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VIEWPOINT
Dr. Tilak Rawal



OPINION
Dipak Gyawali



ARTICLE
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FORTNIGHTLY

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Sixty Years Onwards

ग्रामीण लघुवित्त संस्थाहरुको सहयोगी निकाय साना किसान विकास लघुवित्त वित्तीय संस्था लि.

लघुवित्तको कार्यक्रम मार्फत ग्रामीण समुदायको आम्दानी एवं रोजगारीका अवसरमा अभिवृद्धि गरी गरिबीनिवारण गर्ने कार्यमा सघाउ पुर्याउने उद्देश्यलिएको यस बैकले देश भरी नौ वटा इलाका कार्यालयहरु र केन्द्रीयकार्यालय मार्फत ७० जिल्लामा साना किसान कृषि सहकारी संस्थालिहरु र समान प्रकृतिका अन्य लघुवित्त संस्थाहरु मार्फत थोक कर्जा उपलब्ध गराउँदै साना किसानहरुको सेवामा समर्पित रहँदै आएको छ । साथै नेपाल सरकार तथा दातृसंघ/संस्थाहरुबाट प्राप्त स्रोत परिचालन गरी संस्थाहरु मर्फत सामाजिक तथा सामुदायिक कार्यक्रम संचालनमा सहयोग एवं संस्थाहरुको सवलीकरणका लागि नियमित परामर्श सेवा तथा अन्य प्राविधिक सहयोग जस्ता कार्यहरुमा समेत सहयोग पुर्याउँदै आएको छ । यस बैकको वेबसाईट www.skbbbl.com.np बाट थप जानकारी लिन सकिने छ ।



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Notes From The Editor



If Pharping was the first hydropower project in Nepal to generate electricity over 150 years ago, Solar Plant in Trishuli is the first big project to generate electricity to supply to national grid. For long Nepal's energy sector has relied on hydropower and diesel plants. The inauguration of a solar plant in Trishuli has changed the scenario. For the first time in history of energy sector, Nepal has alternative sources to mix energy. At a time when 88 days of lockdown had badly stalled major development works, Nepal Electricity Authority has made many breakthroughs. With individual effort and commitment, MD Kul Man Ghising, added a new dimension in Nepal's energy sector paving a way for mixing the solar into hydropower grid. Although Kathmandu Upatyaka Khanepani Ltd had started to generate electricity from solar two years ago, the 700 kW-plant supplied just a small amount of energy to national grid. Nepal and Israel are in two different geographical locations, but both the countries have something in common. Nepal and Israel celebrated sixty years of establishment of their diplomatic relations. One of the successful partnerships with Israel in the agriculture sector is Learn and Earn program which is helping small farmers of Sanakisan Laghubitta Sanstha Ltd.

After passing the bill through national consensus by the House of Representatives (HoR), Lower House, and National Assembly, the upper house, passed a Constitutional Amendment Bill revising the Coat of Arms and amending the country's map to incorporate Lipulekh, Kalapani and Laimpiyadhura areas. Nepali political leader declared the day a day of national unity. For the first time since the promulgation of new constitution in 2015, all the national political forces including Madhesh based parties cast their vote in favor of the bill.

Keshab Poudel

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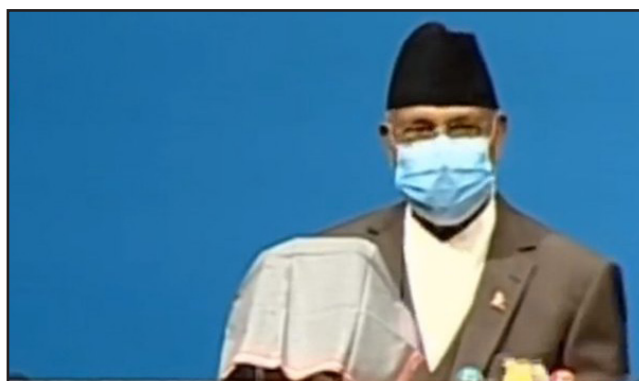
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Enhanced Relations

Ambassador of Republic of Korea Park Young-sik's three-year tenure in Nepal had many important highlights that strengthened Nepal-Korea relations

By A CORRESPONDENT

Ambassador Park Young-sik has completed his three years in Nepal. His tenure will be remembered for a long time as a period of major breakthrough in deepening friendship, economic collaboration and Korean investment in Nepal.

He is leaving Nepal with collections of many good memories and his encounters with mountains, culture and people. Although Ambassador Park, a gentle career diplomat, had some grievances about the governance process, he was able to deal with it.

His predecessor, career veteran diplomat Choe Young-Jin, who came to Nepal in the most unstable political period, had laid the foundation to move the stalled work forward; Ambassador Park Young-sik pushed it towards completion.

Faced with one or the other local issue for almost 10 years, the 30-MW Chameliya Hydropower Project and 132kV Blanch-Attariya transmission line went to create one of the important milestones of Park's tenure.

Constructed under the soft loan of Korean Exim Bank, the completion of the project was a game changer for far-western province of Nepal. Along with the project, 132 kV transmission line is opening new opportunity to explore more hydropower projects in far west.

Signing Power Purchase Agreement and Financial Closure of Trishuli 3 A project made another milestone of Park's tenure in Nepal. Stalled for almost a decade due to PPA and other issues, the first Nepal-Korea joint private sector hydropower project signed financial closure last month and entered into the construction phase.

Managing Director of Nepal Electricity Authority Kul Man Ghising has played a catalytic role to move these things forward.

With a total investment of USD \$647 of IFC, Upper Trishuli-1 Hydropower Project is the first project in Nepal involving many multi-lateral agencies including IFC, ADB, AIIB, K-EXIM, KDB, CDC, FMO,



PROPARCO and OFID with Nepal Korea Joint venture private company.

Nepal Water and Energy Development Company, whose key owners are Korea South-East Power, Daelim Industrial, Kyeryong Construction Industrial, and IFC, is constructing 216MW run-of-the-river hydropower project.

Similarly, the completion of technical school in Butwal and hospitals in Tikapur, Jumla and Nuwakot under the support of Korean governments were other memorable works of his time in Nepal.

Although Nepal and Korea have very different levels of economic development and prosperity, they do have some common geographical realities.

Ambassador Park also organized various programs during his tenure to share the highlights.

From next year, Nepal will have surplus electricity. Known for its high-level electric vehicle technology, South Korea can help transform Nepal's transport sector from fossil dependence to clean energy based transportation.

As Nepal is looking for opportunities for Nepali youth to find work, Korea has agreed to increase the Nepali workers under the Employment Permit System (EPS).

As the Government Republic of Korea has appointed Park Chong-suk as the new ambassador to Nepal, one can expect new heights in the bilateral relations between Nepal and Korea.

He previously served as the dean of Planning and Assessment at the Korea National Diplomatic Academy, Yonhap News Agency Reported.

Diplomatic relations between Nepal and the Republic of Korea (RoK) were established on 15 May 1974. The Republic of Korea opened its Embassy in Kathmandu in 1974. Nepal established its Embassy in Seoul in 2007. The relations between the two countries are based on goodwill, friendship and mutual cooperation.

As ambassador Park Young-sik is returning home to take his new position in the ministry, Nepal-Korea relations will move further under the leadership of his successor.

NEWSNOTES

Israel Embassy Hands Over Medical Supplies



Benny Omer, Ambassador of Israel to Nepal, handed over medical supplies to Bhanu Bhakta Dhakal, Minister for Health and Population. The medical supplies are meant to support the fight against COVID-19.

The Embassy of Israel provided 550 units of Personal Protective Equipment (PPEs), 10,000 units of Masks, 50 units of Infrared Digital Thermometers and 5,000 pairs of surgical gloves.

Additionally, hand sanitizers, hand sprayers and disinfectant solutions were also donated amidst a function at the Ministry of Health and Population.

At the function, ambassador Benny Omer said, “a friend in need is a friend indeed. Israel and Nepal are at the same side in the fight against this pandemic of COVID-19 to save lives.”

Accepting the gift of people of Israel, Minister Dhakal said “On behalf of the Government of Nepal, I would like to thank the Government of Israel for your solidarity and support during our battle against COVID-19. Sending these essential medical goods to ward it off gives a message that the Government of Israel and Israeli friends are with Nepal and Nepalese during this challenging time. Together we can and we will win against COVID-19.”

This is a gift from people of Israel to the people of Nepal to help protect doctors, nurses and others, who work in the frontline to save lives of the patients suspected and infected with the virus. This cooperation is the manifestation of Nepal-Israel friendship and mutual affinity to help battle against the spread of COVID-19.

“The Embassy of Israel wishes to work with the Ministry closely to share Israel’s experience on how it successfully contained this pandemic,” said a press release issued by the Embassy of Israel.

Secretary General Of SAARC Calls On PM Oli

Esala Ruwan Weerakoon, Secretary General of the South Asian Association for Regional Cooperation (SAARC), paid an introductory courtesy call on KP Sharma Oli, Prime Minister of Nepal, at his residence in Baluwatar, Kathmandu.



The Prime Minister felicitated the Secretary General on his appointment as the fourteenth Secretary General of SAARC. The Prime Minister expressed confidence that

with his vast diplomatic experience in and knowledge about South Asia, the Secretary General would be able to make a tremendous contribution to further strengthen the SAARC pro-

cess. The Prime Minister assured him of full support of the Government of Nepal in fulfilling his mandate 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. While appreciating the valuable support given to the SAARC Secretariat by the Government of Nepal, the Secretary General expressed the hope that the Government of Nepal would also lend similar support and guidance to him in the accomplishment of his responsibility as the Secretary General.

Israel Sharing Learning Experiences During And Post COVID Pandemic

The Embassy of Israel in Kathmandu is facilitating a series of webinars with an aim to share global experiences of remote learning due to COVID-19 to Nepali School leaders via OFRI center, MASHAV (Israeli Agency for International Development Cooperation).

During the first day of the webinar, Benny Omer, the Ambassador of Israel to Nepal expressed with joy that exchanging of experiences and sharing the best possible practices of Israel could ease the learning process of the students. He also added that investment in education is the biggest asset to any country and every political leader should pay high value to it even though the outcome is not seen immediately.

Ms. Yudith Rosenthal, Director of Ofri Center, MASHAV is coordinating a 4 day long webinar. She is sharing various aspects of learning to Nepali leaders once a week in the month of June. The subjects of sharing are Innovative Pedagogies, Social and emotional learning, E-learning & virtual pedagogies and Disrupting Education. Welcoming all the 32 school leaders including community schools, Ms. Diptee Acharya highlighted the role of such sessions as a part of professional development which has been an immediate need due to the pandemic.

Kapil Dev Regmi, a MASHAV alumni, appreciated the initiatives of Ambassador Benny Omer to make the webinar possible. Israel is famous as a pioneer country in Education, Technology and Agriculture.



US Provides Additional \$ 5.5 Million To Respond To COVID-19

The United States Government is pleased to announce an additional \$5.5 million in new funding, through the U.S. Agency for International Development (USAID), to mitigate the secondary impacts of the spread of COVID-19 in Nepal. This new funding brings the United States Government’s COVID-19 assistance to Nepal to a total of \$7.3 million.

Through this assistance, USAID will work with the Government of Nepal to address second-order impacts of the crisis in Nepal. Specifically, the funding will mobilize finance essential to economic recovery for Nepali small businesses, building on existing partnerships to address urgent needs

within hard-hit municipalities; and assist local governments and institutions in vulnerable communities to assess, plan for, and respond to socio-economic impacts of COVID-19, while leveraging private sector investment. USAID is also providing health assistance funding to conduct community-level risk-communications, prepare laboratory systems, activate case-finding and surveillance, and support technical experts for response and preparedness.

In the announcement of USAID's new COVID-19 response assistance, U.S. Ambassador Randy Berry stated, "Times of crisis like these are the truest test of a partnership, and we remain committed to building a more resilient, healthy, prosperous, and self-reliant Nepal during these hard times – and beyond."

For decades, the United States has been the world's largest provider of bilateral assistance in global health. Since 2009, American taxpayers have generously funded more than \$100 billion in health assistance and nearly \$70 billion in humanitarian assistance.

Event Marks 70 Years Annapurna Ascension By French Alpinists

June 3rd, 2020, marked the 70 years of successful ascent of Mount Annapurna by an expedition team of ten men, led by Maurice Herzog, with nine other French mountaineers. Among them were Louis Lachenal, Gaston Rébuffat, Lionel Terray, the French diplomat Francis de Noyelle and the filmmaker Marcel Ichac. It was the first successful ascent of the 8000-meter peak.

As part of their preparations to climb Mt. Annapurna, they embarked on a two-year training with the French Alpine Club. They successfully scaled Mt. Annapurna on June 3, 1950 at 2 pm. Upon their return, they were received by Prime Minister Mohan Shumsher JB Rana and invited to the Élysée Palace in Paris by President Vincent Auriol. The following year, Maurice Herzog published 'Annapurna: First Conquest of an 8000-meter Peak', (1951). It was translated into forty languages and has sold over 10 million copies. This ascent was also captured in a film directed by Marcel Ichac, 'Victory on the Annapurna', in 1953.

Herzog was also the Mayor of Chamonix from 1968 to 1977, an emblematic city of mountaineering and a symbol of Nepal – France friendship.

As part of this commemoration, a series of photos have been put online for display at the French Embassy's website.



"Although we would have loved to organise a full-fledged photo exhibition and other events to mark and celebrate this event which was important in developing the tourism industry in Nepal, we will have to keep it small due to the Covid-19 crisis and hence are posting some photos that will take you

through time. I take this opportunity to pay a special tribute to all the Nepali guides and porters without whom this mission would not have been possible at all." said Ambassador François-Xavier Léger on the occasion.

Dr. Dhananjay Regmi, CEO of Nepal Tourism Board, extended his best wishes and remembered the day as the "historic day for Nepal and Nepali Tourism Industry as Mt. Annapurna 1st was successfully conquered by Late Maurice Herzog thus opening the World to Nepal and making Nepal the most sought after destination for mountaineering." He also added, "Nepal Tourism Board and the tourism fraternity supremely value this contribution of Herzog and the French Government for putting us in the Adventure sector map worldwide. "Celebrating this auspicious day, I would like to inform that a new trekking route, the Maurice Herzog Trail, has come into operation from this year. The trail starts from Annapurna Rural Municipality-4, Naryang and leads up to the base camp of the 8,091 metre-high Mt Annapurna. The trekking route is a special dedication from Nepal to late Maurice Herzog for all the contribution he has made for our country's Alpine sector."

Heads Of Mission Of EU Embassies Deplore Rukum Violence

The EU Delegation to Nepal, together with the EU Heads of Mission based in Kathmandu, deplored the tragic loss of life in the violent incident in Soti village of Chaurjahari Municipality, Rukum (Karnali Province) on 23 May 2020. This act of violence took place on the eve of the 9th anniversary of the passing by the legislative Parliament of the Caste Based Discrimination and Untouchability (Offence and Punishment) Act 2011.



"We express our sincere condolences to the families and the loved ones of those killed in this shocking incident," reads statement.

"We condemn violence and discrimination based on caste and on any other grounds, including sex, race, color, ethnic or social origin. The Government of Nepal, as a party to the Convention on the Elimination of All Forms of Racial Discrimination, has undertaken to combat caste-based discrimination. We support the efforts undertaken to conduct a fair investigation, which will reveal the truth of this tragic event, and lead to action to ensure justice and reparations for the victims and their families."

"The EU Delegation to Nepal, together with the EU Heads of Mission based in Kathmandu, remains committed to support Nepal Government's efforts to ensure full implementation of the constitutional guarantees and elimination of caste-based discrimination, and call for the full force of the law to be brought against those perpetrating such crimes and discriminations."

BUSINESS BRIEF

World Bank Approve \$100 Million Credit To Electricity Sector



The World Bank Board of Executive Directors has approved a \$100 million Development Policy Credit (DPC) to continue support to the Nepal Government in improving the financial viability and governance of the electricity sector and recovering from the COVID-19 crisis.

The approved operation is the second in a series of three DPC operations to support key policy, regulatory and institutional reforms to unlock the economic potential of Nepal's electricity sector. These include measures to improve the financial viability of the Nepal Electricity Authority (NEA) as the sole off-taker; establish a regulatory framework that is autonomous, transparent, and accountable; achieve greater integration with the regional electricity market to ensure the optimal use of Nepal's hydropower resource; and restructure NEA to empower provincial and local governments under the federal structure.

"Continued reforms to strengthen the electricity sector in Nepal is of utmost importance during the crisis and for post-crisis recovery," stated Faris Hadad-Zervos, World Bank Country Manager for Nepal. "This operation will help refocus investment priorities and support the government's commitment to develop a reliable, affordable, and sustainable electricity sector that supports poverty reduction and shared prosperity in the country."

South Korea Handed Over 50,000 RT-PCR Test Kits To Nepal

Embassy of the Republic of Korea in Nepal supported the Ministry of Health and Population (MoHP) with

about 40 thousand complete sets of RT-PCR test kits through Korea International Cooperation Agency (KOICA).

The support worth is USD 6.25 hundred thousand. Half of the test kits arrived in Kathmandu airport today, and the rest will arrive in June 20 by chartered

flight.

Currently, COVID-19 positive cases are in rise in Nepal and it requires mass testing throughout the country. MoHP is working hard to control this pandemic. However, it needs to be supported by wider range of partners and society itself. Korea has always been a sincere friend of Nepal and have always supported in its difficult times.

Acting Ambassador Sun Chil Kwon handed over the kits to Dr. Roshan Pokhrel, Chief Specialist, Health

Co-ordination Division, Ministry of Health and Population in Tribhuvan International Airport. South Korean NGO Good Neighbors International (GNI) also participated in the handover ceremony, as it supported more than 10 thousand complete sets of RT-PCR test kits worth USD 1.44 hundred thousand to the MoHP. All in all the MoHP can conduct more about 50 thousand of tests with this support from South Korea.

Recently, KOICA supported PPEs, Mask, Surgical mask, Surgical gloves, Sanitizer to 4 hospitals of Nepal worth USD 77 thousand, with the aim to strengthen the ability of hospitals and health workers to handle COVID-19 cases. Out of which 3 are government hospitals constructed by KOICA itself and 1 is community hospital. As a result, these hospitals were well prepared and currently they are successfully handling patients with COVID-19 infections.

During the handover event, Sun Chil Kwon Acting Ambassador of the Republic of Korea to Nepal expressed that "this assistance will support the MoHP to conduct mass testing of the citizen of Nepal which is the most urgent action of the current scenario of Nepal".

Likewise Sunghoon Ko, Country Director of KOICA stated that "KOICA will continuously put his efforts to support the Government of Nepal during this tough times and he expressed that all these assistance will be efficiently utilized by the MoHP".

After taking a handover Dr. Pokhrel expressed gratitude for the support provided by the Government of the Republic of Korea, KOICA and GNI and stated that the support provided is very much valuable for Nepal.

KOICA has been contributing to COVID-19 response in Nepal through consecutive supports of protection equipment and PCR test kits.

India To Re-build 56 Higher Secondary Schools

The Embassy of India and the Central Level Project Implementation Unit (CLPIU) of the Ministry of Education Nepal signed 7 Memorandum of Understandings (MoUs) for re-building 56 higher secondary schools located in Gorkha, Nuwakot, Dhading, Dolakha, Kavrepalanchowk, Ramechhap and Sindhupalchok districts of Nepal. These schools will be re-built as part of Government of India's post-earthquake reconstruction in Nepal with a grant of NRs. 2.95 billion.

These schools will be re-built as per Government of Nepal's norms for earthquake-resilient reconstruction. The school infrastructure will consist of academic blocks, classrooms along with furniture and separate sanitation facilities for boys and girls.



Unity After All

Divided since the promulgation of the constitution in 2015, signatories of the 12-point agreement have finally come together against the facilitator of the current change

By A CORRESPONDENT

Following years of bickering, signatories of the 12-point agreement, which was facilitated by India in 2005, finally came together to forge consensus against their facilitator.

Harping on the unprecedented and historical unity on the constitution amendment bill at the lower and upper houses, Nepal Communist Party, Nepali Congress, Rastriya Janta Sanghiya Party and other fringe communist parties voted unanimously on a bill to incorporate a disputed territory claimed by India and Nepal in a new map.

After passing the Constitutional Amendment Bill, revising the Coat of Arms amending the country's map to incorporate Lipulekh, Kalapani and Limpiyadhura through national consensus by the House of Representatives (HoR) and National Assembly, Nepali political leaders united to challenge India asking it to vacate the territory claimed by Nepal.

For the first time since the promulgation of the new constitution in 2015, all the national political leaders, including those from the Madhesh-based parties, who saw over 60 people killed and thousands other injured over their call to oppose the constitution, casted their vote in favor of the bill.

Leader of newly united JRSP Rajendra Mahato, who was accused by mainstream parties as a traitor in 2015 blockade, declared that Madheshis are more patriots than others as they have been guarding the borders.

He accused Prime Minister K.P. Sharma Oli and NC leader Sher Bahdur Deuba for their role in Mahakali Treaty. "Now, no one can question the intention of our party and Madheshis," thundered Mahato.

Chairman Upendra Yadav echoed Mahato blaming Nepali Communist and Congress leaders for selling out the country. "You people sold the country and

questioned our integrity and loyalty to nation," said Yadav, a main beneficiary of the current debate.

As Prime Minister Oli's personal populist agenda prevailed, there were populist slogans among the leaders of major political parties.

Prime Minister Oli termed the unity historic to bring back the Nepali territory encroached by India, others echoed him. His political rival in the party Pushpa Kamal Dahal moved a step ahead of Oli demanding immediate withdrawal of Indian Army from Nepal's territory. "We have brought back our territory handed over by the Kings to India," declared Prachanda. "Republic claimed the land surrendered by monarchy.

Although all political leaders claimed that they had unprecedented and historical unity to pass the constitution amendment bill at the lower house, their actions and statements delivered at the parliament showed something different.

The border dispute is always a sentimental issue in every nation but it will be more sensitive in smaller countries like Nepal. With thousands of interactions at different levels and diverse relations at various levels including civilization, religion, culture and history, Nepal's relations with India vis-à-vis India's relations with Nepal are complex.

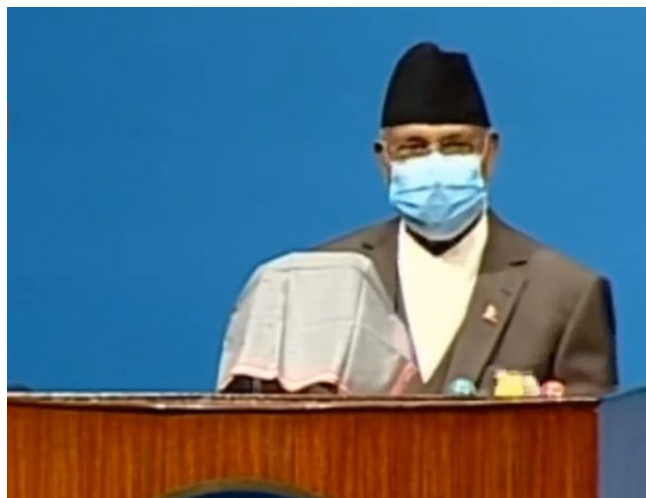
For Nepal's radicals including communists whose ideology is globally fading, championing the sentimental issues like border dispute is a compulsion to survive in politics, which is understandable.

However, the jump of Mad-

hesh-based parties and Nepali Congress, which used to be soft in relations with India, remains mysterious. Although backing Oli's agenda helped them to improve their image, their actions also supported the move to vulgarize the relations with India.

Leaders of Nepali Congress, who are regarded as moderate political forces, even used more anti-Indian remarks to beat PM Oli and Prachanda. "India has to vacate Nepali territory," they demanded.

Despite many differences among them, their commonness is being the signatory of the 12-point agreement.



This may be the reason all parties came together forging national consensus.

Although mixing diplomacy with politics will have a long term implication in state to state affairs, politicians with short term political gains do not mind to use this agenda to remain in power.

However, passing the bill from Nepal's parliament cannot change the status of that territory which is claimed by India and it is now in its control. However, passing the bill has brought all forces together who backed the present change.

