

DAO Kathmandu Regd. No. 148/11/063/064  
ISSN: 2091-0711



**VIEWPOINT**  
François-Xavier Léger



**OPINION**  
Bishnu Adhikari  
& Parshuram Upadhyaya



**FORUM**  
Dr. Prabin Manandhar

# NEW SPOTLIGHT

www.spotlightnepal.com

Aug 07, 2020

FORTNIGHTLY

CHANDRA PRASAD DHAKAL

## Reflections Of A Victor

### INSIDE



**NEPALI CONGRESS**  
Unjust Act



**VERDICT ON POLYMER NOTES**  
Witch Hunting Ends



**KULMAN GHISING**  
Rush For Work



HQ Durbar Marg, P. O. Box: 3412, Kathmandu, Nepal ☒ info@nibl.com.np 🌐 www.nibl.com.np  
Please visit our nearest branch for further details (थप जानकारीका लागि नजिकको शाखा कार्यालयमा सम्पर्क गर्नुहोस्)



एक रूपैयाँमा आफ्नै बचत खाता

# नेपालको उत्कृष्ट बैंक NIBL मा एक रूपैयाँमा खाता खोल्नुहोस्

आफ्नो भविष्यको लागि अलिअलि गर्दै मेहनतको कमाइ जम्मा गर्न NIBL मा गएर  
एक रूपैयाँमा आफ्नै बचत खाता खोल्ने ।



or



  
नेपाल इन्भेस्टमेन्ट बैंक लि.  
NEPAL INVESTMENT BANK LTD.



**Editor and Publisher**

Keshab Poudel

**Contributor**

Sabine Pretsch

**Design/Layout**

Sahil Mokthan, 9863022025

**Marketing Manager**

Madan Raj Poudel

Tel: 9841320517

Nabin Kumar Maharjan

Tel: 9841291404

**Editorial Office**

Kathmandu, Nepal

Tel: 977-1-4430250

**E-mail**

spotlightnepal@gmail.com

P.O.Box: 7256

**Website**

www.spotlightnepal.com

**Kathmandu DAO Regd. No.**

148/11/063/64

**Central Region Postal Regd.**

No. 36/067/068

**US Library of Congress Catalogue**

No. 91-905060, ISSN : 2091-0711

(Print), ISSN: 2091-0754 (Online)

**Printing**

Megha Offset Printing Press P. Ltd.,

Dhapasi, Kathmandu

Tel. : 977-1-4363624

With growing disputes in the ruling party, Nepal's politics is heading towards another phase of instability and it will likely affect Nepal's development process and economic development. Although Nepal has done quite an impressive work in early stage of stopping the coronavirus from entering the community, the situation is heading towards getting riskier following the announcement of relieving the nationwide lockdown. The increased mobility of the people and their non-abidance of the health protocol are increasing the possibility of spreading the virus at the community level. At a time when countries around the world have been facing challenges strictly pushing the safety protocol in place, Nepal cannot ask people to go scot-free. With the spread of virus at the community level, some towns and districts have already imposed the second lockdown. However, big cities like capital Kathmandu have not seen local municipalities coming with drastic measures so far. If cases spike in Kathmandu and other big cities, Nepal will have to pay high prices. With these issues in side view, we have decided to cover the postponement of FNCCI General Convention and senior vice president candidate Chandra Dhakal as our cover story.

**Keshab Poudel**

Editor



# CONTENT

<b>PM OLI</b>	
Survival Fight	3
<b>NEWSNOTES</b>	4
<b>BUSINESS BRIEF</b>	6
<b>OPINION</b>	
Bishnu Adhikari and Parshuram Upadhyaya	8
<b>NEPALI CONGRESS</b>	
Unjust Act	12
<b>ARTICLE</b>	
Hemang Dixit	14
<b>KULMAN GHISING</b>	
Rush For Work	15
<b>IGP SHAILESH THAPA</b>	
Top To Top	18
<b>VIEWPOINT</b>	
François-Xavier Léger	19
<b>MELAMCHI TUNNEL</b>	
Strength Test	28
<b>VERDICT ON POLYMER NOTES</b>	
Witch Hunting Ends	20
<b>THE WORLD BANK</b>	
Growth At 2.1 Percent	32
<b>WORLD BANK</b>	
Supporting Road Sector	33
<b>FLOOD</b>	
Crying Of Children	34
<b>FORUM</b>	
Dr. Prabin Manandhar	36



**COVERSTORY:** CHANDRA PRASAD DHAKAL : Reflections Of A Victor

23



**NEA:** Given The Go-Ahead

16



**MONETARY POLICY 2020:** Realistic Approach

30



# Survival Fight

*With unity and assertion, Prime Minister K.P. Sharma Oli's rivals are preparing to pull down the government*

By A CORRESPONDENT

As Italian philosopher Nicolo Machivelli, in his book *The Prince*, says in politics there are no perfectly safe courses, prudence consists in choosing the least dangerous one. He said that tricks may win the war but they don't win glory.

Given the current political power struggle in the ruling Nepal Communist Party (NCP), Prime Minister K.P. Sharma Oli's choice is narrowing down and only way for him to escape from the crisis is to choose the least dangerous one or to retain the glory.

As the rift in the ruling NCP has further intensified, Prime Minister Oli and his rivals led by co-chair Pushpa Kamal Dahal Prachanda, Madhav Kumar Nepal and Jhala Nath Khanal, among others, are preparing a strategy for final show down.

At a time when PM Oli is insisting to hold the convention before taking any major decision including his resignation, Prachanda, Nepal, Khanal and Gautam had been pressing on him to resign either from party chair or prime minister.

Prachanda-led group is demanding PM Oli should give up one post of either prime minister or party chair as a basis to end the party's current dispute. However, prime minister Oli has opposed it.

Unlike in the past, there is no other national issue before PM Oli now. His choice is narrowing. With minority in parliamentary committee and standing committee, PM Oli's only political weapon is to go to president and seek fresh poll in November.

Although President Bidya Bhandari has soft corners towards PM Oli, she has constitutional limitations.

Given the growing disputes in the party, PM Oli may push her to accept his decision to call fresh polls.

Despite portraying the meeting as an off-the-record meeting, President Bhandari recently met with 25 editors of different newspapers and had a political message to give. Talking with the guards off the record, president Bhandari expressed her displeasure over the recent media coverage on her meeting with Prime Minister and Pushpa Kamal Dahal.

His off the cuff and undiplomatic remarks against India have also made him popular among the party's cadres who were groomed with anti-Indian schooling. For the sake of remaining in power, PM Oli has issued all kinds of statements and tactics.

Even recently, he proposed to hold the unity convention of the party in November and tried to lure co-chair Prachanda in his fold. Given PM Oli's behavior, Prachanda did budge to him.



For the last four months, it was a hay day in politics for Prime Minister K.P. Sharma Oli's survival in power. He was able to preempt his rivals' move one after another thanks to Kalapani, COVID-19 and flood and landslides.

Taking a stand on publication and incorporation of new map through two thirds majority in the parliament, PM Oli was able to press his opponents in the party and outside to stand behind him.

PM Oli, who is gradually isolated in the party, has also tried to forge alliance with the leader of main opposition Sher Bhadur Deuba. In case of major differences within the party, PM Oli has sought help of NC Deuba to forge a new coalition.

If one does not visualize the unavoidable scenario before him or her, he or she will be doomed to lose the political power. As his opponents are solidly united, PM Oli has very limited options.

## NEWSNOTES

### KOICA And MoHP Sign Agreement To Empower Rural Community



KOICA and Health Ministry signs Record of Discussion (RoD) to Empower Rural Communities in Nepal through an Integrated Approach to Health and Income Growth

Ministry of Health and Population (MoHP) on behalf of The Government of Nepal and the Korea International Cooperation Agency (KOICA) on behalf of The Government of the Republic of Korea signed the Record of Discussion (RoD) of

the project “Empower Rural Communities in Nepal through an Integrated Approach to Health and Income Growth” on 24th July, 2020 at MoHP.

The RoD was signed by Dr. Jageshwor Gautam, Chief of Health Coordination Division of MoHP and Sunghoon Ko, Country Director of KOICA in Nepal. Korean Government through KOICA will spend US\$ 4.7 million for this project for 5 years.

The project will be implemented by KOICA and the Dhulikhel Hospital - Kathmandu University Hospital (DH-KUH) at its outreach centers namely; Manekharka and Hindi in Sindhupalchowk District, Salambu in Kavre District and Puttar in Tanahun District.

This project aims to improve and strengthen the living standard of community people by enhancing access to outreach centers, participatory health and rural development programs, and income generation opportunities. Here, KOICA will establish 2 outreach centers in Hindi and Puttar, provide medical equipment in all 4 outreach centers and implement income generation activities in 3 outreach centers.

### JICA Nepal Signs Grant Assistance For School Education

JICA Nepal has signed Grant Assistance agreements for the School Sector Development Program (SSDP).

Government of Japan extended Grant Assistance of 300 million Japanese yen (approx. NPR 335million) to the Government of Nepal for the 5th year of the “School Sector Development Program (SSDP).”

Exchange of Notes (E/N) for the assistance were signed and exchanged between Masamichi Saigo, Ambassador of Japan to Nepal, and Sishir Kumar Dhungana, Secretary, Ministry of Finance, on behalf of their respective Governments.

On the same occasion, the Grant Agreements for the SSDP were signed and exchanged between Shree Krishna Nepal, Joint Secretary, Ministry of Finance, on behalf of the Government of Nepal and Yumiko Asakuma, Chief Representative of JICA Nepal, on behalf of Japan International Cooperation Agency.

The SSDP started implementation from July 2016 and aims to consolidate gains from previous reform programs and continue crucial reforms needed in the school education sector through the SWA modality. The overarching mission



of the SSDP is to produce the needed human resources to elevate the country's status from a least developed country by 2022 and to reach the goal of achieving the status of the level of the middle-income country by 2030.

Development of Education sector in Nepal is one of JICA's top priorities and it assures to continue its support to this sector for effective implementation and output. Considering the current situation of COVID-19 and its possible impacts to education sector, the Government of Nepal may explore necessary flexibility and develop a common understanding with all development partners to best utilize the available resources in addressing the emerging needs of the school education.

### Responsibility Of Nepal Army Spokesperson Handed Over

Brigadier General Bigyan Dev Pandey handed over the responsibility of Directorate of Public Relations and NA Spokesperson to Brig General Santosh Ballav Poudel amid a function at Nepal Army Headquarter. General Pandey served as the Director of DPR and NA Spokesperson for 16 months.

In his farewell message, Gen Pandey thanked the media houses, publishers, editors and journalists for their well wishes and support during his tenure and anticipated that the new director would also get similar support from all concerned and the existing relationship between Nepalese Army and the media would further foster in the coming days.



### DPM Pokharel And The US Ambassador Hold Talks

Deputy Prime Minister and Minister for Defence Ishwar Pokharel said that the government of Nepal has still been regulating international borders to discourage free movements of the people from the land and has managed quarantines and isolation centers to those who have come from abroad.

During a meeting with the American Ambassador to Nepal, Randy Berry at the Ministry, DPM Pokharel said that the Government of Nepal has been establishing better coordination among the three-tier governments to control and minimize the infection rate of the COVID-19.

Joint Secretary and spokesperson at the Ministry of Defence Santa Bahadur Sunar also said that the DPM thanked the US government's support to Nepal to contain COVID-19.

Ambassador Berry said that the US government would continue the US support to Nepal in the economic and social sectors in the years to come. He said the US support to Nepal has been continuing for the last 70 years.

Ambassador Berry, during the meeting, also praised the efforts made by the government of Nepal to contain the cases of COVID-19 and urged the DPM to give priority to maintaining social distancing while resuming the social activities.

The US government was always ready to support and work together with Nepal despite the difficult situation in America, he said.

It is also reported that US ambassador Berry Beery also inquired about the future of MCC and Nepal's position on it.



## Virtual Celebration Of The French Bastille Day In Nepal

In the current context of Covid-19, the organization of the National Day celebration/ Bastille Day was not feasible in its usual format, the French Embassy in Nepal said, and celebrated



this year's National Day virtually with the messages by Minister for Foreign Affairs Pradeep Kumar Gyawali and Ambassador François-Xavier Léger.

Few short clips of prominent personalities who shared intimate relations with Nepal and France were also to go online. As a small gift from the Embassy on this occasion, a photo book retracing the Nepal-France history is also available for download.

This photobook was published on the occasion of the 70th anniversary of the establishment of Nepal-France relationship (1949-2019).

## Call On Actors To Respect Right Of The People

Nepal based international community have called on all actors involved in the COVID-19 response need to continue to respect the right of all people, especially women and girls, youth, minorities and marginalized groups, to be safe from discrimination, sexual exploitation and abuse while receiving assistance, including as they stay at quarantine and isolation centers or receive health services and treatment.

Issued by Embassy of Australia, Department for International Development, Delegation of the European Union, Embassy of Finland, Embassy of France, Embassy of Germany, Embassy of Japan, Japan International Cooperation Agency, Embassy of Norway, Embassy of Switzerland, United Nations in Nepal, USAID, the statement reads the COVID-19 pandemic is a public health, social and economic crisis. International partners, civil society and humanitarian organizations are working together to support the Government of Nepal's response.

## Japan Extends Scholarships Though JDS To Government Officers

The Government of Japan has extended grant assistance of up to three hundred and sixty five million Japanese Yen (¥365,000,000), equivalent to 407 million Nepali Rupees to the Government of Nepal for implementing the Human Resource Development Scholarship (JDS) Project.



Saigo Masamichi, Ambassador of Japan to Nepal, and Sishir Kumar Dhungana, Secretary of the Ministry of Finance signed notes to this effect.

Another set of grant agreements for implementing the program was signed by Ms. ASAKUMA Yumiko, Chief Representative of JICA Nepal, and Shreekrishna

Nepal, Joint Secretary, the International Economic Cooperation and Coordination Division of the Ministry of Finance.

The JDS grant offers Nepal's young government officials two years of Master's Degree courses and three years of Doctoral level courses in Japanese universities.

After completion of studies, the JDS Fellows are expected to engage in formulating and implementing socio-economic development plans and programs and evolve as leaders and change agents for development in their respective countries. The fellows are also expected to contribute towards enhancing bilateral relations between Japan and their respective countries with their knowledge of Japan

Since 2016 Nepal has had 80 JDS Fellows and 22 government officials are expected to go to Japan in 2020. Through the grant assistance, up to 22 government officials will be selected as JDS Fellows.

Ambassador Saigo, in the note, said he would like to point out that the COVID-19 outbreak has made the situation difficult for both the countries.

