

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



**OPINION**  
Dipak Gyawali



**VIEWPOINT**  
Katak Malla



**FORUM**  
Hanan Guder-Goldberg

# NEW SPOTLIGHT

www.spotlightnepal.com  
June.- 24, 2022  
FORTNIGHTLY

NEPAL-INDIA ELECTRICITY TRADE

## Historic Milestone

INSIDE



**U.S. ARMY GENERAL'S VISIT**  
**FAKE INFO DROWNS REALITY**



**YN KHANAL LECTURE SERIES**  
**FOREIGN POLICY OPTIONS**



**UPPER TAMAKOSHI HYDROPOWER**  
**A GAME CHANGER PROJECT**

## गर्मी र बर्षातको समयमा खाना खाँदा ध्यान दिऔं ।

- बासी र सडेगलेका खानेकुराहरू नखाऔं ।
- पाकेको खाना मात्र खाऔं ।
- झिङ्गा र भुसुना भन्किन नदिऔं । खानेकुरा छोपेर राखौ ।
- खाना पकाएपछि भाँडा राम्ररी सफा गरौं ।
- फलफूललाई सफा पानीले धोएर मात्र खाऔं ।
- सकेसम्म खुलारूपमा बेचन राखिएका खाना र पेय पदार्थ उपभोग नगरौं ।



नेपाल सरकार  
विज्ञापन बोर्ड

**Editor and Publisher**

Keshab Poudel

**Contributor**

Sabine Pretsch

**Design/Layout**

Sahil Mokthan, 9863022025

**Marketing Manager**

Madan Raj Poudel

Tel: 9841320517

Nabin Kumar Maharjan

Tel: 9841291404

**Editorial Office**

Kathmandu, Nepal

Tel: 977-1-4530250

**E-mail**

spotlightnepal@gmail.com

P.O.Box: 7256

**Website**

www.spotlightnepal.com

**Kathmandu DAO Regd. No.**

148/11/063/64

**Central Region Postal Regd.**

No. 36/067/068

**US Library of Congress Catalogue**

No. 91-905060, ISSN : 2091-0711

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

**Printing**

Megha Offset Printing Press P. Ltd.,

Dhapasi, Kathmandu

Tel. : 977-1-4363624

## Notes From The Editor



Although Nepal's foreign relations have over 250 years of history, starting just after the unification of Nepal, this knowledge is confined to a small section of people. As an institution of continuity, the Ministry of Foreign Affairs, with various names, has been present in all regimes. A separate foreign service alone has over 60 years of history. Under the initiative of the Ministry of Foreign Affairs, efforts were made recently to recall its history and start debates on Nepal's foreign policy issue from a long range view. The Ministry hosted a program to observe the Foreign Service Day, conferring awards to older generations in the service in front of the new generation. The Ministry has also started YN Khanal Lecture series to debate on Nepal's foreign policy issue. With an overwhelming number of young people joining Foreign Service, these kinds of interactions would serve as a platform to pass on the knowledge from one generation to the other and contribute to recall Nepal's own past in policy issues.

On the energy front, after decades of efforts, Nepal Electricity Authority (NEA) has started to export 364 MW of electricity to India from June 2. After this, Nepal entered into a new stage from being a net importer of electricity to a net exporter. The starting of electricity trade between Nepal and India also proves an ill-conceived perception of a handful of Nepali wrong and irrelevant that India cannot import electricity from Nepal. Similarly, exporting the electricity to India, NEA has also made irrelevant the negative connotation of a few so-called pseudo-nationalists that India will not purchase Nepalese electricity. Selling at a good competitive price, NEA has also shown to the common people that Nepal can generate money from trading electricity with India. Nepal's electricity sector has set historic records in recent years. Ending two decades of prolonged load-shedding to making Nepal as a net exporter of electricity to India, Kul Man Ghising, Managing Director of NEA, has made impossible missions possible in his four years from first tenure and almost one year from his second tenure. Whether one may like or dislike this individually, all Nepalese are benefiting from MD Ghising and his team's contributions. Although Nepal was among a handful of countries in Asia to generate electricity from hydropower one and a half century ago, Nepal was able to generate the surplus of electricity only last year following the completion of 456 MW Upper Tamakoshi Project. We have covered the start of export of electricity from Nepal to India as our main story.