Corona And Our New Budget



BY: DR. TILAK RAWAL

In the midst of lots of talk about Corona and government's ostensible resolve to solving the pandemic-related problems, budget for the fiscal year 2077\78 (2020\2021) was red in the Parliament on a specific date as provisioned by the constitution of Nepal. Although this budget with a total outlay of Rs.1474 billion is about Rs. 59 billion less than the budget for the current fiscal year (2076\77), a sizeable portion of this, more specifically the allocation under capital expenditure head, is certain to remain unspent as has been the case so far. By bringing a smaller budget, the budget writers have satisfied the opposition leaders, mostly from the main opposition party NC who, probably fearing massive misuse of funds in a ballooned budget, did not want it to inflate much. At the same time it has also satisfied observers who saw no reason in inflating budget each year in the face of government's inability to spend even the regularly downsized, at the half yearly reviews, budgets. This apparently pragmatic approach taken in budget formulation kept capital expenditure (Rs.353 billion) lesser than current year's allocation of Rs 408 billion and reduced revenue collection target (Rs.889 billion) by 4 percent, as compared to initial revenue collection target of this year. It is wise on the part of the budget writers that, instead of failing each year to collect the targeted revenue, they have reduced the target a bit this time. Despite this reduction, however, the target is not likely to be met this year also, which would be this government's third failure in a row. Likewise, doubts are expressed about the possibility of hitting the wished growth target of 7 percent and containing inflation at 7 percent level in the complicated economic situation emanating from Corona. Lots of questions are being asked and doubts raised about this budget both in the House and outside on streets of Kathmandu.

Indeed, the reduction in size of this budget could not satisfy the NC lawmakers who came down heavily on it as being not up to the mark to revive the economy in such a depressing situation. NC stalwarts, who propagated for a small size budget, basically to prevent misuse of funds, must be unhappy that funds under the much controversial Prime Minister Employment Programme have been substantially hiked to more than Rs. 11 billion. Make no mistake that Peo-

ple here are in know of stimulus package provided in different countries that include handouts to low-income families, unemployment benefits and benefits to farmers and small\medium enterprises in terms of cash and concessional loans. Basically, depending on the size of economies and population, countries have launched stimulus packages and have taken decisions to get the economy moving even in the face of rising level of infection and deaths resulting from it. They are also impatient about rescuing the tourism and hospitality sector, which has suffered the most as a result of the pandemic. In our case, the new budget has thrown lots of cold water on the expectation of relief-seeking common people and those engaged in productive activities who were expecting solid package in the budget to help them get out of the mess they have been pushed into by the virus. Waivers and reduction in taxes

Let us not forget that even in the midst of rising level of infection and deaths therefrom and strong possibility of its resurgence, countries are easing restrictions and introducing stimulus packages to save their economies. It may be noted that the Organization for Economic Cooperation and Development has recently stated that the global economy will shrink by 6 percent in 2020. Bank of England looks all set to act in the face of reported 20 percent shrinkage in the economy. Let us see what the new monetary policy of Nepal Rastra Bank, under the leadership of a close confidante of Khatiwada, has to offer to stabilize the financial sector and provide the much needed support to different sectors of the ailing economy. Khatiwada's recent confession in the House that it is becoming increasingly difficult to organize monthly requirement of Rs. 40 billion to run state affairs, speaks volumes about the state of our economy and has also ruled out the possibility of any additional measures to revive the economy.

and provision of subsidy are found in the budget document but it remains way short of providing a shot in the arm in these difficult times. Expectedly, the budget has set aside substantial sums for health sector, basically to fight Corona, and pledges to implement programmes with the aim of achieving self-sufficiency in milk and meat. Hike in fertilizer subsidy (Rs.11 billion) and decision to encourage organic production in the mountain and hilly regions, if imple-

mented properly, could push this agricultural nation towards becoming self-reliant in agricultural products. Unfortunately, however, despite various provisions touching upon different sectors of the economy and attractive proclamations, the budget made public in a difficult situation, could not win the support of even common people because they are used to these annual rhetoric of achieving self-sufficiency in certain products and encouraging export through provision of subsidy and tax cuts. These annual proclamations, it seems, have worked in the opposite direction because our import of agricultural products is on the rise and trade deficit is accelerating unchecked. Indeed, the budget has fallen short of the expectations and the writer of the budget, Dr. Khatiwada, has also been fac-

ing strong criticism related to changes in tax rates on certain items. Equally forceful is the criticism in the House and agitation on the street, which has got to do with the huge amount of Corona-related expenditure incurred by government so far.

It was expected that this regular type of budget would not win praise and appreciation but at the same time not many thought that Khatiwada would be individually attacked in the Parliament, seriously questioning and doubting his integrity. His decision to increase import duty on electric vehicles, contrary to the policy of governments all over the world to promote its use, and another budgetary provision—that reduced tax on imported high-grade chocolates created the unfortunate situation for the main budget formulator. The case got further complicated by the revelation that owners of a prominent business house in Nepal, said to be close to him, got into the country about 125 electric vehicles before the budget was made public, saving millions of rupees for themselves. The same group is said to be the major importer of expensive chocolates on which rates have been perplexingly reduced. A lot has been spoken and written on this, challenging Khatiwada's integrity, and his responses have failed to assuage the doubts of many. One could, however, take the liberty of thinking that changes in tariff rates and the associated transaction deal was a mere coincidence and could have happened several times in the past also. Another item that has invited huge criticism is government's recent announcement that it has already spent Rs. 10 billion on Corona. Opposition lawmakers have seriously raised this issue in the House and people have taken to streets, braving water cannons and tear gases. The protesters are demanding that the expenses incurred in medical goods be made transparent and the decision to impose additional tax be withdrawn. We can simply hope that the concerned provide adequate evidences to clear the accusations that funds have been embezzled. All said and done, let us not forget that people in general are not happy with the way Corona is handled in this country and so is the case with the lackluster new budget, which is devoid of any substantial scheme to resurrect the depressed economy of this country.

Our government is accused of bringing the country and the economy to a complete halt when there was no need to do so in the initial stage because migrant workers carrying virus from India and elsewhere had not come and reported positive cases were almost nonexistent, which could be due to very slow testing activities in the country. Many of us feel that the initial few weeks of lockdown did more harm to the country than good because the economy was thrown into a state of grinding halt and the government did not do much sensible homework as is shown by reported problems related to quarantine, testing and procurement of medicines and equipment. Checking total mobility of people and vehicles per se could never be an achievement in itself because it simply does serious harm to the economy. Probably as a realization of this

In our case, the new budget has thrown lots of cold water on the expectation of relief-seeking common people and those engaged in productive activities who were expecting solid package in the budget to help them get out of the mess they have been pushed into by the virus.

truth, countries in deep problems such as the US, Brazil, England, Italy, Spain, etc. have opened their economies, easing restrictions. Of late, Corona has assumed an alarming proportion in India but this has not stopped the authorities there from opening the economy. We have to believe like other sensible people elsewhere that Corona is going to stay with us for quite sometimes and we have, therefore, no choice but to learn to live with it, adhering to different norms prescribed. Let Corona not scare us off into bringing our activities to a complete halt as has been the case here. In this regard, we could learn lessons from Thailand, where the number of infection and deaths from it is one of the lowest in the world, which has succeeded in checking the spread of virus without bring-

ing the economy to a complete stoppage. The authorities there are worried about the state of their economy, showing deflationary symptoms and is said to have contracted by 6 percent, which is being rescued through stimulus package and further lowering of interest rate is also contemplated. Maintaining a proper balance between economic and Corona-related activities, South Korea has also succeeded in keeping the spread under control. Things are not very bad in Japan either. People should not take too long

to realize that prolonged period of lockdown breeds starvation and poverty. In Nepal, our government has also finally decided to ease restrictions gradually, succumbing to protests and cases of disobedience. It would be wise for the authorities here to let people return to work and students get back to their institutions without wasting much time. Let government services resume. Some very precious time has been wasted without doing much.

No one should hesitate to agree that whatever little is provided in the new budget is grossly inadequate to galvanize the economy and some additional measures will have to be taken, as Japan has brought an emergency budget in the tune of 300 billion dollars mainly to combat Corona. Let us not forget that even in the midst of rising level of infection and deaths therefrom and strong possibility of its resurgence, countries are easing restrictions and introducing stimulus packages to save their economies. It may be noted that the Organization for Economic Cooperation and Development has recently stated that the global economy will shrink by 6 percent in 2020. Bank of England looks all set to act in the face of reported 20 percent shrinkage in the economy. Let us see what the new monetary policy of Nepal Rastra Bank, under the leadership of a close confidante of Khatiwada, has to offer to stabilize the financial sector and provide the much needed support to different sectors of the ailing economy. Khatiwada's recent confession in the House that it is becoming increasingly difficult to organize monthly requirement of Rs. 40 billion to run state affairs, speaks volumes about the state of our economy and has also ruled out the possibility of any additional measures to revive the economy.

Legal Win

Winning a Bank Guarantee case in Italian Court against an Italian company, CMC, Nepal Investment Bank Ltd (NIBL) has proven itself to be a professional Nepali bank of international standards

By A KESHAB POUDEL

In the last 18 years, Nepal Investment Bank Ltd (NIBL), formerly a multinational Nepal Indo-Suez Bank, has made enormous progress, achieving successes, one after another, in banking sector in Nepal and abroad.

NIBL added a feather in the cap when it won the legal battle to recoup Rs.2.044 billion against Italian firm Cooperativa Muratori e Cementisti di Ravenna (CMC). Following the hearing, the Italian High Court ruled in NIBL's favor on a case involving CMC's performance guarantee to Tanahu Hydropower Ltd.

As the NIBL is under the chairmanship of Prithvi Bahadur Pande, a banker of high professional and social standing, the bank hired competitive and qualified lawyers from Nepal and Italy to contest the case.

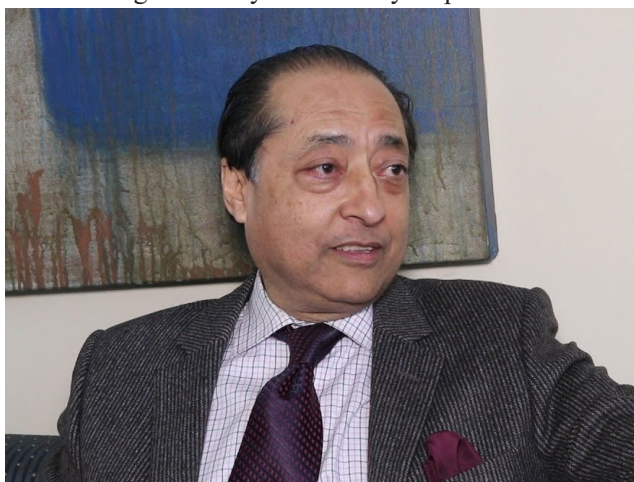
Earlier, it had lost the case as a single bench of a lower Italian court ruled against NIBL. This time the bank carefully chose a well-qualified team to move the high court.

With a strong legal team, NIBL argued that the lower court's decision was unilateral and was

passed without considering the bank's argument.

Along with hiring a competent law firm from Italy, the bank hired senior advocate Dr. Gandhi Pandit, a well known corporate lawyer and graduate of reputed Colombia University, from Nepal.

Although the role played by Tanahu Hydropower Ltd is not



NIBL Chairman Pande

visible, it has backed the NIBL to bring back the money to Nepal. To provide necessary support to the case, Tanahu Hydropower Limited also sent its officials to Italy during the hearing.

Senior advocate Dr. Pandit who pleaded the case for the bank with Italian lawyer was able to turn the case in favor of NIBL. It took sixteen months. Senior advocate Dr. Pandit said that NIBL will receive the bank guarantee amount from Intesa Sanpaolo Bank within a week.

"We had urged the Italian high court to refer to the international law related to bank guarantee as per the Uniform Rule for Demand Guarantee 7582," said Dr. Gandhi. "The law refers to a set of guidelines first adopted by the International Chamber of Commerce in 1991 that set forth generally agreed-upon rules governing securing payments and meeting performance guarantees in contracts among global trading partners."

He added that it would help guide similar cases that had been pending for long. Although NIBL has fought the case for the country, it stood alone in this whole period without any support from the government. It was a lonely battle.

Development Of Case

The dispute began when the contractor company, CMC, had stopped working according to its contract with Tanahu Hydro Limited after it filed for bankruptcy in Italy. This forced Tanahu Hydropower Ltd to claim the guarantee amount from NIBL in March last year which NIBL paid.

In September 2018 Intesa Sanpaolo SPA, Bologna, Italy had issued counter guarantees to NIBL for the amount of NPR 851,416,127 and Euro 8,749,239 (Total amount NPR. 2.10 billion) in favor of Tanahu Hydropower Limited on account of their client Cooperativa Muratori and eCementisti (CMC) - C.M.C. di Ravenna Societa. However, in February 2019 NIBL

received a claim from Tanahu Hydropower Ltd. stating that their contractor, CMC had breached its obligations under the contract.

As NIBL lodged the claim to Intesa Sanpaolo SPA for the Bank guarantee amount, Intesa Sanpaolo declined to pay the amount citing the court order from Tribunale Di Bologna, Italy.

NIBL, however, settled the claim immediately of Tanahu Hydro Power Ltd. as it was bound to pay as per the conditions of the guarantee. In the subsequent hearings, the court had refused to revoke the order that prevented Intesa Sanpaolo SPA to pay the counter guarantees to NIBL.

After a lengthy court case, on 9 June 2020, a full-bench of Tribunale Di Bologna has revoked its previous decree that had prevented Intesa, San Paolo to pay the bank guarantee amount to NIBL. Thus, the quashing of a previous court order enables NIBL to effectively receive the bank guarantee amount from the Italian bank.

Although the role played by Tanahu Hydropower Ltd is not visible, it has backed the NIBL to bring back the money to Nepal. To provide necessary support to the case, Tanahu Hydropower Limited has also sent its officials to Italy during the hearing.

Silver Lining

Wining the case in Italian court, NIBL has shown to the international banking sector that it is now has a capable and competent team that can work at par with the international level. This is also a silver lining for other Nepali banks that are also facing similar kinds of disputes on the bank guarantee.

When Credit Agricole Indosuez, a subsidiary of one of the largest banking groups in the global banking business, decided to leave Nepal and sell its share of



Gandhi Pandit

Nepal-Indosuez, the difficult thing for French Management was to select a professional Nepali group who could maintain professional efficiency, credibility and prestige of the bank.

Having proven professional quality working in executive-level at Nepal Rastra Bank, Rastrya Banijya Bank and Himalayan Bank, Prithvi Bahadur Pande led Nepali company, comprising of bankers, professionals, industrialists and businessman, was chosen by the French group to entrust it to take over the 50 percent share in 2002.

Establishing the bank as a leading professional bank in Nepal maintaining its international stature, the current chairperson of Nepal Investment Bank Limited Pande has proven the capacities and skills of Nepali bankers as per the international standard.

Managed by a team of experienced bankers and professionals having proven track records, NIBL has established itself as a Nepali bank which has been offering international level of banking services in Nepal.

NIBL Receives Full Amount Of Bank Guarantee From The Italian Bank

NIBL received the full amount of the bank guarantee amounting to Euro 8.75 million and NPR 850.00 million totaling to NPR 2.0 billion from the Italian bank- Intesa Sanpaolo SPA on June 17, 2020.

The payment was received after the ruling by a three judge bench of the Italian court, Tribunale Di Bologna on June 9, 2020, revoking its the previous decree issued by a one judge bench which had prevented Intesa to pay the amount to NIBL.

This episode is a positive development in the arena of Nepalese and international banking practices, reinforcing the trust on banking instruments like Bank Guarantees whereby such a sizable fund could be recuperated back to the country. This is one of the first instances for a bank to have successfully recovered the Bank Guarantee amount in Nepalese banking history to date after successfully challenging the interim order issued at the first stage of hearing in International Court.

NIBL would like to take this opportunity to thank officials from the Ministry of Finance, Ministry of Energy, Ministry of Foreign Affairs, Nepal Rastra Bank, Nepal Electricity Authority, Tanahu Hydro Power Pvt. Ltd and all our well-wishers for their continuous support.

Remembering King Birendra



BY: DIPAK GYAWALI

It has been two decades, but 1st June has been seared into the collective painful memory of all Nepalis. The unimaginably gruesome massacre of the royal family that fateful Friday evening is seen as the beginning of a downward spiral of bad days for Nepal that does not seem to end. The national psyche is still very disturbed, and a sense of trust – alarmingly eroded by malfeasance of political parties in these subsequent two decades – is practically absent in the country. All evidence, even that provided by the formal enquiry commission headed by the chief justice and speaker of parliament, is ignored in favour of outlandish conspiracy theories with any variety of villains one may choose.

Not helping in the healing have been irresponsible leaders of political parties, the Left far worse than others, although Girija Koirala also shares the blame for dropping snide and baseless insinuations when it suited his petty purposes. The most egregious of them all has been ex-Maoist and current communalist Baburam Bhattarai: writing in Kantipur on 6 June 2001 from his Mughlani intelligence-provided safe haven in Delhi, he blamed Girija Koirala, CIA and RAW for the royal massacre. Ten years later, as prime minister he still stood by his outlandish claims, bald-facedly asking for a new enquiry instead of actually having one conducted!

This kind of brazen lying is a hallmark of Nepal's Left. It is also worth remembering current prime minister KP Oli for his heading the UML enquiry into its general secretary Madan Bhandari's death in 1993. Oli not only declared the Dasdhunga car accident a political murder but also claimed he knew who the murderer was. Subsequently he became home minister, then prime minister but has till date not disclosed what he claimed to know then with such absolute certainty!

Another worthy, then UML general secretary and leader of the opposition Madhav Kumar Nepal fares just as badly, although not for peddling conspiracies but for exhibiting a fatal flaw in character unbefitting of leadership mettle. It was on his advice that King Gyanendra constituted the royal massacre enquiry commission that included MK Nepal as the leader of the opposition. In fact, royal palace insiders mention that, after so advising the king, MK walked out of the king's office but immediately returned back to emphasize with a folded 'Namaste' that he as opposition leader should not be excluded from the commission. The king did so, but MK, rather than fulfilling

a national duty, chose to chicken out and resigned from the commission even before the inquiry had formally started. When asked of UML leaders why their leader displayed such a brazen act of pusillanimous irresponsibility, they said, "Oh! Our general secretary is a simple man and we feared the palace might bamboozle him, so we pressured him to resign!"

Despite the abject failure of New Nepal's new political class to display leadership and bring a healing touch to the country, a different set of Nepalis (civil servants, generals, professionals, journalists etc.) are putting pen to paper and bringing out reminiscences of their experiences during King Birendra's reign. They help in damping down the damage done by outlandish, self-serving political narratives of the party-political class that has already ruled Nepal longer than the Panchayat did. While it will require many more accounts to emerge to set historical facts fully straight, three recent books describe King Birendra, the man and his reign in a manner that is a far better tribute to his memory.

Architect Bharat Sharma has written in Nepali his encounter with the king who asked him to help with landscaping of Nagarjung summer residence as well as with Narayanhiiti palace, Pashupati temple and several other projects. A very personal account, it nevertheless brings out King Birendra as an essentially democratic and soft-hearted person quite willing to listen to views contrary to his own. A picture also emerges of the "palace culture" of the Praetorian guards, their obsequiousness, back-biting and petty scheming bureaucratic conspiracies. Not specifically, but the book gives indications of Queen Aishwarya's growing influence in state affairs, something King Mahendra never allowed Queen Ratna or his brothers to even come near.

Founding editor of The Rising Nepal and Nepal's Deputy Permanent Representative to the United Nations Mana Ranjan Josse gives his readers a 567-page hefty tome describing Nepal's diplomatic balancing act. Its three parts cover broad overview of key national security issues including Nepal's Zone of Peace proposal and her diplomatic skills in acquiring non-permanent membership of the UN Security Council; second, external and domestic challenges to the Nepali state, primarily with the Maoist insurgency; and the third part is a collection of Nepal's geopolitical encounters with US, China, Bangladesh and Pakistan. While covering a wide swathe of events and players, what

emerge about King Birendra's three-decade rule are his seminal contributions to keeping afloat Nepal's strategic independence despite blatant external political interference and proxy wars he faced.

King Birendra's major diplomatic success was his Nepal as a Zone of Peace proposal formally announced on 25th February 1975 at the concluding farewell reception of his coronation even though he had indicated its outline in July 1973 while addressing Nepal Council of World Affairs. It was not envisaged as a Swiss-type neutrality but as a more active non-alignment to institutionalize peace; and by 1990 it had received the support of 116 UN member states. India was the only major country not to support it; and, after the overthrow of the Panchayat system in 1990 and the restoration of the 1957 multi-party Westminster model of Indian-type democracy, Nepali Kangress and the UML jettisoned the ZoP proposal unceremoniously and un-diplomatically.

Today, these parties have to answer before history two difficult questions. Had they not dumped the ZoP proposal, would it not have been much more difficult for the Mughlanis to attempt regime change in Nepal using the Maoists during King Birendra's constitutional monarchy rule and subsequently during King Gyanendra's rule via the 12-point Delhi Deal? With the Kal-

apani-Lipulekh map war going on, there is talk of finding a diplomatic solution. Question: with this lot having squandered Nepal's diplomatic gains that garnered support of 116 countries and having sidelined the institution of monarchy whose achievement it was, how are they going to convince those countries to support Nepal?

Narendra Raj Pandey was King Birendra's press secretary who had taken permission from the king to bring out a book of his recollections upon retirement. Unfortunately, the palace massacre took place a year later and Pandey himself succumbed to cancer a dozen years after. It is his unfinished manuscripts which have been collected and published by his children residing in the US with all the editorial shortcomings such efforts entail. Besides interesting historical and personal glimpses, the most valuable part is a 34-page section titled "Birendra's Off the Cuff Observations". I would have called it, taking after Prithvi Narayan Shah's DibaUpadesh, "King Birendra's Divine Counsel

for His Nepali Successors in the 21st Century". There are thirty topics – ranging from monarchy and Maoists to judiciary, constitution, political parties, relations with India, China, Japan etc., water resources, NGOs, Hinduism, proselytization and others – on which the king has expressed his deep insights and views that every Nepali should reflect on. They were as true under his three-decades rule as they are today and will remain so tomorrow as long as Nepal remains.

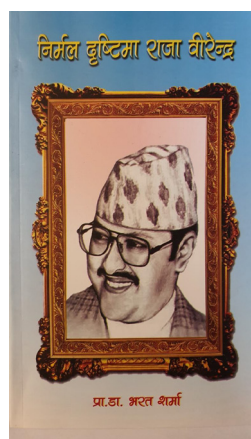
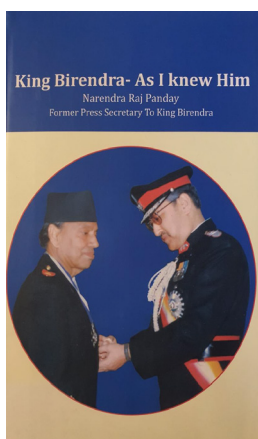
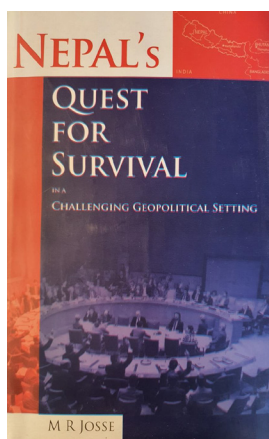
A post-Corona world will present Nepal with new geopolitical challenges and a revisiting of the country's strategy for survival will demand of a new generation of political leaders capable of revisiting its history of successes and failures to draw an appropriate plan for the emerging new world order. The Panchayat was not one monolith event but clearly had three distinct phases: first decade of Mahendra's foundation laying, the second decade which saw Birendra's active rule culminating in contradictions

that the national referendum was unable to resolve, and the final third decade when needed political reforms stalled and Panchayat lost its *elan vital*.

The multi-party, Westminster model of political governance has lasted slightly longer than the Panchayat, and it

shows five distinct phases: first, revitalization till the mid-1990s; second, relapse into old problems of fratricidal in- and intra-party battles including the challenges posed by the rise of the Maoist insurgency till the royal massacre; third, constitutional crisis of house dissolution and Mughlani regime change of 2006; fourth, a prolonged 10-year interregnum till the 2015 earthquake; and finally the fifth till date, with a hastily passed constitution that represents a third attempt to implement an unsuitable Westminster model. Its contradictions and mal-governance, with the additional burden of federalism and the bypassing of the country's traditional governance ethos, have become so glaring that there is open talk of a political collapse.

This juncture is precisely where a serious re-thinking of what the country's indigenous governance framework should look like has become a pressing need.



Remembering King Birendra: books by founding editor of The Rising Nepal Mana Ranjan Josse, royal palace press secretary Narendra Raj Pandey, and landscape architect Bharat Sharma

Packages Galore

In the wake of 2 months of lockdown to fight COVID-19, the budget presented by Finance Minister Dr. Yubaraj Khatiwada offers a galore of relief packages

By A CORRESPONDENT

As Nepal's economic sector has been badly hurt by two months of lockdown imposed to fight COVID-19, Finance Minister Dr. Yubaraj Khatiwada announced his annual budget of Rs. 1474 billion for FY 2020/21, with annual GDP forecast at around 2 percent.