## Secretary General Of SAARC Calls On President Of Nepal

Esala Ruwan Weerakoon, Secretary General of the South Asian Association for Regional Cooperation (SAARC), paid an introductory courtesy call on Bidya Devi Bhandari, President of Nepal.

During the call, the President felicitated the Secretary General on his appointment as the fourteenth Secretary General of SAARC. President underscored the need of early convening of the Nineteenth SAARC Summit and stated that Nepal, as the current Chair of SAARC, has been making continuous efforts and consultations with other Member States to create conducive environment for the next Summit. SAARC has an important role to play in tackling the common regional problems and challenges like COVID-19 Pandemic and poverty in South Asia, the President said. She also expressed confidence that the Secretary General would play an active role to further strengthen the SAARC process.

While appreciating the valuable support given to the SAARC Secretariat by the Government of Nepal, the Secretary General expressed the hope that he would be able to receive similar support and guidance from the Government of Nepal in discharging his responsibility as the Secretary General. The Secretary General expressed his gratitude to the Government of Nepal for endorsing his nomination as the Secretary General of SAARC. The Secretary General assumed office on 01 March 2020.



## BUSINESS BRIEF

### HBL Provides Goods To Siddhi Memorial Foundation



Ashoke SJB Rana, CEO of Himalayan Bank Limited, handed over goods at a function to Siddhi Memorial Hospital for Women and Children, as well as an old age home, run by Siddhi Memorial Foundation.

During the program, other Executive Officers of the Bank were also present.

Under the Corporate Social Responsibility, Himalayan Bank Limited has donated 50 KG capacity washing machine along with 15 KG capacity hydro extractor worth of Rs.500000.00.

Similarly, the bank had printed and provided 10,000 pieces of OPD book worth Rs. 157653.00 earlier.

Siddhi Memorial Hospital for Women and Children under Siddhi Memorial Foundation is a renowned hospital established in Bhaktapur in 2059 B.S. It has been serving and specially taking care of women and children related diseases. With the help and support of national and international supporters, the foundation

### Pandey Reappointed NIBL CEO For Another Four Years

Nepal Investment Bank Ltd's Board has again decided to appoint the current Chief Executive Officer of



the bank Jyoti Prakash Pandey for another four years. The board of directors has decided to give him continuity before his term would expire.

Starting his career in the banking sector from Nepal Rastra Bank 39 years ago, Pandey joined NIDC in 1987 and he also worked in Indosuez Bank Ltd in the

early days.

Later he moved to Himalaya Bank in 1992 and continued his service there till 2002. Pandey later moved to Nepal Investment Bank when Prithvi Bahadur Pande, who played an important role in opening the Himalayan Bank, led the group to buy the share of Indosuez Bank Ltd. Pande is currently chairperson of the bank.

### NIBL Donates Goods To Flood And Landslide Victims

Nepal Investment Bank Ltd. (NIBL) has pledged its support to people severely affected by the ongoing landslide caused by continuous rainfall in Myagdi District. Through its commendable CSR (Corporate Social Responsibility) program, the bank representatives, Bibhu Shrestha,

Province Manager of Gandaki and Pokhara Branch Manager - Dhiraj Thapa donated 20 tents and 100 blankets to District Coordination Committee Manager – Devendra Bahadur KC and Chief District Officer - Gyan Nath Dhakal. Deputy Superintendent of Police, Kiran Jung Kunwar and NIBL Jaljala Branch Manager - Dilesh Aryal were also present on the occasion.



Each tent provided by the Bank can provide shelter for up-to ten people. The Bank saw the need to contribute towards reconstruction and relief work after hundreds were displaced due to the landslide. NIBL is proud to be the first bank amongst Nepalese banks and financial institutions to make a contribution towards the victims of landslide.

### Himalayan Bank Supports Kanti Children Hospital

Himalayan Bank Limited has extended its helping hand to the Kanti Children's Hospital, Kathmandu, through its Maharajgunj Branch under its Corporate Social Responsibility.

For the well-being of all the beneficiaries (staffs and patients) of the hospital, the Bank has provided a financial assistance of Rs. 1,42,945.00 to repair and maintain Rapid Sand Filter, Hospital Vessel and IIF Filtration.

On behalf of the bank, Branch Manager of Maharajgunj Branch, Abhaya Bahadur Shah has handed over the Drinking Water Treatment Plant to the Director of Kanti Children Hospital, Dr. Krishna Prasad Poudel, amidst a function. During the ceremony, staffs of the branch and the hospital were also present.

### Himalayan Bank Hands Over Money To Teach For Nepal

Ashoke SJB Rana, CEO of Himalayan Bank Limited, handed over a sponsored amount of Rs.5 lakhs to Swastika Shrestha, CEO and Co-founder of Teach For Nepal. During the program, other Executive Officers of the Bank were also present.

Under the Corporate Social Responsibility, Himalayan Bank Limited has supported Teach For Nepal with an amount of Rs. 5 lakhs for providing quality education to the students of various Community Schools.

Teach for Nepal, an NGO, is working to uplift the educational condition of various subjects like Mathematics, Science and English, in which students of various community schools, have a low performance..

With its vision one day all children in Nepal will





attain an excellent education, Teach for Nepal, since its establishment, has provided quality education to over 30000 students of 67 schools of various 7 districts by sending 270 volunteers and teachers.

Himalayan Bank, since its inception, has been helping the community, especially in the field of Education, Orphanage, Old Age Home, Conservation of Cultural Heritages, Health, Victims of natural calamities along with sponsoring various programs.

### **NIBL Ace Capital Comes Up With NIBL Professional Portfolio Service**

NIBL Ace CAPITAL Limited, one of Nepal's leading merchant banking company and a subsidiary of Nepal Investment Bank Limited, has come up with a newly tailored product, NIBL Professional Portfolio Service, under its Portfolio Management



Service.

This product aims to create an investment opportunity to the busy professionals, with limited time, expertise and fund to invest under this service. Its theme is "Invest Now, Pay Later" which would be very helpful to professional who want to exploit the opportunity of stock market in a hassle free environment.

In response to impact of Covid-19, NIBL Ace Capital has also launched two new products recently under Corporate Advisory Service for business/entrepreneur.

They included Business Assessment and Impact Analysis and Start-up set up and Capital Funding.

### **ADB Provides \$50 Million For Civil Aviation Improvement Program**

Shreekrishna Nepal, Joint Secretary at the Ministry of Finance and Mukhtor Khamudkhanov, Country Director, Nepal Resident Mission of ADB have signed an agreement for a US 50 million equivalent to Rs. 5.95 billion to finance Civil Aviation Sector Improvement Program.

The money will be used to strengthen the aviation safety oversight capabilities and operational efficiencies of Nepal.

"The fund will be used for the establishment of legal and implementation framework of civil aviation sector reforms and establishment and functionalisation of civil aviation related agencies, including Civil Aviation Authority, Nepal (CAAN) and Air Service Authority of Nepal (ASAN)," states Ministry of Finance in its press release.

"The support shall be



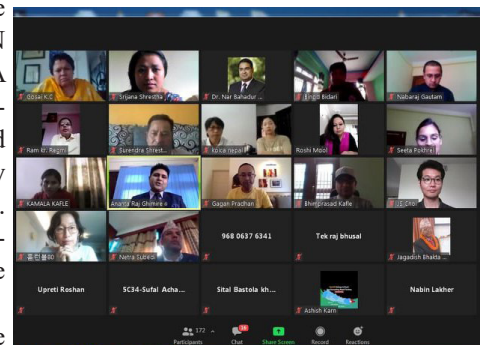
vital for the country to enhance its airport capacity since it is undertaking various civil aviation sector reform initiatives from the loan," said Nepal.

"Strengthened oversight functions and airport management through the civil aviation reforms will help the government to improve substandard airports services, contributing to international tourism development that will ripple across the whole economy," said Khamudkhanov.

"The quick disbursing program loan will also assist the government in securing external fiscal financing to mitigate economic and social shocks caused by COVID-19."

### **KOICA, KAN Hold Knowledge Sharing Webinar 2020**

The Korea International Cooperation Agency (KOICA), KOICA Alumni Association of Nepal (KAN) in collaboration with Uniglobe College organized KOICA –KAN Knowledge Sharing Webinar on July 10, 2020 at 4:00 pm through a Zoom Platform. The webinar was titled "Sustainability of Small and Medium Enterprises (SMEs) in Nepal amidst COVID -19 crisis." The webinar was live in Uniglobe College Facebook page. The students and faculty of Uniglobe College, KAN members, KOICA partners and other people joined the program by pre-registration. More than 200 people attended the zoom webinar.



During the event, 2018 KOICA

Master's Degree Scholarship awardee Sita Pokharel shared the findings and recommendations of her thesis "Entrepreneurs' Characteristics and MSEs Performance: A Case of Nawalparasi (West of Bardaghat Susta) District, Nepal" relating the theme of MSE in the present crisis of COVID 19. Ms. Pokharel shared her experience of Korean development as well as highlighted new ideas based on Korean experience which can be carried out in the context of Nepal.

Every year KOICA and KAN have been organizing this kind of knowledge dissemination program in the form of workshop, lecture and seminars where the scholars are provided with a platform to promote Korean knowledge as well as providing concrete recommendation in specific sectors. This year due to the outbreak of the COVID 19, KOICA opted for the medium of virtual platform for disseminating the Korean knowledge. Through the online medium KOICA reached out to more beneficiaries despite the emergency situation. In the mean time KOICA hopes to continue the same format of knowledge sharing for upcoming years, too.

# Inter-Government Relations Bill: A Mixed Bag Of Optimism For Subnational Governments



BY: BISHNU ADHIKARI AND  
PARSHURAM UPADHYAYA

This month, at the height of the Covid-19 pandemic in Nepal, both the Houses of Nepal's parliament passed one of the single most crucial Bills to Nepal's federal state and implementation of its constitution (2015). The Inter-governmental Relations Bill, as it is referred, outline how the state will manage the coordination and relations between the three spheres of governments. Constitution experts and lawmakers alike reflect this Bill "is the most important piece of law after the constitution" (Ramesh Lekhak, a leader of Nepali Congress party and member of Constituent Assembly). While creating three spheres of government - the federal, 7 province and 753 local governments (LGs) – Nepal's constitution shares executive, legislative and judicial powers and functions across the levels government. However, this sharing of powers also created overlapping functions and responsibilities which were expected to clarify through subsequent legislative and consultative processes amongst the three spheres of government. The cornerstone of that clarifying process is this Bill; and it still leaves us with many uncertainties on whether Nepal's federal system can deliver on its constitutional guiding principle of "coordination, coexistence and cooperation" as a means to delivering government services to its people.

## Where are we now: Process matters

In the nearly five years since the promulgation of Nepal's constitution that made it a federal governing system, much has transpired in absence of a federal law on coordination and management of inter-government relations (IGR). Each levels of government had started to discharge their legislative, executive and judicial functions without necessary coordination and consultations with each other since their formation following the 2017 elections. This has created jurisdictional, policy and programmatic overlaps and contradictions on multiple fronts creating a situation of legal anarchy, arbitrary policies and dis-jointed programs across all three levels. The impact of this is sizable.

For instance, the federal parliament passed over three dozen new laws and amended more than 160 under its exclusive and concurrent powers, provinces an average of 30 plus new laws, and 753 local governments at least two dozen each. A review conducted by the National Association of Rural Municipalities in Nepal (NARMIN) in 2019 shows that the federal and provincial laws either have massive contradictions

and overlaps with each other or have provisions that clearly constrained the exclusive rights and functions of the LGs. In response, more than 255 cases have been registered at the Constitutional Bench of the Supreme Court including cases related to jurisdictional disputes between spheres of governments. (Annual Report of the Supreme Court 2019). Though "use of forests and water, and management of environment within the province" is listed as exclusive competency of province by the constitution, the federal government had made an executive decision to retain the ownership of the Sagarnath Forest in Province-2. In response the Province has filled a case in August 2019, challenging the decision and the Constitutional Bench has issued a stay order to the federal government.

Similarly, since the 2017 elections, the spheres of governments have completed 3 budget cycles. Compare to pre-federal context, the federal government has increasingly transferred significant proportion of national budget, from 30.27 percent to province and LGs in FY 2019/20 to 32.91 in FY 2020/21 to local and province governments respectively. Under the pre-federal set up LGs used to get as little as about 9 percent of national budget from the central government and rest used to be spent through the central agencies or their delegated authorities.

While this is considered by many an encouraging trend, these transfers are inadequate to fund the functions now devolved to the province and LGs. Similarly, the federal and provinces have continued to identify and fund small projects and programs for implementation through their own line agencies. This has resulted in huge overlap of projects and programs across the country and wastage of scarce resource, often all three levels of governments investing on the same local projects without any knowledge of each other. Member of Parliament's (MPs) constituency development small infrastructure program funded by the federal government is a classic example of layering petty programs and budget overlaps which is now replicated even by the provinces. This raises questions of has more harm been done than good.

Given the urgency and importance of a need for coordination amongst the governments, the National Assembly (NA), upper house of the parliament had introduced this Bill for parliamentary deliberations on April 17, 2019, after three



and half years of adoption of the constitution in 2015.

Compared to most other federal laws that have passed since 2015, the Legislation Management Committee of the NA embarked on a relatively consultative process; and that matters. The Committee had formally solicited written inputs and suggestions on the Bill from provinces and LGs. It also conducted a series of committee level discussions inviting external issue experts and external consultations reaching to approximately 700 participants representing government officials, party leaders and civil society organizations at local, provincial and federal.

This process not only provided the Committee with the needed perspectives it otherwise would not have access to, it also helped to garner agreement and ownership of subnational governments on the draft Bill before the NA forwarded it to the House of Representatives (HoR), lower house of parliament. As the standard legislative process, the HoR directed its State Management and Good Governance Committee for further deliberations, review and recommendation for any amendments.

Ironically, contrary to what the NA had agreed, the Committee proposed amendments to key provisions of this Bill to undercut the opportunity for a collective voice and representation of the LGs in IGR process. Though the Committee sat on the Bill for six months, from January to June for review and deliberations, but it avoided consultations on the proposed crucial amendments with the subnational governments and their associations. This non-consultative amendment process withdrew the agency LGs had collectively voiced, as well as their future roles in IGR. The amendments took out LG's associational or collective representation in the proposed national and provincial coordination councils as well as downsized their memberships in these councils. These amendments must have been found as shocking not only for members of the NA but also for all involved in the initial consultative process. And, so the Bill was passed with these amendments as a new law by the HoR on June 23, 2020 and the NA on July 2, 2020.

