of the work of supply, installation, construction, testing and commissioning within 15 months on October 11, 2019.

#### History of the Project

In 2000 AD, a loan agreement was signed between the government and the Asian Development Bank for the completion of the project by 2007. As the work could not move ahead as expected, the project was re-structured in 2008 AD.

Envisioned during the last days of Panchayat and pronounced by prime minister Krishna Prasad Bhattarai in his election campaign in 1991, the project got a push in his second tenure in 1998. The project finally came to fruition in 2020.

Stuck in several technical and managerial complications from

early days, former secretary Hari Ram Koirala had made a breakthrough in 2008 dividing the Melamchi Water Supply Project into two parts, Transmission and Distribution.

He also cleared the dispute over choosing between Norwegian and Finnish technical support by accepting the Finnish grant.

“When I was appointed executive director of the board in 2008, the project’s was stuck in the decision over the grant,” said Koirala.” It was

Board (MWSDB) was given the role as implementing agency for transmission part which includes Tunnel, water treatment plant and Social Upliftment Program.

Second component is Kathmandu Valley Water Supply Improvement Project. It is carried out through Project Implementation Directorate (PID). This is responsible for distribution part which includes Bulk Distribution System, distribution Network and waste water Treatment.



Secretary Madhav Belbase

a very critical period of the project. Had I not taken the decision, it would have not proceeded. Following the decision, the project kicked off.”

“Although it was delayed for several years, I am very happy to see the completion of the project. This is a great project for us. We have built our technical, administrative and managerial skills to launch mega projects in future,” said Koirala. “There are so many achievements for technicians and we need to be proud of this.”

As per Koirala’s decision, the project was divided into two parts. Melamchi Water supply Development

Koirala’s successor Suman Prasad Sharma followed the decision taken by his predecessor and pushed the project. As Koirala left the project awarding contract to Chinese company, former secretary Sharma executed the initial construction work.

“As the project is in the process of completion, it is a matter of pride for me as well as entire Nepalese technical experts involved in the project,” said Sharma, who retired as secretary.

Ghanshaym Bhattarai will be remembered for pushing the construction of tunnel work. Surya Raj Kan-



**Suman Prasad Sharma**

del took a baton from Bhattarai at an atmosphere of uncertainty following major earthquake of 2015 followed by border disruption. He successfully guided the project till tunnel breakthrough in April 2018 aiming to complete the project by August.

Following the earthquake,

the work halted for almost six months. There were backlogs. However, the project marched to right direction. Kandel, who led the tunnel breakthrough, also issued a termination of the contract. Following a controversy over a decision to stop the foreign workers of Italian Contractor at TIA in December 2018, CMC abandoned the project.

As Italian contractor left on December 2018, the work halted till October 2019 before awarding the contract again to Chinese company. With the surge of coronavirus in 2020 and 80 days of lockdown from March 24, the pace of work slowed down. Having worked for a long time in the

project, Executive Director Khatri was able to push the project even at lockdown.

From the initial period of late Dinesh Chandra Pyakurel as a project chief, Melamchi Water Supply Board got 14 directors in the last two decades. All of them have contributed to carry out the project.

Passing through various upheavals, Melamchi Drinking Water Project is now at the final stage of operation. As the project has started testing and commissioning of the over-27-kilometer tunnel, treatment plants and new water distribution systems from the first week of July, the taps of some parts of Kathmandu valley have already received the water from Melamchi.

Testing, including backwashing mechanism, is provided in the filtration unit to facilitate periodic cleaning, bulk distribution systems, which comprise 54 km of mostly gravity-fed mains for bulk water transmission, ranging from 300 mm to 1400 mm diameter and the various distribution network laid across the Valley.

Informing about the progress of the project in a meeting of the De-





velopment and Technology Committee of the House of Representatives, Minister Magar said the ministry had already formulated a plan to complete the construction of all physical infrastructure, testing of new bulk distribution systems in a stage wise manner. She also said that the testing of entire infrastructure including tunnel, bulk water distribution system will complete within a year.

Minister Magar said that the construction work is now going smoothly and many physical work will complete within a month. She said that testing of tunnel and bulk distribution system is a technically complex process and it will be time consuming.

Despite the long lockdown caused by COVID-19, resulting in shortage of labor, Melamchi Drinking Water Project has made a major breakthrough in finishing the tunnel and other construction work.

Attending the meeting, secretary at the Ministry Madhav Belbase said that there is the need to maintain a standard technical protocol in commissioning and testing the tunnel and bulk water distribution systems.

He also said that the testing

of bulk distribution systems will also start in a phase-wise manner. He added that the distribution of water will start during the entire technical process if the pipe system works.

The project has made about 97 per cent progress so far with the completion of alternative water diversion system and water treatment plants while infrastructure connecting the tunnel and treatment centre is about to complete. Head works construction has witnessed 70 per cent progress.

Of the structures of head works, construction of coffer dam, DI pipeline and six hydro mechanical gates have completed while erection of hoists and control panels and construction of stilling basin and intake are under way. Out of 27.584 meters, the length of tunnel work is finished.

Started with a cost of 355 million dollar, ADB and GoN are the major contributors, with 45.60%



Hareram Koirala

and 29.10% contributions to the total budget. Other organizations such as JICA, JBIC, NDF and OPEC have also sanctioned loans to the project, with 5.10%, 13.40%, 2.90% and 3.90% respective contributions to the total cost.

The main objectives of the Project are to alleviate the chronic wa-



## COVERSTORY

ter shortage in Kathmandu Valley on a sustainable, long-term basis, and to



Tiresh Prasad Khatri

improve the health and well-being of its inhabitants.

The Project also seeks to develop a comprehensive institutional framework for water resource management within the valley. The Project involves the transfer of water from the Melamchi Valley into Kathmandu Valley through a diversion scheme with a 26-kilometer tunnel.

### Reform Process

The project infrastructure development has come to an end. The government has agreed to provide necessary budget for social and environmental support.

The challenges are institutional reforms, and project implementation support. Infrastructure development included the Melamchi diversion scheme, water treatment plant, bulk distribution system, distribution networks, wastewater system, and a shallow groundwater well-field in Mano-

hara.

Social and environmental support includes a social uplift program to mitigate project impacts and channel benefits to beneficiaries. A resettlement action plan and an environmental management plan have already been implemented to reduce and monitor any adverse social and environmental impacts.

Under the institutional reforms, Kathmandu Upatyaka Khanepani Limited, a distribution body under the model of Public Private Partnership (PPP), has already been established. Similarly, Kathmandu Valley Water Supply Management Board (KVWSMB), a regulatory body, has been constituted with an authority for comprehensive water resource management and establishing groundwater licensing in Kathmandu Valley.

### Challenges Now

New institutions are added to regulate the water system in the valley and proper distribution of the water. However, they are yet to show their presence in the sector. KUKL replaced Nepal Drinking Water Corporation but the modality and management have remained the same. Except the diversity of representation in the board, KUKL still is operating with the old mindset.

Established 10 years ago, KUKL is unable to reduce the leakage which is 40 percent due to old pipes. According to KUKL, the reasons in-

clude about 48 % of the network is older than 25 years; most Branches were not undertaking planned leak detection in their networks.

Despite taking 70 (18 – 200) repairs in the networks executed per month, it still faces the problem. The most common hydraulic Network Problems are: undersized/high head loss, spaghetti connections, leaks and contamination, unplanned network, no construction standards.

To properly supply the water of Melamchi, the first and foremost challenge will be to reduce the leakage. Critics argue that there is no sense to add the water in Kathmandu valley without controlling the technical leakage.

They argue that only 100 million liter reaches the houses out of 170 million liter. Shortage will continue. Although new pipelines were added all over Kathmandu valley replacing and renovating the old pipelines, it is yet to see how they serve the purpose.



Deependra Nath Sharma

### History Box

1970 -A committee to address water crisis in Kathmandu Valley formed

1988- British Company identifies Melamchi River as top priority

1997 - Formation of Melamchi Water Limited

1998 -Feasibility study, DPR and formation of Melamchi Water Supply Development Committee

2000 - Loan agreement of Rs 120 million signed with ADB with completion target of 2007

2008-Project restructured

2009 - Contract agreement with China Railway 15 Bureau for tunnel work

2012- Chinese company announces unilateral contract termination, government scraps contract subsequently

2013- Italian contractor CMC appointed for remaining tunnel work

2016 - New deadline of June 2018 set



## COVERSTORY



Similarly, the function of KVWSMB is also not at par with the aim of the act as it is unable to stop rampant misuse of ground water in the Kathmandu valley by private sectors.

The annual report of KUKL showed the complaints received by it related to limited supply, leaks & pollution and un-equal distribution.

Currently, the duration of supply varies from an average of 3 h in rainy season and 1 h 30 minutes in dry season. Currently, water supplies from 1 hour to 9 hour in rainy season and 30 minutes to 6 hour in dry season. The department has a fair knowledge about the capacity of

treated waste water and the inhabitants connected to the system, with over 160,000 customers in the connection.

Given the present state and system, Kathmandu Valley's system will still face shortage even after fetching the water from Melamchi. With high population density, the current supply duration will be around 2 hours daily after Melamchi.

Although major challenges of construction of infrastructure are closer to completion, new challenges of distribution and management need to be overcome. Leadership in the ministry can make all the difference to change the water supply pattern, set by Bir Sumsher. With political commitment of Minister Magar and with vision and technical capability of secretary Belbase, both can make a difference in the water supply system of Nepal.