Although Nepal's revenue collection and flow of remittance have heavily suffered, with huge deficits and foreign grants and loan likely to see reduction this year, due to global economic crisis, Finance Minister Dr. Khatiwada has announced a big size of budget, reducing just small fractions compared to last year.

"Given the shrinking of revenue and resource due to global pandemic, the finance minister would have presented a reasonable and practical budget. This is a big budget, everything is based on expectation and assumption," said former finance minister and Nepali Congress leader Gyanendra Bahadur Karki. "If the government fails to generate revenues and other resources, it will have to cut the size. I am sure that the budget's size will be reduced almost 30 percent at the end of fiscal year looking at the present scenario. The document would neither encourage the workers nor the students and poor."

Finance Minister Dr. Khatiwada has presented an annual budget of Rs. 1474 billion 640 million for the upcoming fiscal year FY 2077/78 (2020/21) in the joint session of the federal parliament on May 28.

Of the total budget, Rs. 948 billion has been allocated for recurrent expenditure while Rs. 352 billion will be used for capital expenditure.

Industrialist and Nepali Congress lawmaker Binod Chaudhary said that the size of budget was fine but the

relief package for industries was inadequate.

The government has estimated to mobilize revenue of Rs. 889 billion and get Rs. 60 billion as foreign grants and seek Rs. 298 billion external loan and take Rs. 225 billion internal loan to meet the annual expenditure.

The annual budget has a deficit of Rs. 524 billion while the estimated revenue mobilization is less than the recurrent expenditure by Rs. 59 billion.

"The budget was still unable to bring solid programs with resource allocation to revive the economy from COVID-19," said economist Dr. Dilli Raj Khanal. He said that the positive parts of the budget are the allocation of huge money in health sector and infrastructure development at the local level.

Khanal said that focus of the budget to deduct the unnecessary expenditure of the government, merge the management of same type of government enterprises were also positive.

The government has allocated huge amount of budget of above Rs 90 billion in the health sector which is positive to save lives, but it failed to introduce relief package to accelerate the economic activities and revive the COVID-19 affected economy.

Likewise, former Prime Minister Dr Baburam Bhattarai was happy for exclusive focus of government on health. However, he was disappointed over absence of targeted programs to meet the current crisis. Last year Rs 68 billion was allocated in health sector which has increased to Rs 90 billion this time.

However, former Finance

Minister Surendra Pandey views that the budget estimation was sound in general. "Actual budget has been unveiled, however, constraints of execution are still there," he said. Getting 7 per cent growth is ambitious, he said, adding that taking foreign debt is not as easy as



mentioned in the budget.

"COVID-19 pandemic has badly affected global economy, the government has committed to expanding internal loans on capital expenditure which is good," he said. Pandey also said borrowing internally would lead to liquidity crunch and that would pressurize the economy.

Since Nepal has limited resources and many constraints, preparing the budget is always a very difficult task. With the COVID-19 global pandemic and global economic crisis, finance Minister Dr. Khatiwada's challenges are enormous.

However, he missed a chance to reduce the size of budget focusing on the revival of economic activities. There are so many relief packages and stimulus to activate the economy. How will it be implemented remains to be seen?

Nepal On A Larger Geopolitical Modification In The Himalayas



BY BINOD BASNYAT

Nepal is strategically more or equally fundamental for China, India and one of the third neighbor the US in the Himalayas and South Asia. The 1414 km northern landscape stretch along the Himalayas bordering the Autonomous Region of Tibet and the other 1751 km bordering India from east, west and south is vital as well as becoming 'trends of risk' to both China and India. A 400 sq km disputed territory of Lipulekh, Limpuadhara and Kalapani was endorsed by Nepal's legislature of being formally as part of Nepal. The strategically placed 'Kalapani Region' has been one, physically under the Indian forces before the 1962 Indo-China war and two, with Nepal's dissent China and India signed trade agreements in 2015 with the progression that began in 1954. Nepal's foreign policy in the late 1950s with a revolutionary course was sought with the general course of historical development and its geopolitical compulsions.

Background

Nepal's pride of always remaining sovereign and independent with the brave Gurkhas keeps Nepal different to other states of South Asia. There are three observations against which the foreign policy was perceived, developed and pursued. First, Nepal right through history has offered bona fide imperative fusion of two cultures with a mixed race and has developed self-regulating character and assets of its own. The culture of the subcontinent has well impacted including Tibet of China all-embracing geographically and socially. A new culture with distinctive qualities evolved out of this convergence of races and cultures. Second, the expansion of British imperialism in the eighteenth century inclined for unison under King Prithivi Narayan Shah and his successor in contrast to the advocacy for division in India which was fully exploited. Third, being a landlocked country sandwiched between two giants of Asia and not very friendly to each other, Nepal is in an unappealing posture that led to being above all receptive to its independence and sovereignty which is defended by a nationalist population full of pride of their country and resolute to move ahead in all course, contesting anti-national trends whenever and wherever they take place.

Nepal like other countries motivation for transformation was after the independence of India and revolution in China in the years immediately after the Second World War. The foreign policy evolved in consonance with the worldwide appeal for peace, national self respect and thirdly a desire and yearning for economic development. The foreign policy is guided by the principles of the United Nations Charter, nonalignment, Panchsheel (five principles of coexistence), internal law and values of world peace.

Nepal and India are destined by geography, civilization and traditional linkages. The 1950 treaty of Peace and Friendship between Nepal and India and the 1947 Tripartite Treaty between Nepal, India and the United Kingdom connects the two nations with special relationship, perpetual peace and friendship, mutually

recognized and respected sovereignty, territorial integrity and independence of each other, people to people relationship, open border to move freely, live and work in either countries and the Nepalese Gurkhas fighting for the dignity, sovereignty and territorial integrity of India.

Annexation of Tibet in 1949 was recognized as part of China that confirmed the boundaries of today between Nepal and China in both 1956 "Agreement of maintaining Friendly relations between the People's republic of China and the Kingdom of Nepal" and in 1960 signing of the "Sino-Nepalese Treaty of Peace and Friendship" after a 1959 Tibet uprising. The brief border dispute was resolved by officially signing a border agreement in 1961. Though China was fully in control of Tibet after the "Seventeen Point Agreement" in 1951, Tibetan rebellion erupted in Lhasa on 10 March 1959. Armed conflict between the Tibetan guerillas and the People's Liberation Army started in Kham and Amdo region in 1956 and spread to other areas of Tibet and lasted through 1962. It can also be argued that the last part of the Khampas armed opposition was after a three months operation of disarming the Khampas ended in Sept 1974 after the killing of Wangdi in TinkerLipu bringing the operation to the victorious conclusion for the Nepalese Army.

Current Context

The twelve point agreements between the seven party alliance and the Maoists held in New Delhi was to bring the Maoists to the main stream democratic framework through a peace process that encompassed three major transformation to a secular, federal and a republic. Nepal's new political and administrative system has perverse the traditional linkages in Nepal-Indo relationship.

Democratization in Nepal from 1990 is going ahead to the promotion of Nepal's own interests in comparative to the long-established method of Indian influence in shaping Nepal's policies.

The promulgation of a republican, federal and secular constitution on 20 Sept 2015, the seventh constitution in 67 years accepted by an obvious preponderance with 507 of the 598 (90%) constituent assembly members voting in favour, came without full support as unrepresented of a noteworthy section of the population from India. 60 members from the Madhesi and Janjatis community stayed away from the voting. Then Foreign Secretary, now Foreign Minister S Jaishankar arrived in Kathmandu as special representative of PM Modi to ensure India's concerns are amicably addressed was a failure. The diplomatic trip was the initiating occurrence of the weakening and souring of Nepal-India relationship.

The promulgation of the new constitution came up with celebration in Kathmandu and the hills, while there was protest by the Terai-Madhes political parties that formed an alliance called the United Democratic Madhesi Front (UDMF) with five major demands and a loss of more than 40 lives with life at a standstill in

PERSPECTIVE

20 of the 22 Terai districts. Though the 2015 constitution was not owned, the Madhesi Political Parties participated in all the three elections.

Three separate statements were issued within a few days from the Indian foreign ministry “noting” and not welcoming the new constitution. The statement further added “We are concerned that the situation in several parts of the country bordering India continues to be violent”. We urge that issues on which there are differences should be resolved through dialogue in an atmosphere free from violence and intimidation, and institutionalized in a manner that would enable broad based ownership and acceptance”.

Though Indian Congress led government backed and articulated the ten point agreement the new constitution was not far-reaching and inclusive and is apprehensive of the potential violence which could spill over into its own territory. The communities living in the Terai, the Madhesi and the Tharu that makes up nearly 40% ethnic minorities expressed concern of being politically marginalized. The Madhesi based political parties joining the government sees amendment of the constitution, indicating that the constitution has not fully settled.

Beijing response was conspicuously warmhearted leading the ruling Nepal Communist Party and the China Communist party-party relationship to newer heights. Nepal-China has signed the Trans Himalayan Multi-dimensional Connectivity Network also referred to as Trans Himalayan Network, as part of the Belt and Road Initiative augmenting its involvement in Nepal mainly through economic engagement and changing Nepal “from a landlocked to a land-linked country” much to India’s discomfort. This is geostrategic crafting the Himalayas and Nepal as a bridge to India’s 1.4 billion potential markets.

An unofficial economic blockade was imposed in the wake of the promulgation of the constitution when the people had not recovered from the April 2015 mega earthquake further adding to the resentment to the Nepal-India relationship. Incumbent PM Oli took three measures formed an alliance with the Nepal Communist Party Maoists to contest the federal, provincial and local bodies election, two, anti-Indian nationalist oratory slogan and three approached China to lessen dependency with India. In the speech at the 70th session of the UN General assembly on 28 Sept 2015, a week after the promulgation of Nepal’s constitution, President Xi Jinping proclaimed ‘the big, strong and rich should not bully the small, weak and poor, the principle of sovereignty not only means that the sovereignty and territorial integrity of all countries are inviolable and their internal affairs are not subjected to interference’.

Future Context

The argument of leadership in the Nepali Congress prevails and is more inclined to forming a democratic alliance with the like minded parties. The three Madhesi political parties and the Baburam Bhattarai led Samajbadi party have merged to form Janata Samajbadi Party with democratic socialism and ethnic federalism. The new party claims to be the one that accommodates Madhesi and Pahadis in one platform asserting it to be the party of all the Nepali populous. The Rastriya Prajatantra Party has united from three parties. The differences within the ruling Nepal Communist Party (NCP) is temporary halted and stands with the likelihood of surfacing again. The emergent of the leadership behavior in the NCP will have considerable political consequences even leading to polls.

The eagerness of the youths at this time of COVID-19 and the participants risking their own health expresses to the political parties to modify the way it is performing primarily effective governance, anti corruption drive and more is alteration of political parties regulations for younger leaders to take charge. There is also a conspiracy of tagging participants as being pro- Americans, pro-Chinese, pro-Europeans and pro-Indian; all pretext to cover and acceptance of weaknesses and refusal to accept to change.

The resentment in Nepal-India relationship turned ever at the lowest when all the political parties at the parliament came in united to declare change in the constitution to consign the Kalapani region appearing in the new map. The statement from the Ministry of External affairs once again “noted” the amendment. “We noted that House of representative of Nepal has passed a constitution amendment bill for changing the map of Nepal to include parts of Indian territory. We have already made our position clear on this matter. This artificial enlargement of claims is not based on historical fact or evidence and is not tenable. It is also violative of our current understanding to hold talks on outstanding boundary issues.”

The “Kalapani Region” has been termed from ‘disputed’ to ‘occupied’ from both sides. Pre-diplomacy did not work for political reasons. It is essential to understand that the civilization of the two countries will be harmful with persistent misunderstandings paving way for the third party to fill the void. Heavy handed politics will ruin in comparison to preserving the special relationship. Together Nepal-India necessitates rebuilding, repairing through dialogue as most have been communicating. South Asia is shifting but should shift to our interests for stability and economic enhancement preserving traditions that binds the two people.

The two tri-points of Nepal-China-India in the north far west are near Tinkar Pass on the Kalapani region and Olanchungola in the north east border district of Taplejung is militarily imperative. Both these tri-points are vitally important to both China and India for trade, tourism, water and defence.

The Non-Alignment movement is being debated as Communist versus the Capitalist Cold-War era between the US and the Soviet Union is finished. At the same time the US as the only global power is contesting the second largest economy another communist nation the People’s Republic of China raising question if Cold-War 2.0 has commenced.

Geo-strategic importance and trends of geopolitics is shifting in and around the Himalayas with China strategically entering South Asia, the US reinforcing into the Indo-Pacific with firm hands and strategies and Nepal and other South Asian nations finding options to move about obtaining their long awaited interests. This is getting India in a delicate standpoint with its “First Neighborhood Policy” in discomfort.

Six strategic considerations are imperative to take note in coming to a new conclusion if Nepal’s current foreign policy is still viable? Shifting of the geography with infrastructure development, geo-political compulsions, power competition, Nepal-India special relationship, resources like water and traditional/cultural linkages between Nepal and India.

Basnyat is a retired Nepalese Army Major General and a political and security Analyst.

KULMAN GHISING Energy Mix

Following the first installation of hydropower plant in Nepal in Pharping almost 150 years ago, Nepal's energy sector has been following two model hydropower and diesel plants to generate the electricity. Delayed in implementation for years due to several reasons, the World Bank funded project started after the initiative taken by Kul Man Ghising, managing director of Nepal Electricity Authority. As the project had waited to come into operation in the scheduled time due to various obstructions, it has set a new record in mixing solar energy with Nepal's hydro-dominated grid system. With the completion of the first unit of the plant in the lockdown, connecting the solar electricity to national grid, MD Ghising has made another breakthrough in Nepal's grid distribution system

By A CORRESPONDENT

As the first unit of a 25-MW solar power plant, which is now under the final stage of completion started generation of 1.5 MW electricity last month, Nepal's electricity system has entered into a new phase.

Solely relying on hydro-electricity and import of electricity from India, this plant has

opened a new history by mixing solar energy into hydropower generated electricity. This also breaks the reliance of almost 150 years on hydropower and diesel based energy.

Although the 700 kW plant of Kathmandu Upatyaka Khanepani Ltd is the first plant to supply solar electricity to NEA's national grid, it is just a small unit and its contribu-

tions are small.

Started in 2014, the project was delayed by almost six years due to several internal obstructions. The House of Representatives Public Accounts Committee held the project file for almost a year questioning the accountability part in 2015.

However, the completion of 25 MW project gives a sigh of



relief as well as enhancing Nepal Electricity Authority's institutional credibility in front of multilateral agencies.

The completion of the 25-MW project is likely to contribute immensely to manage national grid.

Making breakthroughs, one after another, even while continuing the construction work in various projects during the lockdown, Managing Director of Nepal Electricity Authority Kul Man Ghising has added another feather in his cap.

MD Ghising, who set a history by ending two decades of severe load shedding in Nepal, has

now made another record to generate solar energy for the national grid.

By connecting 1.5 MW electricity generated by solar power to national grid, NEA has entered into the new phase. This is the first unit of 25 MW solar power plant which is now under construction.

"Within one and half month, 10 MW will be added to national grid from the project," said MD Ghising, who was on the project sites to start the unit. "The construction of 15 MW work will be delayed a little because the process of Initial Environment Examination (IEE) is in the process,"

said MD Ghising.

Although the project was supposed to complete on Baisakh 15, the lockdown affected the construction work. After the production of electricity from solar, the system has diversified work, mixing solar in hydro.

With strong backing from technical and managerial teams of NEA, MD Ghising was able to complete the installation of the first unit evacuating the electricity to national grid. This is the first largest solar plant and first solar project to mix in with the hydro-power dominated energy.

Following the completion installation of first unit of 25

MW solar plants in Devighat Hydropower, 1.5 MW solar electricity is added to national grid. On the availability of sunlight, it will generate 80-90 percent of electricity.

The electricity, which is generated by the solar plant installed inside the land owned by Nepal Electricity Authority in Devighat Hydropower, has already evacuated through the substation to the national grid.

As there is no provision of battery for storage, the plant will generate the electricity during the sunny days only. The government has already planned a long term policy to attain self reliance in electricity in 15 years with a production target of 15000 MW. The government has also announced the portion of mixing.

According to the policy, there will be 30-35 percent from pump storage, 25-30 percent from run-off-the river and 30-35 other alternative sources with 5-10 ratios.

In Devighat, the panels to generate 10 MW will be installed near the land of employee's residents and other panels for 15 MW will be installed in the powerhouse areas. One panel will generate 275 Watt and 20 Ropanies of land will be required to install solar panel to generate 1 MW.

"New substation for 66-33 kV is under construction now. Now the electricity is evacuated with al-

ternative arrangements through existing 33 kV transmission line," said Bikas Bahadur Raghubansi. He said that the necessary equipment for the substation is arriving.

Minister for Energy, Water Resources and Irrigation Barshaman Pun laid the foundation of the project in 2075 Baisakh with a target to complete it within a year. However, the project was delayed due to design approval and cutting trees.

"It took more time to get the permission to clear the trees under the ownership of Nepal Electricity Authority. Contractor delayed the design and consultant's long review process further delayed the project construction period," said Raghubansi.

Constructed through the World Bank's Grid Solar and Energy Efficiency Project, Chinese Company Risen Energy was awarded construction contract of 30.8 million US dollars. The contractor will operate, construct, and maintain the project

for coming five years.

The company will hand over the project in an operational condition in five years. The company has ensured to generate 33 million units of energy.

After full operation, the project will help to ease shortage of electricity in national grid during the winter.

As the project is near Kathmandu load center, it will help improve the quality and reliability of electricity supply in Kathmandu Valley. After the completion of the project, it will ease the burden of Kulekhani Reservoir project, Kaligandaki A, middle-Marsyangdi, Marsyangdi and Chillime and help them to accumulate the water in day time to generate electricity in the peaking time. NEA holds the view that the project helps maintain supply and management of electricity during the peaking.

With the objective to increase solar photovoltaic generated





electricity to supply to the Nepal Electricity Authority (NEA) grid; and to reduce NEA's distribution losses in selected distribution centers, the World Bank agreed to support the Grid Solar and Energy Efficiency Project for Nepal in 2014.

However, the project was postponed for years due to several internal reasons. The project took the shape after Ghising was appointed Managing Director of Nepal Electricity Authority.

MD Ghising revived the project which was virtually at the stage of collapse. Realizing the long term implications for Nepal's Energy sector, MD Ghising brought the project renegotiating with the World Bank.

The project beneficiar-

ies are grid-connected electricity consumers throughout the country, who will benefit from increased power supply to the grid. The NEA is also expected to benefit from the project mainly with improved operational efficiency and gained experience in large-sized grid-connected solar farms.

The proposed project consists of two components: (a) Grid-connected Solar PV Farms Development; and (b) Distribution System Planning and Loss Reduction. The total cost estimated for the proposed Project is US\$ 138.0 million, including interest during construction, physical and price contingencies.

The Grid-connected Solar PV Farms Development component will support design, supply, construction, commissioning,

and operation and maintenance of grid connected solar farms to supply electricity directly to NEA's distribution network.

According to the World Bank, there is also a provision of technical advisory services to assist NEA with, inter alia, the procurement and supervision of the engineering, procurement, and construction contract for the solar farms.

The project will also support capacity building activities to assist NEA with, inter alia, independent bid evaluation, project management, contract execution, and operation and maintenance of the solar farms.

This project also includes the Distribution System Planning and Loss Reduction component will support preparation of a dis-

tribution master plan, preparation of a system loss reduction master plan.

The project also aims at carrying out a set of activities in system loss reduction in selected NEA's distribution centers, including replacing conductors of distribution feeders or building distributions.

Although the project is small in terms of its capacity and cost, this project is a model project which helps to enhance the institutional technical capacity of Nepal Electricity Authority in the areas of solar energy.

As NEA has signed PPA with private sectors to purchase solar energy, completion of the project and connecting to national grid have been highly significant. Completing several delayed projects like Kul-ekhane III, Chameliya, Trishuli 3 A and several transmission lines projects and ending the prolonged load-shedding, MD Ghising has shown his skills to mobilize highly qualified technical teams of NEA.

The completion of Solar Plant and connecting it to national grid, MD Ghising pushed Nepal's

electricity sector towards a new era of mixing solar into hydro. Given the development of new technology in solar energy, this project will be a game changer. For this, the efforts of MD Ghising and his technical team will be remembered.

Started more than one and half century ago with the introduction of hydropower by Rana Prime Minister Chandra Shumsher, solar energy has entered into a bigger shape now.

हाल कोरोना भाइरस महामारीको कारण बन्दाबन्दीको समयमा सञ्चारक्षेत्रमा संलग्न बाहेकका व्यक्तिहरुले सञ्चार क्षेत्रको हवाला दिँदै सञ्चारमाध्यम तथा सामाजिक सञ्जालमा अफवाहपूर्ण विषय सम्प्रेषण गर्ने, अनधिकृत रूपमा परिचय-पत्र, पोशाक र सवारी साधनको प्रयोग गर्ने र सामाजिक मर्यादा विपरितका क्रियाकलाप गरेको गुनासो आएको हुँदा कोहि कसैले पनि गैर कानूनी क्रियाकलाप नगर्नु हुन अनुरोध छ । यदि यस्तो भएको पाईएमा कानूनबमोजिम कारवाही हुने व्यहोरा सूचित गरिन्छ ।



नेपाल सरकार
सञ्चार तथा सूचना प्रविधि मन्त्रालय
सूचना तथा प्रसारण विभाग

Boosting The Nepalese Rural Economy



BY: SHIVARAM PRASAD KOIRALA, PHD

Nepal is largely a rural country richly endowed with Agro bio-diversity. Small holder and marginal farmers constitute a majority of population. Farming is a family enterprise and forms the basis of rural economy. It continues to offer food, employment and livelihoods to a large portion of people, yet the contribution of the agricultural sector to GDP is relatively low, thus making those working in that sector relatively poorer. Moreover, despite engagement of 67% population in agriculture sector, Nepal has a huge trade deficit in Agro -food products.

In the absence of alternate income from non-farm jobs, majority of youths, ironically, are opting to go abroad for employment deserting the villages in the hope of decent living in future. If the rural economy had more jobs, together with economic and social infrastructures and better prospect for business, the youth would have stayed in the village of their own. Shortage of Agro -based industries or other viable micro, small and medium enterprises (MSMEs) in the villages is another reason for the dismal job scenario in the rural sector. The employment situation has therefore to be improved in rural areas in order to prevent the youth human assets of the country from going abroad to build nations other than their own. Balanced economic growth, inclusive and sustainable development and the reduction of poverty specifically in rural parts are obviously significant challenges. The challenge of eliminating rural poverty and un/under employment will be further heightened by rapid growth of the workforce in the country. Adding to the woes, the villages are likely to be flocked with unemployed youth when Nepali migrant workers return back to their home once the sky opens a after the storm of Covid-19 will lessen over time. So, considering seriously the likely worsening rural economic scenario, the government has to design implementable policies and plans without making delay.

The rural economy holds considerable potential for economic growth, employment creation and promotion of decent work if the right policies are in place. Rural area is a mixture of both on and off farm activities ranging from

small holder agriculture or pastoralism to highly sophisticated commercial agri-business supplying global markets through intense regional and national linkages with industrial and service sectors.

Viewing that rural area has tremendous untapped potentials, the government should have clear conception of what the rural sector is likely to look like 10-20 years into the future given that efficient use of locally available resources is made. Studies have indicated that 1% growth in agriculture is 2-3 times more effective in poverty reduction compared with the similar growth in other sectors of the economy. Following the study, focus should be placed on sustainable agriculture development with high agricultural productivity for poverty reduction, employment generation and income enhancement of rural people. The problems facing the small holder farmers must come at the forefront to be addressed

at the earliest. In order to enhance agricultural production in the short run, small holder farmers need to be assured of uninterrupted inputs supply along with the reliable support of extension workers. Access to land in lease/rent for the landless, subsidized inputs and affordable credit, appropriate technology, information, market assurance of produce etc. may be the stimulus for the small farmers to scale up their production level. In addition,

Given that Nepalese rural economy has witnessed poverty and unemployment since long, the Small Farmer Development Financial Institution(SKBBL) together with its owner partner cooperatives known as Small Farmer Agriculture Cooperatives(SFACL) has been effortful to contribute towards poverty reduction and employment creation in villages through extending both financial and human capital development support to low income populace especially small holder/marginal farmers of the country.

further measures to enhance production and productivity could be aggregation of small plots of land through incentivization, mechanization, innovation, research followed by extension of technology and knowledge, access to affordable credit, strengthening of farmers' agriculture co-ops, establishment of farmers business schools in local levels, ICT, farmers market in urban centers, guarantee of minimum support price, availability of warehousing and cold storage etc. Development of entrepreneurship thinking of farmers, spending more on the agriculture sector, investment in infrastructure, attraction of educated youth in ag-

riculture with proper incentives, use of fallow lands for agriculture, connecting farmers to markets etc. could help stimulate agricultural production. South Korea started as an agriculture-based economy in the 1960s and it became the 11th largest economy in the world in terms of GDP in 2016. The only important thing required is readiness of those at the helm to transform the agriculture sector. Based on the ecological zones, some areas of the country can be selected for cereal crops production and some for crops with higher comparative advantage and higher marketability and growing them on a commercial basis for both domestic and international market.