#### **A closer look at the bill and future of IGR**

The constitution confers the federal, provincial and local governments, as three governance structures to exercise state powers as exclusive and concurrent rights and functions. Sixty-eight percent of Nepalis are unfamiliar with the changes the constitution has brought. When asked about their familiarity with the roles and functions of each of the three levels of government, the national average is an astounding 52% unfamiliar of local government public functions, and an even more astounding 79% unfamiliar with provincial government and 73% unfamiliar with the federal government functions. These figures have remained statistically consistent the past few years (Survey of the Nepali People). But we should not be surprised by this majority of confusion; it reflects the fact that numerous functions are equally the responsibility of all three levels of government.

The constitution distributes the following fundamental state responsibilities and duties which are also provisioned as state policy to all three spheres of government: Nepal's freedom; sovereignty; territorial integrity; independence; national interest; overall development; multi-party, competitive, democratic, republication, federal system of governance; human rights and fundamental rights; rule of law; separation of powers and check and balance; egalitarian society based on pluralism and equality, inclusive representation and identity.

Some suggest that the equal sharing of this broad range of responsibilities across all three levels of government, it indicates a desire of the framers of constitution to create a strong subnational government. In substance, however, it is a source of overlaps and confusion.

The IGR Bill's primary point of departure is to bring greater clarity to these roles, functions, and means of engaging in dialogue and contestation. The guiding principle or fundamental basis for IGR is already defined by the constitution as "cooperation, coordination and co-existence." One would have expected the new Bill further define or explain this constitutional principle and help bring clarity in its implementation or practice.

Instead, the Bill lists a large number of un-necessary and confusing lists of functions and abstract principles as the bases for IGR.

**In conclusion, high handedness of the federal parliament in the passage of this Bill by enhancing control and influence of the PM and CM appears to be a continuation of centralist trend which is unlikely to change easily.**

Amongst a long list of "key bases" for IGR the followings are simple, succinct and crucial: "by remaining under

the boundary of constitution, respect for functional autonomy of the spheres of government (Clause 3, h) and mutual cooperation, exchange of information, coordination and consultation with each other in the implementation of law, policy, judicial or administrative decisions' (Clause 3, j)." These would have been a sufficient but the Bill instead adds a sloppy list of additional bases for IGR that are either redundant of constitutional provisions or un-necessary. The risk of such messy list is further confusion and non-compliance. Fog and mirrors make for non-implementable policies and laws.

But there is hope. On the positive side, the law has recognized the principle of subsidiary, a key rationale of a federal structure of governance. The provisions state that the federal government can delegate administration of any activities, programs or projects under federal exclusive or residual power to province or local governments if implementation of such functions through the subnational governments could be proven as more cost effective, sustainable and result into effective service delivery. This is a principle seen in federal governing structures elsewhere in the world and aligns with the spirit of the federal structure. Whether such a subsidiary role will be

## OPINION

exercised by the central government is a question to watch.

Since the adoption of the constitution, the federal government enacted and amended more than 200 laws with no or inadequate consultations with sub-national governments. In March of 2019, the government passed around 160 laws in a single sitting in order to meet the constitutional deadline. Result of such legislative processes was that these laws enhanced federal control and authority at the cost of sub-national governments' constitutionally mandated autonomy. Considering this trend, the IGR law has introduced an explicit limitation on federal government with provision that "the federal law must not abridge or interfere the exclusive competencies of sub-national governments." This principle of non-interference is expected to limit the encroachment of exclusive competencies of other spheres of government and provide measures of restraints to the federal government.

Considering the repeated tendencies to limit or undermine the exclusive rights of the subnational governments in the recent new federal laws, this provision could be considered as a key milestone. This creates more space for subnational governments to contest federal actions including on some key subjects such as local security, law and order, utilization of natural resource etc. It would be worth watching whether these entities exercise this option in the coming years.

Furthermore, the law requires the Government of Nepal to designate an agency to assess implementation status of all the laws enacted by the three spheres of government, and to provide its report to the National Coordination Council. This exercise provides an opportunity to create a comprehensive clearinghouse of all the laws of the country, which currently is a missing process to bring consistency in the law-making processes, and coherence in their applications. However, ownership of such assessments or interpretations cannot be guaranteed unless such agency is not designed to be inclusive of subnational governments.

To bring coherence in planning and budgeting systems and their implementation, the Bill has put limitations on the nature and scope of projects and programs at each levels of government is able to undertake. It also mandates the federal government to set standards for levels of programs, projects and services, while demanding compliance of the subnational governments to national policies, priorities and standards.

Similarly, for bringing coherence and uniformity in legislative and policy making processes the law requires each spheres of governments to consult and coordinate with each other in formulation and implementation of the laws, policies, and projects of common concerns. Notably, the Bill requires the federal government to consult and coordinate with provinces while formulating laws and policies related to concur-

rent power and functions between province and federal level. Similarly, it also mandates consultation and coordination in the operation of mega projects of national importance or inter-provincial projects. It seeks consultations between and among provinces and local governments while formulating national policies and plans that requires sub-national governments to contribute and share revenues, introduce new policies on taxation and distribute natural resource benefits.

However, the essence of these democratic provisions appears to have been seized with a concluding clause that "such consultations may take place, if the responsible government consider these as necessary" leaving the option open. Also, interesting enough, the Bill is silent on to how the sub-national governments would participate in these consultations and coordination exercises, nor there is clarity about the specific mechanism or forums for them to participate on a frequent basis.

One of the most notable strengths of this Bill is that now the sub-national governments are free to enact necessary laws under the concurrent list without waiting for the federal laws. The constitution envisages that the federal laws would be enacted to bring clarity on the division of concurrent functions prior to the subnational government laws. However, the federal government has remained far behind in getting necessary federal laws in place on a number of key sectoral laws such as education, forest, agriculture, natural resources that are listed under the concurrent rights in the constitution. Likewise, non-enactment of federal framework legislations related to adjustment and management of civil services and security agencies (civil police) has jeopardized functional autonomy of sub-national governments. As a result, the sub-national governments were unable to exercise their rights on these concurrent functions or were still dependent on the federal government's directives and decisions. The new IGR Bill now mandates the subnational governments to have their own laws in these subjects. Such laws would remain valid as long as they would not contradict with the constitution and the federal laws or would such provisions in the subnational laws become null and void when such federal laws would come into existence.

The Bill establishes a National Coordination Council (NCC), chaired by the Prime Minister (PM) with followings as members- 7 Chief Ministers (CM), 4 federal ministers (Home, Finance, Federal Affairs, Law and Parliamentary Affairs) a leader of opposition party in the HoR and 7 members of which at least 3 women nominated by the PM representing 7 provinces from amongst the chiefs and deputies of 77 District Coordination Committees (DCC), and 753 LGs.

The Council has a mandate to establish coordination on a wide range of subjects and issues ranging from formulation of laws and policies on matters related to the concurrent jurisdictions, assessment of their implementations and to recommend all levels of governments.

**Ironically, contrary to what the NA had agreed, the Committee proposed amendments to key provisions of this Bill to undercut the opportunity for a collective voice and representation of the LGs in IGR process.**



Based on the extensive consultations and inputs from the provincial and local governments and their associations, the NA had proposed that the PM would nominate 21 members, 3 each from 7 provinces to the NCC in consultation with LGs associations who would represent their associations. However, the HoR scraped the requirement of consultation by the PM with the LGs associations and reduced LGs representation to 7 members only. This not only undermines the values of collective representation of LGs to this Council but also creates opportunity for the PM select LG representatives arbitrarily, rendering such “representation” as meaningless and highly susceptible to political interference and incentives. Secondly, appropriateness of such selection by the PM without consultation and institutional representation is likely to undermine the legitimacy of these representatives to collectively represent the voice and interest of all the LGs. Thirdly, the LG representatives are unlikely to challenge on the province and federal issues in this forum as they would be subservient to the PM. Likewise, per this Bill, the NCC would meet at least once a year which was originally proposed for twice by the NA, with its secretariat at Office of Prime Minister and Council of Ministers (OPMCM). Finally, this indicates a recurrent tendency of the HoR to reinforce an upward accountability practices from the erstwhile unitary system and ignore the voice and interests of the subnational governments, a pattern noted in almost every single law enacted by HoR since its election in 2017.

Similarly, the provisions of different sectoral committees in the Bill under the convenorship of sectoral federal ministers with provincial ministers and representatives of LGs as members for sectoral coordination appears disjointed. There is a noticeable gap as to how these committees would interact with the NCC. The Bill could have made provisions for the major sectoral federal ministers to represent in the NCC as members, however it is left for the Chair to invite them in the NCC meetings, if necessary. Such as, education, health and agriculture are listed as concurrent function by the constitution that requires more frequent sectoral interactions and coordination efforts in a range of sectoral programs and projects. During the early phase of constitution implementation, overlaps of projects and programs were noted; this pattern is all but certain to continue. Non-representation of the sectoral ministers in the NCC may reduce it to an idle body or its exercise as irrelevant to the concerns of the sub-national governments.

The law could have made further functionality provisions of an executive or standing committee comprising representation of three spheres of government, which could meet frequently in between the Council meeting and implement the Council’s decision or any other delegated functions. In absence of such structure or intermediary body, annual NCC meeting may render it as a routine ritual without any informed deliberations and decisions.

**To bring coherence in planning and budgeting systems and their implementation, the Bill has put limitations on the nature and scope of projects and programs at each levels of government is able to undertake.**

The Provincial Coordination Councils (PCCs), one each for province were formed under the Local Government Operation Act (LGoA) 2018 to facilitate coordination between the province and local governments in matters of their joint interests and functions. The PCCs were considered to be inclusive with CM as chair and representation of all the provincial ministers, their secretaries, and chiefs and deputies of all the LGs within the provinces. Most importantly these PCCs among others have started to meet at least once a year (in March-April) to discuss provincial priorities and to bring coherence in their upcoming fiscal year budget and plans.

While these subnational level practices were evolving with appropriate institutional design, development of standard operating procedures, and establishment of its secretariat, the new Bill limits the membership of PCC to provincial finance and internal affairs minister, and the principal secretary while providing discretion to the CM to nominate

only one member from each district within the province to represent the LGs. This revision has not only reduced legitimate representation of the LGs to this body but also empowered the CM to exert influence over them, creating hurdles for coordination and engagement with a collective group of LGs in the

province.

The LGs associations representing the DCC have already issued a joint statement with strong disagreement to the provisions to provide discretion to the PM and Chief Minister on the selection of LGs representatives to the NCC and PCC. This does not indicate a healthy sign that the LGs are ready yet for a more constructive engagement with the federal government to bring some order of IGR based on this new Bill.

In conclusion, high handedness of the federal parliament in the passage of this Bill by enhancing control and influence of the PM and CM appears to be a continuation of centralist trend which is unlikely to change easily. Even though this is one of the most important Bills of Nepal’s governing structure, no one seems to be paying attention as it has barely hit the news let alone any serious discussions on its contents and implications. Does this indicate a sign that even the progressive parts of the law will be lost in the dungeons of Nepal’s imperfect policies of past? While the general citizen will continue to be unclear about what the constitution and their governments provide them, it remains to be a test whether the subnational governments will leverage the plus points of this law or not.

# Unjust Act

*The decision of Nepali Congress Disciplinary Committee to expel senior leader and former Joint General Secretary Govinda Raj Joshi is tantamount to death of NC ideals*

By A CORRESPONDENT

Nobody expected that the Nepali Congress top leaders would give consent to expel the senior most and die-hard Nepali Congress leader Govinda Raj Joshi from the party. When the party follows the whim of some leaders, unexpected and unusual decisions will be part of the party. Joshi's case was no exception.

Expressing resentment over the party's decision, Binod Bhattarai, a nephew of Nepali Congress founding father Krishna Prasad Bhattarai, tendered his resignation from active membership of the party.

Known for his strong political

the mission of Nepali Congress to restore the liberal democratic order in the country.

He worked with party leadership including BP Koirala, GP Koirala and Krishna Prasad Bhattarai to expand the party organization. As he started to work, senior leader Ram Chandra Poudel also joined with Joshi in the mission. However, their comradeship started to turn sour after the restoration of democracy in 1990.

Backed by Girija Prasad Koirala, Joshi made a political rise that was unparalleled to his one time friend turned die-hard foe Poudel, who saw Joshi as the

a stiff competition in the coming convention for the post, Poudel was able to expel Joshi from the party. In the give and take, Deuba expelled other leaders of far-west, including Pushkar Ojha. However, this decision will also be death knell of Poudel's own politics in the district and Deuba's wife Dr. Arju Deuba Rana.

Although no one took issue with the decision, including the Koirala's clan Dr. Shekhar Koirala and Dr. Shashanka Koirala, for whom Joshi took all risks defending them, Dr. Shekhar Koirala issued a formal statement expressing his resentment against it.

However, young leader Dr. Minendra Rijal proved himself to be more liberal than any others by issuing a heart-touching statement in Twitter. "I read the name of our colleagues of the party, read the punishment. I have yet to come to terms. Built by BP Koirala, I am much concerned whether our party is gradually losing liberal democratic character," tweeted NC young leader Dr. Minendra Rijal.

Spending more than 8 years in prison during the struggle against Panchayat, Joshi shed his blood for the party. "I have blood relations with the party," said Joshi reacting to the decision. The four members of the committee who recommended expelling senior leader Joshi were earlier expelled from the party for their anti-party activities.

The decision of the Nepali Congress Discipline Committee to expel strongmen Joshi and Ojha is rejected by a large number of Congress leaders and workers. Deuba and Poudel both take this as their personal victory. However, this is not the first incident in Nepali Congress to victimize die-hard Congress leaders in the internal political feud.

After almost three years, Ne-



Govinda Raj Joshi

strength, Joshi had been given a prominent role in expanding and building the party organization at the grass root level from the very beginning. From his early student days six decade ago, Joshi joined

single most threat to his political career. Waiting for an opportune time to kick Joshi out, Poudel found the time was now.

With political compromise and give-and-take with Deuba, who is facing



## THAPA JOINED CONGRESS

### Navigating Politics

Just 24 hours after the decision to expel two stalwarts of Nepali Congress senior leader Govinda Raj Joshi and leader Pushkar Ojha, former general secretary of Rashtriya Prajatantra Party Sunil Bahadur Thapa, son of a veteran politician of erstwhile Panchayat and former Prime Minister late Surya Bahadur Thapa, has joined Nepali Congress along with his supporters.

Thapa, who just a week ago quit his mother party RPP showing his displeasure over the party's new order, entered Nepali Congress amid a function at Nepali Congress central office Teku.

In presence of NC senior leader Ram Chandra Poudel, Dr. Ram Sharan Mahat and other senior leaders, Deuba welcomed Thapa and announcement of Joint General



Secretary of Nepali Congress.

During the welcoming program, Deuba has announced that Thapa is appointed joint General Secretary of the party.