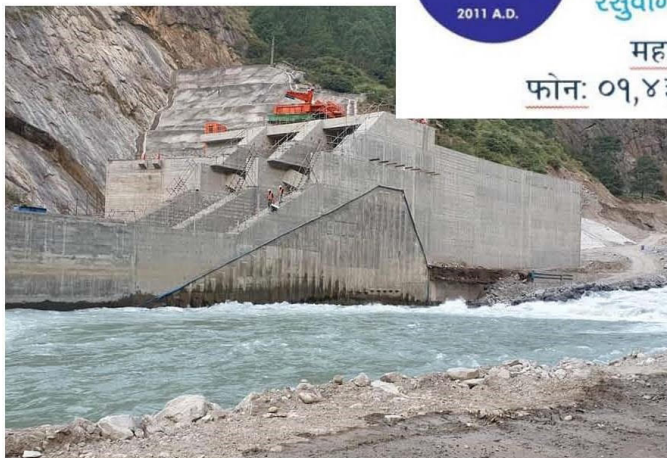


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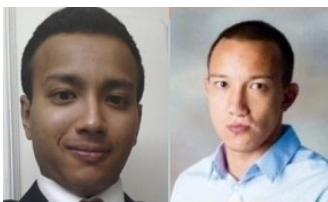
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# The Long(er) Road To Prosperity



BY: Samarjeet Singh Thapa Ashray B. Pande

After a 75-day lockdown, Nepal is slowly emerging out of a nationwide shutdown and extended travel restrictions. Like many countries facing the global COVID-19 pandemic, policy makers in the Government of Nepal (GoN) had a stark choice to make - *public safety vs economic vitality*. Despite measures to curb the spread of the pandemic, the past month saw an exponential rise in COVID-19 transmissions with official estimates from the Ministry of Health and Population exceeding 14,500 as of July 2, 2020. The government has finally considered a phased re-opening of the country, a substantial lightening of the lockdown, growing anger and frustration both from the public and private sectors prior to the June 15, 2020 end date.

## Economic Ramifications

Although the pandemic has not yet taken the form it has in many other countries, key statistics have begun to emerge on the immediate and longer-term impacts and effects of the lockdown that has adversely affected the Nepali economy. Just during the first month of the lockdown, economic loss was approximated at USD 2 billion. In May, the Central Bureau of Statistics (CBS) decreased Nepal's growth estimates from 6.7% to 2.2%; actual numbers may go further down - the World Bank's most recent (- June) projection stands at 2.1%. A sector-wise examination reveals dire circumstances for several of them, particularly tourism, manufacturing, certain sub-sectors in agriculture, Small and Medium Enterprises (SMEs), and banking. Manufacturers in Nepal face further challenges across sectors of having to import the necessary raw materials as well.

The year 2020, heralded as Visit Nepal Year, ushered the country into the new year with significant investments into the hospitality industry with over 10,000 rooms added, construction of 5-star hotels and plans for a second international airport. Given the scale of investments in the tourism sector and at least a 2-year rebound delay, the credit risk exposure at upwards of NPR 1.5 billion is a serious concern for the financial sector. The banking sector, whose survival is vital for a healthy financial system, was already suffering from liquidity issues prior to Covid-19. It will now face further challenges ranging from

of principal payments, finding flexibility to refinance and restructure, and increasing access to finance for bailouts. Given the interconnectivity of the sectors, the fall in remittance, the loss of income, declining purchasing power and collapsing demand, restarting the economy will be an uphill task.

With less than two weeks remaining in this fiscal year, the purpose of the relief packages introduced earlier in April and May has not only fallen short for big and small businesses but has had no economic impact to provide some respite until the next fiscal year. At face value, the two relief packages introduced by GoN prior to the annual Budget Speech on May 28 appeared as immediate introductory response measures. Among these provisions, salient features included decision by the Central Reserve Bank - Nepal Rastra Bank (NRB) - to bring down interest rates on loans, GoN's commitment to increase its refinancing fund to NPR 100 billion and to defer the interest payment period for one quarter. Yet, reduced earnings and decreased consumer spending due to stay at home orders have resulted in a severe market liquidity crunch as sale of goods and services have come to a grinding halt. The lockdown has pushed numerous businesses to the brink of collapse, forcing closures, resulting in substantial wage reductions, if not full termination and unemployment. The World Bank has projected Nepal's economic growth to decelerate to 1.8% with a couple of weeks remaining in the fiscal year, and even with the recent relaxation and incremental re-opening, it is difficult to imagine the economy functioning at full capacity any time soon; especially considering the real possibility of a second wave and lockdowns being re-imposed. Hence, the private sector's request across all sectors for a stimulus of NPR 200 billion which is around 5.5% of the GDP.

## Fiscal Firepower Falling Short

While the private sector expected a fiscal stimulus package, GoN only tweaked the monetary policy in its next year's budget. The relief packages provided subsidies on interest rates to Small and Medium Enterprises (SMEs), but not at the required levels. SMEs will require a strong stimulus package to boost productivity as they are the largest employment generator in the private sector.

They were provided minimal relief in the form of lowered interest rates. Given the economic fall-out, it is difficult to envisage SMEs even meeting the minimum threshold of NPR 2 million in annual transactions to qualify for a 75% exemption; a tax-specific measure providing exemption on income tax for SMEs in the annual budget. The lockdown has wiped out what little revenues and savings SMEs might have had, and the harsh reality is that many businesses and companies will not come back from this crisis. Many of them might not have access to intermediaries like Nepal Agribusiness Innovation Center (NABIC) to provide support to the small businesses to navigate the requirements in accessing credit and financial resources—they would have been eligible for prior to the lockdown. While big businesses might secure funds, smaller ones will find this profoundly problematic as younger firms always find it harder to survive during economic slumps.

The relief packages mostly centered on easing upcoming interest obligations and offered a few provisions on refinancing while completely ignoring larger alarming issues like disruptions in supply chains. The GoN had the opportunity to rectify this while announcing the annual budget but still seem to have missed the implications of global supply chain disruptions and bottle necks in the aftermath of the lockdown placing further complications in the Nepali market and impeding the revival of the economy. In this regard, the government has only mustered a bleak provision allocating NPR 1 billion for local governments to build 200 cold stores, missing the opportunity to re-think strategies for import, export, production, storage and distribution; even this could be better executed if GoN would outsource such jobs to the private sector. The GoN owned Food Management and Trading Company's recent decision to outsource home delivery service of the essentials in their warehouse to Sastodeal, online shopping store in Kathmandu, indicates progress in regard to GoN's willingness to utilize private sector expertise and optimize efficiency. Sastodeal's offer to provide supply chain assistance to the GoN's otherwise unheard-of warehouse also reveals the private sector's appetite to work with government. Even though with few progressive collaboration between the GoN and the private sector, the budget falls short on having the vision to tap into the potential of the private sector in terms of guaranteeing strengthened supply chains.

The budget has also failed to deliberate on making supply chains more resilient by diversifying the sources, in turn deconcentrating risks and achieving enhanced

economies of scale. Further, it has missed the chance to break dependency on imports from select countries, especially given the worldwide panic in terms of impending food shortages prompting major suppliers like India to impose export restrictions. It wasn't so long ago that the neighbor to the south went through an onion shortage and therefore banned the export on it; yet again demonstrating how foreign policy can be centered around 'food supply' as well. Going further, consideration should be given to assess the feasibility of replicating the thought process of numerous governments as they strive to draw manufacturers currently operating in China but looking to relocate.

The couple of weeks leading up to the announcement of the budget also saw criticism on the lack of deliberations on priorities. There was a growing call to re-allocate unspent money from the parliamentarian's development fund, which claims roughly NPR 20 billion per year from the annual budget, towards COVID-19 response; coupled with calls to completely stop allocating funds through this channel going forward. While it was hard to envision funds being diverted away from parliamentarians as the incumbent government continues to scrap to find solid ground, the budget announcement was indeed an opportunity for the government to demonstrate intention to mitigate further deterioration of the economy and commit to its rehabilitation.

The budget only showed a reduction in such pork-barrel funding with provisions continuing its promotion in the next fiscal year, along with increased health budget, subsidies in loans for new businesses, and ambitious plans for infrastructure development among others. However, the GoN's past performance in collecting revenue and ensuring expenditure raises questions on the viability of these plans.

### Revenue Collection and Ex-

### penditure

GoN's historical reliance on revenue collection through taxation to meet its fiscal expenditure obligations over the years now presents a looming crisis. Last year, the country's revenue to GDP ratio stood at 22%, national income collected through taxes, of which almost 90% was made up of tax revenue<sup>1</sup>. Direct taxes (collected from payroll) and indirect taxes (collected from consumers spending) both have been affected and therefore has lowered revenue collected from taxation. Both public and private sector confidence are at record lows. COVID-19 has exposed serious fault lines in the current fiscal budget and the next upcoming one as well, given the dependency on taxable revenues.

It is not only the reliance on revenue from taxes but also GoN's track record itself on collecting taxes that has been poor; the Financial Comptroller General's Office April Report documented only 53.46% of targeted total revenue from

**An approach to policy making that takes all these above factors into account might involve a reduction of taxes complemented by increased government spending. Where will the government find this money?**

## VIEWPOINT

taxes was collected in the first three quarters of the fiscal calendar. Now with less than a month left in the fiscal calendar, the Ministry of Finance has voiced further challenges in revenue collection due to the lockdown crippling government's ability to sustain daily expenditures like salaries. Moreover, the Supreme Court has ordered taxpayers be given another month after the lockdown is 'completely' lifted to pay their dues which means the government will not be collecting any more taxes this fiscal year.