Nepal offers a huge possibility of turning agriculture into commercial venture and starting industrial activities. Successful rural economic transformation depends on a combination of agricultural upgrading and development of non-farm economies, maximizing the synergies between the two. In Ethiopia, the government adopted a new development strategy called Agricultural Development-Led Industrialization (ADLI) aiming to stimulate farm output and rural incomes. Agriculture production and productivity in Vietnam's growth facilitated industrial development and was a major factor in downing rural poverty.

Time has now come to focus on increasing value addition and processing agricultural products. Instead of providing the raw materials to other nations, Nepal has to process/manufacture the products itself. Agro based industries are comparatively easy to establish and provide income in the rural areas with less investment. Agriculture SMEs facilitate effective and efficient utilization of local agricultural raw materials. They can be setup on cooperative basis ensuring full participation of the people in the development process which ensure balanced and equitable growth. Nevertheless, Access to timely, affordable and appropriate type of finance and consistent access to stable and high value markets remain the most daunting challenges faced by SMEs in agriculture. There is a need of SME incubation centers at least one in each province to support promotion of Agriculture SMEs. SME financing gap as estimated by the study of Sakshyam Access to finance (2017) is 1.2 billion US Dollar, which is required to be fulfilled for smooth operation of SMEs.

In order to revive rural economy, the concept of PURA (providing urban amenities to rural areas) that the former Indian president Abdul Kalam promoted to revive India's rural economy and development is equally relevant

in Nepal's case too. The logic behind the concept of PURA is sound because it would also help in creating other non-farm opportunities in rural areas that could augment farm income as well as employment, thus encouraging the youth to stay in rural areas. In Nepal's case, that new opportunity could be 'rural tourism' because rural areas contain attractive landscapes with scenic beauty, cultural heritage clean environments and food with unique taste and aroma. The PURA approach will surely help accelerate this enterprise and revive the rural economy. We can also learn from Italy's policy of reviving smallholder agriculture through agricultural tourism (Agri-tourism, or 'farm-stays') in the Tuscany region.

In the absence of alternate income from non-farm jobs, majority of youths, ironically, are opting to go abroad for employment deserting the villages in the hope of decent living in future.

Given that Nepalese rural economy has witnessed poverty and unemployment since long, the Small Farmer Development Financial Institution (SKBBL) together with its owner partner cooperatives known as Small Farmer Agriculture Cooperatives (SFACL) has been effortful to contribute towards poverty reduction and employment creation in villages through extending both financial and human capital development support to low income populace especially small holder/marginal farmers of the country. Additionally,

SKBBL with the conviction that educated youth alone can transform the agriculture sector; it has managed to send around 3,200 youths to Israel's agriculture training colleges to learn modern agriculture technologies with the generous support of Israel government. It is estimated that around 40 percent of the returnees are doing commercial agriculture at least doubling the agricultural productivity. It is further heartening to know that small holder farmer members and Israel returnee youths of a few cooperatives have started collective farming either in their own land or purchased/leased land showcasing the examples of commercialization and diversification of agriculture. Rural tourism initiation of a few co-ops can also be seen mainly in eastern rural parts of the country. Agro-based Small and Medium Industries (SMIs) likewise operated by small farmer entrepreneurs or by the co-ops themselves can be observed many more in various locations of countryside.

To sum up, the SKBBL and its partner coops have played the role of catalyst to boost the rural economy through poverty reduction, employment generation for youth and income enhancement of deprived rural communities. Both the SKBBL and the SFACL look forward the constant support of its stakeholders in materializing their dream of wiping out poverty and unemployment in rural areas and boost the rural economy thereby strengthening the national economy of the country.

Shivaram Pd. Koirala, PhD CEO, SKBBL

NATIONAL

Nepal-Israel Relations

Sixty Years Onwards

Nepal-Israel relations enters into a new ages

By A KESHAB POUDEL

For the ambassador of Israel to Nepal Benny Omer, Nepal was in his mind since his early childhood. He took notice of Nepal when he saw the picture of Nepal's first democratically elected Prime Minister B.P. Koirala shaking hands with Israel's Prime Minister Ben-Gurion in 1960.

After the establishment of diplomatic relations in 1960 on June 1, late Koirala paid a nine-day visit to Israel from August 12 at the invitation of Prime Minister Ben-Gurion. Koirala also attended the International Conference on Science in the Advancement of New States.

His visits and meetings with Israeli leadership were given high importance in the Israeli media. During the visit, the two prime ministers reviewed the growing friendship between Nepal and Israel and asserted their determination to make greater efforts for the ever-growing friendship between Nepal and Israel.

What a coincidence. As Nepal and Israel celebrated sixty years of establishment of their diplomatic relations on June 1, Benny Omer is serving ambassador of Israel to Nepal. Israel is no longer a strange name in Nepal given the number of tourists visiting from Israel and growing interactions between the two nations.

Exchanging the messages to mark the 60th anniversary of the establishment of diplomatic relations between the two countries, Prime Minister K P Sharma Oli held a telephone conversation with his Israeli counterpart Benjamin Netanyahu.

They exchanged greetings and best wishes on the occasion of the 60th anniversary of the establishment of diplomatic relations between Nepal and the State of Israel.

The two Prime Ministers ex-

pressed satisfaction on the state of bilateral relations that grew and consolidated in the past 60 years and agreed to further strengthen it in the future.

Sixty Years

Sixty years is a long period of time in the life of individuals and the same is the case with the state to state relations. Several governments, international and national contexts have changed during the last sixty years. From the cold war to the peace era and the context now, the words exchanged by leaders of both the countries have not changed much.

When Koirala visited Israel, Nepal made efforts to diversify its relations at the global level and to share technology to develop Nepal. It was the darkest period of the cold war. Having no technical expertise, Nepal was in very a poor state.

Thus, late Koirala expressed the hope that Israel, using her unique experience, could make available extremely valuable cooperation and assistance to Nepal, which was determined to telescope into one or two decades the economic development of the centuries.

Sixty years later, Nepal has achieved tremendous growth but it still is far behind in technology. Thus, PM Oli repeated the same words. The two Prime Ministers talked about the highly developed technology that Israel has pioneered in many areas. Prime Minister Oli stressed the need for transfer of such technology in priority areas of Nepal such as agriculture and health.

The two leaders highlighted the importance of the increased level of engagement at bilateral and multilateral forums, people to people contacts and Nepal-Israel cooperation. They agreed on the exchange of high-level visits at an appropriate time for the expansion and deepening of bilateral cooperation.

Israel Support

As Nepal is the second country in Asia to establish diplomatic relations with Israel, people and the government of Israel always value Nepal's early gesture of friendship. This is the reason Israel was among very few countries sending highly qualified medical teams to help Nepal after the great earthquake of 2015.

Israel sent a military plane to Nepal with the necessary equipment to establish a temporary makeshift hospital and medical experts to treat victims.



*Congratulations! Nepal & Israel
for 60 glorious years of friendship.
1 June 1960 - 1 June 2020*



Not only in the time of crisis like disasters, but Israel has also been providing support to Nepal in the modernization of the agriculture sector and the promotion of rural financial institutions. Since its establishment, the Small Farmer Development Project, a project of Agriculture Development Bank, continues to receive the expertise of Israel.

Thanks to the initiative of Hanan Goder, former ambassador of Israel to Nepal Sana Kisan Bikas Laghubitta Bityasanstha Ltd (Small Farmer Development Microfinance Financial Institute Ltd, a successor of Small Farmers Development Project) has been a running Learn and Earn Program since 2014 sending over 550 young children of farmers each year.

Ambassador Goder in his tenure helped take Israel-Nepal relations to a new height increasing people to people contact and linking Nepal with Israel. His project linked the highest point of the world with the lowest point of the world, the Dead Sea and Mount Everest.

Ambassador Hanan Goder's successor Yaron Mayer had further upgraded the ties to help a number of Nepali students. The present ambassador Benny Omer has also firmly backed the program.

Nepal and Israel have one common thing: survive as an independent nation. Surrounded by inimical and hostile countries around, Israel has been safeguarding its independence averting frequent hostile actions. Keeping that in mind, Nepal's political leadership decided to establish diplomatic relations with the State of Israel sixty years ago.

Israel is thriving globally as an economic powerhouse due to its innovation and high-class technology. Nepal also needs to grow economically if it wants to survive as an independent nation.

As the foundation laid by the first democratically elected prime minister late B.P. Koirala, Nepal's objective was to establish diplomatic relations with the State of Israel and show the solidarity with a small country and to recognize the legitimacy of Jews to establish their right in their own land. Establishing diplomatic relations with Israel, Nepal firmly stood with the jus-

tice of Jews to have an independent State on their own land.

Unclear Official Stand

The courage shown by B.P. Koirala and later on by King Mahendra in the early days, recognizing Israel's right to exist as an independent nation, was rare. In the name of non-alignment, their successors have started to take the opposite side in international and UN forums.

Although Nepal has seen many political upheavals internally since then, all the governments have firmly stood with Israel. However, Nepal's international position towards Israel in the international forum remained unfair and unjust given the words and commitments expressed informally.

Following the non-alignment policy, Nepal overwhelmingly voted blindly against Israel in almost all United Nations resolutions taking the side of Palestinians and Arab States.

In many cases, Nepal has had the option to remain neutral or absent in voting but it voted blankly against Israel. Out of over 60 resolutions in the UN against Israel,

ed against such resolutions.

As Prime Minister Oli held a telephone conversation with his Israeli counterpart Netanyahu, he highlighted the importance of the increased level of engagements at bilateral and multilateral forums, people to people contacts and Nepal-Israel cooperation. How Nepal's policy will shift in the future remains to be seen.

The two prime ministers also agreed on the exchange of high-level visits at an appropriate time for the expansion and deepening of bilateral cooperation.

Although Nepal has a greater interest in Arab as Arab countries employ large numbers of migrant Nepali, it is natural for Nepal to take a cautious approach. However, Nepal's total interest is not served by blankly voting all the resolutions tabled by Arab and Islamic countries against Israel.

Though Arab countries have been sources of employment, Nepali migrant workers have been receiving a meager amount of wages. Israel provides over 10,000 Nepali migrant workers as caregivers and participants of learn and earn program but the earning is much higher with legal protection of labor rights.

With cash in hand and technical skills, Nepali students returning from Israel have largely contributed to building Nepal's economy by establishing modern agriculture farms. However, this is not the case with the returnees from Arab countries. Most of the returnees with small savings, without any skill, enter into a vicious circle of poverty again.

While marking the sixty years of establishment of bilateral relations, the time has come for Nepal to show a genuine solidarity to Israel in genuine international forums.

Late King Birendra aptly said about importance of Nepal-Israel relations. "In Nepal, there is a great deal of admiration for the way Israel has struggled for her identity and sovereignty. Nepal's decision to have relations with Israel was guided by a principled stand." (King Birendra-As I Knew Him by Narendra Raj Pandey, former Press Secretary To King Birendra).



Nepal voted taking sides of Arab and Palestinian. This has not changed much from the early monarchy period till now, the republican era, in Nepal.

Nepal's policy has at times contradicted its own stand. During the monarchical era, Nepal was one of the diehard supporter of Iran's monarch and opposed the violence of radical Islam groups led by Khomeini. However, Nepal voted in favor of a resolution tabled by the radical Iranian government against Israel.

Some slight shift is coming but Nepal's policy still continues with its past. Although Nepal and Bhutan are members of non-alignment movement, Bhutan has in recent years absented a number of times in voting against Israel. However, Nepal vot-

NEPAL-ISRAEL

Learn And Earn Program

Sana Kisan Bikas Laghubitta Bittiyasanstha Ltd. (SKBBL) collaborated with the Embassy of Israel in Nepal have been sending students to Israel to participate in an agricultural training program, which combines academic and practical work at colleges/institutes and farms. Their primary objective is to offer an opportunity to these youth to learn about modern farming practices, so that they can start or grow their own agricultural businesses upon returning to Nepal.

The Small Farmer Agriculture Training Program

The program has been implemented by SKBBL and the Israeli Embassy in Nepal to attract youth to farming by providing basic knowledge and skills for its commercialization. To be eligible, you need to be between 22 and 30 years old, (family of) a member of a Small Farmer Agriculture Cooperative Ltd. (SFACL). The program duration is 10 to 11 months, and enables students to be trained at different colleges and research centers in Israel.

The training program enables students to do practical work on the farm based on the lessons learned from theoretical classes. For their work on the farm, they receive a salary. Hence the name the “Learn and Earn Programme.”

Participants in the program are expected to undertake an entrepreneurial activity related to the modern agricultural technologies and practices they learned about in Israel upon

returning to Nepal. Their successes will serve as examples to other farmers and motivate youth to follow their footsteps. It is in this way that the Learn and Earn Programme will have a meaningful and positive impact on Nepal’s agriculture sector.

Participants need to have turned 22 years old by the end of the current fiscal year and must not exceed 30 years old.

A participant is eligible only if they are (a family member of) an SFACL member.

A family member includes: son, daughter, grandson, granddaughter, sister in law, or brother in law of the family)

culture trainees.’

Participants are given theoretical knowledge on the first day of every week and learn practical knowledge on the farm for the five subsequent days every week.

Participants are given one free day per week.

Participants are paid in wages for the work they do on the farm according to the rules of the Israeli government.

Participants are expected to put the knowledge acquired through the program into action upon returning to Nepal.

Targeted primarily at youth,



Participants must have at least a +2 degree and should have a basic knowledge of the English language (i.e. should be able to speak, read and write).

Before going to Israel, participants receive 200 hours of theoretical training at CTEVT affiliated colleges. After going to Israel, participants receive 400 hours of training.

Participants are sent to Israel for a 10 to 11-month period as ‘agri-

this program aims to encourage and inspire them to be involved in agriculture, and to become more efficient by learning about the newest technologies. This program has been supported by the Nepali government, as well as media houses and NGOs. SKBBL hopes that, upon the participants’ return, they will continue to be supported by the concerned ministries and agencies.

NEPAL-INDIA ENERGY

Market Breakthrough

Nepal's energy secretary Dinesh Kumar Ghimire has been able to convince Indian energy secretary to allow Nepal to enter its energy market

By A CORRESPONDENT

At a time when Nepal's surplus electricity generation is a matter of concern for the policy-makers, recent efforts taken by Secretary of Ministry of Energy, Water Resources and Irrigation Dinesh Kumar Ghimire has brought some respite.

Nepal's energy secretary Dinesh Kumar Ghimire has been able to convince Indian energy secretary to allow Nepal to enter its energy market

In a roundtable of South Asian Power Secretaries organized by the World Bank, power secretary of India promised to look at Nepal's request positively and expressed the commitment to have a separate, one-to-one, meeting with Nepal's energy secretary to resolve all the issues.

Secretary of Ministry of Energy, Water Resources and Irrigation Ghimire proposed to India an interim arrangement for Nepal to participate in Indian competitive market saying that approval for CBR is going to take time due to ongoing pandemic.

At roundtable on the effect of COVID-19, Ghimire also requested with his Indian counterpart to make the necessary arrangements for PCR test of Indian experts who

need to come to Dhalkebar substation to test and commission the 400 kV substation.

He also requested the finalization of shareholder agreement between NEA and PGCIL and discussed paving the way to get our cabinet approval soon and to expedite the establishment of JV company in India.



He thanked the secretary of India for his generous support in facilitating the movement of vehicles with the construction equipment being brought to Nepal.

Having spent his entire career in the Ministry of Energy, Water Resources and Irrigation, Secretary Dinesh Kumar Ghimire knows what policy prescriptions are needed for the sector.

As an electric engineer by profession, secretary Ghimire is

well aware of the loss of energy in the absence of proper market for it. This is the reason he is very much for exploring the market.

As COVID-19 is likely to affect Nepal's industrial sector, Nepal needs to search for a market to sell its surplus electricity from the coming year as the need of the hour.

Along with the guarantee of access to market Nepal needs cross-border transmission lines to evacuate the electricity to the market. As India is Nepal's largest market, secretary Ghimire has been persuading his Indian counterpart to support Nepal to make this possible.

Ghimire said the completion of 400 kV substation will allow both the countries to transact enhanced amount of power. Similarly, secretary Ghimire thanked the World Bank for approving DPC2 credit of 100 million US dollars.

Attended by power secretaries of South Asia, the roundtable helped the participants learn about the effects of COVID-19 in the hydropower sector.

Pardafas In The Age Of Corona



BY: HEMANG DIXIT

The world-wide Corona crisis will bring about many changes in the coming years and decades of the twenty-first century. It has brought our attention to the fact that man though he considered himself supreme over the ages has been cut down to size by the fact that the epidemics / pandemics by the bacteria or virus over the ages have caused havoc in humankind's domain anywhere in the world. Whether this pandemic originated in the Wuhan Institute of Virology laboratory or in a research laboratory connected with the University of Texas is a matter to think about.

When the National Health Service was introduced in the United Kingdom by Aneurin Bevan, the health minister in the post-World War II Labour government of Clement Attlee, the USA authorities were said to have remarked that they could not afford such facilities in America.

The Corona statistics of mid-June 2020 is that USA, Brazil, Russia, India and UK are those countries which seem to be massively affected. Whilst investigation and analysis are being done all over the world and conclusions derived therefrom, one can at this stage ponder over some facts. The different federal states of USA spent a large amount of money on its health services. The stress was on public health but it seems that the services provided to the Black community over the years was never adequate and out of reach. Though many centres of learning abound and research is being done extensively, the bottom line seems to be that many health institutions managed by the CEO's are obliged to always show profit and should never be in the red. The pharmaceutical industry with its built-in support to the prescribing doctors calls the tune and collects huge profits even from harmful drugs such as the opioids. Doctors, nurses and health technicians from many developing countries of the world are also a part of this as they work in that country.

Reviewing the effect of the Corona virus, it is ironic that the USA, the richest country in the world has the highest death rate. The UK which has had a National Health Service for seventy-five years is not far behind. Is it because the elderly, for cost effective reasons were at Old Age Homes and thus overlooked and died in relatively large numbers? Surprisingly it is Korea, Taiwan, Japan and Germany which had lower death rates. Was it because of the custom of wearing masks or of early lockdowns? In Brazil, the rates of dying are high. Was it because a large majority of the indigenous population of the country were deprived of health services? Were the corona peaks in urban areas of India's due to the fact that out of town workers had to live in unsanitary ghettos?

Nearer home we see that the areas around Mumbai and New Delhi have the highest rates. The two cities boast of providing the best health services from well-known insti-