Welcoming Thapa in the party, Deuba said that the entry of Thapa to the Nepali Congress will help to strengthen democratic forces in Nepal paving the way to fight the communist government.

Thapa said that he quit his mother's party after growing the difference over secularism and monarchy. He said he is entering the party unconditionally.

At a time when Nepali Congress is itself in a deep division and there is growing disenchantment among the party's rank and file, how hardcore Congress workers will treat him in the party remain to be seen.

pali Congress Discipline Committee has expelled former minister and leader Joshi and two others from the party for a period of five years.

The other two include former minister of state and Member of Mahasamiti Ojha and secretary of Nepali Congress Dadeldhura Ram Bahadur Bisht.

The Committee expelled Joshi and Ojha for five years and Bisht for three years. They were expelled for violating the party's discipline. According to the decision of the party, all of them were expelled because they conspired against the official candidates in the local, provincial and central elections.

### Personal Rivalry

Whatever the reasons given, the expulsion of Joshi is merely a personal political vendetta by Ram Chandra Poudel and Sher Bahadur Deuba.

Joshi suffered political humiliation due to his rivalry with party president Sher Bahadur Deuba and Ram Chandra Poudel. Ojha was kicked out from party to create a safe constituency for Deuba's wife Arju Deuba in Sudurpaschim.

Joshi's rivalry with Deuba and Poudel remains old. When Joshi, who served as joint General Secretary of the Party, Deuba and Poudel were central committee members and both of them were in anti-Koirala camp.

Joshi was in a key position in the party when most of the members of the current discipline committee were expelled from the party for their role to split Nepali Congress.

However, in politics, everything is justified. Political heavyweights are sacrificed in the course of making a dirty alliance. Nepali Congress is not much different.

Expelling NC leader and former minister Govinda Raj Joshi from the party for five years, NC president Sher Bahadur Deuba has shown how ruthless he can be in politics.

Although his decision is taken to please his arch-rival Ram Chandra Poudel, who has been in knee and jerk, arguing for the expul-

sion of Joshi following his elections debacle in Tanahu, it will also pave the way to end the election career of Poudel as well.

The expulsion will put Joshi at bay in the Congress politics. However, it cannot stop Joshi to mobilize his supporters against Poudel. Doing this, Deuba, who split the party in 2002 and constituted Nepali Congress Democratic, has also weakened Poudel in his home town but also bowled out strong loyalist of Koirala from the party.

Joshi, who has spent his entire life in Nepali Congress politics and has a strong base in Tanahu, will now use all his strength to end Poudel's elections politics. Joshi's expulsion from formal Congress politics will also be a major loss to Koirala clans who are vying for leadership of the party.

Joshi, who has backed Koirala in entire Nepali Congress politics, was betrayed by young Koirala at a time of his crisis in the party. What a political drama, young Koirala supported Poudel, who stood for entire his political career against Koirala.

Along with Joshi, Deuba also expelled Puskar Ojha, another loyalist and the strong hand of Koirala and Poudel from Sudurpaschim. Ojha was accused of supporting the rebel candidate against Deuba's spouse Arju Deuba.

Expulsion political stalwarts and heavy weights like Joshi is not the first time in Nepali Congress. The party also expelled one time its ideal B.P. Koirala as well. One of the tragic parts of the history of the Nepali Congress is that it does not tolerate strong men.

After the decision of expulsion of NC leader Joshi and Ojha, Koiralas have lost their pillar in Gandaki and Sudurpaschim. This will also open for free rivalry within the congress against Poudel and Deuba.

# When & Where Was Ram Born?

It is estimated that Ram was born about five thousand years ago and that the Valmiki Ramayan was written about 250 BCE. It is conjectured that an Uttar Ramayan preceded it.

Our PM KP Sharma Oli's statement on 13<sup>th</sup> June, Bhanu Bhakta Jayanti Day that Ram was born at Ayodhya, in Thori of Pradesh No. 2 of Nepal has created a great rumpus in India and is being debated there. The possible location of Ram Janma Bhoomi is the conjecture of the day. The feeling in Nepal is that it PM Modi in his travels around the world can periodically state that 'Buddha was born in India' then that there was not much wrong in our PM saying that 'Ram was born in Nepal'. Some politicians of stature in Nepal have said that this was a wrong move at a time when the relationship of Nepal with India is at a low level. Some have remarked as to why so much discussion about someone who may be fictitious. Even Shri Karan Singh, an erudite Hindu scholar has said that this was a wrong to make such a statement. An outfit, Vishwa Hindu Parishad of Varanasi has publicly shamed a Nepali and Nepal's living in other parts of India warned of dire consequences. .

Our friendship with India is from time immemorial and though stated forever, an adjustment of some sort is a dire necessity. The famous Vyas *Rishi*, father of Pandu, Dhritarashtra and Bidur is said to have lived in a cave which has come to be known as the Vyas *Gufa* of Tanahau. A colossal statue of him is planned to be constructed in the coming years. One reads in the *Mahabharat* that when the Pandhavs, after their twelve years of exile, had to live in a place where they could not be traced out, the five brothers are said to have gone to the Eastern Nepal region which was then under King Virat.

Even Ravan, who was the grandchild of Rishi Pulatshya is said to have been born and brought up at Pulashram located just above Beni Bazaar in Myagdi District of Nepal. Besides Ravan, brothers Kumbhakarna and Bibhushan plus sister Suparnakha were also born and grew up there. It is with this historical fact in mind that Beni *Nagarpalika* is in the process of making a Ravan Park with the Rishi Vyas statue. Hopefully this will increase tourist flow to the Myagdi area. The question of Ram being Nepali cannot easily be brushed aside.

A certain Lekhmani Poudel, son of Pandit Mahendra Sharan Upadhaya gave an interview in Sunrise Khabar in which he has discussed the possibility of Ayodhya at Thori being the site where Ram was born. True, there is the grand design of the BJP of constructing a temple at Ayodhya in India. This is all fine for there are plenty of places where there are / were Ram Mandirs. The recent High Court decision in India was that there may have existed a Ram Mandir at the place where Babri Masjid stood, but this in itself was no proof of Ram's birth there. In fact a statue of Buddha was found there!

Lekhmani Poudel in his interview stated that he had visited the site of the Babri Masjid in Ayodhya, the Ayodhya in Thori and the Valmiki Ashram in Chitwan. As per his interview, a Masjid was built by one Ibrahim Lodi at the place then called Faizabad and had an edict placed there. Lodi was then killed by one Mir Baqi, perhaps on orders from Babur on 20<sup>th</sup> April 1526 CE. The existing old edict was replaced by a new one calling this the Babri Masjid. Confirmation of this point has been made by Alois Anton Fuhrer then in the Archaeological Office of India in 1899 CE.

Dr. Jabman Gurung, Chief of Nepal Academy who was interviewed by Himal Online TV stated that what the PM said was prob-



BY: HEMANG DIXIT

ably correct. Also the ancient objects found at the Ayodhya site were of Buddha and not Ram.

Lekhmani Poudel then went to the different sites in the adjoining Tribeni areas of India and Nepal. In India there is the Valmiki Bal Samrakshak Kendra. After crossing over the river and going across the tiger country, one reaches the Valmiki Ashram in Nepal. Lekhmani states that as per the narration in the Ramchitramanas, Laxman having brought Sita in a day's journey on a horse drawn carriage from Ayodhya in Thori left her to walk to the ashram of Valmiki and returned back to Ram. Lav and Kush were born here and when the Ashwamedh Hom was done by Ram the sacrificial horse wandered here the following day and was tied to a pillar, a fragment of which still imbedded there by Lav & Kush. Ram came to investigate the next day and had a battle with the boys who, unknown to him were his sons.

Another report by the News 18 of India TV, which was aired recently, stated that Amritsar, Pithor and Chitwan in Nepal were the current contenders for the birth place of Ram. It goes on to show the travels of an Indian reporter across a tiger reserve to Valmikinagar in India where there is the Valmiki Bal Samraksha Kendra. At this point where three rivers – form a Tribeni he crosses and then goes across this area of tiger land to the Valmiki Ashram in Nepal. It is also known that ashram of Bashista and other rishes also existed in Nepal. Visuals of the site of a stone slab which Sita used as a silauto and then another slab with a number of depressions, in one of which Sita rested her water filled gagro is shown. Nearby was a pillar, now broken at which Ram's Ashwamedh horse was tied by Lav and Kush.

Ram came immediately and fought with his sons during the course of which battle many of Ram's troops were killed. Valmiki is said to have taken water from the Amrit Kuwa and sprinkled it on them. They were then revived and gained consciousness. At this place also was a depression in the earth where Sita was said to have been taken into the fold of Mother Earth. This is now a protected area but exists there. A reality is that a large number of pilgrims from both India and Nepal come here to do homage.

One important aspect to note is that Luv and Kush attended the Ashwamedh Hom done by Ram and returned to the ashram in the evening. The next day the horse also reached there. The distance of 515 kilometres from Ayodhya in India to Valmikinagar / Valmiki Ashram could not have been covered in one day.

One surprising fact to note in this narration is that the southern area of the Nepal is dotted, from long, long ago with place names such as:

Ayodhyapuri, Janakpur, Ramnagar, Rambhumi, Bharatpuri / Bharatpur, Ramgram etc. The namakaran, being from time immemorial gives credence to the fact that Ram may, after all have been born in Nepal.

Our PM's remark has certainly created a stir in India. Both Shiv Sena and some sadhus have threatened stirs. Nepal's Archaeological Department is planning excavations at Ayodhya in the Thori region of Pradesh No.2. Our PM must form a committee to delve into all this and come up with a report within a specified period of time. Only then will our relationship with India improve.

*The author writes fiction under the name of Mani Dixit. Website: [www.hdixit.org.np](http://www.hdixit.org.np). Twitter: [@manidixithd](https://twitter.com/manidixithd)*



KULMAN GHISING

# Rush For Work

*Managing Director of Nepal Electricity Authority Kul Man Ghising had to rush for work even as he was mourning the death of his father*

By A CORRESPONDENT

**A**lthough Managing Director of Nepal Electricity Authority Kul Man Ghising is still in mourning following the death of his 98-year-old father days ago, he came out with emergency direction and plans to manage the electricity supply reduced by shut down of power plants caused by the sudden monsoon flood of in the second week of July.

As flood disrupted Kali Gandaki A, Middle Marsyangdi, Trishuli, Debighat and Middle Bhotekosi and many other Hydropower plants, there was a shortfall of over 500 MW of electricity. MD Ghising had no option other than to make a move.

As the flood had damaged four major plants and two medium ones reducing the electricity generation by 500 MW, MD Ghising moved out from his mourning and took up the regular job.

Directing and managing the team, MD Ghising restored the power supply importing electricity from India causing minimum disturbance.

Despite the short supply by almost half of electricity, Ghising, who is in isolation, arranged everything, working with his technical team at NEA. Had not he activated it, there would have been a long power cut again. Instead of placing people at dark, MD Ghising preferred to break his isolation for the sake of customers.

MD Ghising said that the flood has badly damaged generation and transmission sector. MD Ghising said many hydropower plants including those owned by NEA and private sector were shut down, reducing 40 percent of electricity generation.

Landslide and floods triggered by the rain has badly damaged

due to the intensity of flood.

He said that power supply and distribution had been affected all over the country due to the shutdown of power plants. However, NEA has been supplying electricity with minimum effects. He said that NEA has been supplying the electricity, cutting the power in just limited places.

He said that alternative arrangements had already been made to import the electricity from India through Katiya and Dhalkebar.

MD Ghising said that NEA's technical manpower has already been mobilized to start the maintenance and restoration of transmission line and power plants. He said that technicians are working day and night to restore the system and rehabilitated



some hydropower plants owned and operated by Nepal Electricity Authority and private sector cutting almost 500 MW of power supply.

According to Nepal Electricity Authority, those include 240 MW power from NEA and 250 MW of private sector. Due to floods, Nepal's largest 144 MW Kaligandaki A Hydropower Plant was shut down since Friday morning. According to head of Kaligandaki A Pashupati Gautam, the operation of power plant is uncertain

the damaged sites.

Similarly, 70 MW Middle Marsyangdi, 16 MW Trishuli and 14 MW Debigat are also shut down.

The 45MW Upper Bhotekosi and other plants with capacity of 240 MW have also been shut down. The heavy rain also damaged Kabeli-corridor Transmission line in Siddhihumka halting 140 MW power evacuations. Due to heavy rain, transmission and distribution lines in other parts of the country have also been damaged.

# Given The Go-Ahead

*As the Dhalkebar substation is in the final stage of completion, Nepal Electricity Authority (NEA) requires grid to trade power with India and Bangladesh*

By KESHAB POUDEL

As soon as he was appointed Managing Director of Nepal Electricity almost four years ago, Kul Man Ghising announced one of his priorities was to construct 400 kV Muzafarpur-Dhalkebar Cross Border Transmission line and a substation in Dhalkebar with an aim to trade power with India.

Many dismissed his announcement as ambitious like his earlier announcement to end load shedding from the country. He surprised many by completely ending two decades long load shedding from Nepal within a few months.

“Now we have infrastructure to export and import electricity upon our requirements. With the authorization of cabinet, NEA can make a deal with not only India but with Bangladesh as well,” said MD Ghising. “We need to be very grateful with the cabinet for such a decision.”

Supported by the World Bank, Dhalkebar has 220 kV-132 kV transmission line and substation is operational. Built under the investment of Nepal government, 400 kV- 220 kV substation will be a game changer

With the completion of a number of projects including 456 MW Upper Tamakosi this year, Nepal will have a surplus of over 1000 MW of electricity from the next wet session.

“We can export and import up to 1200 MW electricity from Dhalkebar substation,” said MD Ghising. “Despite the lockdown, the work in Dhalkebar Substation is going in full swing.”

At the close to end of his four year tenure, completing the construction of 400 kV substation with authorization of power deal with India and Bangla-

desh, Ghising has made another impossible work possible.

## New Authority

At a time when Nepal Electricity Authority (NEA) has been worrying about what to do with the surplus electricity coming to its grid from next year, the recent cabinet decision authorizes it to trade electricity with India’s trade agency.

Although NEA has been exchanging the electricity with India for long at the state level through an electricity exchange agreement, the recent cabinet decision authorizes NEA to trade electricity with Bangladesh and India.

As Nepal’s generation capacity has increased recently and exported a small volume of surplus electricity at the state level under the electricity exchange agreement is inadequate, the current cabinet decision will be a game-changer.

Given the current pace of hydropower project construction with 456 MW

Upper Tamakosi and some private sector projects at the completion state, Nepal will have over 500 MW of electricity to export in wet seasons from next year.

At a time when NEA cannot make any deal, the approval given by the cabinet for inter-country electricity trade

is highly significant.