With reduced levels of consumption worldwide, experts envision governments to become the only engine of consumption for the foreseeable future. As of today, most of the final quarter has passed by in lockdown. Most infrastructure and capital expenditure are incurred towards the end of the fourth quarter and that too inadequately as manifested by GoN spending only 38% of capital expenditure allocation in FY 2018 – 2019 and only spending around 26% of the budget allocated for this fiscal year at the end of third quarter. Hence, at a time when public spending is needed the most, the re-allocation of budget and the lockdown poses to further cripple the economy. The GoN's imposition of a nation-wide lockdown coupled with the practice of aversion behavior by citizens with social distancing has no doubt yielded reduced incomes from both the supply and demand sides. Therefore, government spending designed to stimulate the economy first demands a serious reduction of costs and a commitment to getting leaner; given that government's revenue will seriously collapse due to several factors including contracting revenues from direct taxation, reduced revenues from import duties with the drop in imports of luxury vehicles, and falling revenues from excise duty which have always served as robust and constant streams of revenue.

### **The Longer Road to Prosperity**

The next six months will be critical in evaluating the GoN's forecast of a V-shaped economic recovery and its own projection of a 7% economic growth rate in next year's budget. The government needs to go beyond a few guidelines hastily put together with minor tweaks in monetary policy to ride out the current crisis and kickstart production. The growing need for a stimulus package will only increase in the days to come, with additional policies that support an expansionary fiscal policy along with coherent provisions for debt-financing.

The Current Macroeconomic and Financial Situation Report released by NRB shows the Balance of Payment (BoP) at a surplus of NPR. 120.9 billion. This comes as a result of increased Foreign Direct Investment in the past year, along with decreased import expenses as a result of distressed demand and lowered consumer spending. However, the continued rise in cases and the potential second wave as observed

across many countries that have been able to flatten the curve, pose significant hurdles in meeting ambitious growth targets to maintain foreign currency inflows as BoP surplus diminishes. Furthermore, declining remittances (though currently less than was feared) also hint at current account remaining at a deficit going forward.

The impact of the lockdown is still unfolding with the financial sector looking towards the end of year fiscal reporting and closing of balance sheets. Given the uncertainty and economic ramifications still being observed, the true picture of the damage will only be clear in the next quarter of the new fiscal year. However, if the backlog of interest payments and deferral continues, coupled with a delayed monetary policy, the first quarter of the fiscal cycle 2020-2021 is something to watch out for Nepali economy.

An approach to policy making that takes all these above factors into account might involve a reduction of taxes complemented by increased government spending. *Where will the government find this money?* It could very well explore the idea of increasing its internal borrowing through the public – some pockets of the population may now have increased savings - or from private businesses who are now putting all private investment plans on hold and are practicing austerity measures. There is a need to address the shrinking private sector in an economy which was already contracting before the lockdown. Further, the decline in aggregate demand leading to increased levels of unemployment will also mandate

increased government spending along with the need to inject capital into the private sector. However, if this is not a possibility for our economy, then it at least re-enforces the argument to re-visit current op-

erational costs.

The incumbent government's rise to power was paved by dreams for a "Prosperous Nepal, Happy Nepali", a highly touted slogan with self-reliance as its center piece. While 'self-reliance' and deglobalization may become the word covering the populist agenda across countries, the institutional void and delayed regulatory measures to manage the crisis is further proliferating and derailing public and private confidence. The GoN's failure to adequately respond may very well catapult the looming economic crisis which started as a health crisis further into a political crisis, ultimately leading to a crisis of an existential nature for the state.

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**The year 2020, heralded as Visit Nepal Year, ushered the country into the new year with significant investments into the hospitality industry with over 10,000 rooms added, construction of 5-star hotels and plans for a second international airport.**



# How Much Land.....

In the reality of our ruling Communist government with an almost two-third majority, I was eager to read Ayn Rand's 'We the Living' which has a background of the Russian revolution and the setting up of the USSR in early twentieth century. It was a time of great internal changes as exemplified by the fact that the name of the capital was changed three times from St. Petersburg to Petrograd to Leningrad over a course of a decade. Living conditions were deplorable, essential foods very scarce, difficult to procure and expensive. The 'haves' of the past became the 'have nots' and life was very strenuous for the residents. Jail terms were common and expulsions were many to distant far off places in snow bound Siberia, with the almost certainty of dying there!

It was in the Russian setting that Leo Tolstoy wrote his story 'How much land does a man require?' This story is of a Russian farmer named Pakhom who boasted that any land that he had, even the Devil would not be able to take away from him. The Devil who was nearby heard this and was determined to teach him a lesson. Sometime later Pakhom came to an understanding with the Devil incarnate that all the land that he Pakhom could circumvent or walk around during the course of one whole day would be his. Pakhom started early and in his eagerness and greed circled a large area. He just managed to reach the spot at sunset but then died suddenly from exertion. He had lost his bet and the land that he got in return was just three Russian ells or about six feet length in which a man could be buried! And so it was.

The acquiring of foreign lands by Western countries have long been in vogue. The Spanish, Portuguese, Dutch, Germans and British ruled over many lands and communities across the world. King Leopold II of Belgium lorded cruelly over the Congo as his personal fiefdom! The Americans have never been a Johnny come lately in their quest for more lands. They bought Louisiana from the French as early as 1803. Later bought territories were Alaska from the Russians and Texas plus California from the Mexicans, all at dirt price. They first tried to buy Greenland in 1867 and subsequently again in 1970 when Nelson Rockefeller was Vice-President of USA. That persistence is still there as President Donald Trump in 2019 again made an offer for Greenland! The moral: It is inherent for nations too, to try to increase their lands!

All this quibbling is not restricted to only one part of the world. Europe too at one time, in the eighteenth and nineteenth centuries consisted of many city states, dukedoms and principalities. The history of the conquests of Suleiman the Magnificent, Charlemagne and Bismarck are proof of this eternal practice. The quest for all was just land, land and more land.

The establishment of the USSR, was with the amalgamation of many Muslim 'stans' and later Estonia, Latvia and Lithuania. After a matter of seventy years, during the time that Gorbachov ran the show came the thought of 'Glasnost' and 'Perestroika' and the break-up / disbanding of many lands and republics. Even after losing of much of its powers, undergoing various changes the central entity Russia is still vast. Though global warming is bound to herald many arable lands of what was the Siberian gulag, its action in Crimea and Ukraine shows that it wants more land still! The spirit of Pakhom still exists.

As far as China is concerned it too, under the various Emperors of the Shang, Yuan, Qing, Ming and other dynasties waged wars both North and South for more land. Armies would set out from Beijing to subjugate lands and having done so would return to the capital after months and years of effort. As the invaders receded the conquered would rise again and resume their old lives. Such was



BY: HEMANG DIXIT

the state of Tibet and even Nepal after having undergone some skirmishes with Imperial China accepted its suzerainty. Concurrently at that time following a number of wars Tibet in turn paid a certain sum of money to Nepal every year. At this same time, it was customary for Nepal to send a goodwill delegation with presents to the Emperor in China every four years until 1950.

The British exploited China too with the opium that they grew in India and Malaysia and subsequently sold to the Chinese through various enclaves that they had at Hong Kong, Shanghai, Guangdong and Tianjin.

At the beginning of the Twentieth Century the British drew the arbitrary MacMohan line which was not then accepted and was a bone of contention which exists to the present day. After the British left the lands of the Indian sub-continent it was but natural that a settlement had to be made between the countries North and South of the Himalayas. The concept of Panchasheel and the bonhomie of Bhai-Bhai came to the forefront but did not solve the problem of land between the two countries. The periodic flare-ups that have occurred over the years at Aksai Chin and Doklam are proof of this. The Galwan Valley where a brutal skirmish has taken place recently, is a land which is said to have been saved for India by a Nepali Naik Subedar Jung Bahadur Gurung of the Indian Goorkhas, in the Indo-China conflict of 1962. A re-run of that conflict for land is in the news and is a grim reminder that all is not well.

The land which presently comprises of the Indian Subcontinent has in the past been ruled by many invaders from not only the North but also from lands across the seas. From the Mahabharat one reads and learns of those days of Akhanda Bharat. India as a whole, saw many invaders such as Alexander, Mohammad of Gazni, Mohamad Ghorri, Timur di Lang, Babar and finally the British to come and go over the course of two thousand years. The history and pursuits of rulers such as Ashok, Harsha and Chhatrapati Shivaji was also about conquests and subjugation of lands. Regime changes occurred and the masses of the land were subjected to the wishes and whims of the rulers which varied between emperors, maharajahs, princes, dewans and talukdars. It has always been a question of land and who rules over it.

The current spat between India and Nepal over that small projection of land is similar. Many with the authority to change matters have rightly said that this should be done by mutual consent as the relationship between our two countries is of 'roti aur beti'. All very well but it is action not words that matter at the end. There are the previous treaties of 1816, 1923 and 1950 to be taken into account and the expectation was that the Eminent Persons Group with five members from each country, established in 2015 would look into it and bring about a solution. Meetings of this group were held alternatively in India and Nepal with the final report being submitted in July 2018. Though announcement was made that concerned ministries of both countries would look at it, this has not happened. Is there anything unpalatable?