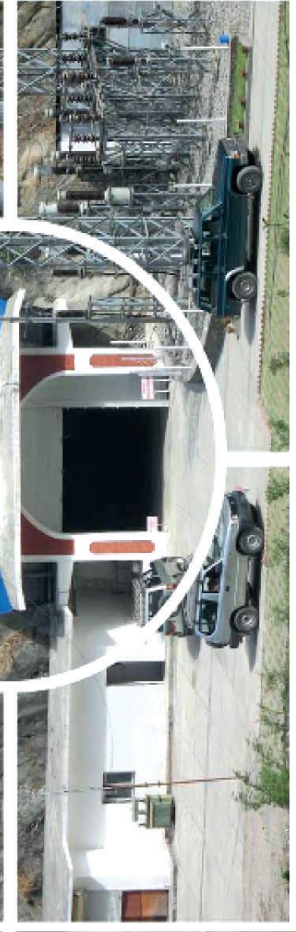
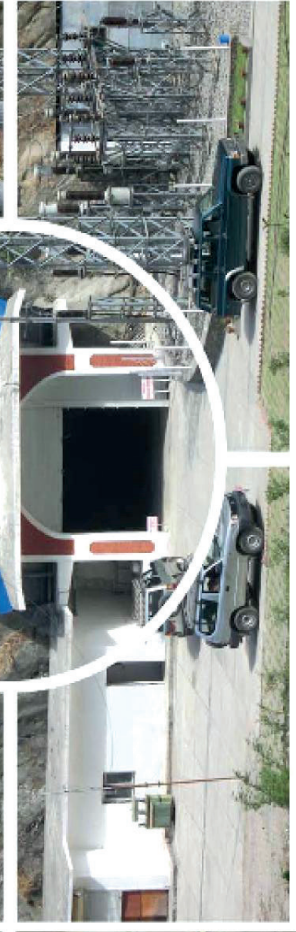
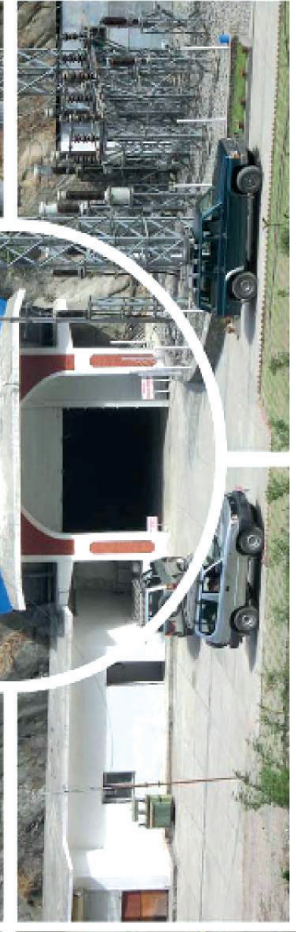
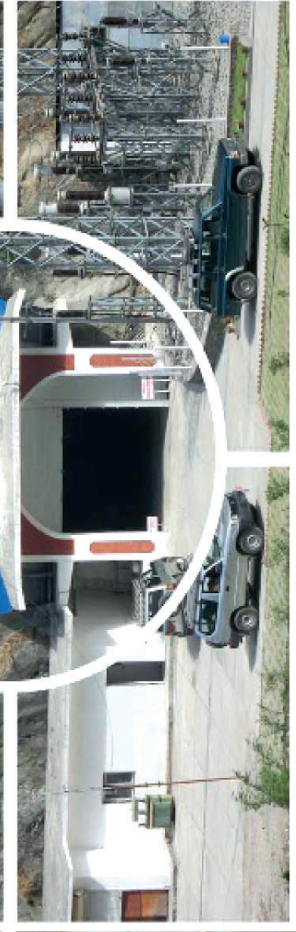
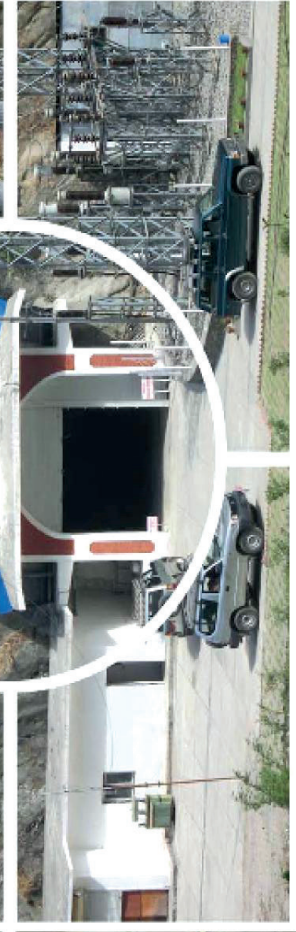
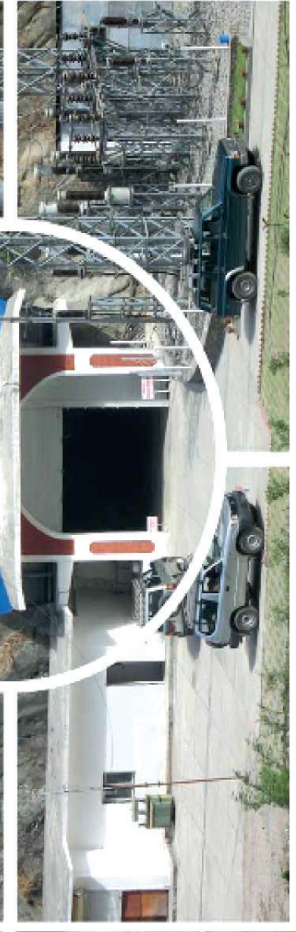
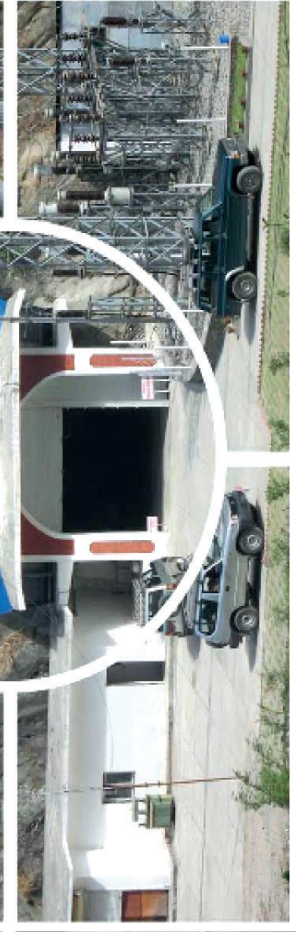
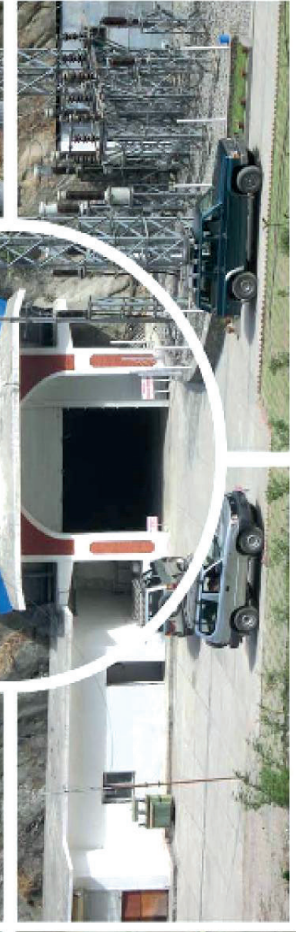
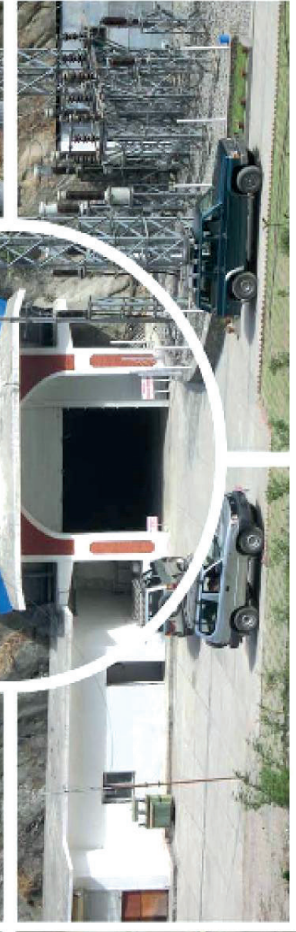
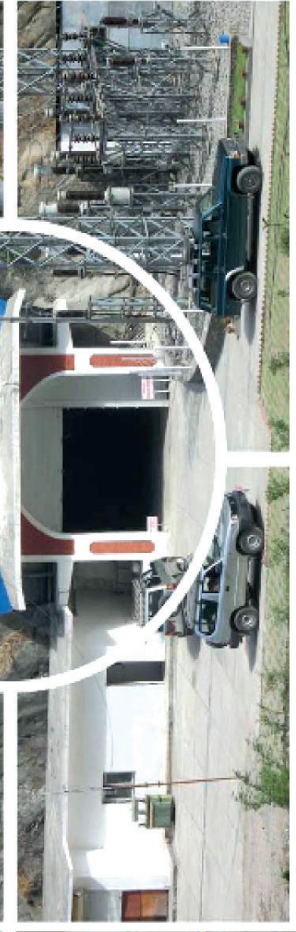
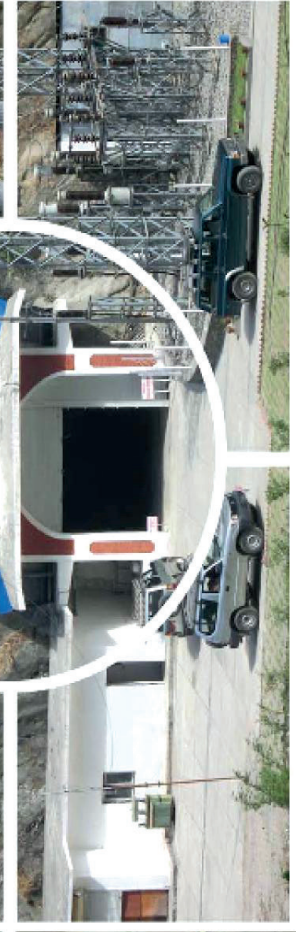
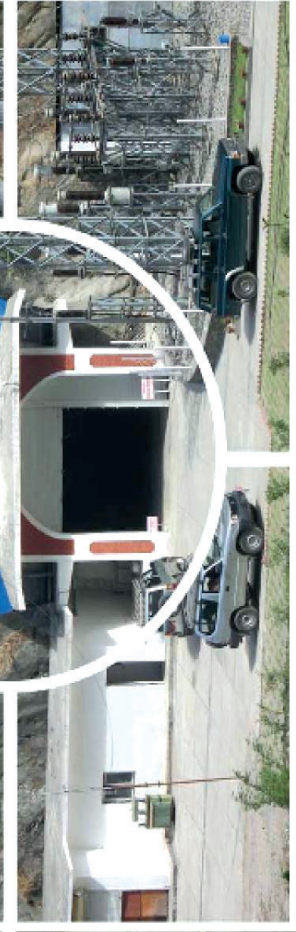
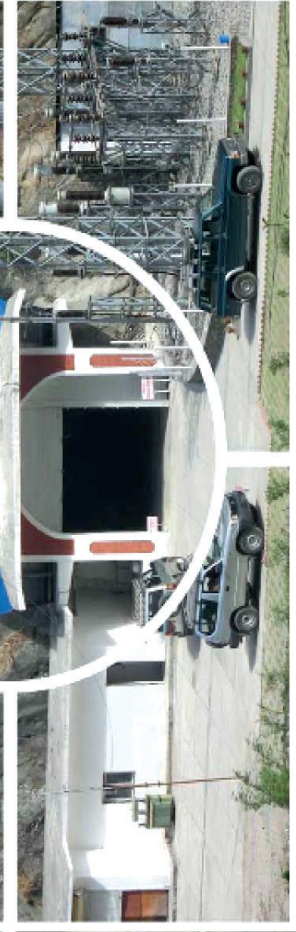
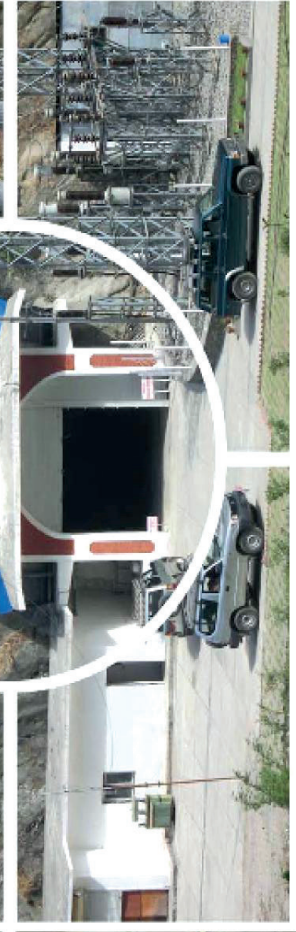
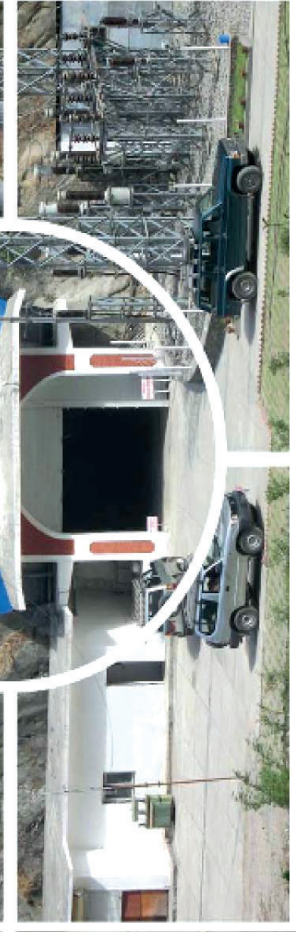
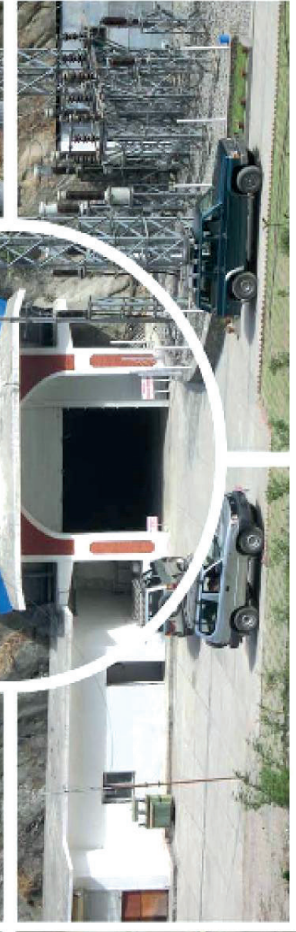
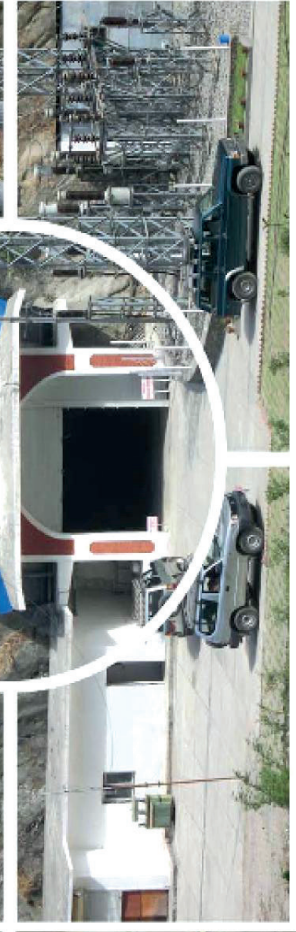
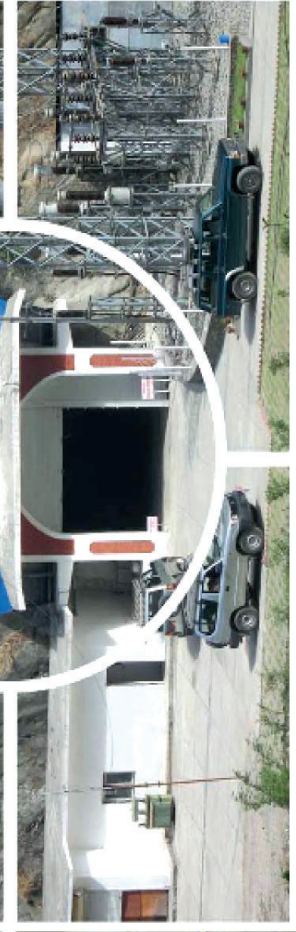
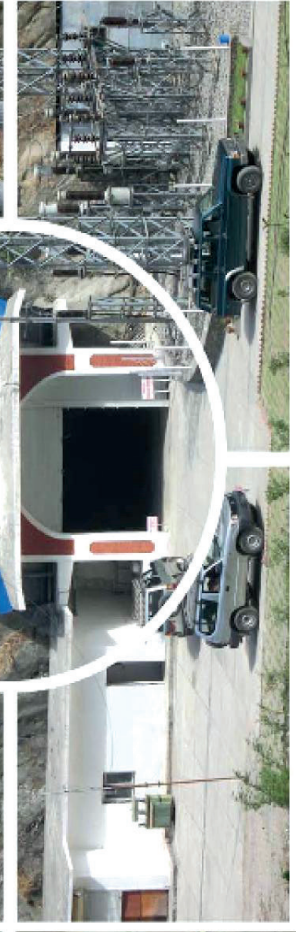
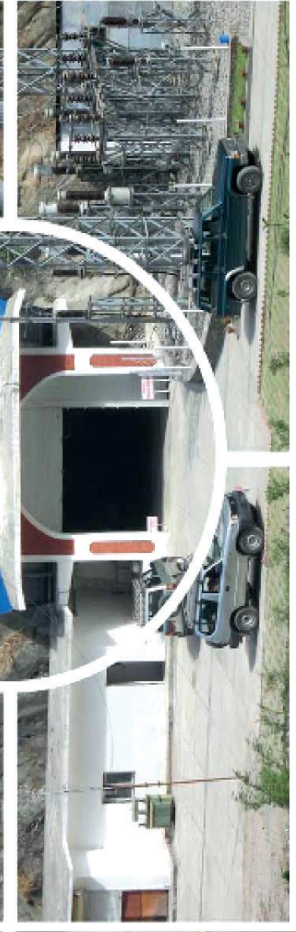
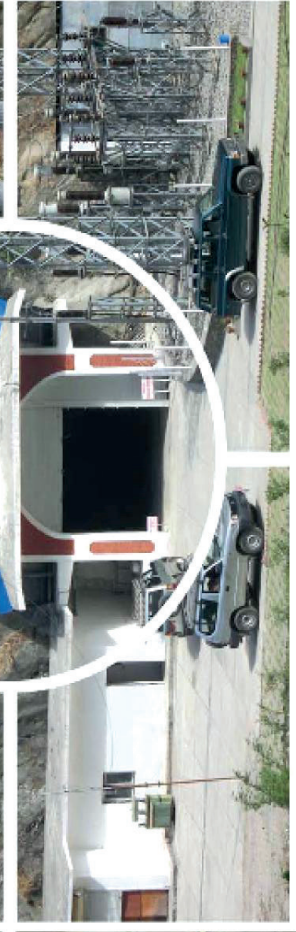
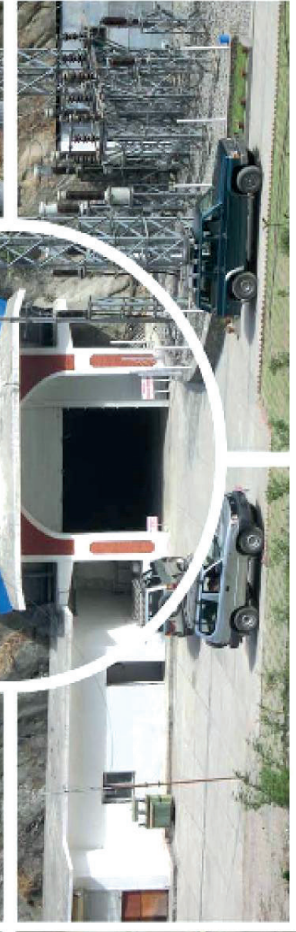
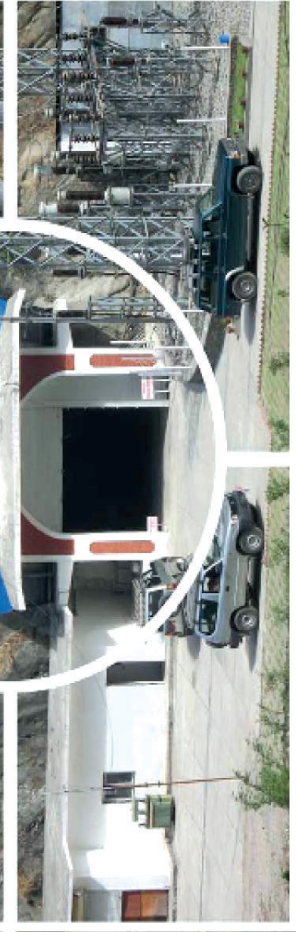
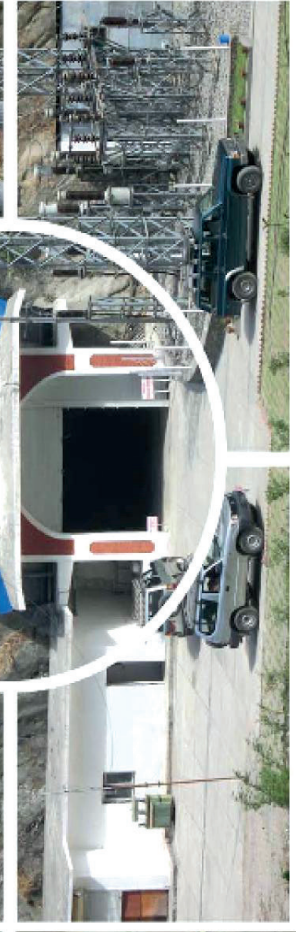
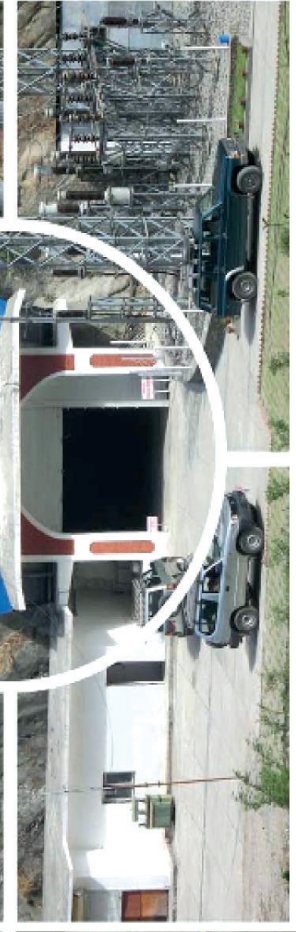
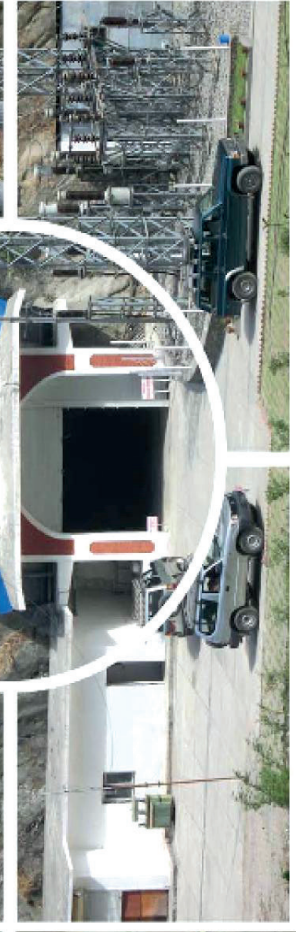
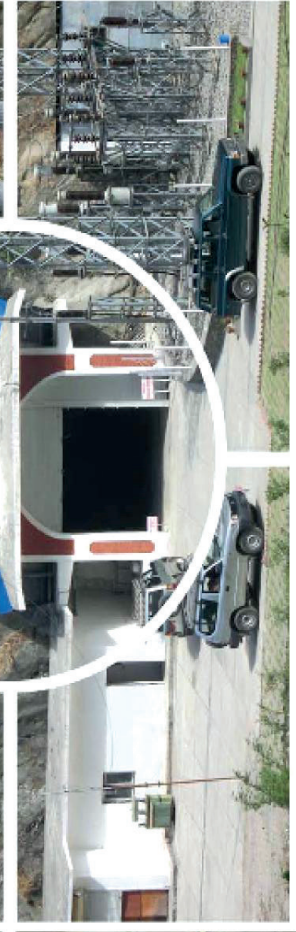
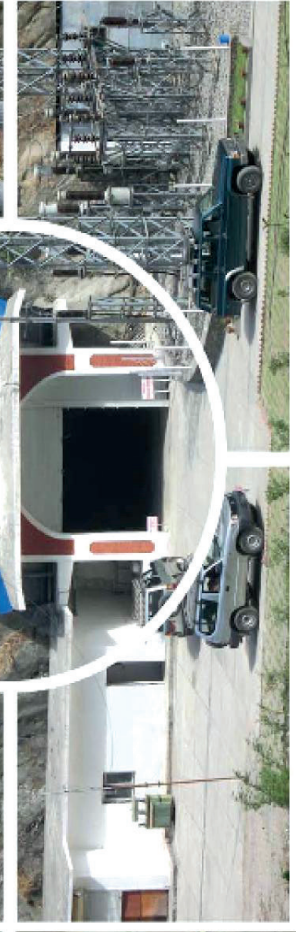
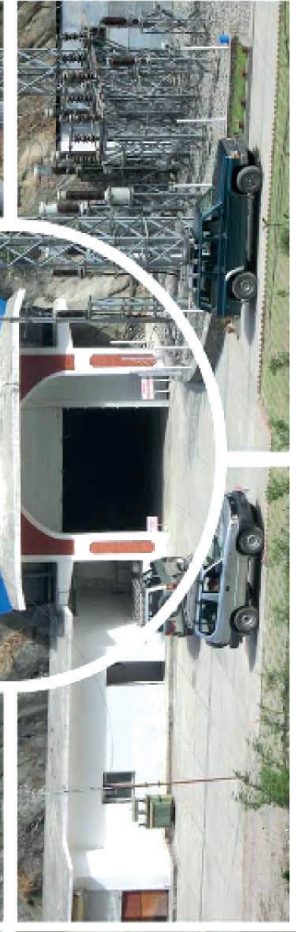
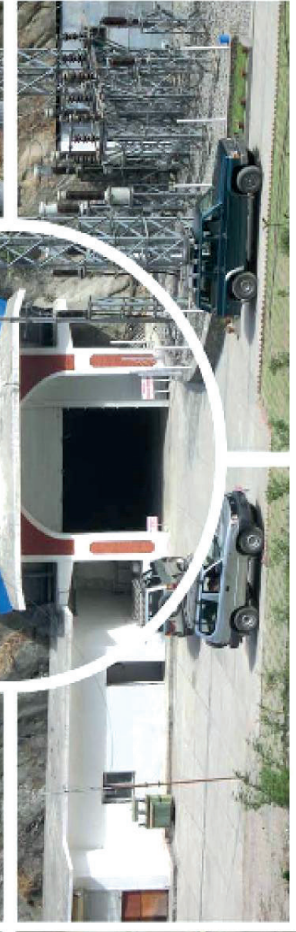
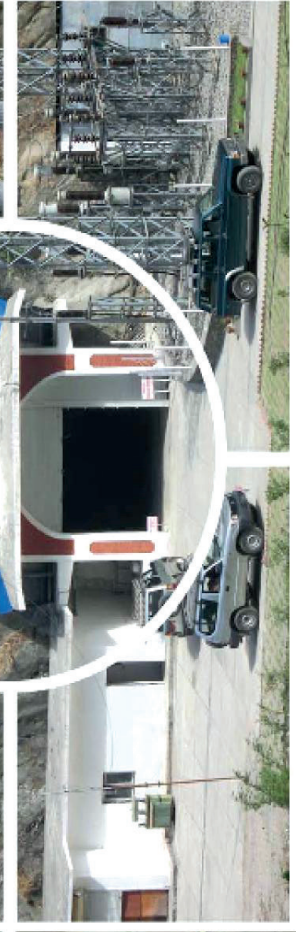
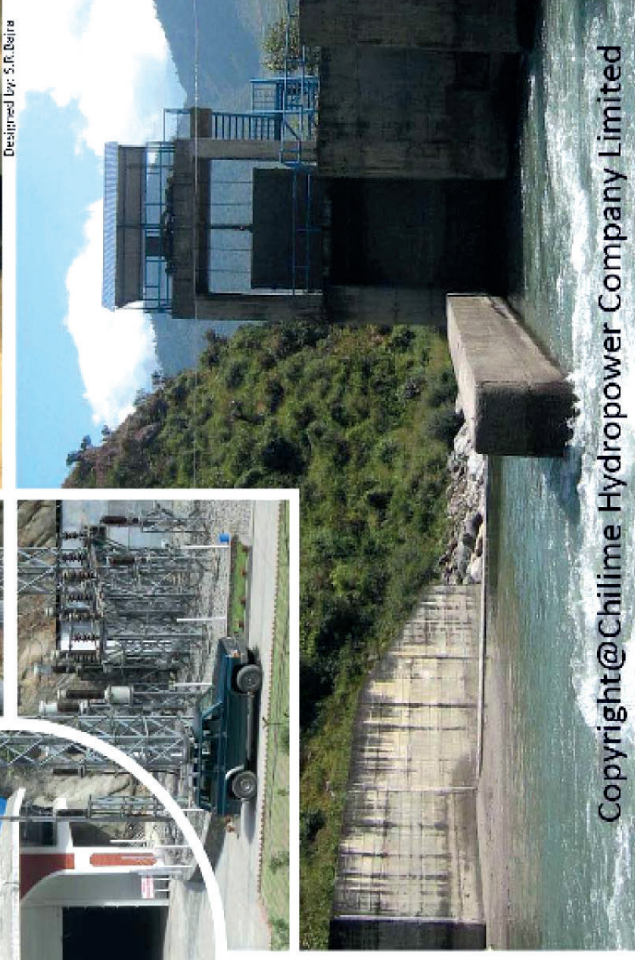
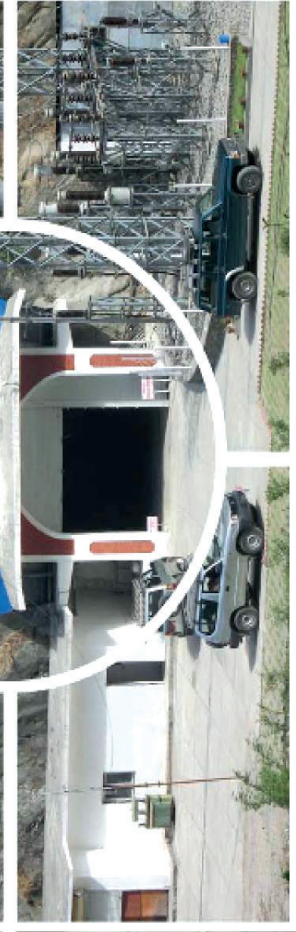
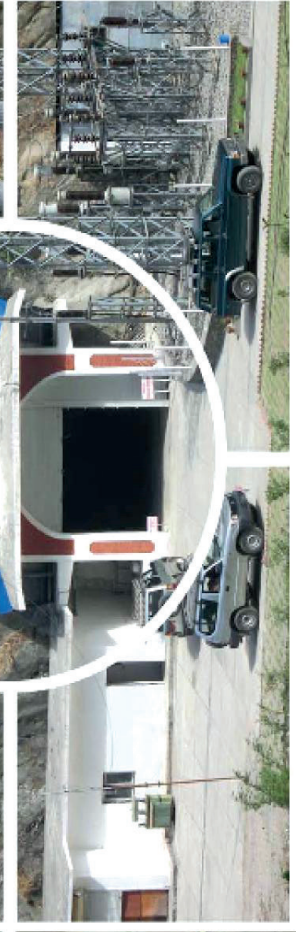
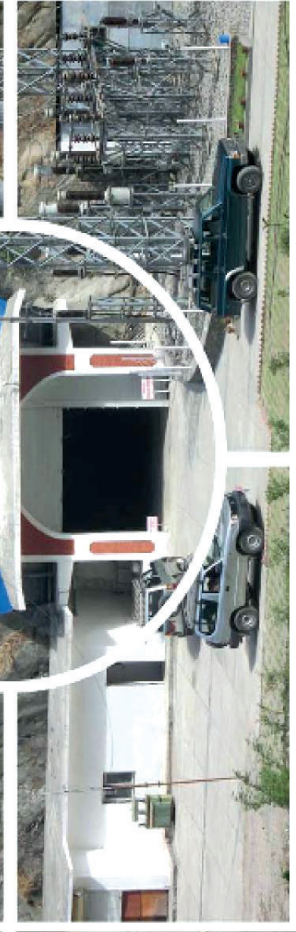
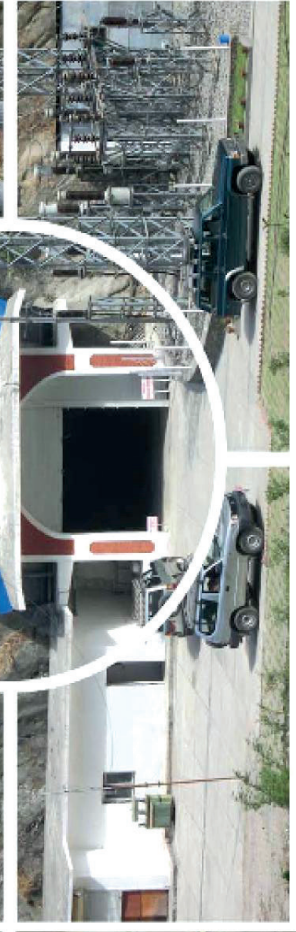