“This is a major achievement for the electricity trade in Nepal. NEA has been looking for this kind of arrangement for a long time. Now we will be able to trade electricity in India and Bangladesh in real-time. The decision will make it easier for NEA to sell electricity to India or Bangladesh immediately when there is surplus electricity at night or in the afternoon,” said Kulman Ghising, Managing Director of NEA.

Currently, Nepal is importing electricity from India depending upon the demand. Nepal imports up to 400 MW at real-time. However, Nepal has been exporting its wet surplus up to 100 MW to the state level through various



transmission connections under the electricity exchange agreement.

“The approval of the cabinet of 20 July permitted NEA to sell electricity to India and Bangladesh when the domestic production was high and to import electricity from when the pro-



duction was low. NEA will now be able to buy and sell electricity at competitive prices,” said Minister for Energy, Water Resources and Irrigation Barshaman Pun. Minister Pun said that NEA can trade electricity in real-time now.

After the cabinet decision, NEA can conduct inter-country trade and keep records of electricity trade and price. Under the decision, NEA can exchange and sign an electricity trade deal as it requires.

“We have been preparing for a short term sale of electricity in India’s energy exchange market for a long time. In the energy exchange market of India, electricity can be bought and sold in real-time,” said MD Ghising.

NEA has designated Indian NTPC Vidyut Vyapar Nigam Ltd as its nodal agency to represent it in the market. Energy Secretary Dinesh Ghimire, who recently held a webinar with Indian Energy secretary for the opening market, said that the cabinet decision came when Nepal’s power generation is increasing.

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

#### **Dhalkebar substation**

With the authorization by the cabinet to NEA to trade electricity with India and Bangladesh, the pace to complete the work has intensified. Although the lockdown announced by the government has not impacted the construction work of 400-200 kV Dhalkebar Substation and it is close to complete at the end of July.

Constructed under the gas-insulated system (GIS) for the aim of electric trade with India and distribution in the country, this is the largest substation of Nepal with 400 kV systems. Currently, about 80 technicians from India, China and Nepal are working to complete the physical parts of construction, installation of equipment and trial.

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

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

With the facilitation of secretary of Energy, Water Resources and Irrigation Dinesh Kumar Ghimire, who requested his Indian counterpart to facilitate and clear Nepalese equipment, nine



trucks loaded with the imported equipment arrived in Nepal.

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

There are 3 power transformers with 315 MVA with a total capacity of 945 MVA. These transformers can

transmit 900 MW. MD Ghising said if all three are not charged, two transformers will be charged till the 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 the national grid and to export to India in case of surplus energy in Nepal.

This is strategically a major substation to send electricity to the east and west national grid evacuated from 456 MW Upper Takes through a 220 kV Transmission line. This will also help export surplus energy to India. Nepal also imports up to 600 MW energy and can establish an 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 the Nepal government have invested Rs.2 billion to construct substation.

NEA is also constructing 400-200 kV substations in Hetauda and Sunsari. 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 project is maintaining social distancing, masks and other safety measures. With the coordination of district administration and the local level, the project is now at the final stage.

For MD Ghising, this is a high time to see completion of his announcement made by him following his appointment. He has shown how commitment and planning help to get things done.

# Top To Top

*From the beginning of his recruitment, IGP Shailesh Thapa always stood first up to leading Nepal Police*

By A CORRESPONDENT

As Nepal has been passing through political transition from unitary to federal state and the process of restructuring Police is at the forefront of issues, Nepal Police has got IGP Thapa as its new head.

After a long gap, Thapa, a local of Kathmandu, has been promoted to the top of Nepal police. IGP Thapa has been promoted on the basis of competitiveness and seniority.

Born in Katunje of Bhaktapur in 2025 BS, he served in different districts during his career. The government has been giving priority to the senior-most officers in the promotion.

Interestingly, Home Secretary Maheshwor Neupane, another local from Bhaktapur, conferred the insignia on the new police chief Thapa. Thapa had joined Nepal Police as an Inspector topping in all the examinations. He has never turned back.

Thapa was number one in the Inspector results and he was very popular among his competitors. Having maintained very good results with no controversy in his career, Thapa was popular in the force. He was seen as an officer to lead the organization.

"I take this as my added responsibility with challenge and vow to translate it into an opportunity," said IGP Thapa.

Stating that Nepal Police is guided by the policy directives of the state in line with the principles of human rights, rule of law and citizen supremacy as per the constitution and prevailing laws, IGP Thapa said that the

security agency would always remain people-centric and transparent when it comes to enforcing law and maintaining law and order in the country.

IGP Thapa directed all ranks and files of Nepal Police to perform their duties and responsibilities with greater restraint, professionalism, high morale, motivation and accountability. Addressing a special function organized in NP headquarters, he said police personnel should be a true friend of helpless citizens and victims while maintaining

force on 1 May 1992 as inspector, left behind his only competitor, Additional Inspector General of Police Hari Bahadur Pal, in the race for the top post.

In all the promotions, IGP Thapa secured the first position. This is the reason when his predecessor Thakur Gyawali retired; the cabinet picked him up to lead the main institution responsible to maintain the law and order.

Home Secretary Neupane expressed his confidence that new police leadership would be active to maintain peace and security of the people, and law and order in the country.

## Priority of IGP

Newly appointed IGP Thapa outlined his priority sector saying controlling crime and adjustment of police are his two priorities. IGP Thapa also said that he will execute the Home Ministry's guidelines in letter and spirit.

A meeting of the cabinet of ministers decided to appoint Thapa as the IGP,

informed a member of the private secretariat of Home Minister Ram Bahadur Thapa.

Thapa has been chosen on the basis of seniority. He has been working as an additional Inspector General of Police. Thapa was appointed after incumbent IGP Thakur Gyawali got the retirement from July 8 after completing 30 years of service in Nepal Police.

As he is going to serve almost three years, Thapa's tenure will help to stabilize the institutions and make it better equipped and flourish



peace and security in the society.

He directed the police personnel to carry out result-oriented, evidence-based and scientific criminal investigation through maximum utilization of available resources.

According to the new IGP, internal strengthening of the organization, institutional reform and career development of police staffers would top the priorities during his tenure.

IGP Thapa commands the force of over 80,000 police staffers till 2 May 2022. Thapa, who joined the police



# French National Day Celebration



This year 2020 is the 70th anniversary of the successful ascent of Mount Annapurna by the French expedition team led by Maurice Herzog in June 1950

BY: BY FRANÇOIS-XAVIER LÉGER

Today is July 14th, the French National Day, also popularly known as the Bastille Day. As many of you know, on July 14th, this Embassy used to organize an event where we celebrate the Nepal-France relationship and take an opportunity to thank our working partners and collaborators.

However, with the Covid-19, that has all changed; in fact, it has impacted every country in the world, every sector and each one of us in one way or the other.

First of all, I would like to take this opportunity to share a message of solidarity from France in the face of this pandemic. We know very well what a country goes through when the Covid-19 hits its peak; Hence, I would like to pay tribute, recognize and honour all those who have fought this virus and are risking their lives on a day-to-day basis here in Nepal and everywhere else. I would like to take a moment and present our sincere condolences on the tragic loss of human lives due to Covid-19 and floods/landslides in recent days. We hope that the families of those affected would be able to overcome this tragedy. France's solidarity is with Nepal during these tough times.

In order to overcome the various losses due to the Covid-19, France, like Nepal, has moved ahead on economic, ecological and social reconstruction by announcing economic measures to support our businesses and our jobs, and social recovery through massive investment in youth, education, training, employment and health care system.

Last year was a very special year for our bilateral relation. We saw the visit to France by Prime Minister KP Sharma Oli. We celebrated the 70th anniversary of the establishment of our relationship and saw our Goodwill Am-

bassador, Miss Shrinkhala Khatriwada, Miss Nepal World 2018, climb the Mont Blanc and raise our flags.

This year 2020 is the 70th anniversary of the successful ascent of Mount Annapurna by the French expedition team led by Maurice Herzog in June 1950. Due to the current health crisis, we were unable to celebrate this important day which is a historic day for both Nepal and France and for the Nepali tourism industry.

Today, we bring to you our virtual Bastille Day celebration: here you will see the speech by the Minister for Foreign Affairs, Pradeep Kumar Gyawali, who will be speaking on behalf of the Government of Nepal. You will

also see a few short clips by prominent Nepalis and the French people who have an intimate relation with France and Nepal.

Throughout the day today, you will see many little surprises on our social networks; so come back often. The Bastille Day military parade would also be put online once it becomes available.

As a small gift from us to you, we present

to you a photobook to celebrate the 70 years of our Nepal-France relationship. We hope that you would be able to travel back in time and explore the rich Nepal-France history. I thank all those who contributed to making this project a success. You will be able to download the photo book from our website and please do share.

Lastly, I would like to sincerely thank the entire team of Alliance Française Katmandou for helping put together this virtual Bastille Day celebration.

*François-Xavier Léger is the French Ambassador to Nepal. Excerpts of the Remarks on National Day 2020.*



## VERDICT ON POLYMER NOTES

# Witch Hunting Ends

*A Special Court exonerated former Governor Dr. Tilak Rawal, Himalaya Bahadur Pande and Upendrakeshari Paudyal on charges related polymer notes irregularities, ending a drama of witch-hunting*

By A CORRESPONDENT

With a landmark verdict of the Special Court, over a decade old efforts of witch-hunting on presumptive and alleged scandal indicting Nepal's three prominent figures in Australian printed polymers notes came to an end.

This landmark decision was delivered by the Judges of Special Court chief Shiva Raj Adhikari, Balendra Rupakheti and Shanti Singh Thapa. This was also thoroughly looked into by a set of judges led by former chief of special court Baburam Regmi who was transferred to high court a few months back.

Scandalized through Australia's newspaper Sunday Morning Herald's Investigative story in 2006, the polymer notes issue then reproduced by Nepal's leading media forcing Commission of Investigation of Abuse of Authority (CIAA) to initiate the investigation.

The investigative reporting produced by Australian newspaper was immediately reproduced here without verifying the process and legal tender in Nepal soon after the scandal came out in Malaysia, Vietnam and Indonesia.

Although Australia's Federal High Court in November 2018 ordered a permanent stay on charges against four other former banknote executives and closed the file, Nepal's CIAA prepared a case and filed it in Special Court in December 2018.

## Australia's High Court Verdict

Australian Federal High Court found that the Australian Criminal Intelligence Commission (ACIC) had acted "unlawfully" when it used its special coercive powers to help AFP investigators question the

However, the Special Court delivered justice to the three innocents. Delivering the verdict after a long hearing, Special Court Kathmandu exonerated former governor Dr. Rawal and two others accused, then noted department chief Upendra Keshari Paudyal and local agent of



four suspects, giving the prosecution an unfair advantage in the case.

Nepal's constitutional anti-graft body justified the faulty investigative procedures of Australian Federal Police preparing the cases against a former governor and two eminent figures of Nepal.

With a complaint filed by a leading media house, CIAA opened the pending case and ultimately filed the case in Special Court on 20 December 2018. The motive of CIAA was suspicious as it filed the case one month after Australia's High Court Decision to close it permanently.

the Australian Company, Pande.

The court in its verdict dismissed the charges of CIAA saying that there lacked evidences to prove the three individuals' involvement in the irregularity on polymer note printing case.

Picking up from the pending lot, CIAA filed the case against them at the Special Court in a very controversial manner. Although the Special Court gave justice to Dr. Rawal and two eminent personalities Pande and Paudyal, their personal and psychological suffering and pain is difficult to compensate for.





**Dr. Tilak Rawal**

The court has dismissed the charges made by CIAA which claimed that the officials under the influence of local agent excluded the commission amount to dodge revenue.

CIAA argued Dr. Rawal and two others had their alleged role in awarding the contract of printing ten rupee polymer notes to Note Printing Australia (NPA) Limited 18 years ago.

With lack of evidences, Australia's Federal High Court ordered a permanent stay on charges against four other Australia's former banknote executives allegedly involved in the case.

Along with Australian citizens, Nepal's prestigious persons had to suffer due to unnecessary pressure from the fault of investigation agencies and faulty investigation in Australia.

#### **Hidden Side**

Unlike other countries of the region, Nepal has very strong and powerful paper printing lobby. Conversion from paper to polymer means the loss of millions of rupees of commission.

As Nepal's paper note printing is a multi-billion business and has long been dominated by paper notes,

there are very strong business lobbies in Nepal behind the paper notes. Governor Dr. Rawal's decision to move to polymer was a big setback to the paper

notes agent. Although the life of paper note is in average 10 years, 10 rupees polymer note, which is still in circulation in limited number proved its long life.

"The Age is now also free to report a serious blunder involving the Australian Criminal Intelligence Commission (ACIC) and the Australian Federal Police in the early stages of the investigation which led to the High Court this month ordering a permanent stay on charges against four other former banknote executives," wrote The Sunday Morning Herald, Australian Daily, which took the issue with a support from whistleblower Brian Hood, former bank staff.

Although the case was almost 12 years old and sent to pending in 2009 following intense investigation, the case was revived in 2013 by Lokman Singh Karki and Deep Basnyat. Both of them quit the post and are now facing scandals. However, the case was filed by the current CIAA office bearers.

#### **Witch Hunting**

Although the deal

was made with a cabinet decision in Nepal following all legal processes and procedures, the witch-hunting began after the corruption scandal was abruptly blown in Vietnam, Indonesia and Malaysia. With the pressure from Australian Federal Police (AFP), CIAA started the investigation.

The decision to print Polymer Notes was taken under the recommendations of five different committees of NRB, board of directors, Ministry of Finance and finally the cabinet.

Australian police justified its argument for investigation in Nepal on the ground that if there was a corruption on the printing of Polymer notes dealing in Vietnam, Malaysia and Indonesia, there must be something wrong with Nepal as well.

Whether with the pressure from AFP or her personal one, Australian Ambassador to Nepal Susan Grace too unnecessarily took initiatives, lobbying with different stakeholders to open the file in 2103. She



**Himalay Bahadur Pande**

## NATIONAL

also arranged official visit to CIAA chief, attorneys and judges.

Ambassador Susan lobbied at the Judiciary, Attorney General's Office, and CIAA to open the case. She visited those offices to influence them without informing Ministry of Foreign Affairs. "Ambassador Susan's conduct was" unbecoming of an ambassador "on this issue," said a government official at that time.

In its charge sheet filed at the Special Court, the anti-graft body has claimed Rs 9,109,889 from each of those accused of involvement in the note printing scam. They are accused of bribing Note Printing Australia to print substandard notes and marking up the cost price in order to pocket the difference

CIAA said that it was found during investigations that the bank officials had received a sample of the notes printed from the Australian firm before a final decision was made by the bank.