What then is the answer to the present imbroglio? Nepal claims the 335 square kilometres of land comprising of the Limpiyadhura, Lipulekh and Kalapani as its own whilst India disputes it. Both countries have their own stands, convinced that it is correct. This matter is serious if relations between us and India are not to deteriorate further. In terms of the defence budget of both countries, the savings would be immense as they will not then have to man the borders of a Nepal, friendly to both countries.

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# Repatriation Flight

*With the effort of honorary consul of Italy to Nepal Pratima Pande, Italy's Neos Airlines operated the first repatriation flight from Kathmandu*

By A CORRESPONDENT

To be an honorary consul representing a particular country in Nepal comes with heavy responsibilities to protect and help the citizens of these countries during crisis times.

With so many exchanges of visit between Nepal and Italy at the individual level, the responsibility of honorary consul of Italy to Nepal Pratima Pande has been increasing. Following her appointment as the honorary consul to Nepal, Pande, a renowned heritage conservationist, has not only organized several cultural programs, inviting renowned musical bands, but also provided the much needed service to Italian citizens in Nepal.

Following the announcement of lockdown in Nepal, she had more to do. She collected the data

of Italy's tourists stranded in Nepal and organized a repatriation flights with the support from Italy's Consulate General Office of Kolkata.

With the imposition of nationwide lockdown, life and other activities came to standstill in Nepal and arranging a charter flight was difficult given the shutdown of international airports.

Despite the difficulty, honorary consul Pande, with her all out efforts, secured the permission to operate a chartered flight from Italy to Kathmandu.

As Italy's Neos Airlines 787 Dreamliner took off on Friday at 18:45 PM on June 19 with Italian



and European citizens, stranded in Nepal for almost 3 months due to lockdown, honorary consul Pande heaved a sigh of relief.

As the honorary consul of Italy to Nepal, Pande's responsibility was to take

care of the Italian citizens stranded in Nepal. Arranging takeoff and landing for charter flights during the lockdown was very difficult to work out. However, honorary Consul Pande made everything possible to Italian Airlines Boeing 787 Dreamliner to land and take off with Italian passengers from Tribhuvan International Airport.

"It was hectic but I felt quite a relief after fulfilling my obligation to take care of the citizens of Italy and send them their home," said Honorary Consul Pande.

Coordinated by Embassy of Italy in India and Consul General of Italy in Kolkata, honorary Consul of Italy to Nepal Pratima Pande has made all efforts to Nepal to permit Italian Airline Neos Air to make a chartered flight.

The Boeing 787 Dreamliner of Italian airline Neos Air took off at 18.45 from Kathmandu International Airport, repatriating Ital-





ian and EU citizens stranded in Nepal due to the lockdown.

Although it was a very hectic work to manage the airport and oversee check-in operations and help passengers with all security procedures, honorary consul Pande and consular office staff Sabina Shrestha took all the responsibility to help the passengers board the aircraft.

Honorary Consul Pratima Pandé and consular office Sabina Shrestha were at the airport to oversee check-in operations and help passengers with all security procedures.

“It was the first time Neos Air had landed in Nepal, so it was for the huge Dreamliner. Everything went smoothly and the plane, after a technical stop-over in Cairo, will land in Milan Malpensa airport tomorrow at 06.15 local times. On-board went also Murzik, a sweet brown cat since the company had allowed passengers to carry pets,” said Pande.

Although many countries have evacuated their stranded citizens from Nepal, Italy is among

only a few countries to send its own airlines to evacuate the stranded citizens from Kathmandu.

The evacuation flight has been coordinated by the Embassy of Italy in India. “We are glad many Italians and EU citizens could fly back to their families after a long wait - said Alfonso Tagliaferri, Consul General of Italy in Kolkata, responsible for consular protection in Nepal - Italians love this country, its people, its traditions, its mountains, and they will come back to enjoy it and explore it as soon as the international health situation will allow. “We are very thankful to the Nepalese authorities for taking good care of our citizens during the lockdown period and for the great collaboration offered in the evacuation process.

I want to especially thank the Ministry of Foreign Affairs of Nepal and the Civil Aviation Authority for their cooperation, Neos Air for their commitment and flexibility, and of course our Honorary Consul Pratima Pandé, always incredibly efficient and available. It has been teamwork, and I’m thankful to everybody who has cooperated for its success.”

The last few days were very busy and hectic and busy rushing from one place to another to get permission. Even today, Pande has to rush from one corner to another corner of the airport to make security and check-in arrangement but she was quite satisfied after the plane smoothly took from the airport with Italian and other European citizens.



# Construction On

*After the charging of 400-200 kV Dhalkebar Substation in mid-July, Nepal's electricity sector will enter into a new phase*

By A CORRESPONDENT

At a time when the country's major development projects have failed to start the construction following the lockdown, Nepal Electricity Authority has shown a way to work and complete the project in time.

Despite the lockdown announced by the government, the construction work is 400-200 kV Dhalkebar Substation continues without any obstruction aiming to complete and charge by middle of June (Asadha).

To prevent the spread of coronavirus and provide safety to the workers, the project has been strictly following safety guidelines issued by the government. Under the guidelines, the

lated system (GIS) aiming at electricity trade with India and distribution in the country, this is the largest substation of Nepal with 400 kV system.

Currently, about 80 technicians from India, China and Nepal are working to complete the physical parts of construction, installation of equipment and trial.

Managing Director of Nepal Electricity Authority Kul Man Ghising informed that the work is now going on to complete the project by middle of June.

"During the last December and January, deteriorating weather of terai affected the project. After this spread

ported from China stranded in Kolkata port has already arrived in substation sites. "In coordination with all the agencies, we are able to bring the equipment in the site. Now the installation is going on," said MD Ghising. They arrived a week ago from Kolkata.

With facilitation from secretary of Energy, Water Resources and Irrigation Dinesh Kumar Ghimire, who requested his Indian counterpart to facilitate to clear Nepalese equipment, nine trucks loaded with imported equipment arrived in Nepal.

Since the equipments are imported from China, all Chinese technicians came to Nepal before the lockdown. Although an Indian Engineer, who should require making trial of the equipment, is unable to come to the site due to lockdown, the initiative is on to work through remote.

There are 3 power transformers with 315 MVA with the total capacity of 945 MVA. These transformers can transmit 900 MW. MD Ghising said if all these are not charged, two transformers will be charged till middle of June.

After the charge of this substation, Nepal and India can export and import up to 1000 MW electricity. This will also pave the way to supply electricity generated by 456 MW Upper

Tamakosi to national grid and to export to India in case of surplus energy in Nepal.

This is key substation to channel the electricity to east and west national grid, evacuated from 456 MW Up-



project is maintaining social distancing, mask and other safety measures. With the coordination of district administration and local level, the project is now at the final stage.

Constructed under gas insu-

of coronavirus halted the arrival of Chinese technicians and now the lockdown has affected the work. Now work is on following the strict security measures," said Ghising.

He said that the equipment im-



per Tamkosi though 220kV transmission line. This will also help export surplus energy to India. Nepal also imports up to 600 MW energy Nepal and establish energy bank between the two countries.

Currently, Dhalkebar-Muzafarpur 220 kV is under operation. Following the completion of the project, this will increase 400 kV. The current Policies and Program has also announced to complete the project within the next fiscal year.

Indian construction company ABB is awarded contract work and Nepali company NEA Engineering. NEA and Nepal government has invested Rs.2 billion to construct substation.

Similarly, NEA is also constructing 400-200 kV substations in Hetauda and Sunsari.

After successfully making arrangements to continue the construction work of 456 MW Upper Tamakosi project targeting to complete in time, NEA has made another major breakthrough in Transmission project. Even medium-sized projects like Trishuli 3 B project has already started the construction.

#### **Kali Gandaki Corridor In Final Stage**

This is not the only case. Despite the nationwide lockdown, the construction works of the projects under Nepal Electricity Authority (NEA) is running as its schedule. Like other projects, 220 kV Kaligandaki Corridor Kusma-Myagdi portion is also at the final stage. Nepal Electricity Authority is planning to operate the line by mid-July.

Although the lockdown has completely stopped the mobility, the project with coordination from the local level and district administration is currently undergoing. The project has taken all security measures and followed the guidelines of the Ministry of Health and Population. Similarly, the work of the construction of 220/132 kV substation at Dana and Kusma is undergoing and installation of equipment is almost the final stage of completion.

Managing director of NEA Kul Man Ghising said that the work is going on to charge the Dana-Kusma por-

tion within mid-July. The transmission line helps to evacuate the electricity generated by 42 MW Mistri Khola and 11.2 MW project of Mustang. Developed by the private sector, both the projects will connect their electricity to the Dana substation to link to the national grid.

Currently, the power generated by Thapakhola Hydropower is evacuated by a 33 kV transmission line. MD



Ghising said that the work of the transmission line continues even in lockdown not to waste electricity generated by Mistrikhola. "Despite obstruction in early stage in few places, the construction is now going on without any hindrance due to support from the local level and Chief District Officers. Our team is there to charge the project by the middle of July at any cost," said MD Ghising. About 39 kilometers long, the Dana-Kusma transmission line has 110 towers. Due to opposition from local level Annapurna Rural Municipality, the erection of one tower is currently underway.