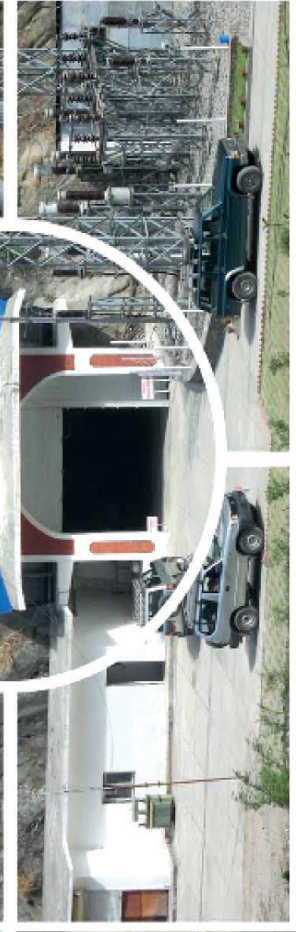
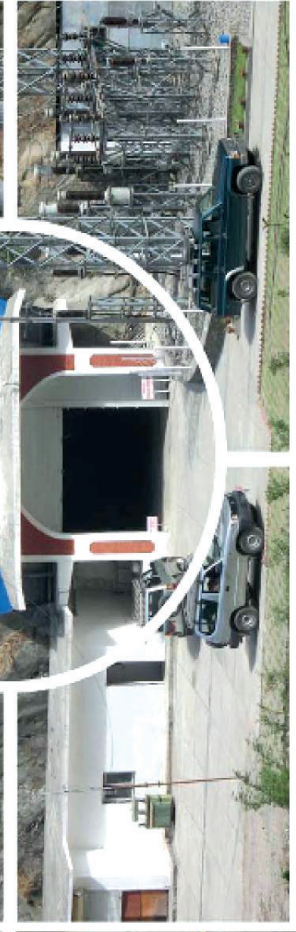
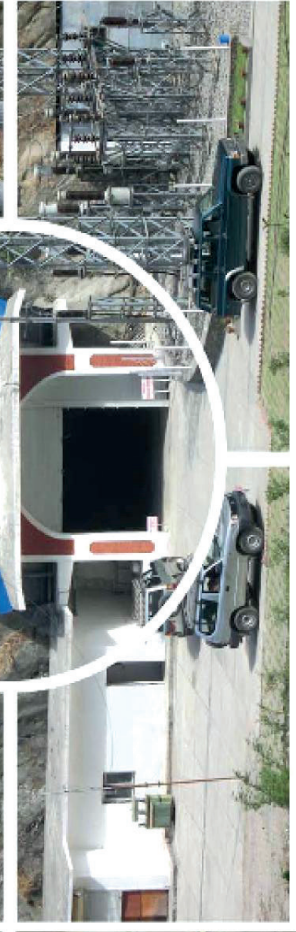
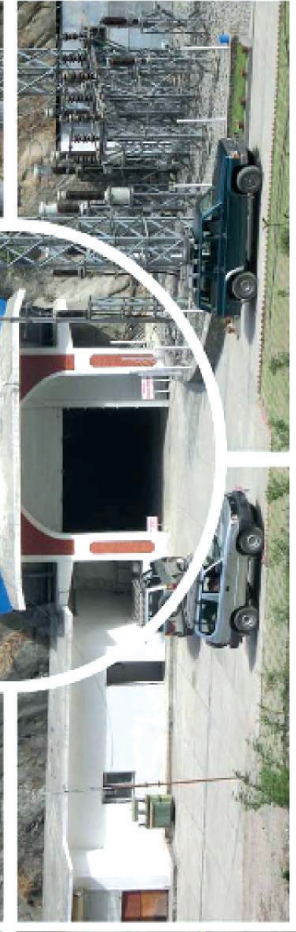
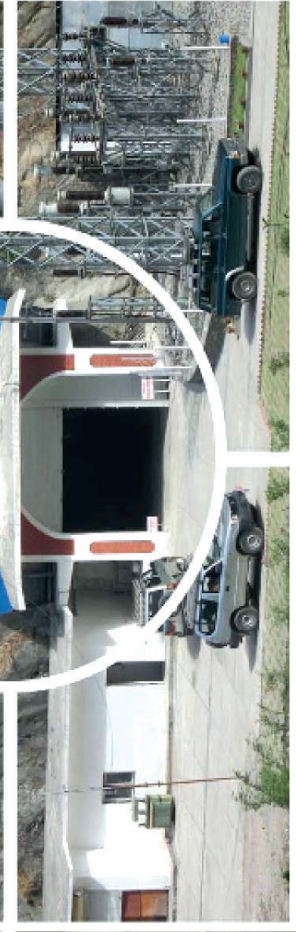
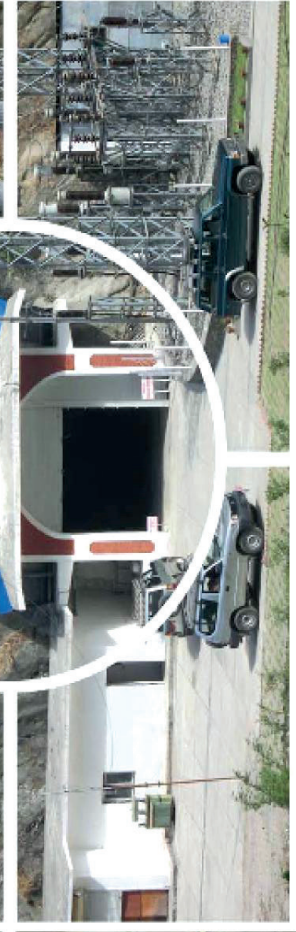
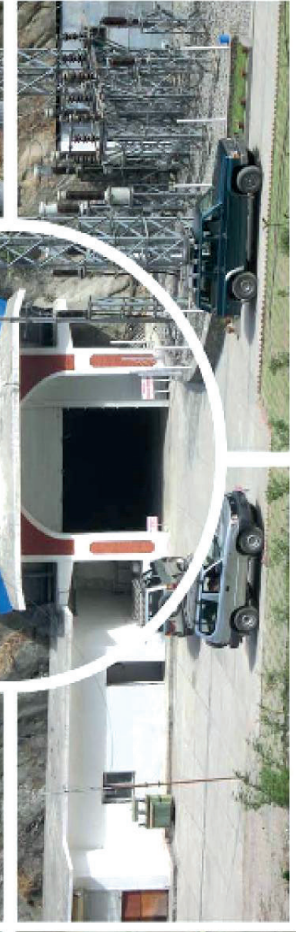
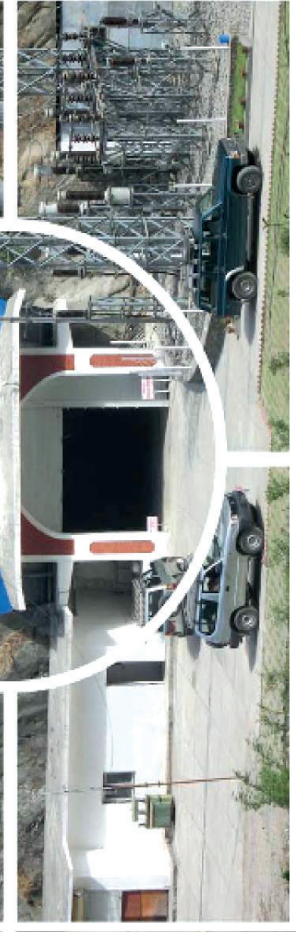
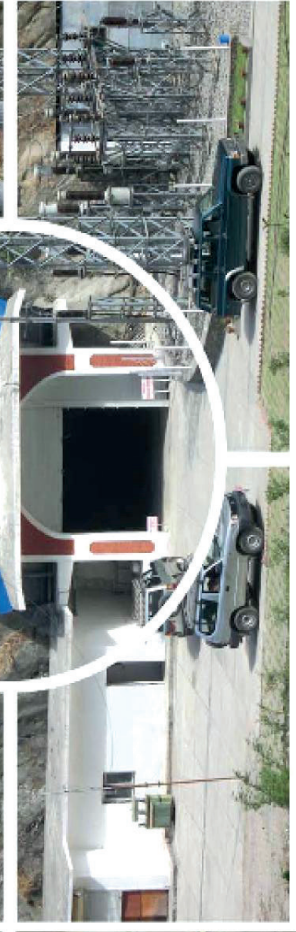
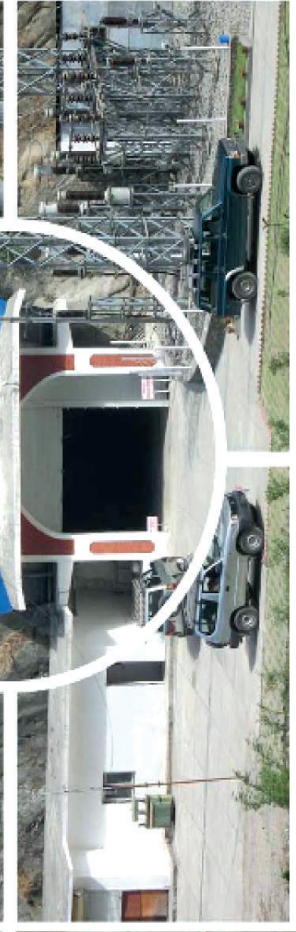
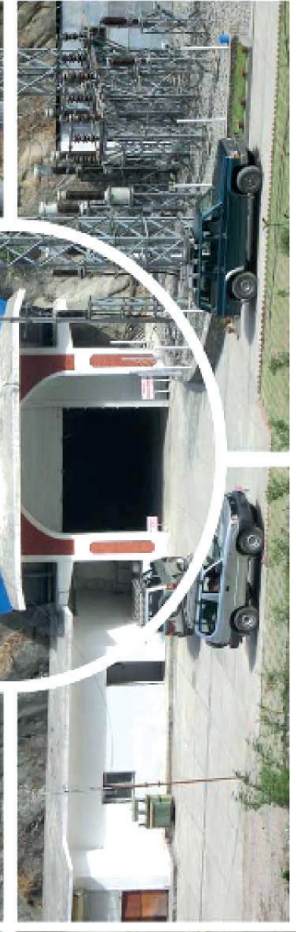
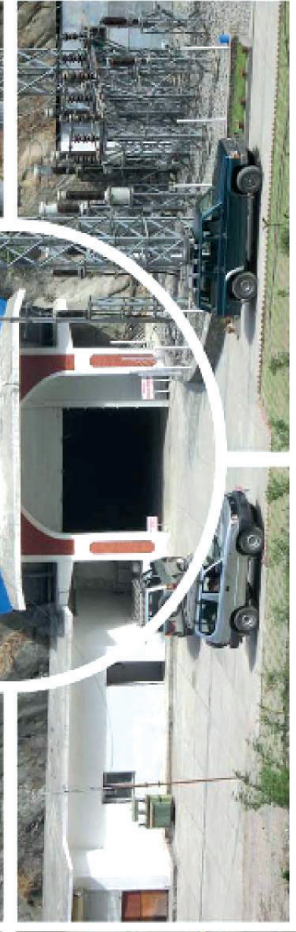
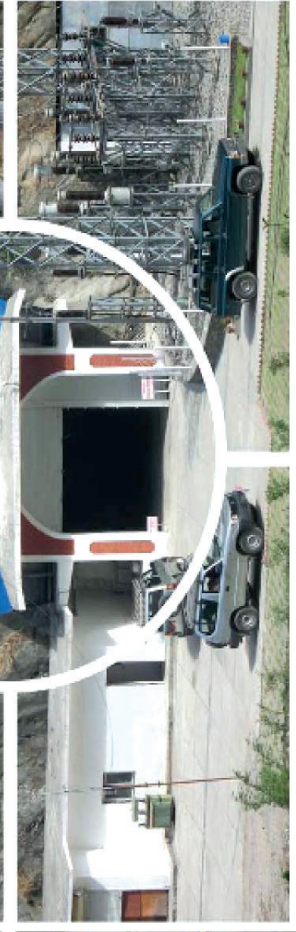
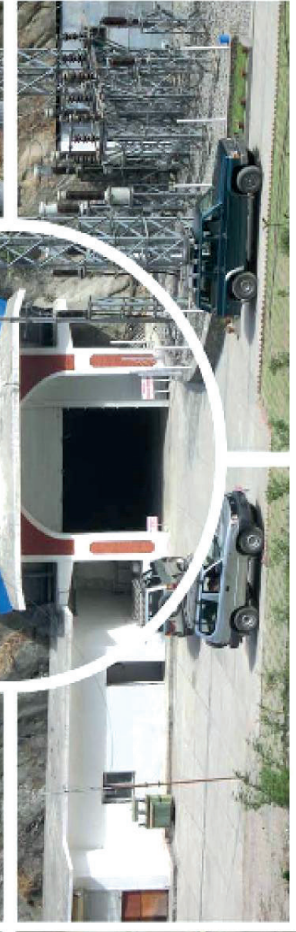
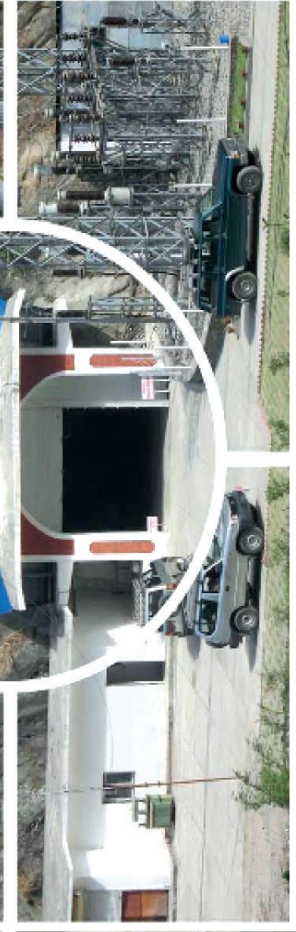
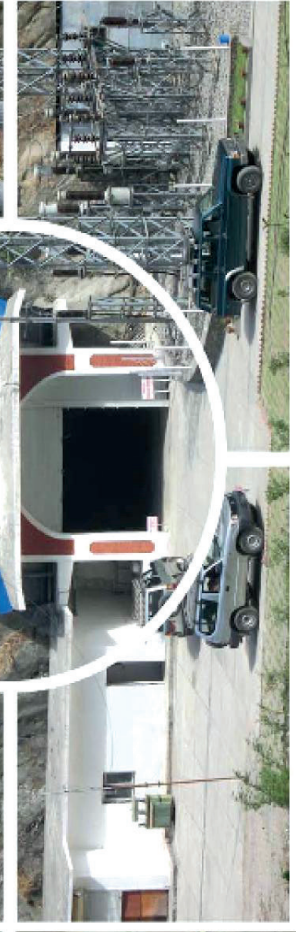
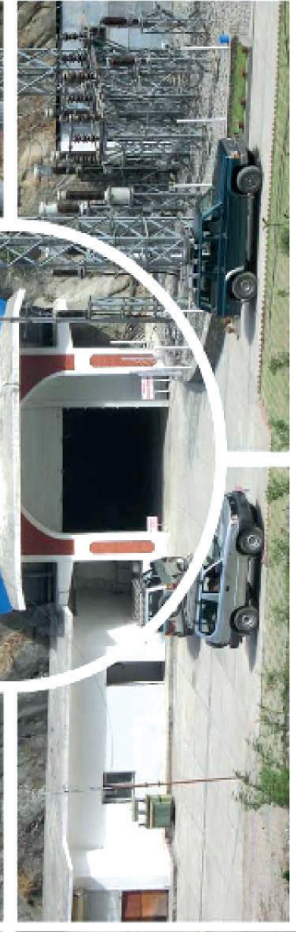
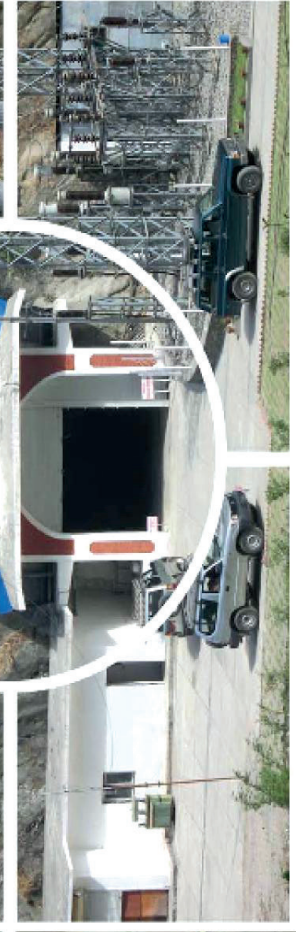
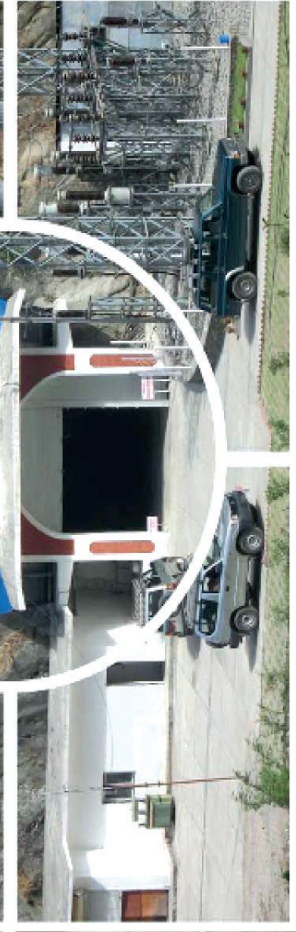
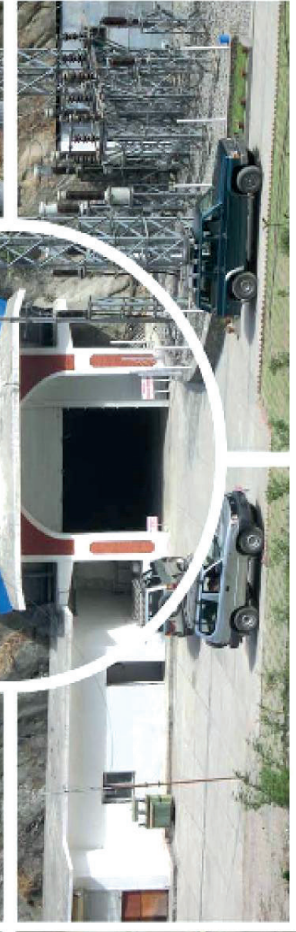
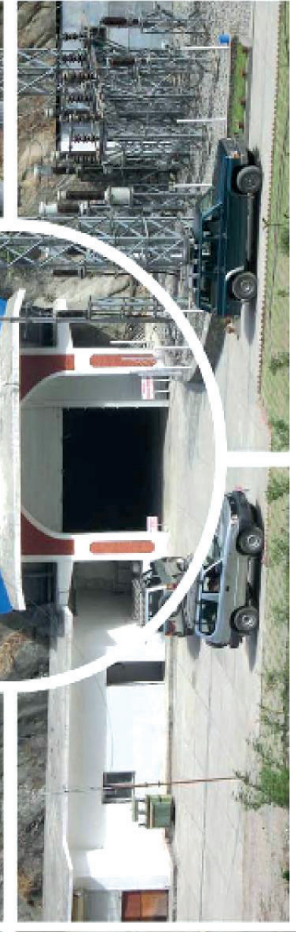
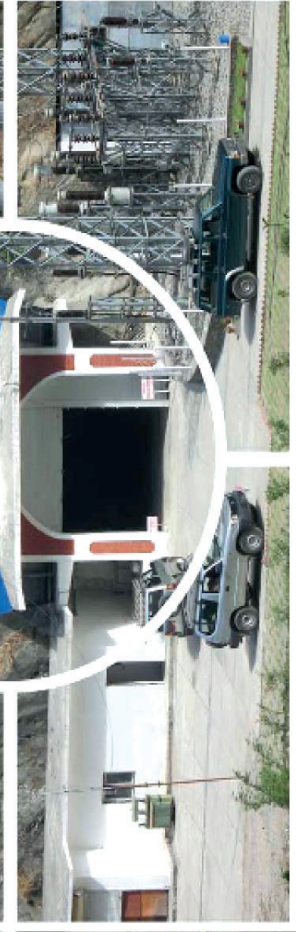
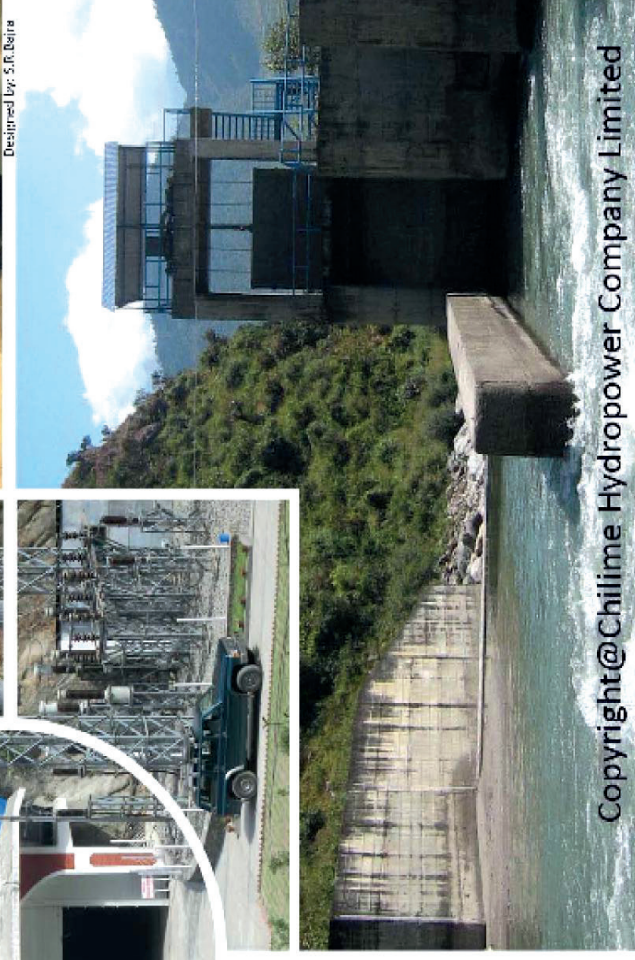
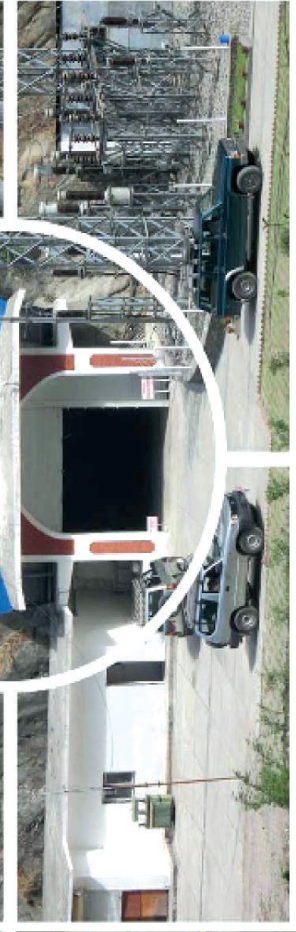
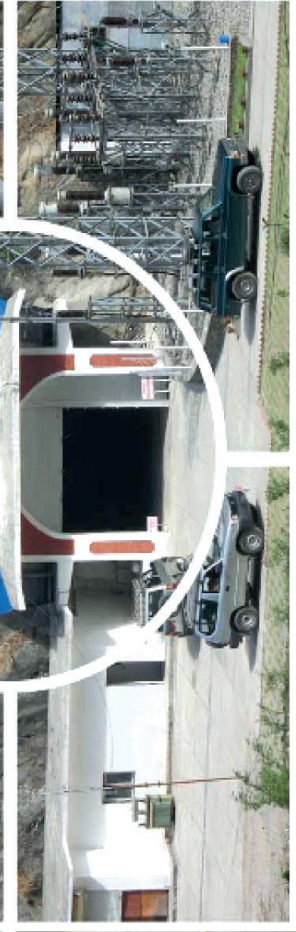
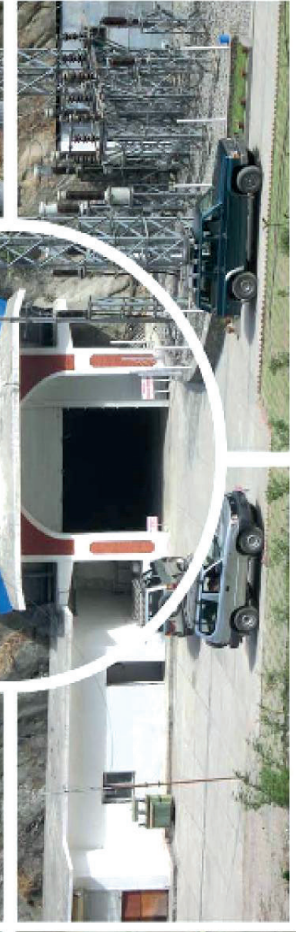
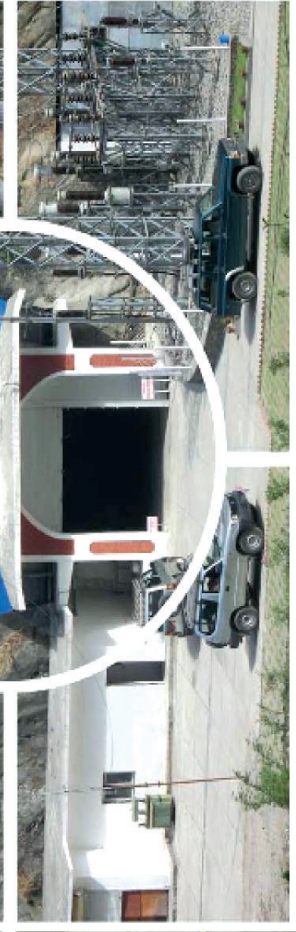
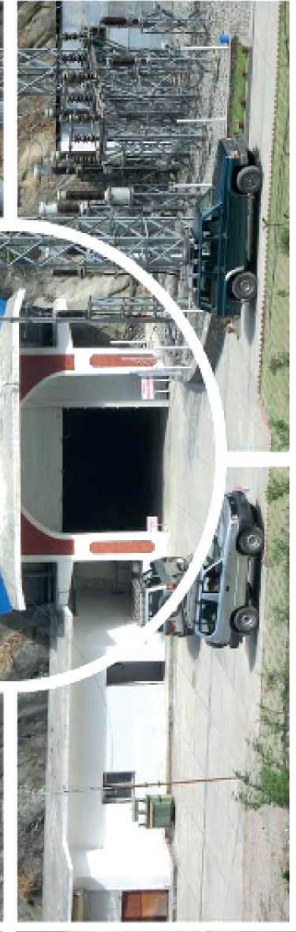
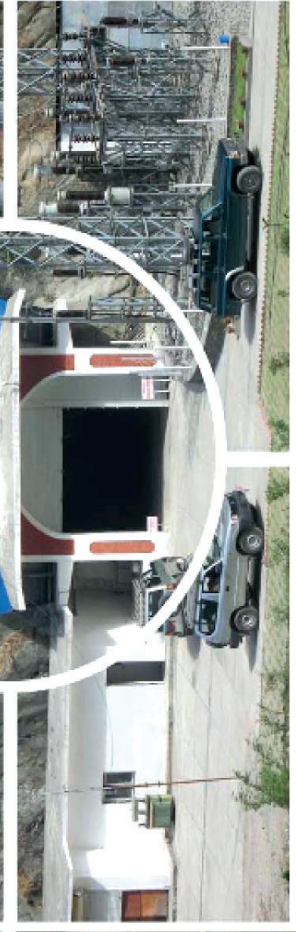
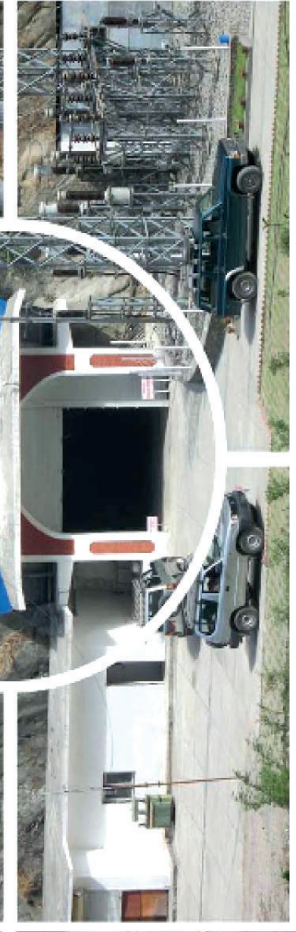
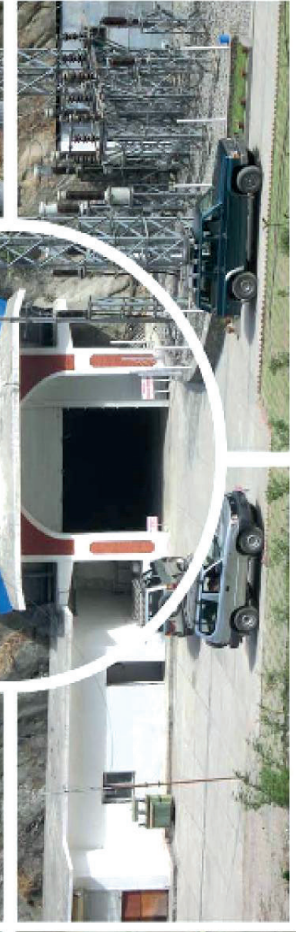
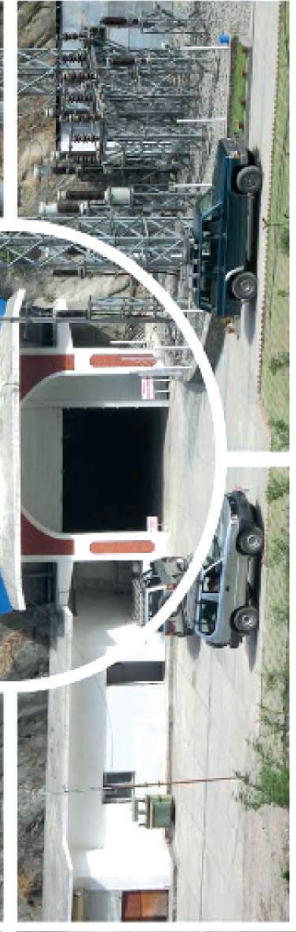
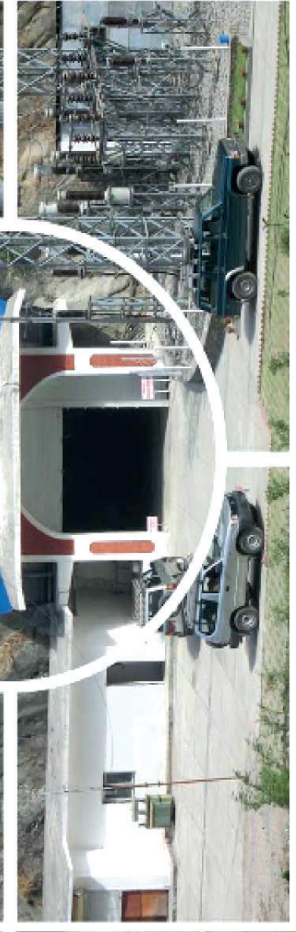
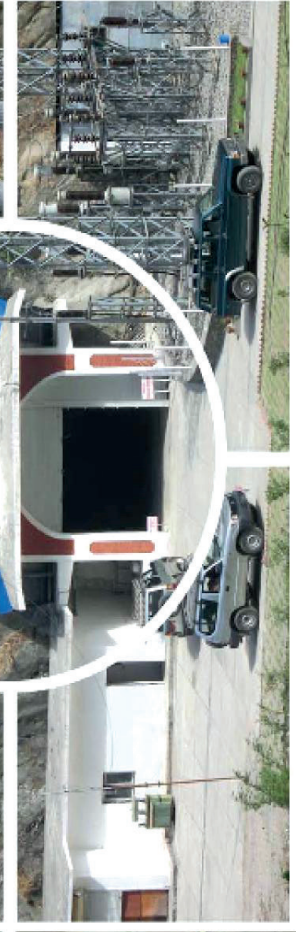
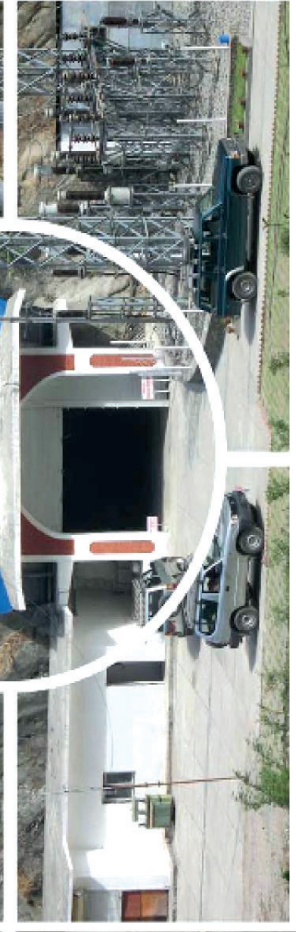
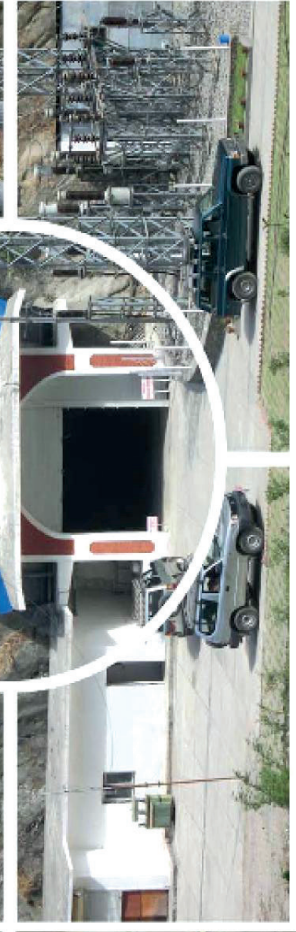
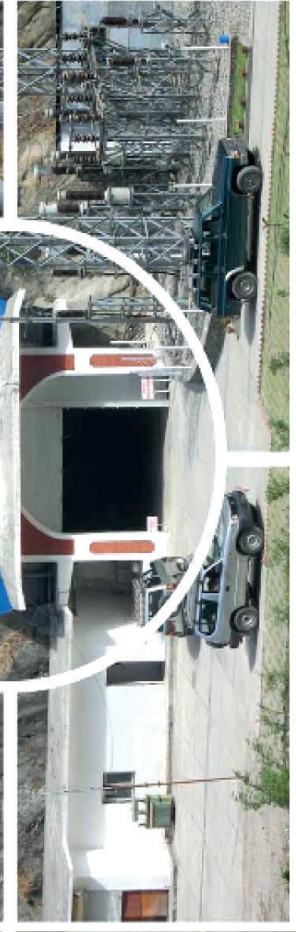