As there is no substantial evidence of any transaction, CIAA said bank officials and the note printing company had exchanged several rounds of correspondence through email before finalizing the deal.

Although the Bank officials and local agents are accused of arranging a Bangkok junket for journalists covering banking affairs with the intent of preventing negative media coverage of the faulty note printing tender, the CIAA entertained the complaints filed by another media house.

### Who Will Pay Compensation?

As all three were acquitted by the court, who will pay them for their suffering of psychological and mental pain is unknown. Although the corruption scandal had started from Australia, Nepal's leading personalities like former governor Dr. Tilak Rawal, who has a fair and respected standing, had to suffer. They suffered mental torture and physical and psychological pressure.

Similarly, Pande, a local partner of Australia's Snowy Mountain Engineering Corporation, which had won a contract to develop a \$2

statement by the High Court noted. "[The ACC] acted at all times simply as the facility for the AFP to cross examine the appellants under oath for



billion hydro-electric dam in Nepal, is a person of repute. He is a son of late Bhim Bahadur Pande, a person with high regards who spent almost 40 years in his career serving Nepal's civil service working in diplomatic missions.

Honored by Australian government for his contribution promoting the friendly relations and business relations between Nepal and Australia, Pande's public reputation was badly damaged by this scandal.

Paudyal, who is a career employer of Nepal Rastra Bank, has his own reputation.

### Australia's High Court

The court found that the ACIC had acted "unlawfully" when it used its special coercive powers to help AFP investigators question the four suspects, giving the prosecution an unfair advantage in the case.

Under its coercive powers, ACIC can force a suspect to answer questions or face prosecution. In this case, several banknote executives suspected of involvement in bribery had exercised their legal right not to answer questions by Federal Police.

"The ACC [as it was known at the time] had not conducted a special investigation into the matters the subject of the AFP investigation," a

the AFP's own purposes."

Despite the guilty pleas, not a single person charged in Australia has been sentenced to jail for crimes which can attract up to 10 years imprisonment.

As Australian High Court's unanimous decision was a bitter blow for law enforcement authorities and prosecutors, Nepal's Special Court's order gave another blow to CIAA.

Now the case is over in Nepal. In Nepal, a media house played a whistleblower's role. However, former Secrecy sales executive James Shelton, and former NPA company secretary, Brian Hood, sacked after raising questions were two whistleblowers in Australia,

Reception of the case is possible only after adequate evidences. Before filing the case, they need to summon persons for interrogation. However, the CIAA filed the case.

Although this chapter of witch-hunting came to an end following the verdict of Special Court, the issue now is who will pay the compensation for psychological trauma, torture and damage of individual prestige suffered by three eminent figures.

# CHANDRA PRASAD DHAKAL

## Reflections Of A Victor

*Despite conspiracies against Chandra Prasad Dhakal to prevent him from being elected the vice president, he is challenging his opponents in words as if from a victor's reflections*

By KESHAB POUDEL

“He who respects others will not be insulted, he who is tolerant will win the popular support; he who acts in good faith will be trusted, he who is diligent will succeed in his undertakings, he who is generous will make others work hard for him.”

As said by Chinese philosopher Confucius, industrialist and banker Chandra Prasad Dhakal, who has announced his candidacy for the senior vice president of Federation of Nepalese Chamber of Commerce and Industry (FNCCI), is humble in using his remarks carefully while

respecting even his die-hard opponents and conspirator in the current politics inside FNCCI.

“We are now contesting elections. There are personal likes and dislikes. Our friends who are contesting with us may use tricks or make foul and misguided statements. However, we believe in the honest judgment of our voters who know each of us very well. I am confident that they will vote for us because our commitment at present and for future and our response in the past,” said candidate Dhakal addressing a press meet.

Although some office bearers, including senior vice president Shekhar Golchha, whom he has helped and supported at the time of his personal crisis in FNCCI, are openly working to block his entry as a senior vice president, Dhakal has not lost his sight and wisdom. He is using the most sober and conciliatory remarks on their decision to postpone the forthcoming General Convention which was scheduled for this fortnight, indefinitely.

“Naturally, Shekhar Golchha will lead our team for the coming three years as president. I also





said this in our candidate declaration program four months ago that under Golchha's leadership we would have a professional and dynamic team. I also said that our team will work in close collaboration with him as one team. Now I am asking a question to Shekhar Jee: why did we pass a proposal of senior vice president to be automatically a president? Who is killing the spirit of that proposal and for what?"

In his entire press meeting, Dhakal was very specific in using words not to hurt anybody even if that person might have been conspiring against him. His sober and communicative behavior is his major strength.

Dhakal always receives the phone whenever somebody calls him even the general members of district. He is a rare person in the FNCCI in the rank and file treating all equally and conversing with them with respect and equality.

"Sometimes ago when an overwhelming number of friends in

the leadership demanded to remove the provision of making the senior vice president into president automatically, I was the person defending the provision in pledging Shekhar Ji as our leader. Had I not done the hard work, what would have happened now. We believe that he will keep this thing in mind."

"Whoever wins the election, Shekharjee will be our president. We are also confident that our panel will win the election and we are the members of his team. This is our message. Our message is to make FNCCI strong at this difficult time."

As the senior vice president is directly elected as the president of the FNCCI, Golchha, the current senior vice president, will succeed Bhawani Rana as the President of the organization.

Although his opponents have already launched a campaign targeting his team, Dhakal has been urging the voters of FNCCI to choose the persons on the basis of

their own experiences and strength to navigate the difficult time.

After the decision of Federation of Nepalese Chambers of Commerce and Industry (FNCCI) to defer its general convention yet again, citing the containment measures enforced by the government to stop the spread of coronavirus, Vice President Dhakal, along with his colleagues, registered a note of dissent over decision to defer election.

The office bearers, in a meeting, decided to postpone its 54th Annual General Meeting and Election citing the government's decision to prohibit all types of mass meetings, assemblies or gatherings as part of containment measures to combat COVID-19.

The meeting also decided to hold the annual general convention and election within 15 days following the government's approval in organizing public gatherings or assemblies. This decision leaves the election date of the umbrella organization of businesses in the country

uncertain.

With the decision of the FNCCI to postpone its annual general assembly that was scheduled for the second week of August, the election fever that had started to grip the private sector is also likely to cool down until a new election date is announced.

The decision to postpone

ready gripping the private sector. As the senior vice president is the president-in-waiting of the FNCCI, it is considered to be an election of the president for the next term. Two business leaders have jumped into the fray.

Dhakal, the current vice president representing Associate members, has already announced

have been decided by an executive committee meeting,” Dhakal said.

“Also, the organization had written a letter to the government seeking the approval for holding the AGM. Postponing the election date before the government responded to our request was also the reason we dissented with the decision,” he added.



the election came days after the election timetable was published to elect the new executive committee of the FNCCI including senior vice president. The AGM will also pave the way for the current senior vice president Shekhar Golchha to take over the leadership of the FNCCI as its new president.

This is not the first time that the 54th annual general convention of the FNCCI got postponed. Earlier in March, the date of the AGM scheduled between April 10 and 11 was postponed until May 20 and 21, only to be deferred until the second week of August.

#### **Election Fever**

The election fever was al-

his candidacy for the post of senior vice president while Kishore Kumar Pradhan, another vice president, has also announced that he will contest the election for the senior vice president.

They have also announced their own panels for the executive committee comprising other vice-presidents, other office bearers and executive members. Both panels have also set up their election-centered offices and intensified their campaigns.

“We decided to register a note of dissent as we disagree that the office bearers’ level decision can make such an important decision like postponing the AGM date. It should

However, those who stood in favor of postponing the AGM said that holding the assembly on the scheduled date is not only a violation of the government’s containment measures but also could be a recipe for a disaster during the pandemic.

“The feeling of responsibility toward the fellow members has been nudging me more than the desire to assume the post. As the lockdown is eased, the moral question regarding the safety of bringing 1,000 business people from across the country to a single place has haunted me. But, it feels sad to see people giving it a different color,” Shekhar Golchha, senior vice president of the FNCCI, wrote in a tweet

a day before the office bearers' meeting that decided to postpone the election.

"It does not make any difference to us even if the general assembly is held in April 2021," said the leading senior vice president candidate for FNCCI. Dhakal group stated that the decision to postpone the elections even without fixing new date has weakened FNCCI's legal and moral foundation.

Dhakal said that FNCCI is now in its weakest position in its five decade long history in legal terms. He said that it is unfortunate to put FNCCI in elections politics.

He said that it does not make any difference to him whether to hold elections in April 2021 as he is not going to be elected in executive position. If you ask me about my personal issues, it does not make any difference to me when or where they hold the General Convention.

"Before convention, I am vice president. After being elected by general convention, I will be senior vice president. I am not going to be elected for executive post. Thus, neither I will gain much general convention of FNCCI nor it will fulfill my individual wish. "

He said that he expressed the views to hold General Convention strictly following health protocols.

"The way we are opening industries, corporate offices and other offices following health protocols, we can hold the general convention following the same protocols," said Dhakal. When I proposed this, some of our colleagues tried to discourage me saying health is more important than convention.

In my public life, I have never said that health is more important than FNCCI. I cannot think this way. Even during the midst of



coronavirus epidemic, South Korea, Singapore and some European Countries held the elections. Similarly, federal parliament and state parliament are underway following the health protocol. My opinion was that we can also hold the elections following such a protocol.

There is the need to hold the General Convention in time to protect the image of the 55-year old institution. He said that the federation is now nowhere due to old leadership skipping from their responsibility and new leadership's unwillingness to accept the challenges.

He also said that the practice of summoning executive committee meeting to decide on the General Convention also broke this time. We have an adequate time to summon the meeting, we have bypassed it. This is very sad. This will develop wrong practices.

We do have enough time to call the executive committee meeting. We have seized the rights of executive committee. I am more concerned about the wrong trend established in the current decision. He

also said that the decision was taken in haste even not waiting for the government's response.

### **Repaying Injury With Justice**

Renowned banker Dhakal, who is the most deserving candidate for the post of senior vice president for forthcoming elections of FNCCI has announced his candidacy repaying injury with justice.

At a time when the global economy has been facing a major crisis with the spread of COVID-19, Nepal's private sector will also face much difficulty. Given the complex and challenging global context, FNCCI, a leading business federation, also needs the most capable and tactful leadership to support private sector.

Starting from a very small scale, Dhakal has shown his strategic leadership to expand the industry and institution. At this time of crisis, Dhakal's experience will be more relevant to FNCCI and private sector.

Although he was virtually betrayed by current senior vice pres-



ident Golchha, who will automatically be promoted as a president, Dhakal will be paid for this injury with justice by his colleagues, voting him for senior Vice President.

Dhakal has come up with the slogan 'Public-private partnership: base for prosperity' for his election campaign. Kishor Pradhan is another potential contender for the position this time but he is yet to declare his candidacy.

Portraying Pradhan as his own candidate, Golchha has not only betrayed Dhakal but also ignored the strong support lent by Dhakal to elect him as the senior vice president and supported a move to stop Golchha to become president automatically.

Injured by Golchha's hidden move and betrayal, Dhakal announced his candidacy formally with his own panel for forthcoming General Assembly of Federation of Nepalese Chamber of Commerce and Industry.

The support of Golchha, an ambitious businessman from traditional industrial house of Nepal, to Pradhan is also individually motivated. Unlike dynamic and widely popular Dhakal, Pradhan is always unknown and in shadow.

Announcing his candidacy for senior vice president, Dhakal questioned current senior vice President Shekhar Golchha: why did we endorse the proposal to turn senior vice president automatically into president and why are you betraying that spirit?

Who did the lobbying when the overwhelming majority of FNCCI members united to amend the constitution to replace the present provision? In future, we may do whatever one likes; I hope Shekharjee will remember the stand taken by me in difficult times.

Dhakal felt injured and be-

trayed not by his enemy but the people who he stood with side by side and supported at the difficult and crucial times in the leadership of FNCCI.

Born in a common family of Baglung District, renowned banker Dhakal is a self made man. With no family inherited business, Dhakal's success story in the business is his own individual struggle and his rise in the industrial sector is



his own doing and behavior.

For the last one decade, renowned banker and industrialist Chandra Dhakal not only has made a big jump in banking and recreational industrial sector but he himself built a heart to heart relations with the industrialists, entrepreneurs and businessmen living all over Nepal.

In politics, it is naturally a game of betrayal, jealousy and conspiracy. Every individual has to go through it. However, it is a frustrating when individuals in Nepal's business communities, who do not tire of boasting themselves as transparent, fair and neutral, are involved in conspiracy.

Chairperson of Global IME Bank, Dhakal, a gentle and sober personality, has invested hugely in recreation business including Chandragiri Cable car.

The history of FNCCI is a

history of betrayal and conspiracy. In the crucial time, FNCCI's followers failed to recognize and accept the genuine leadership. Many prominent figures like Binod Chaudhary left the institution. Even Bhaskar Raj Rajkarnicar faced humiliation and left the organization.

Instead, Dhakal, who believes in the strength and rationality of his overwhelming colleagues, has announced his candidacy with a panel of other competent persons for the coming tenure.

Dhakal's panel includes Umesh Lal Shrestha (Commodity), Vice President, Ram Chandra Shanghai (Vice President Associate), Gunnidhi Tiwari (Vice President District and Town). However, Pradhan is yet to announce his panel.

Addressing the program, Dhakal said that he will give equal priority to small, medium and big industries.

He also said that he is taking this election as an election for president due to the current provision of automatic provision. He also highlighted the importance of forthcoming vice president as the election for the president.

Dhakal said that his priority is to create employment through development of private sector.

"As it is uncertain over the COVID-19 Pandemic, there is the need to continue economic activities for the sake of the country," said Dhakal. He also said that the time has come to change the traditional monetary policy and stressed the need of new one to meet the current situation."

As Chinese philosopher Confucius says Repay injury with Kindness. If you reward injury with kindness, with what, then will you reward kindness? You should repay an injury with justice and kindness with kindness.

# Strength Test

*Although the incident should not have happened with a loss of two persons, the burst of bulkhead gate of Melmachi Tunnel Project has taught a great lesson to prevent future accidents*

By KESHAB POUDEL

With the successful diversion of water from Melamchi river to the tunnel as planned, there were huge euphoria and jubilation among all the people involved in the construction of the largest tunnel of Nepal. However, the news of the burst of the bulkhead gate at around 12 noon on July 14 and two deaths have turned the situation into a grim mode.



The upbeat mood of Minister for Water Supply and Sanitation Bina Magar, secretary Madhav Belbase, Executive Director of Melamchi Water Supply Development Board Tiresw Prasad Khatri, project staffs and every one working to bring the water in Kathmandu by end of September was completely shattered.