Earlier, local people stopped the construction of the tower demanding to change the route. Thanks to chief district officer of Myagdi District Gyanath Dhakal and chairperson of the municipality and other representatives, the work is underway.

"At present laying of wire, erection of tower and work in the substation is going on. It will change till mid-July," said deputy executive director and head of Project Management Manoj Silwal.

Project chief Chandan Kumar Ghosh said that almost all other work is complete and only 3 kilometers of lay-

ing the wire is remaining. "Despite the shortage of labor, we will charge the project by mid-July," he said.

Funded by the Nepal Government, NEA and a concessional loan of the Asian Development Bank, the transmission line will support evacuation of the energy generated by the private sector project. Similarly, the work under the second phase Kushma, Bhumahi (New Butwal) substation transmission work is undergoing.

#### **Chilime Trisuli Transmission Line**

Although the contractor agreed to complete the project on 13 March 2020, the construction of 27-kilometer Chilime-Trishuli 220 kV double circuit Transmission Line

Project and four circuit Trishuli B Hub project is far from complete. Situated in a difficult terrain of the region, contractor Pinggao Group of Companies China is late in meeting the deadline.

Passing through a stiff cliff of mountain with no accessibility of transport, the project is said to be one of the most difficult transmission line project. However, the project is the lifeline to 600 MW projects which are now under construction.

As the work of 111 MW Rashuwagadhi, 42.5 MW Sanjen and 14.8 upper Sanjen are in the final stages of generating electricity, the completion of the project is a prerequisite. Spending a whole day in the project site, MD Ghising directed the contractor to accelerate the pace and complete the project by time.

After consultation, the contractor agreed to complete the project by August 2020. As many transmission line projects are facing local obstruction, delay in construction, MD Ghising's site inspections is generating the results. However, Ghising has to sacrifice all his personal matter as he is rushing to make impossible thing possible.

# Geo-politics of the Himalayas



BY BINOJ BASNYAT

The geopolitical and geo-economic environment in the Himalayan region post-COVID-19 must be well analyzed and evaluated to give course to effective diplomatic management considering that Indo-Sino and Indo-US relations are constantly changing. At the country level, if we reference Nepal's Foreign Policy in the 1950s, it is evident that regional evolution such as India's independence and Chinese annexation of Tibet has played a major factor in determining Nepal's and the Himalayan course of politics and such affairs will continue its influence. The border boundaries adjoining China along the Himalayas will, therefore, continue to be a matter of concern to both China and India and the five states that border both the powers including Nepal. These concerns are also likely to escalate because of what is happening at a more macro level. The focus of the US defense forces in the region, the building up of the Chinese defense assets along its Tibetan plateau, and India's 'Neighborhood First' and 'Act East Policy' are all indications of a larger power game comprising the competition between the two largest economies of the world. Therefore, the upcoming geopolitical evolution of the Himalayan region is an important area of concern.

Five policy documents of the US, the 2017 National Security policy, 2019 Indo-Pacific Report, National Defence Strategy, Policy of South Asia, Nuclear Posture Review, Impact by the "Good Agreement" of Afghanistan evidently reveals and delineates the responsibility in the Indo-Pacific region.

To highlight a few the US is strengthening security arrangements through partnership and alliance with nearly all the nations on China's borders like the QUAD arrangements aiming to establish an "Arc of Democracy" envisioned to include central Asia, Mongolia, the Korean peninsula and other strategic alliances and measures with almost all the nations in East and Southeast Asia. The South Asia Policy calls upon India to increase its investments in Afghanistan and take a more active role as a partner in the region. US positions "competitive diplomacy" with larger use of economic tools like "fair and reciprocal" trade agreements and sanctions, the economy is composed of the US National power and China and Russia as competitors that have emerged to "challenge American power, influence, and interests. President Donald Trump tweets that the US is ready to mediate between India and both Pakistan and China whenever there are hitches in diplomatic behavior between China and the South Asian nuclear states. Time and again Trump does express his proximity with India and calls Prime Minister Modi a really good friend. In terms of global diplomacy, the Ministry of External Affairs, India affirmed the 'elevation of ties with the US', including

joint rallies by Modi and Trump in Houston and Ahmedabad and defense cooperation. Trump postponed the G7 summit scheduled in June and plans to invite Australia, India, Russia and South Korea. Britain proposed G7 plus Australia, India and South Korea making it ten nations of democracy or D10, which is yet another move to oppose China and to break the monopoly on 5G.

Geo-strategic picture of China and South Asia

When the world and the accountable leaders are equally responsive to addressing COVID-19 so is the momentum of Cold War 2.0 revamping. China espouses policies to internally harmonizing its society and externally promoting a peaceful international environment in South Asia. China seeks to avoid unnecessary international confrontation distinguishing as a responsible world leader and put emphasis on soft power. The Sino-Indo relationship is shaping with cooperation, competition and confrontation.

Highlighting few occurrences that were visible are the Doklam dilemma that lasted for 73 days in 2017, 5 Aug Revoking of Article 370 and 35A of the Constitution forming two union territories of Jammu and Kashmir and Ladakh, as of 5th May China and India's actions in the Borders in Pangong Lake, Ladakh, face-offs are ongoing at multiple locations in Eastern Ladakh along the Line of Actual Control and Nathu La Pass, Sikkim. The militarization and development of infrastructure by both China and India is the impetus. The recent surfacing of the border dispute between Nepal and India in the strategically militarily vital 'Kalapani Area' is another case in point of the importance of the Himalayan region. The Nepal-Indo relations have strained between the South Asian neighbors with centuries-old historical, cultural and economic ties, it also has brought the political parties together in an uncommon demonstration of unity. After the Doklam incident China and India worked out two rounds of talks between the Head of States in Wuhan, China and Mamallapuram, India also known as the 'informal China-India summit'. India's vital strategic role is visible time and again stressing on "Act East Policy", "Look West Policy" and recently "Look Far East Policy". The "First neighborhood policy" is unfinished. India is more inclined to "strategic rebalancing approach".

China's geopolitical theory the "String of Pearls" and economic expansion and political influence through the Belt and Road Initiative (BRI) is also cultivating in South Asia, which traditionally used to be India's area of interest and influence. China is revolving South Asia as a bridge to the Indian Ocean. China's interests include the 1.6 billion markets that South Asia possesses and an alternative and comparatively short route to both Tibet and Xinjiang provinces. Even if the BRI cov-

ers Eurasia, Central Asia; of the six corridors, the projects Nepal encompasses north to south, the China Pakistan Economic Corridor and Bangladesh-China-India-Myanmar Economic Corridor (BCIM EC) is of geostrategic concern to the only global power the US and the middle powers in the Indo-Pacific region.

Why is the Himalayan Region even more significant?

A geopolitical narrative assumed in the power competition, cooperation and confrontation between China, India and the US in South Asia and the Himalayan region. Though the Arc of the Himalayas is 2500 km the five countries bordering distance is more than 5800 km and China borders every part of them. Afghanistan has 76 km, Bhutan 470 km, India covers more than 3500 km, Nepal 1414 km and Pakistan 523 km. China and India's rise and influence is leading to geopolitical and geo-economic stimulus in the South Asian region. The militarization of the Himalayas can be an example of the two powers' interests being more political with risks of threats in defending the Himalayan region.

For China, the province of Xinjiang, Tibet and Yunnan alongside the Himalayas is, in the same way, imperative for stability. China's peaceful rise and sometimes referred to as peaceful development is an official principle for countering 'China's threat theory'. China has become apparent as political, economic and military power and ensuring to nations in South Asia that its augmentation will not be a menace to peace and security.

Nepal is hands-on with nationalism and extra-regional and regional influences on national politics. The ruling Nepal Communist Party is consolidating the major transformation to federalism, republicanism and secularism. Nepal's stretch of 1414 km is also a very sensitive and perceived as a probability of threat to both China and India. Nepal stood as the buffer, but the opening and the likelihood of the strategic connectivity with air, land and train from the Himalayas to the borders of India and the trends of geopolitics will put up with regional linkages which will uphold security, diplomatic, economic and political consequences. Though all six mountain passes from China to Nepal are vibrant and strategically promising the Kalapani area which is 416 km to Delhi located at the North-west end and easternmost Olanchunggola is 41 km to the Siliguri Corridor known as the Chicken Neck of India. Both these areas are the only two districts that border both China and India. Siliguri in the state of West Bengal is a vital intersection that connects Bhutan, Nepal and Bangladesh. Darjeeling hills, North-east India and Sikkim are equally imperative. The two tiny Himalayan South Asian nations Bhutan and Nepal along the Himalayas and the northeastern parts of India also known as the seven sisters are the most important strategic constituent in South Asia.

Kathmandu from Rasuwagadi is 70 km and Kathman-

du from Khasa is 71.4 km both located at the center of the Nepal from the Chinese border. Of the strategic networks, the Koshi corridor Kimathanka-Jogmani, Bihar is 367 km. Kali Gandaki corridor is 435 km from Korola to the Uttar Pradesh and the Karnali corridor from Jamuna Hilsa to Dhuliyabit, Uttar Pradesh is 403.52 km.

The protocol on transport and transit agreement allows Nepal to use four seaports and three dry ports in China. These corridors is hoped to enhance economic activities but as confrontation is evolving between China and India also will bear security ramification.