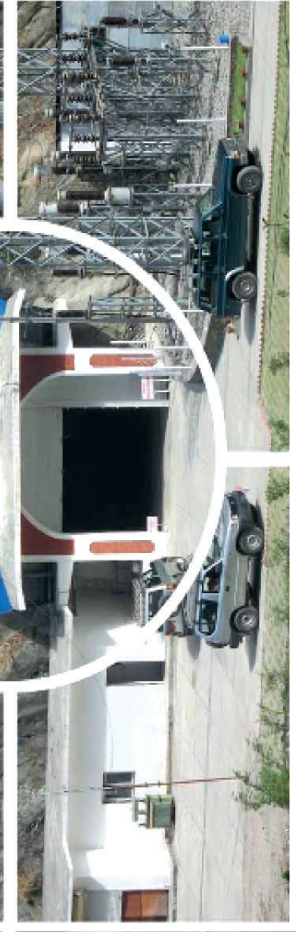
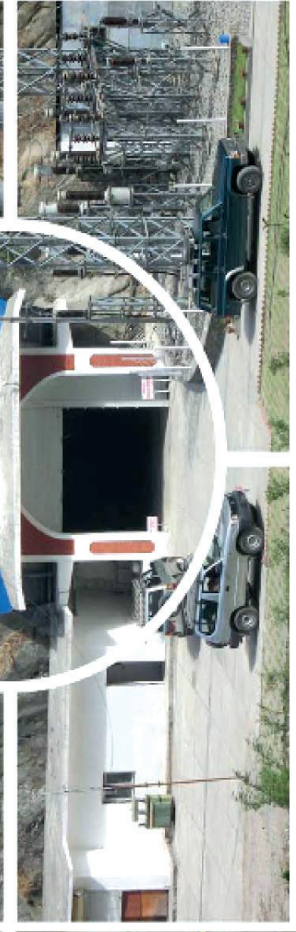
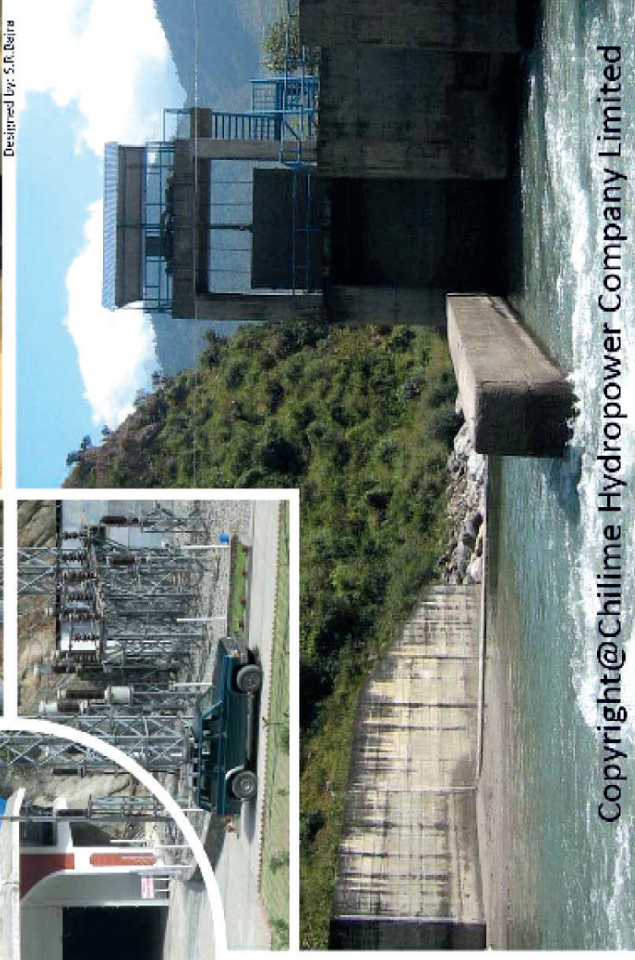
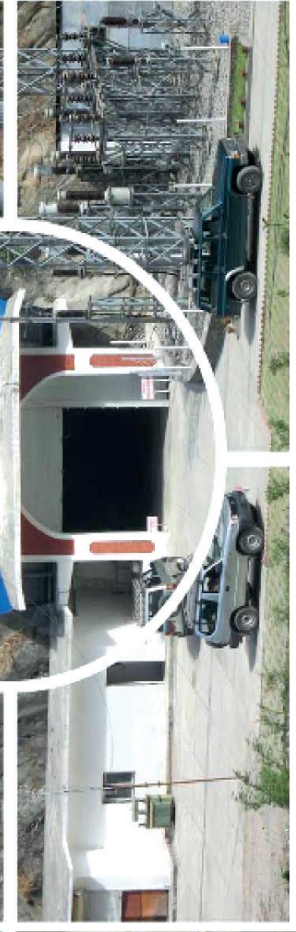
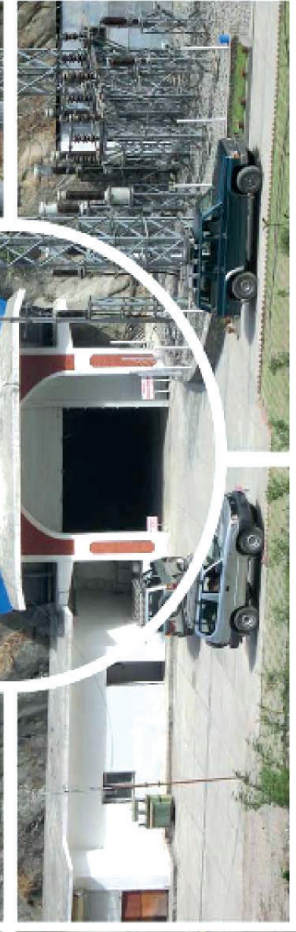
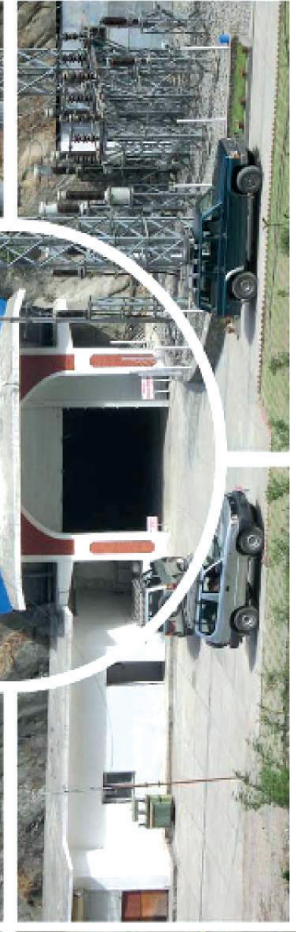
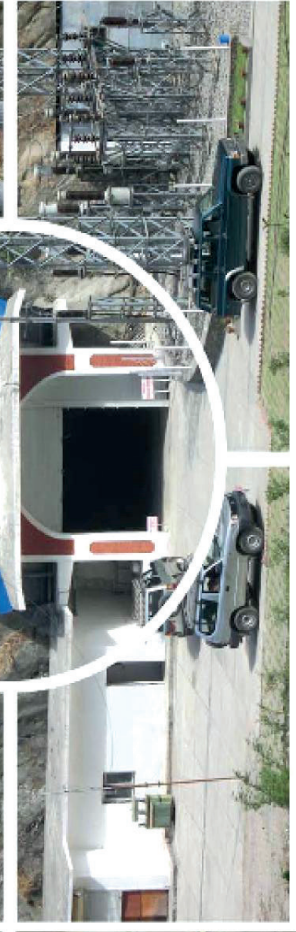
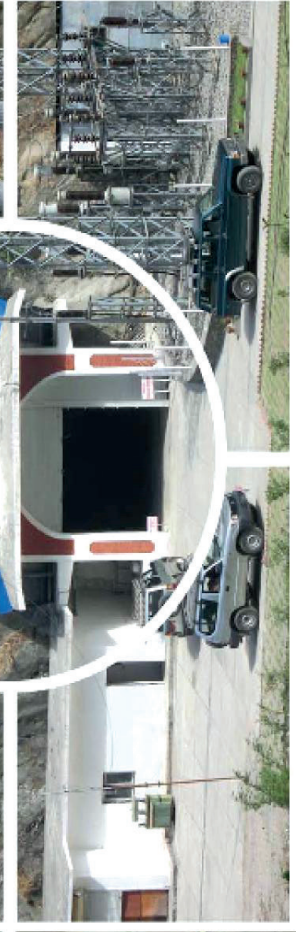
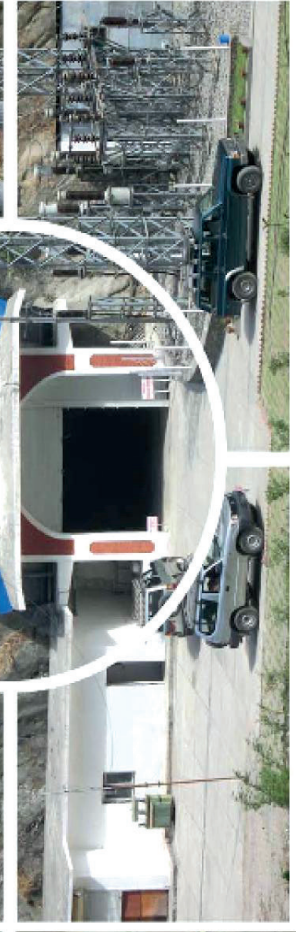
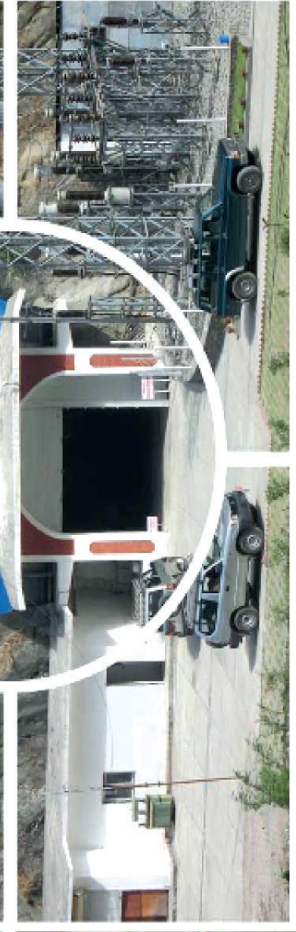
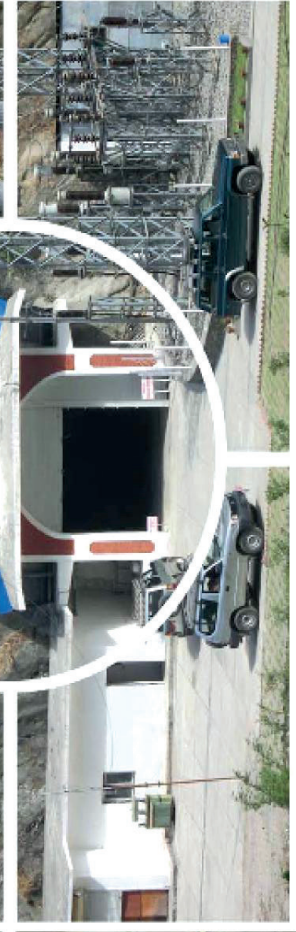
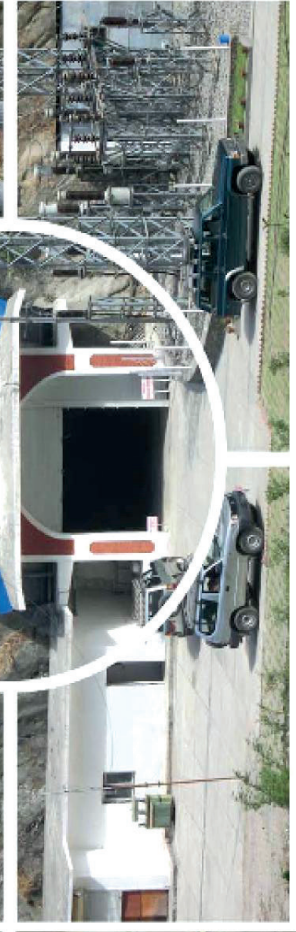
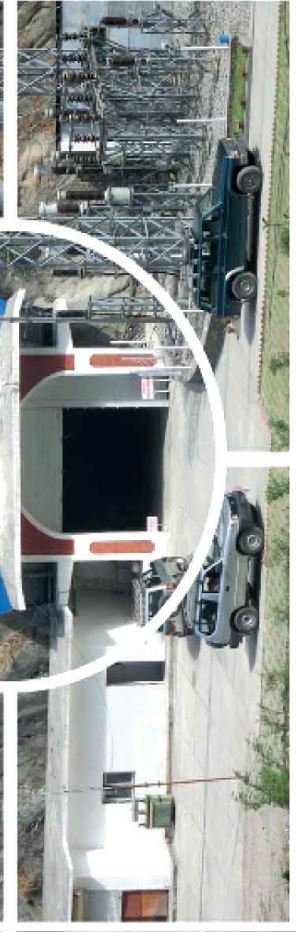
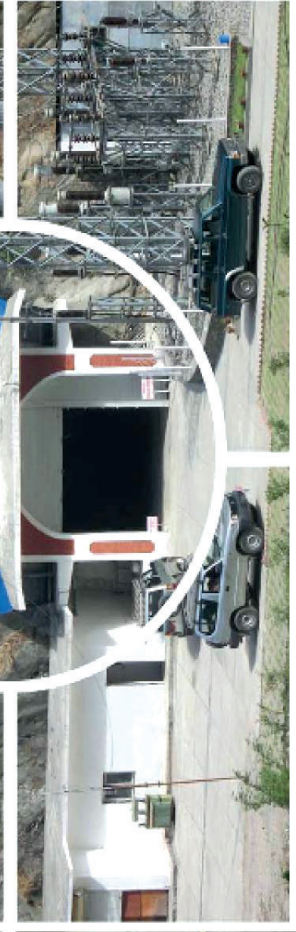
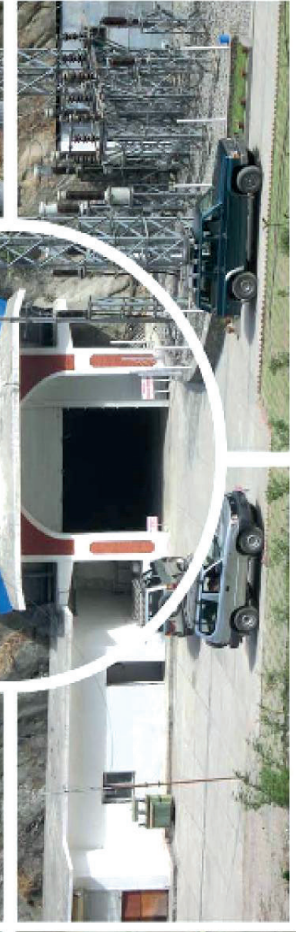
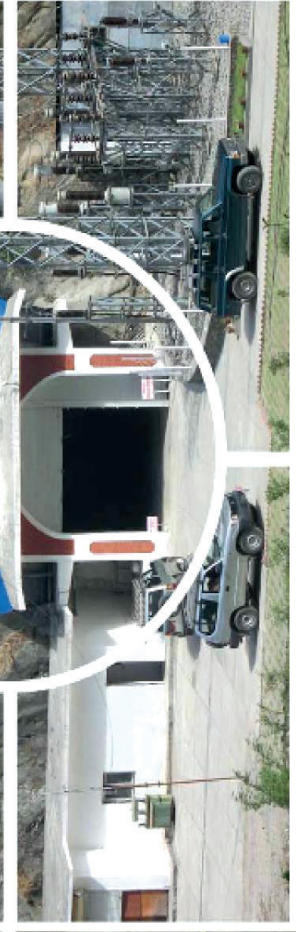
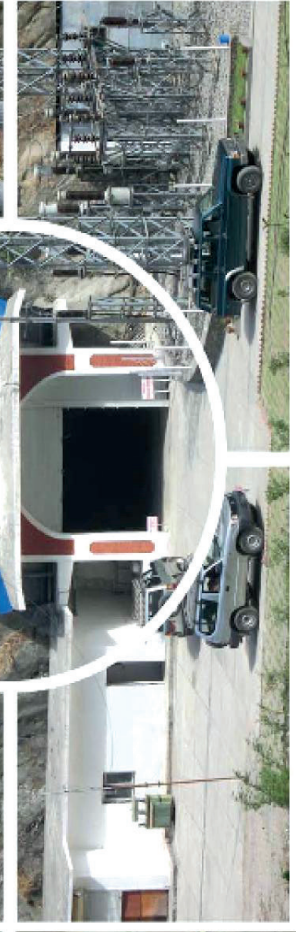
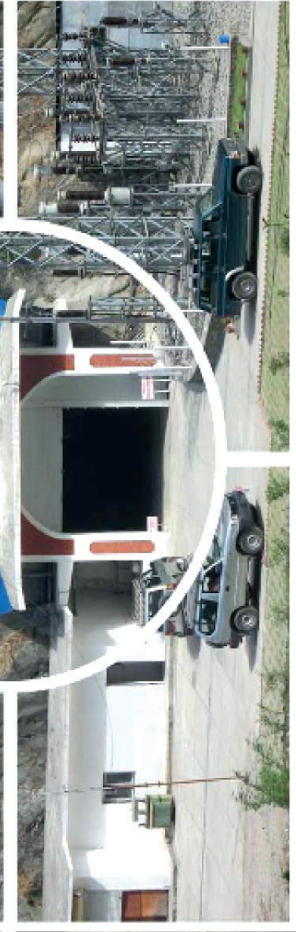
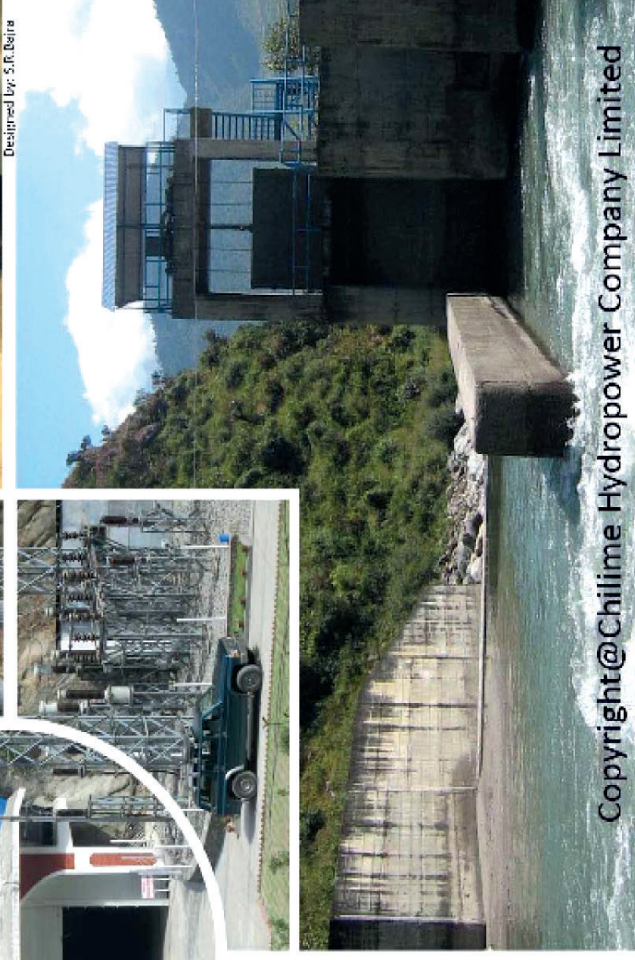
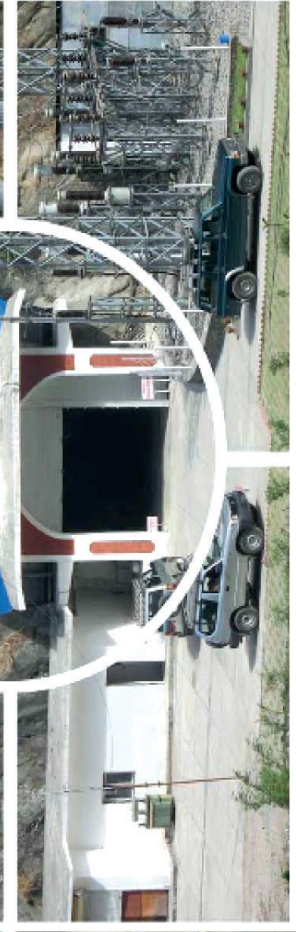
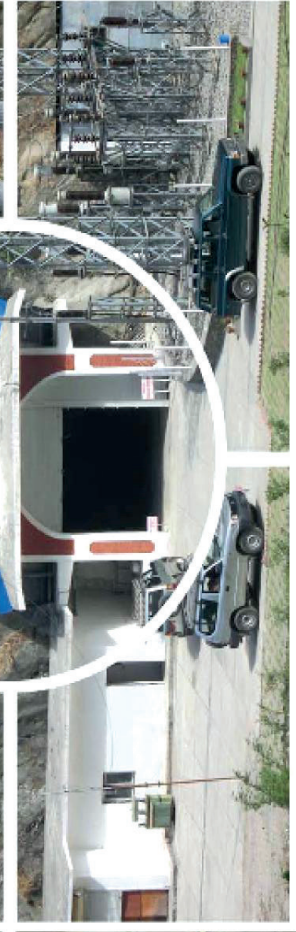
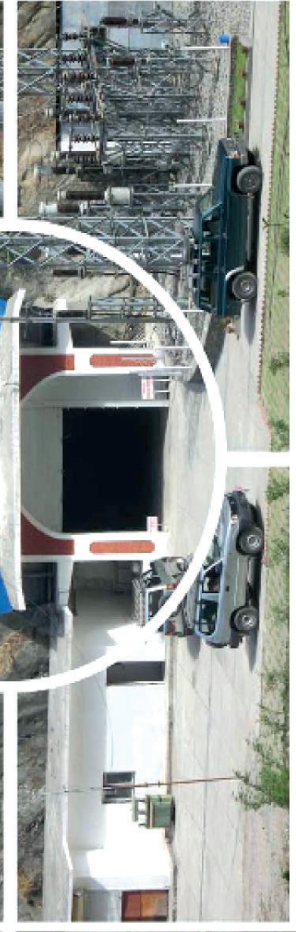
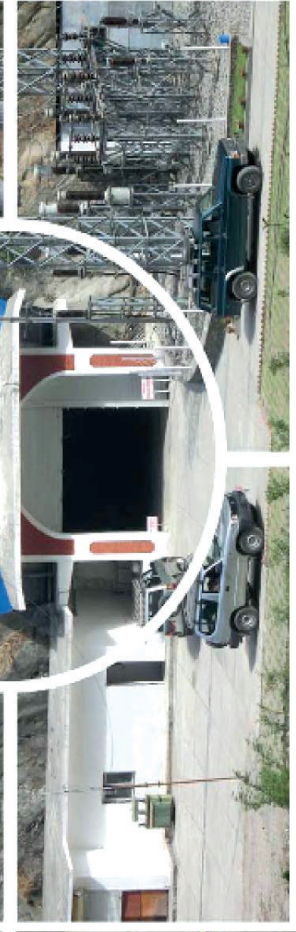
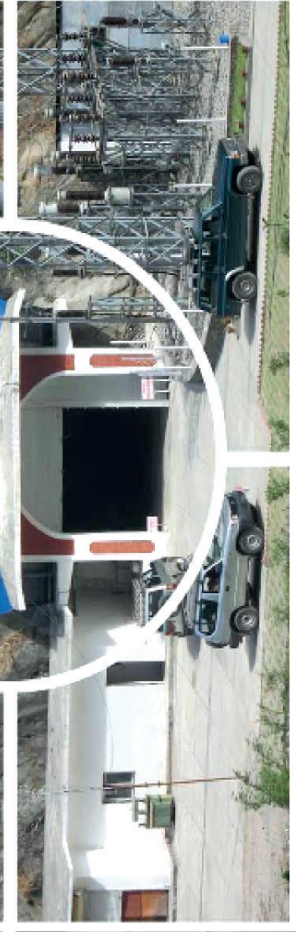
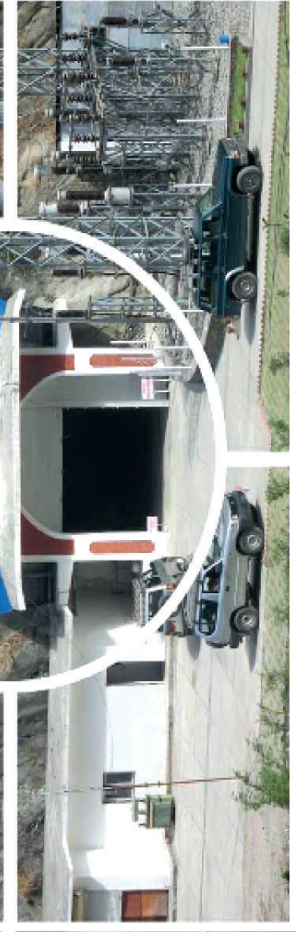
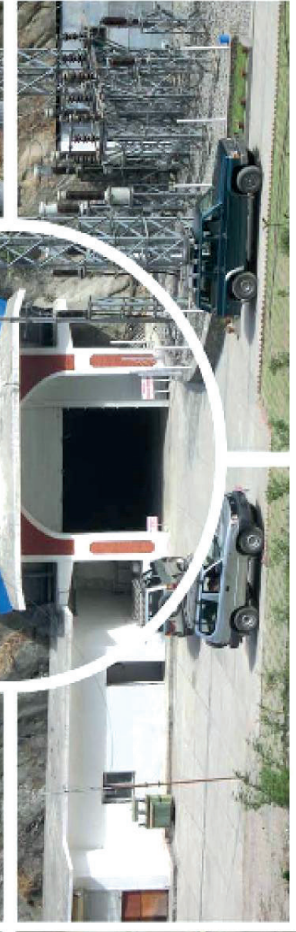
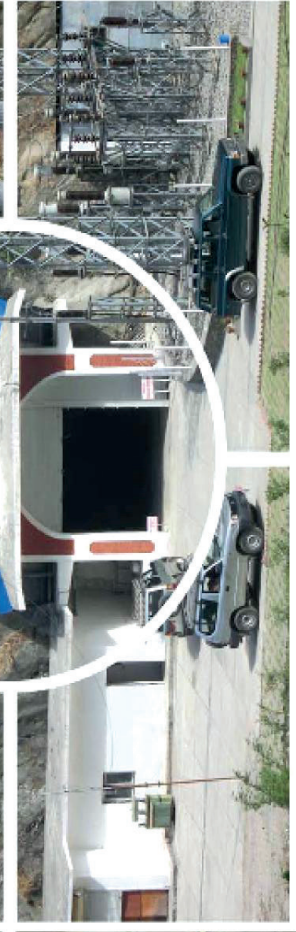
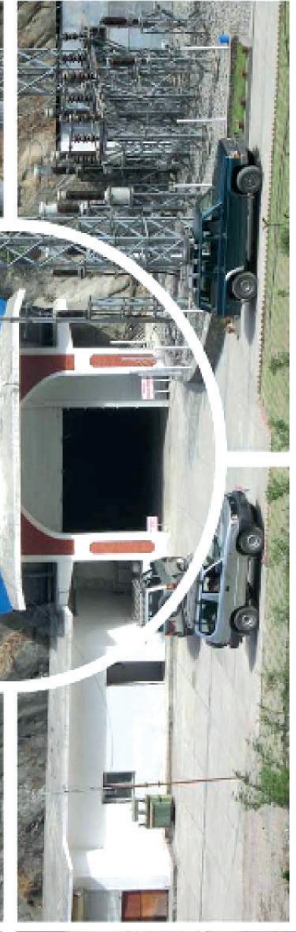
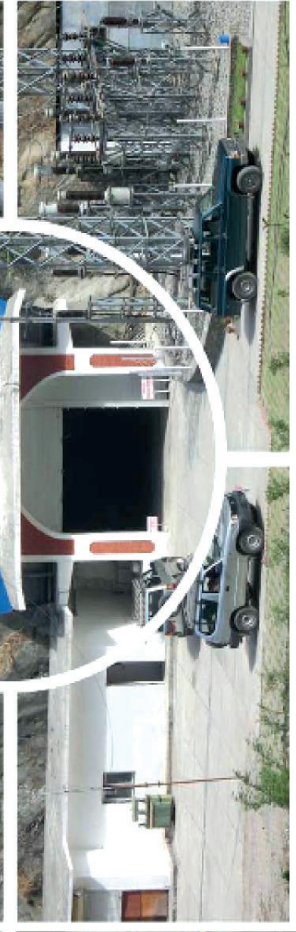
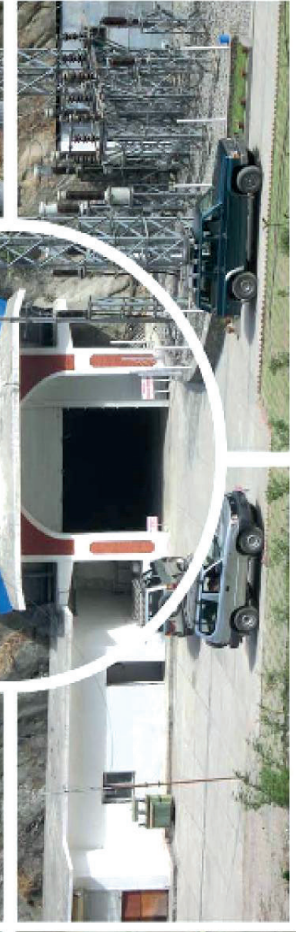
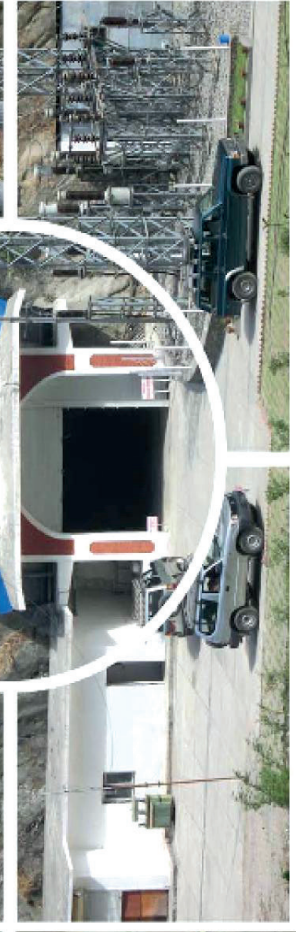
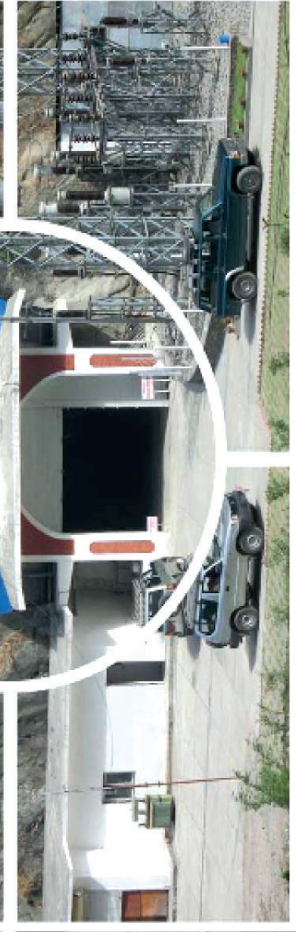
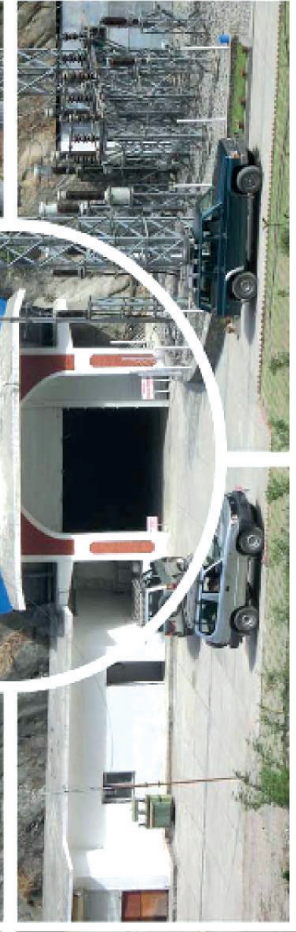
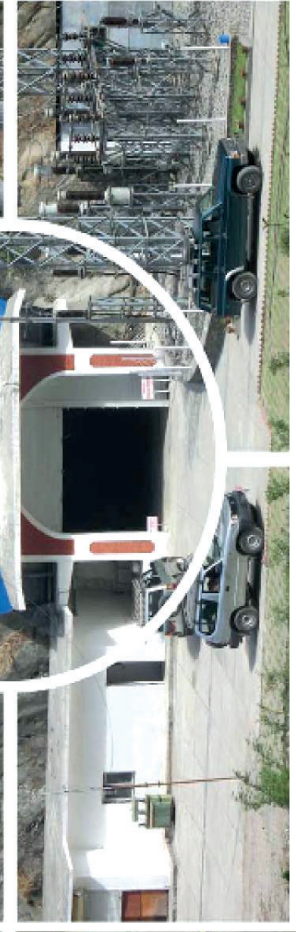
tutions and are in the forefront of medical tourism. Many Nepalis flock there for treatment too.