Although the testing and commissioning process of tunnel does not always pass smoothly and sometimes a small technical mistake or silly mistake may prove fatal, this situation occurred with Melamchi Tunnel.

Just a small technical mistake related to the position of gate and nut and bolt has sent the entire project panicking for few days.

With the information coming to the Ministry, everyone looked nervous and helpless. There was complete

ly lull and sadness. Having technical knowledge about the tunnel testing and commissioning and designing, secretary Madhav Belbase, who was closely associated with designing of country's major irrigation projects and very diversion, quietly started to think about the next steps to take.

Given such a situation, there was no option before him other than to suggest a future course. After intensive meetings with the staff of the Ministry and Melamchi Water Development Board and consultations with tunnel experts, secretary Belbase immediately moved a proposal to constitute a technical committee to investigate the cause behind the incident.

With the approval of Minister Magar, an investigation committee has been formed under the leadership of Joint Secretary Ramakant Dawadi to investigate technical, mechanical and other errors behind the incident.

"The incident was unfortunate because of the death of two of our young

technical staffs and injury of other two. Had we

avoided human casualty, it would have done a great miracle," said secretary Belbase. "However, we have learnt a great lesson from this incident and the

lesson can be used to avert such incidents in future and other projects."

Some experts blamed for the installation of gate. "Had the gate fit from inside the tunnel as per the tunnel's specification and design, the incident would have been averted. However, the tunnel gates fitted from outside by changing the specification reportedly caused the damage," said an expert.

It is reported that the main reason for the failure of the gate is that the door opened into the adit, rather than into the main waterway. Had it been installed to open into the waterway, it would have been self-locked by the water pressure. As the gate fitted in adit, the water pressure instead pushed the adit door open and unimaginable incident occurred.

According to a report presented by the inquiry committee, there is no structural damage to the tunnel and its rock support in filling and the rapid emptying of the tunnel. Similarly, the rock of adit and other infrastructures remains intact.

The tunnel is designed as a lined tunnel with rock bolts and shot-



crete for immediate support and with 35cm of shotcrete final lining were specified by the design. It reaches in good quality rock classification, 1, 2 and 3 re-





maining unlined.

With the incident, the Ministry has already directed the project to install the gate into the waterway as proposed in the design. According to project officials, this will take another two to three weeks.

### What happened?

On July 14 around 12 noon, an Adit bulkhead gate in Aambathan suddenly burst, sweeping away two, an engineer and driver of the project, with the vehicle. They died. Two others were left injured.

Engineer Satish Goit of Dhannusha district representing the contracting company Sinohydro and driver Radha Krishna Thapa of Godavari in Lalitpur employed by MDWP died. Two others — Engineer Shekhar Khanal of the project and consultant Pemba Lama, a resident of Melamchi — were also in the vehicle when water gushed out of the tunnel.

“This is caused by minor technical error. What damage it has done is that it pushed the testing and commissioning process bit later. I am sad that we have lost two valuable human lives. After correcting the mistakes, we will start testing and commissioning in more safer and secure manner,” said secretary Belbase. “We have learnt a big lesson by paying a high price.”

Rajendra Prasad Pant, information officer of the project, said staffers had gone inside the tunnel to repair the flossing gate. Investigation into the cause of the accident is on.

The 27.5km long Melamchi raw water supply tunnel to bring fresh water to Kathmandu city in Nepal is close to being finished and inaugurated. Excavation is complete, the upstream run-of-the-river diversion weir and in-

take structure is about 80 percent complete and work is progressing at the downstream infrastructure on a sedimentation facility before directing raw water into a new treatment plant.

The project aims to supply 170 million liters of fresh water/day to the capital city. Drill blast excavation of the 27.5km long tunnel progressed, in addition to works at the portals, from 18.4 m 2 intermediate adits, the main ones at Ambathan, Gyalthum and Sindhu.

The project has decided to water-up tunnel from the Melamchi River to test its hydraulics and operating mechanical equipment. The aim was to complete the long awaited and urgently needed project by the end of the year.

There are a total of 29 control gates for the operation of the water supply tunnel including five 12.5m 2 adit bulkhead gates with a radial gate at the intake and a control gate at the downstream end.

The gates for the project are designed, supplied and imported to Nepal and installed by a company from India. The project contractor, Sinohydro of China, completed the civil works associated with the installation of the gates including the rock support around the doors and the shotcrete support of the adit junction with the main tunnel. All the adit gates were closed ahead of the watering-up test.

On 5 July, Sinohydro released water into the tunnel via a temporary pipeline and the temporary dam erected on the Melamchi River to begin its filling. However, on 14 July, Gate 17 at the end of the Ambathan adit failed, bursting open and allowing water in the tunnel to flood out in a torrent.

Gate 17 is at the end of the first adit from the upstream end of the waterway. The adit is about 800m from the intake portal of about 300m long. The waterway tunnel has a gentle gradient with a head of about 13m over the 27.5km of the tunnel. The tunnel is designed to

run full and under pressure to operate the outlet pipe in the tunnel crown at the downstream end.

For the test, the tunnel was being filled at a rate of about 0.26 liters/sec, or about 20% of the designed inflow at the intake during inaugurated operation. At this rate, it would have taken an expected 15 to 20 days to fill.

Experts said that the accident was caused due to error in the knot bolts used to lock the adit bulkhead door. The door had been tightened with 30 knot bolts. The knot bolts slipped due to the water pressure, which unbolted the door.

At the time of the accident, the Ambathan gate had about 2m of static water head and about 1.6 bar or about 16m of pressure measured as acting on the door. The gate is designed for 50m of water pressure.

A senior project official said it would take around three weeks to repair the damaged tunnel gate. With four



major gates along the tunnel—one each in Ambathan, Gyalthum, Sundarijal and Sindhu, the gate 17 in Ambathan was breached due to high water pressure.

With secretary Belbase who has been quietly working with his colleagues to repair the damage following all the checklist and safety protocols, one can expect that the process of diverting the water to tunnel and testing and commissioning will start within three to four weeks. This time they will follow all protocols and steps with a great tragic lesson they have behind them. For the young minister Magar, the completion of the project is a great pride and for secretary Belbase, who will retire within a year, is a major prize in his carrier. For project Khatri, it will be a great relief and pride as well.



# Realistic Approach

*Presenting his first Monetary Policy in the most difficult time, Governor of Nepal Rastra Bank Maha Prasad Adhikary has focused on stability of the banking sector*

By A CORRESPONDENT

As it is said experience always matters, one can see this happening in the newly released Monetary Policy 2020, which is said to be realistic in approach and optimistic in strategy.

Spending his long career in Nepal Rastra Bank, serving in various positions up to deputy governor, governor Adhikari knows the ins and outs of banking sector and economic issues of Nepal. During his career in Nepal Rastra Bank, Adhikari maintained his own decorum.

As the country has been passing through a very crucial phase of economic debacle, governor Adhikary has used his skill and experience to produce very realistic documents.

Unlike his naïve predecessor Chiranjibi Nepal, who spent his four years in shaking the banking system, Adhikary's agenda is to stabilise the system. This is what his new monetary policy is all about.

At a time when Nepal's banking sector, which is key to future economic growth and economic stability, has been passing through a very crucial period, the new monetary policy focuses on the stability of the sector.

The policy addresses the issues related to the loanable funds crunch and credit growth, among others. As industrialists have been trying to push pressure on the banking sector, governor Adhikary announced the new policy in a balanced way.

Thus, the private sector players have taken the measures taken by the central bank positively.

The new monetary policy will help control inflation, manage



liquidity, stabilise interest rates, facilitate and encourage mergers and acquisitions in the banking sector, and finally ensure financial stability.

These are some of the key concerns the monetary policy has tried to address in the banking sector. As per the policy, it is mandatory for the commercial banks to issue debentures/ corporate bonds amounting to 25 per cent of their paid-up capital by fiscal end.

The policy has projected that money supply growth will be limited to 18 per cent and private sector growth to 21 per cent in the current fiscal. NRB has also projected 20 per cent private sector credit growth along with domestic credit growth at 24 per cent for this fiscal.

Commercial banks will be allowed to borrow in convertible currency from foreign institutions, including pension funds and hedge funds, fixed

deposits in foreign currency from foreign depositors and non-resident Nepalis. The BFIs can disburse such deposits as loans in Nepali currency.

## Loan Parts

Announcing the new monetary policy, NRB has also reduced the maximum interest rates on loans, floated under the general finance fund of NRB that BFIs can take, to 7 per cent from 8 per cent. Financing loans of up to Rs 1 million will be issued to the BFIs on the back of good loans at 3 per cent interest rate against five per cent last year.

However, the BFIs cannot levy more than 7 per cent interest to SME borrowers on such loans. The central bank has also brought down the interest rate on general financing loan to 3 per cent from 4 per cent and, has also reduced the bank rate to 6 per cent from 6.5 per cent. The policy has

made it mandatory for micro-finance firms to disburse one-third of their total loans in the agriculture sector to raise the credit flow in it.

The central bank has also told the BFIs to bring the spread rate to 4.4 per cent by mid-July 2020, as envisaged by the Financial Sector Development Strategy. This will greatly help reduce the interest rates on bank loans.

Allaying fears that the central bank would adopt a policy of “forced merger” of the financial institutions, the policy has made it “optional”. The NRB has, however, offered incentives to banks for the merger. The merged banks will not have to take approval of the NRB to expand their branches either.

As per the new provision, the banks will now require investing 15 per cent of their total loan portfolio in the agriculture sector and 10pc in the energy sector. The banks will be allowed to issue energy bond refinancing loan facility for Small and medium-sized enterprises (SMEs) at 2pc.

The previous installment and interest payment period of loans as of mid-July has now been extended till mid-December while moratorium on loan, interest rate recovery has been extended till mid-Dec.

The central bank has revised CCD ratio, which it considers the anchor of Nepal’s financial sector stability, to 85% from 80%. The latest revision will enable BFIs to release an extra Rs 183.3 billion in loans, considering total deposit of Rs 3,666.6 billion in the banking sector.

“Our demand was the ‘3R’—Reduce, Refinance and Restructure the loans—that the monetary policy has

largely sought to address,” said Saurabh Jyoti, chairperson of the bank, finance and insurance committee at the Federation of Nepalese Chambers of Commerce and Industry, the apex private sector body.

It has permitted banks and financial institutions to extend further loans to industries and businesses affected badly by the pandemic by 20 percent of the working capital maintained at mid-April.

“The monetary policy has addressed most of our demands vis-a-vis rescue and revival of the businesses [in the wake of Covid-19],” said

“The allocation of Rs 50 billion as a refinancing fund at 5 percent interest rate could be a big relief for the sector,” said Shah.

Bhuvan Dahal, president of Nepal Bankers’ Association, said the monetary policy has sought to address the concerns of all sectors.

“Our concerns with regard to provisioning have been addressed,” said Dahal. “It, however, would have been better if the central bank had not fixed the fee to be charged by the banks on various services.”

Governor Adhikari has said that the monetary policy of FY 2020/21 was focused on minimising the effects of COVID-19 pandemic on the economic regime of the nation.

Making the nation’s monetary policy public, Adhikari said that the loan would be provided to airline services, hotel, restaurants and other businesses in the tourism sector.

Digital banking, fintech, and digital payments have received a special mention in this year’s monetary policy

document. Unveiling the monetary policy, Governor Adhikari said that the adoption and growth of mobile banking has made banking transactions smooth even in this lockdown period. He further mentioned that COVID-19 is an opportunity to promote fintech and digital transactions in Nepal.

Unveiling its monetary policy for the fiscal year 2077/78 in the capital, the central bank said that the limitation on vehicle and auto hire purchase loans will be the same as last year, i.e., a person buying a private vehicle will have to make a down payment of at least 50 percent of the vehicle price. NRB has barred banks and financial institutions from extending auto loans that amount to more than 50 percent of the vehicle’s price.



Chandra Dhakal, vice-president of the Federation of Nepalese Chambers of Commerce and Industry, the country’s apex private sector body. “It has also introduced a policy to take care of small and medium enterprises, which have been badly affected by the pandemic.”

The service industry—particularly the tourism and aviation sectors, and micro, small, and medium-scale enterprises—is among the worst hit by the pandemic, which had taken 40 lives and infected over 17,000 Nepalis as of this writing.

Binayak Shah, vice-president of the Hotel Association of Nepal, said the monetary policy has put in place some packages to address the crisis in the tourism sector, but it needs a prompt implementation.

# Growth At 2.1 Percent

*World Bank projects Nepal's growth at 2.1 percent in FY2021 due to the Pandemic*

By A CORRESPONDENT

For the last five years, Nepal has achieved a big economic progress, maintaining 6 to 7 percent growth annually. With the spread of COVID-19 followed by lockdown, the growth has suddenly come down.

In its recent report, The World Bank has projected the economic growth to contract sharply to 2.1% in FY2021 from the COVID-19 pandemic and related lockdown despite efforts by the government to curb the economic fallout from the crisis.

The World Bank's latest Nepal Development Update says transitioning the economy from the relief stage through to restructuring and resilient recovery requires a strategic approach to get the country back on a sustainable and inclusive growth path.

As per the report, economic activity in the tourism sector will remain weak and remittances inflows will be moderate. Supply chain disruptions will keep industrial and agricultural production low.

Low economic activity and oil prices will also keep imports low and below the pre-crisis levels, leading to a projected narrowing of the current account deficit to 6.5 percent of GDP.

Lower imports will continue to limit revenue collection. However, fiscal measures announced as part of the FY2021 budget, including a revision of custom duties, will provide some support to the budget as spending levels on relief and recovery efforts remain elevated. Taken together, the fiscal deficit is projected to marginally decline to 6.6 percent of GDP in FY2021.

While the government has adopted various relief measures to contain the pandemic, reduce the impact on households and provide economic support

to the most vulnerable firms, the report highlights the importance of reforms to support a resilient recovery.

"For a resilient recovery and inclusive growth, economic support measures to firms and workers in the informal sector will be important," said Dr. Kene Ezemenari, World Bank Senior Economist and author of the update. "Incentives to agribusiness-based and forest-based SMEs, with a focus on returnee migrants and youths, could help increase employment and food security. Inclusive growth could be further promoted through entrepreneurship support programs and grants to small and medium enterprises," she added.



THE WORLD BANK

The report outlines four pillars in the areas of health, social support, economic support and cross-cutting priorities including fiscal sustainability and focus on digital and green economies. This includes measures to strengthen the health system and scale up social protection systems, including the adoption of a social registry to make these systems more resilient against future shocks. Enhanced school sanitation and health protocols including health screening, water and sanitation facilities would be needed to enable a return to schooling for children.