China has stretched out bilateral and multilateral associations with Asian states particularly Bangladesh, Myanmar, Nepal, Pakistan, Singapore, Sri Lanka, and Thailand in respects of economy, political and military cooperation indicates the strategic shifts of China. President XI's visit to Bangladesh in 2016 and Nepal in 2019 turning the relationship to strategic cooperation also adds to the interests south of the Himalayas. All these countries lie on the Himalayas or along the Indian Ocean. An inclination to ideology is not concerning to China though XI's thoughts and party relationships are being promoted. The viewpoint of working with the day to day government achieving one thing at a time is the philosophy.

The argument is if China will come as a contributor while Indo-US strategic cooperation comes up with allies and partners to isolate China.

### Conclusion

The China-US standoff is mounting over an array of issues in almost what we can refer to as the restoring of Cold War 2.0. Here, India will play a crucial role either through direct engagement or a balancing role. With China's economic, security and political influence growing in South Asia a nationalist emotion over traditional regional influence will rise in India. This may add up to expressions of involvement in the new Cold War as India has enormous advantages including geo-location, various economic and security capabilities. This will also raise fundamental arguments over traditional order in South Asian finding a new normal.

Nepal's role in the midst of an evolving south Asian region is crucial as it encompasses 1414 km of border between the region and Tibet of China. The realignment of strategic networks across the Himalayan region that join China and India may also bring Nepal's buffer role under further analysis. Nepal's foreign policy with non-alignment and peaceful co-existence at its heart will have to be further analyzed as well. Here, all conditions on which our policies lay, including the end of World War II, the revolution in China, and India's independence will be overridden by new events.

Also, a grave matter of concern will be whether nation-states in the Himalayan region embracing its unique nationalism, foreign policy of isolation, border disputes, strategic connectivity, and power contentions may fall into what we may refer to as the Thucydides trap(?)

*Basnyat is a strategic analyst and a Maj. Gen. (retd) of the Nepali Army*

**When the world and the accountable leaders are equally responsive to addressing COVID-19 so is the momentum of Cold War 2.0 revamping. China espouses policies to internally harmonizing its society and externally promoting a peaceful international environment in South Asia.**



## MIGRANT WORKERS

# Homeward Rush

*On the hunch that something was really going to happen, people at home and abroad started a sudden rush to home of catastrophic proportion*

By A CORRESPONDENT

From Kathmandu and across the border points, there was a rush of people to go back home. Many migrant workers who were working in India created a long jam near the border. Similarly, migrant workers who were in Kathmandu also wanted to rush back home.

The situation developed as a major human crisis in Nepal. There was a hush and yet a rush as if something ominous was going to happen. On March 23, the prime minister announced the weeks of lockdown to prevent the spread of coronavirus.

The rush of people was understandable. For Nepal's migrant and daily wage workers, lockdown is more dangerous than the coronavirus. Although Nepal is able to manage the migrants internally, it is facing an enormous challenge in trying to arrange the safe return and protection of thousands of Nepalese migrant workers who are stranded in the border areas between Nepal and India, and in other parts of the world.

As the country has announced a lockdown of public spaces, transportation services and airports and the borders with India and China have been completely sealed. Nepal's new challenge is much bigger.

Travel into and out of the country, including that of Nepali citizens, is restricted. The lockdown has not impacted everyone in the same way, and migrant workers and daily wage labourers are among the hardest hit by the restrictions.

The influx of Nepali migrant workers from Nepal and India shows the coming challenges for the country.

In the past few decades, many Nepalis had travelled to countries like Saudi Arabia, Kuwait, Malaysia, South Korea and neighbouring India to find work. Close to one-third of Nepal's economy is supported by the remittances sent home by these workers. The government has initiated a process to track down the estimated 4.5 million Nepalis currently living overseas as migrant workers.

Nearly 5000 Nepalese migrant workers are stuck at Nepal-India border, desperate to get back home, as they have no shelter or food. Many of them are sleeping on the street and some are risking their lives to cross the border illegally.

Nepali migrant laborers living in countries such as the United Arab Emirates also find themselves at a considerable risk. Amidst the pandemic and lockdown, Qatar has suddenly deported hundreds of Nepalis without any backup support, while thousands of workers are still living in the camps of Qatar without jobs and proper shelter.

The human rights advocacy group has accused the Qatari authorities of rounding and expelling dozens of migrant workers after telling them that they were being taken to be tested for Covid-19 in March.

In addition, more than 3000 COVID-19 cases have been found among Nepalis overseas migrant workers. Many migrant laborers are seeking the govern-



ment's support to return home, but the government of Nepal is neither willing nor ready to facilitate their safe return.

As the lockdown started to work, thousands of people, including stranded students and jobless day-laborers, have been returning to their villages from big cities like Kathmandu, Pokhara and Chitwan.

Many domestic migrant workers were faced with a dilemma as transportation services were shut down, making it difficult for them to return to their home

districts. Many started making the journey on foot.

"We have no jobs since the lockdown began, and its extending every week. We are staying at home, running out of food and money. We don't have any other friends or support systems like in the village. The situation is very uncertain and it's difficult for us to survive in Kathmandu. Therefore, we are obliged to walk home on foot even though the journey is long and difficult. We are in a group of 10 friends going in the same direction. It will take at least 4 days to reach home. But we will slowly make our way home because there's no option left for us.

On April 17, 2020, the Supreme Court of Nepal passed an order mandating the government to repatriate vulnerable migrant workers abroad and to arrange free transportation for all citizens heading home to ensure they travelled safely. The order included a requirement that people suspected of having COVID-19 be quarantined before they are sent home.

It may be too soon to determine and how efficiently the government implements these mandates, given the country is under lockdown.

According to the statistics, since the first case of COVID-19 was detected on January 24 Nepal has had only few confirmed cases and recoveries at the time of writing this.

While the number of cases reported inside Nepal is relatively small, there is still fear of an outbreak as there are concerns that the testing taking place in the country is insufficient.

Nepal government is focusing primarily on immediate health needs, but in order to save the country from a larger socio-economic crisis, it should also address the issues of vulnerable citizens. The government should also be preparing long-term strategies in consultation with experts for how the country can be released from the current lockdown.

# Tamakosi Overcomes Another Obstacle



Following the recent completion of installation of 305 meter long Upper Penstock Shaft, 456MW Upper Tamakosi project has made another historic milestone. In a happy moment, the installation of about 1200 feet (367) meter lower penstock shaft was completed in May.

The installation of the shaft was risky and technically challenging. Five-meter high and up to 27 tons, pipes in a row posed risk and challenge during their installation. Working in a hostile situation, workers had to face threat of possible stone falling and difficulty of discharging the smoke of welding. From digging to installing piece by piece were most chal-

lenging and risky. In that context, the completion of installation of shafts has further encouraged all. It was a matter of pride that all these works were completed without casualties and accidents.

I would like to express my sincere thanks and congratulations to both companies, Indian Texmaco for installation shafts and Chinese Sino hydro for backfill concreting. Alongside, I would like to thank and congratulate all the engineers and technicians from Consultant Company and project for their dedication and handwork. Finally, I want to thank Andritz Hydro again for completing the lower Shaft.

With the completion most risky and challenging work, the project has passed the challenging phase. However, there still remain major works including the installation of horizontal penstock shaft, grouting, lining and other finishing work. Following this, there is still pressure to complete testing work. Due to lockdown announced all over the world, there still remain some impacts. If the remaining work goes in conducive environment, there is a target to complete the work within three months and generate the electricity within three months or end of October.

*(Gurung is a deputy Manager at Nepal Electricity Authority/Upper Tamakoshi Hydroelectric Project. Translated from Facebook wall)*





# Environment Protection Rules, 2020 Regulated And Impractical



BY: BATU UPRETY

After 8 months of the enforcement of the Environment Protection Act (EPA) in October 2019, the Government has made public the Environment Protection Rules (EPR) 2020 on 15 June 2020. The EPA 2019 and EPR 2020 have repealed EPA 1996 and EPR 1997. In order to encourage the drafters and decision-makers to make the new EPA and EPR more practical, development and user-friendly and contribute to make development environmentally sound and sustainable, over three decades of experiences were shared through three articles (<https://www.spotlightnepal.com/2019/05/21/environment-protection-bill-2019-heavy-punishment-non-compliance/>; <https://www.spotlightnepal.com/2019/12/05/environment-protection-act-2019-complexity-study-approval-process/>; and <https://www.spotlightnepal.com/2020/01/27/draft-environment-protection-rule-2019-proven-and-practical-tool/>). Efforts were made to provide practical inputs in January 2020 article on draft EPR. In spite of several inputs from non-governmental sector, the June 2020 EPR neglects, in some cases, the fundamentals and principles of environmental assessment [Initial Environmental Examination (IEE), and Environmental Impact Assessment (EIA)] process, procedures and practices.

This piece highlights few operational issues and will hopefully 'close my inputs' in EPR 2020. The brief environmental study (BES) report is an addition in the EPR 2020. As per EPA 2019, the proposal includes plan, project or programme; and Strategic Environmental Analysis (SEAn) is proposed to carry out for policy or programme or project. As mentioned above, a programme or project may require BES, IEE, EIA or SEAn. In general understanding, BES, IEE or EIA are carried out for projects, and Strategic Environmental Assessment (SEA) is for policy, plan or programme. This sufficiently confuses the global and regional practices in carrying out project-level or higher-level of assessments. It is, therefore, natural to consider 'redundant' and 'departure from practices'.