What is there for us Nepalis to learn from all this. Though we have had sixty-two days of lockdown which started relatively early, the fact is that our performance has been dismal. There has been a scam in the procurement of testing equipment of doubtful reliability, ventilators that don't function and irregularities in the provision of quarantine facilities to Nepalis returning home from distant lands in different parts of the world. The quarantine conditions being sub-human, the food supplied being sub-standard and inadequate made many of the returnees flee from there. In such an environment, some of returnees have even committed suicide. A statement made by one the opposition members in our House of Representatives on such a dismal state of affairs was that the government, being so incompetent should stop all testing for Covid-19 so that Nepal could state that there are no further cases are reported in the country! His demand was a full clarification. Currently non-political groups with slogans such as 'Covid-19 Enough is Enough', 'Sanitize Our Government' & 'Save Nepal' are on the streets demanding a statement of accounts. The sad part of all this is that we have not learnt any lessons from the mismanagements that took place in the wake of the 2015 earthquake.

Bearing all these facts in mind it is obvious that the health services which the government is currently providing is grossly inadequate in view of the fact that as per our constitution, Health is a Birth-right of the Nepalis. The government of the day is certainly not providing it!

The current situation of health services is that it is grossly inadequate for the almost thirty million people of this land. The principle of Public Private Mix was accepted long ago but has not been properly implemented. It is obvious that we need far greater numbers of personnel in the health sector to provide a proper health service to all our people. The capacity of existing institutions producing workers in the field of health field has to be substantially increased. The crux of the matter is that a certain percentage of doctors, nurses, pharmacists and health technicians in various fields produced in this country will go to other lands where the grass is greener. This should not be taken as a setback but rather as a challenge to ensure that the individuals that are trained are fully capable to carry out the necessary duties wherever they may be. Apparently, Nepalis are currently working in as many as 161 countries of the world! Wow. It is our duty to push our present government to take steps so that we Nepalis progress to the maximum extent!

Author writes fiction under the name of Mani Dixit. Website: www.hdixit.org.np. Twitter: @manidixithd





एक रुपैयाँमा आफ्नै बचत खाता

नेपालको उत्कृष्ट बैंक NIBL मा एक रुपैयाँमा खाता खोल्नुहोस्

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



or