"In the rapidly unfolding global scenario brought by COVID-19, insights from the Nepal Development Update on Nepal's outlook, challenges and way forward are very helpful. We need to address the crisis with macroeconomic and sectoral policy focused on fiscal sustainability, financial sector stability, a digitally-oriented green economy and resilient public services," stated Minister for Finance, Dr. Yuba Raj Khatriwada. "I appreciate the rapid action taken by our development partners including the World Bank, Asian

Development Bank, IMF and others for providing us with tangible resources and support to maintain our fiscal balance and accelerate growth and inclusive development."

Expansionary fiscal and monetary policies will be important in the initial relief stage to support banking sector liquidity and provide relief to households and firms. From restructuring through to resilience, expansionary and monetary policies will help pave the way for strengthening financial sector stability in the long run while also building resilient public services and green growth through sustainable and resilient infrastructure, strengthened solid waste management and air and water pollution control.

Related investments and reforms would be critical to expand coverage of digital services and infrastructure to support e-services and help promote e-commerce. This would also help expand the reach and coverage of mobile banking and digital financial services to underpin development of e-commerce. However, digitization is also limited across the economy. Addressing this will require removal of access restrictions to any under-utilized fiber optic backbone managed by the governments and public utilities and the introduction of appropriate rules to manage conditions of access, capacity allocation, and access pricing. This would also help expand access in rural and remote areas.

For Nepal to emerge stronger from the crisis, it is important to adapt quickly to the new reality," stated Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal and Sri Lanka. "We are encouraged to note the early start made by the government with the development of Nepal's Relief, Restructuring and Resilience plan and are committed to work together with multilateral development banks and development partners in helping the country build back greener and better."



## WORLD BANK

# Supporting Road Sector

*The World Bank's recent agreement with Nepal to provide Rs.54 billion for road project provides a sigh of relief*

By A CORRESPONDENT

As Nepal has been facing a huge financial crisis and unable to allocate enough budget to infrastructure development due to the decline in revenue collection, the World Bank has come to rescue Nepal by agreeing to provide \$450 million or 54 Rs. billion under road support project.

The Government of Nepal and the World Bank signed a \$450 million (around Rs. 54 billion) Financing Agreement that will help Nepal improve the efficiency and safety of transport infrastructure, improve efficiency of cross-border trade, and strengthen capacity for strategic road network management. This is the single largest value project that the Government of Nepal has signed with the World Bank.

In the august presence of Finance Minister Dr. Yuba Raj Khattiwada, the agreement was signed by the Finance Secretary, Sishir Kumar Dhungana on behalf of the Government of Nepal and the World Bank Country Director for Maldives, Nepal and Sri Lanka, Faris Hadad-Zervos.

"We thank the World Bank Group for supporting this important project which will enhance connectivity and country integration along with cross border markets to support post-COVID-19 recovery, stated Finance Minister Dr. Yuba Raj Khattiwada. "Connectivity is high on the rapid and sustainable development agenda of Nepal. Sustainable transport and sustainable, inclusive and high-quality infrastructure are of cross cutting importance for accelerating economic growth, national and regional economic integration and attaining the sustain-

able development goals."

"The Project, with its focus on reducing time and cost of moving goods via key transport corridors and border crossing points, will be key to sustain and accelerate our economic growth, especially aiding recovery in the immediate aftermath of COVID-19," stated Sishir Kumar Dhungana, Finance Secretary. "We are also looking forward to this Project to introduce and demonstrate best practices in several key areas ranging from safety and climate resilience to road asset management and citizen engagement, and hoping to replicate them at the federal, provincial and local levels of the government."

The Government is working on a 3R – Relief, Recovery and Resilience – strategy to help Nepal build back better from the impacts of the COVID-19 crisis. This project will be critical for boosting economic possibilities and enhancing trade facilitation to speed up recovery and resilience.

The Strategic Road Connectivity and Trade Improvement Project supports Nepal's connectivity and trade with neighboring countries including India. It will improve the Nagdhunga-Naubise-Mugling road and upgrade the Kamala-Dhalkebar-Pathlaiya road to four-lane. The Project

will also enhance infrastructure, facilities and sanitation at border crossing points to ease trade constraints and spur agricultural exports. Amid the COVID-19 pandemic, the Project will also support better screening of goods and people at border facilities, and



develop guidance for special working arrangements, such as safe distancing and remote working.

"This Project supports the government's efforts to put Nepal on the path to economic recovery amid the impacts of the COVID-19 crisis. It will help facilitate regional trade and connectivity and create jobs while ensuring safety and efficiency of the strategic roads network," stated Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal and Sri Lanka.

The Project will also support institutional strengthening of the National Road Safety Council and the Department of Roads, and periodic maintenance of high-traffic roads within the Strategic Road Network. A contingency emergency response component is also included in the project to reallocate project funds to support emergency response and recovery.

## FLOOD

# Crying Of Children

*Millions Of Children Affected By Devastating Flooding In South Asia*

By A CORRESPONDENT

**W**eeks of torrential monsoon rains, widespread flooding and deadly landslides in Bangladesh, India and Nepal have affected millions of children and families, UNICEF said today. Over 4 million children are currently estimated to be impacted and in urgent need of life-saving support, with many millions more at risk.

In Nepal, heavy monsoon rainfall has caused flooding and landslides across different parts of the country, impacting more than 20 districts, since 9 July. More than 100 people have died, 48 are missing and feared dead while 87 are injured. Over 10,000 people - half of them children - have been affected with an estimated 7,500 displaced from their homes.

This same period has also seen a significant number of COVID-19 positive cases in Nepal. UNICEF has so far been responding to the immediate needs in the central and far western areas of Nepal where landslides have occurred, providing blankets, tarpaulin, hygiene kits, buckets, mugs and water purification tabs. UNICEF remains at the forefront to support the

is also planning to provide further support for landslide and flood victims.

"Even for a region that is all-too-familiar with the devastating impact of extreme weather, the recent heavy monsoon rains, rising floods and continued landslides are creating a perfect storm for children and families affected," said Jean Gough, UNICEF Regional Director for South Asia. "The COVID-19 pandemic and containment and prevention measures add an additional complication to the mix, as COVID-19 cases are accelerating in some of the affected areas," she added.

Over 700 people have died and dozens are missing in across the four countries, with continuing reports of children drowning.

UNICEF is on the ground working in close coordination with re-

spective governments and humanitarian partners to scale up its responses and support the immediate needs of affected children and their families, but the response is

complicated by the COVID-19 pandemic and the associated containment

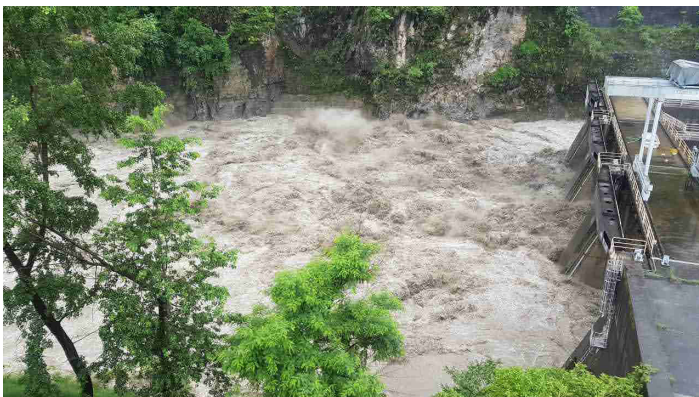


and prevention efforts. Measures such as physical distancing and handwashing need to be observed in order to minimize the risk of infections among affected populations, especially those in emergency shelters.

Many areas remain inaccessible due to damage to roads, bridges, railways and airports. The most urgent needs for children are clean water, hygiene supplies to prevent the spread of disease, food supplies and safe places in evacuation centres for children to play.

"The fall-out from the COVID-19 pandemic is being compounded by climate change and extreme weather events and are arguably the biggest issues affecting children in South Asia right now" said Jean Gough. "Immediate support, more resources and innovative programmes are urgently needed to address the challenges that these threats represent to the region's children."

In Bangladesh alone, more than 2.4 million people are estimated to be affected by flooding, including around 1.3 million children. More than half a million (548,816) families have lost their homes. The flooding has come at a time when Bangladesh is still



delivery of essential as well as COVID-19 related health services. UNICEF

recovering from Cyclone Amphan, and its already stretched emergency and health response systems are working hard to contain the spread of the COVID-19 virus. The country now has over 210,000 confirmed cases. UNICEF is working closely with government partners, who are leading the flood response, and NGOs to provide urgently needed water, sanitation and hygiene supplies to children and communities in need. UNICEF is also actively engaged in supporting a comprehensive outbreak response across the country.

In India, over 6 million people across Bihar, Assam, Odisha, Gujarat, Maharashtra, Madhya Pradesh, Kerala, Uttarakhand, Uttar Pradesh and West Bengal have been affected by the floods, including an estimated 2.4 million children. Though flooding at this period of the year is common, this widespread scale of floods during mid-July is unusual. At the same time, India has seen the daily number of COVID-19 cases crossing the 30,000 thresholds. UNICEF is working with the Government and partners to respond quickly and effectively. UNICEF is also supporting the Government of Assam to implement the COVID-19 adapted relief camp management guidelines and Child Friendly Spaces in select districts, in addition to its focused support for maternal and child health service continuity and COVID-19 response in many states.

In Bhutan, the monsoon rain has caused landslides across the country and is hampering transport and communication as the main highway and inter-district roads have been damaged. The flashfloods were caused by the overflow of the seven streams and tributaries to the Mao river. The water levels in the Mao remains very high posing significant risks for more flooding. The flooding has also caused damage to crops and a water treatment plant. So far four people have died because of the flooding.

## ALOFT KATHMANDU

# Proud Celebration

*Despite the spread of COVID-19 pandemic, Aloft Kathmandu celebrated its First Anniversary*

By A CORRESPONDENT

If there is a will, there is a way. This is what Aloft Kathmandu, a boutique hotel in the capital city, Thamel, has shown. For the past four months, Aloft has hosted various programs to complete its one year journey successfully.

Despite four months of coronavirus pandemic, Aloft Kathmandu, showed a way to do the business. During the last one year, it enjoyed the time hosting amazing guests, collaborating with inspiring partners and working with an extraordinary team of individuals.

The hotel celebrated its first anniversary on July 17 amid a function in Thamel. Prithvi Bahadur Pande, Chairperson of Aloft Kathmandu, said that the first anniversary of the hotel was a great time for celebration. He said, “My vision was and is always to create opportunities for the youth of the nation and the driving factor has always been to assist nation-building.”

General Manager Vikram Singh said, “It’s really been an amazing ride for us till the time the Covid-19 pandemic slowed the world, but we look forward to welcoming

guests back to our property.”

Meanwhile, to celebrate the milestone, even during these difficult times, Aloft Kathmandu Thamel is offering “Anniversary Special Stay” — 50 percent off on the best available rate with breakfast or any meal of choice.

The hotel has been providing services to the customers by adopting preventive measures amid COVID-19 pandemic. Although it has celebrated the first anniversary, Aloft Kathmandu has already established its fame and name in a short period of time.



Situated at the heart of Thamel, the hotel has many things to offer. One of the important parts is its location at the hub of Nepal’s tourism market. Offering different kinds of food and other facilities for seminars, party and other activities, Aloft has a lot of things on offer.



# World Humanitarian Day 2020



BY: DR. PRABIN MANANDHAR

*Around the world, humanitarian action is saving lives and minimizing human suffering every day while confronting several challenges.*

I feel honored and proud to be in Iraq while writing this piece on World Humanitarian Day, because Iraq is the genesis of World Humanitarian Day. This day was designated in memory of the 19 August 2003 bomb attack on the Canal Hotel in Baghdad, Iraq, killing 22 people, including the chief humanitarian in Iraq, Sergio Vieira de Mello.

World Humanitarian Day is to acknowledge the work of humanitarian workers around the world who bring assistance, relief and hope to the millions of people affected by humanitarian crises around the world.

Around the world, humanitarian action is saving lives and minimizing human suffering every day while confronting several challenges. Today over 167 million women, men and children need daily life-saving humanitarian assistance and protection.

Humanitarian workers manage and develop emergency response programs, and typically operate in front line conditions, helping communities to rebuild their lives after disasters, to become more resilient to future crises, to advocate for their voices to be heard, and to build lasting and sustainable peace and development in areas hit by human or natural disasters.

Humanitarian workers often risk their own lives to provide humanitarian assistance and protection to the affected people. Humanitarian workers have minimal protection and they are exposed to personal dangers in any crisis response. They face additional political, legal and security risks in the communities and displaced set-

tlements. Sometimes humanitarian workers are a target to get international publicity or attention.

The freedom of the press and the safety of the journalists have been a concern in different parts of the world. Female front line workers face additional risks due to pre-existing gender norms, roles and power dynamics in society.

The current state of geopolitics, recurrent flood and landslides, and the COVID-19 pandemic mean that the humanitarian crisis is getting protracted across many parts of the world. These crises are disproportionately affecting already poor, vulnerable and displaced populations.

World Humanitarian Day is another day of commitment and dedication to bring positive changes in the lives of the people. World Humanitarian Day also draws attention to humanitarian needs, and to improve quality, compliances and account-

ability responding to humanitarian crises.

Being a humanitarian doesn't have to mean working for a humanitarian organization or traveling to a conflict zone. One can volunteer to serve the affected people in need as one can to show that you care. In any case of disaster, it's the community who plays the role of first responder.

*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 and the Tribhuvan University Institute of Crisis Management Studies. He can be reached at [prabin.manandhar11@gmail.com](mailto:prabin.manandhar11@gmail.com)*

**मिहिनेतको कमाइको  
सम्मान गर्ने बानी बसालौ,  
भ्रष्टाचारमुक्त समाजको  
निर्माणमा मद्दत पुर्याऔं ।**



**नेपाल सरकार  
सञ्चार तथा सूचना प्रविधि मन्त्रालय  
सूचना तथा प्रसारण विभाग**



# Sanjen Jalavidhyut Company Limited

Sanjen Jalavidhyut Company Limited (SJCL), a company promoted by Chilime Hydropower Company Limited (CHPCL), is a public limited company established in 2010 AD with the objective of harnessing hydro-power potential of the county with maximum participation of local people in the projects ownership and mobilization of local resources for the successful implementation of various hydroelectric projects. In the context of current annual growth in electricity demand in the country, the Company has planned to develop two hydro-electric projects, namely, Sanjen (Upper) Hydroelectric Project (14.8 MW) and Sanjen Hydro-electric Project (42.5 MW) in cascade, with its own equity and loan from financial institutions of Nepal as the first initiative.



## Sanjen Jalavidhyut Company Limited

Kapan Marg, Kathmandu  
Phone: 01-4374275