The required time for approval of the Scoping document, Terms of Reference (ToR) and environmental

study reports may require 'determined' effort of the concerned officials engaged in processing for approval and decision-makers. Number of days the government will take for approval will be counted only after submission of all required documents, including 'revised' reports. Once all quality documents are received, the Government will need 35 days to approve of an EIA report. If all processes are complete, decision can be made within few days. Efficiency will be 'known' only after full implementation of the EPR 2020 and 'positive outlook' in decision-making process for all types of projects and of all proponents.

In case of public hearing, the Rules (#6.3) obliges the proponent to organise public hearing in more than one place taking into consideration the geographical area to be covered by the project. In order to make it 'development-friendly', it is encouraged to clearly mention the 'number of public hearing required' while approving the ToR as it is time-consuming and in some cases costly. It is equally important to consider the nature and location of the project.

Reviewing the Schedules, the Schedules 1, 2 and 3 provide a list of proposals that require BES, IEE and EIA studies respectively and the proponent will proceed for preparing BES, IEE or EIA reports. The 1997 EPR included 'sensitive area and investment criteria' for proposals that were not covered in Schedules. As per EPR 2020, any category of proposals not included in these three Schedules will neither be implemented nor any level of environmental assessments required. Alternatively, all new proposals not included in these Schedules will be environment-friendly. This 'far-sightedness' or 'gross negligence' will, at least, promote socio-economic development 'at the cost of environment'.

Each Schedule considers pre-construction, construction and operational stages of a project. Some proposals may be directly implemented and may not require these stages. For example, plantation of single species in a block, or clear felling in more than 30 ha of land will not

require construction stage as in infrastructure projects.

The Schedules follow 'instructional' mode and does not provide space for 'not to include irrelevant' information. For example, proposal will be introduced under Introduction, and Information about Proposal in a Scoping Document. In late 1990s, there were cases of instruction to re-submit an EIA report as per environmental laws if the report followed National EIA Guidelines (1993) and re-submit EIA report as per guideline, if it followed environmental laws. This is an 'intention' issue.

Stakeholders are given opportunity to comment and provide inputs on environmental assessment reports. In general, the draft report is made public but the format of the public notice clearly indicates to collect stakeholder's suggestions 'while preparing the report'. It indicates that

stakeholders or 'to be affected' community(ies) may or may not be informed about the impacts of the proposal with corresponding measures. As also flagged previously, IEE report format is inappropriate to all sectors. The alternative analysis undermines '3W' (with & without, and within) approach. The EIA report format undermines national and transboundary nature of impacts, and instructs to write impact-based measures in two chapters. Clarity is required in environmental monitoring and auditing as well. Unnecessary details further confuse and delay decision-making.

The Ministry of Forests and Environment or the 'prescribed agency' is responsible for environmental auditing. However, the ToR for EIA study instructs the proponent to mention 'when' (time) and 'who' (agency) to carry out environmental auditing. The timing and responsibility con-

tradicts with Section 12 of the EPA 2019.

Recalling the EIA Convention (1991), EIA laws or guidelines in number countries, conference decisions, principles and practices, Nepal's EPR 2020 challenges the principles and practices of environmental assessment (EA) process in some areas, and includes unnecessary details to confuse proponents, practitioners and decision-makers. Many Schedules look like a 'teaching material'. The EPR ignores the nature and location of the project, and confuses on the scope of Rules, Guidelines and Manuals. Although many countries follow 'prescriptive approach' in implementing EA tool, the EPR 2020 attempts to regulate each step of the EA process, limits 'flexibility', and 'innovativeness', and provides spaces to delay report approval.

# नोभल कोरोना भाईरस (COVID-19) रोगको संक्रमणबाट बच्न अत्यावश्यक कामबाहेक सीमावर्ती क्षेत्रमा आवतजावत नगर्नु हुन सम्पूर्ण नेपाली नागरिकहरुलाई सूचित गरिन्छ ।



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# Widening Gulf

*Coronavirus deepens the risks for Nepali migrant workers in the Gulf*

By A CORRESPONDENT

As COVID-19 spreads in the oil-rich Persian Gulf states, foreign workers such as from Nepal face high risks, low wages and exploitation. The COVID-19 outbreak is a health crisis they can't afford, and authorities and employers are providing little support.

With the request from Nepalese Embassy, Nepal has already brought over 20,000 Nepalese stranded in gulf countries, Myanmar Bangladesh, Pakistan, Sri Lanka, Malaysia, Maldives Australia, United States and United Kingdom through repatriation flights. But, there are many people waiting to come back Gul. The Ministry of Foreign Affairs has directed the concerned embassies to start their registrations.

According to estimates there are one million Nepalis working in Gulf countries. Saudi Arabia and Qatar have the highest numbers of Nepali followed by UAE and Kuwait.

As the novel coronavirus pandemic has crippled the global economic activity, the closure of businesses in the Persian Gulf region has hit low-income migrant workers particularly hard.

While the Saudi and Bahraini governments have promised to cover any shortfalls in their own national's wages, most foreign workers, who make up 95% of the workforce in some Gulf countries, have been left out.

Bahrain with 150 positive cases had the highest number of infected Nepali migrants. The UAE, with 75 cases, had the second highest infection among Nepali migrants.

Forty-three in Kuwait, 30 in Saudi Arabia, four in Oman and three in Malaysia have been infected with the virus. However, there has been no report of any Nepali migrant contracting the disease in Qatar and Oman.

"As per our embassy in Malaysia, the condition of the infected workers is critical," he said. "We are in close contact with our embassies and missions for regular updates."

Our mission is to conduct regular follow-ups to provide necessary help to migrant workers, he added.

of the deceased," said NRN, adding that the bodies will be brought to Nepal once the situation becomes normal.

"Actually, there has been no decision on whether or not to bring back the bodies of the dead migrants," he stated. "We will take the final decision on the basis of mutual understanding between the two countries as we do not want the infection to spread."

Most labour destinations with Nepali workers are now plagued by the coronavirus spread. As a result, Nepali workers are at high risk of further infection.

GCC nations and Malaysia are the main labour destinations for Nepali migrants. According to data provided by Non-Resident Nepali Association, 1,983 Nepalis living abroad had been infected as of April 25. Among them, 49 have died and 422 have recovered.

The United Arab Emirates (UAE) has changed its law to allow companies to break the work contracts of non-nationals, restructure contracts to lower salaries and pressure workers to take unpaid leave.

The majority of foreign workers in the Persian Gulf region come

from southern Asian nations, including Nepal, India and Pakistan.

"The situation is very bad. Many of my friends and people in



"Since there is a nationwide lockdown in Nepal and also in the GCC nations and Malaysia, we are unable to bring back the bodies

my company have lost their jobs,” said an electrician from Nepal who is on temporary unpaid leave from his job at a construction company in the UAE.

The World Bank said global shutdowns due to the coronavirus pandemic are causing the sharpest decline in remittances in recent history. The absence of these payments is “a loss of a crucial financial lifeline for many vulnerable households,” the bank said.

Other migrant workers who are now out of a job and must continue to pay rent have been left with few to no options for getting themselves home. One exception has been in Kuwait, where the government announced an amnesty for those who have overstayed their visas and offered to pay to have them travel home.

### Lockdown in overcrowded rooms

Foreign workers forced to stay where they are often face high health risks due to their living conditions. Rights groups have pointed to the dangers caused by overcrowded accommodation for foreign workers that makes social distancing impossible. This stands in stark contrast to the conditions enjoyed by local populations in the wealthy Gulf nations.

### Racism, abuse add to psychological toll

In addition to compounding the precarious situation of foreign workers’ economic and labor conditions, the pandemic has also fueled racist discourse across the region.

In March, Kuwaiti MP Safaa al-Hashem called for the deportation of foreign workers who had overstayed their visas in order to “purify” the country from the risk they posed of transmitting the virus.

Similar sentiments were spread on social media in Bahrain, according to advocacy group Migrant-Rights.org.

In both cases celebrities and academics have pushed back. On Twitter, Bahraini scholar Wafa

ical toll that suicides among foreign workers have risen. In Kuwait alone, there have been nine cases and four attempted suicides in the last four weeks, according to online outlet Al Rai.

Since the outbreak of the coronavirus pandemic, a total of six Nepali migrant workers employed in the United Arab Emirates have lost their lives and another 305 labourers in the Gulf Cooperation Council nations



al-Sayed railed against “abandoning a social group that has built our country and made our lifestyle more luxurious.”

The coronavirus outbreak has also exacerbated the vulnerability of foreign live-in workers, such as maids and cleaners.

Such domestic workers have been placed in further danger as abusive employers use lockdowns to stop them from leaving the homes they work in, said Joanna Concepcion, head of the Filipino advocacy group Migrante International.

The pandemic has left agencies that support foreign workers in the Gulf understaffed. “There’s been very limited responses in trying to assist in rescuing migrant workers who are victims of rape and physical abuse,” Concepcion said.

All of these factors combined have taken such a psycholog-

ical toll that suicides among foreign workers have risen. In Kuwait alone, there have been nine cases and four attempted suicides in the last four weeks, according to online outlet Al Rai.

and Malaysia have been infected by the virus. Kumar Dahal, director general of the Department of Foreign Employment, informed that the Dubai-based local hospital and police station had made available the health reports of deceased workers to their relatives. All the six deceased migrants had been working in the UAE for the last two to 10 years.

In the initial phase, a 40-year-old woman working as housemaid in Dubai had lost her life to coronavirus.

However, due to the sensitivity of the matter and the impact it could have on the country, the government had not provided details of the deceased persons, said Dahal. “We provided details to the families concerned only as the information could have affected the country negatively in its fight against the contagion,” he added.



# Living With COVID-19



BY: DR. PRABIN MANANDHAR

We cannot direct the wind, but we can adjust the sails. When we cannot control what's happening, we need to challenge ourselves to control the way we respond to what's happening. That's where our power is, and this is exactly where we are in terms of COVID-19 as we are confronting the uncertainty.

Despite rumors and believes, the coronavirus is still here and growing during the summer. Studies have shown that breathing or talking in the coronavirus is the most common ways the coronavirus spreads. It's now clear that a sunny day or warmer weather does not stop COVID-19.

We don't know when the vaccine will be available. There is worrying possibility that this coronavirus might never go away like influenza. We need a more unified approach to deal with this protracted crisis, but the political polarization and frictions within and between some of the countries are less helpful to fight against this pandemic.

Many governments around the world have implemented lockdowns and curfews banning on travel, mobility, businesses and services. But the spread has not stopped. With the uncertain future, we should learn to live with COVID-19 by taking informed step by step measures to improve health and wellbeing of the people as well as to improve the economy.

Outdoor activities can be started with social distancing and good hygiene practices (such as mask, gloves, handwashing and the elbow when coughing), and indoor activities can be started with minimum number of people, social distancing and good hygiene practices for limited time period.

In a similar way, gradual and partial re-opening of the office is a possibility having staggered shifts with minimum number of people. Disinfection of the building is a must with sufficient ventilation in the rooms. Staff should

not come to the office if they don't feel well. Staff should also be allowed that any work that can be done from home should be done from home during the partial reopening.

Restoring public transportation might take some time as it has a greater risk as it is difficult to operate with limited capacity particularly in developing countries. However, restaurants can be gradually reopened for takeaway facilities with social distancing and good hygiene practices.

Schools should be only reopened when it's safe for children and there must be a decline in the rate of new infection in the locality. There must be a thoughtful plan and preparation for each school based on risk assessment. Schools should continue to provide distance learning support to students and look every possibility for gradual reopening with a mix of distance learning and school-based activities.

The government should take aggressive measures to contain the spread of COVID-19 by detecting, testing, isolating and treating cases. The government should provide evidenced based risk assessment of different geographic locations and advise the people and organizations to gradually resume services, as the transmission is not homogenous throughout the country.

Let us focus on what is under our control. We should reinforce physical and mental health, and take necessary preventive measures while we start living with COVID-19. I believe that we can always find ways to maintain social connections and to provide care and support for the needy people. This is a duty of every human being, and a mandate of humanitarian organization.

*Author: Dr. Prabin Manandhar is an expert of international development. Currently, he is working in Iraq as Country Representative of The Lutheran World Federation. He is the Former Chair of the Association of International NGOs in Nepal (AIN). He is also a visiting faculty at the Kathmandu University. He can be reached at prabin.manandhar11@gmail.com*





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# काठमाण्डौ उपत्यका खानेपानी लिमिटेड आयोजना कार्यान्वयन निर्देशनालयको अपिल

काठमाण्डौ उपत्यका खानेपानी लिमिटेड, आयोजना कार्यान्वयन निर्देशनालय (KUKL/PID) ले मेलम्ची आयोजना मार्फत उपलब्ध हुने प्रशोधित खानेपानी काठमाण्डौ उपत्यकामा आपूर्ति गर्न निर्माण भएका पूर्वाधारहरूको सफाइ एवं चुहावट परीक्षण पनि सम्पन्न भैसकेको छ । आयोजनाबाट वितरण संजाल सुधार अन्तर्गतका करिब १२०० कि.मी. पाइपहरू विच्छ्याउने र मिटर सहित धारा जडान कार्य भई रहेको छ । अधिकांस वितरण संजालको पानी तथा संरचनाको थप परीक्षणको लागि मेलम्चीको पानीको पर्खाइमा निर्देशनालय रहेको छ । मेलम्ची खानेपानी विकास समिति द्वारा व्यक्त प्रतिवद्धता वमोजिम यहि २०७७ श्रावण भित्र मेलम्चीको पानी सुन्दरीजल स्थित पानी प्रशोधन केन्द्रमा झर्ने सुनिश्चित भएकोले सो पानी जनताको घर घरमा पुर्‍याउने यो निर्देशनालय तदारुकताका साथ काम गरि रहेको भएता पनि पूर्वाधार वा पानी वितरण संग सम्बन्धित प्रणाली लाई बेला बेलामा विभिन्न पक्ष/निकाय/व्यक्ति द्वारा बारम्बार अनाधिकृत रुपमा क्षती पुर्‍याउने कार्य भैरहेको छ । जसको परिणाम यो संजालले कार्य गर्न नसक्ने अवस्थामा पुग्न सक्छ । अतः तेश्रो पक्ष द्वारा गरिने क्षति सम्बन्धमा यो निर्देशनालयको निम्न अपिल रहेको छ ।

## तेस्रो पक्षद्वारा आयोजनाका संरचनाहरूमा क्षति

- मेलम्चीको प्रशोधित खानेपानी उपत्यकामा आपूर्ति गर्ने तयारी अन्तिम चरणमा पुगेको अवस्थामा तेस्रो पक्षद्वारा सडक निर्माण/पुनर्स्थापना तथा ढलका पाइप विच्छ्याउने क्रममा निर्देशनालयले विच्छ्याएका ३५,०९२ मिटर पाइपलाइन (कुल लागत रु. १६ करोड ४ लाख ५० हजार ९८ रूपियाँ वरावरको) गत वर्ष भित्र नै क्षतिग्रस्त भएको छ । निर्धारित समयमा मेलम्चीको पानी उपत्यकामा प्राप्त भए पनि तेश्रो पक्ष बाट क्षतिग्रस्त पाइपलाइन समयमै मर्मत हुन नसक्दा पानी आपूर्ति गर्न अवरोध हुने अवस्था छ भने यस निर्देशनालयद्वारा विच्छ्याइ सकिएका पाइपहरू विभिन्न निकाय समूह तथा व्यक्तिद्वारा जानाजान वा अन्जानवस क्षति पुर्‍याउने कार्य निरन्तर भईरहेकै देखिन्छ ।
- आयोजना अन्तर्गत उपत्यकामा निर्मित संरचनाहरू रहेका स्थानहरूमा तेश्रो पक्षले निर्माण कार्य गर्दा क्षतिग्रस्त भएका संरचनाहरूको यथाशिघ्र पुन निर्माण गर्ने दायित्व पनि सम्बन्धित तेस्रो पक्षकै हो । साथै श्री संधिय संसद प्रतिनिधि सभा विकास तथा प्रविधि समिति र नेपाल सरकारको निर्णय वमोजिम यस निर्देशनालयबाट निर्मित संरचना क्षति पुर्‍याउने पक्षले नै क्षतिपूर्ति व्यहोर्नु पर्ने निर्णय भएकोले समयमै क्षतिग्रस्त संरचनाहरूको पुनर्निर्माण गरी सरकारद्वारा निर्धारित समयसीमाभित्र मेलम्चीको शुद्ध, सफा, प्रशोधित खानेपानी काठमाण्डौ उपत्यकामा आपूर्ति गर्ने लक्ष्य हासिल गर्न सहयोग गर्नुहुन सम्बन्धित सबै पक्षसँग हार्दिक अनुरोध गर्दछौं ।

तसर्थ: विकास-निर्माणका कार्यहरू गर्दा सावधानी अपनाइ मेलम्ची आयोजनाका संरचनाहरूमा क्षति पुन नदिनु यहाँहरूको समेत दायित्व हो भन्ने कुरा पुनःस्मरण गराउन चाहन्छौं । यस निर्देशनालयद्वारा निर्माण सम्पन्न पाइप लाइनहरूको क्षति रोकन निम्न वमोजिम गर्न हुन सबै सरोकारवाल/उपभोक्ताहरूमा अनुरोध गरिन्छ ।

१. यस निर्देशनालयद्वारा विच्छ्याइसकेका पाइप संजाल काठमाण्डौ उपत्यकाको Ring Road भित्रका अधिकांस प्राय सबै सडकमा विच्छ्याइ सकिएकोले सडक खनन परेमा यस निर्देशनालयको समेत सहमती लिन ।
२. सडक खनन वा कुनै कारणवस यस निर्देशनालयद्वारा विच्छ्याइएका पाइपको क्षति गरेमा पूर्ववत अवस्थामा नै बनाइ दिने त्यसरी बनाउदा यस निर्देशनालयको प्रमाणिकरण लिन हुन ।
३. यस निर्देशनालयद्वारा मेलम्चीको पानी वितरणको लागि विच्छ्याइएका पाइपलाइन भएका क्षेत्रमा कुनै किसिमको निर्माणका कारण क्षति पुग्ने देखिएमा त्यस्ता कार्यको जानकारी तुरुन्त यस निर्देशनालयलाई दिई सहयोग गर्न हुन ।



काठमाण्डौ उपत्यका खानेपानी लिमिटेड, आयोजना कार्यान्वयन निर्देशनालय  
अनामनगर, काठमाण्डौ

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