**Keshab Poudel**

Editor



# CONTENT

**NEWSNOTES** 3

**BUSINESS BRIEF** 8

## OPINION

Dipak Gyawali 10

## VIEWPOINT

Katak Malla 16

## YN KHANAL LECTURE SERIES

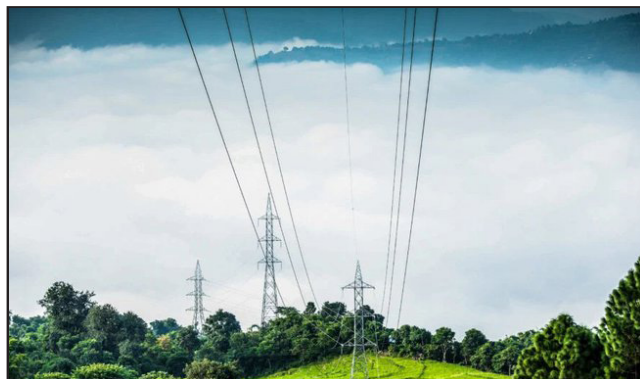
Foreign Policy Options 20

## ENVIRONMENT

Batu Uprety 24

## FORUM

Hanan Goder-Goldberg 30



**COVERSTORY: NEPAL-INDIA ELECTRICITY TRADE: Historic Milestone**

26



**U.S. ARMY GENERAL'S VISIT: Fake Info Drowns Reality**

12



**UPPER TAMAKOSHI HYDROPOWER: A Game Changer Project**

31



## COAS Sharma Inspected UNIFIL Nepalese Battalion Headquarter In Lebanon



Chief of the Army Staff General Prabhu Ram Sharma visited NEPBATT Headquarters and UNIFIL Force Headquarters in Naqoura

COAS General Prabhu Ram Sharma, who is currently on an observation visit to UNIFIL Mission Lebanon, paid an inspection visit to NEPBATT headquarters posted under UNIFIL Mission in Lebanon.

During his inspection visit, COAS Sharma also addressed Nepalese UN Peacekeepers deployed in the areas. He also distributed COAS Commendation Symbol to five persons including two Nepali soldiers and three Lebanon citizens who immensely supported the Nepalese Army in the areas.

Likewise, the delegation led by COAS General Sharma also visited UNIFIL headquarter. During his visit, COAS General Sharma also paid a courtesy call to Head of Mission (HOM)/Force Commander (FC) Major General Aroldo Lázaro Sáenz.

During the meeting, HOM/FC Major General Sáenz appreciated the role played by the Nepalese peacekeeper in Southern Lebanon. COAS General Sharma also expressed the commitment that the Nepal Army deployed in UNIFIL work under the mandate of the UN.

## U.S. Donates 2.2 Million Doses Of Pediatric COVID-19 Vaccines To Nepal

The United States government is donating 2.2 million doses of pediatric vaccines to Nepal to fight COVID-19. These highly effective, life-saving vaccines for children ages 5-11 are provided through the generosity of the American people and add

to the 2.26 million doses of Pfizer vaccines, and the 1.5 million single-dose Johnson & Johnson vaccines that the United States has donated to Nepal so far.

According



to a press release issued by The U.S. Embassy in Nepal, this donation also celebrates 75 years of diplomatic relations between the United States and Nepal. The United States' historic support for Nepal's health sector reflects the powerful results of our partnership. Since the beginning of the pandemic, the United States government has worked directly with the Government of Nepal to combat the COVID-19 pandemic, ensure the continuity of critical health services, and support the country in mitigating the pandemic's secondary social and economic impact – particularly on education and livelihoods.

In preparation for the launch of the pediatric Pfizer vaccine campaign, USAID supported Nepal's Ministry of Health and Population to train frontline health workers in 56 districts on administration of the pediatric Pfizer vaccine.

Worldwide, the United States has pledged to donate more than 1.1 billion vaccines to 115 developing countries and has already delivered over half of a billion doses of COVID-19 vaccines. With its contribution of \$4 billion, the United States is the largest bilateral donor to the global vaccine initiative, COVAX.

The United States is committed to leading the global COVID-19 response because it is the right thing to do and will make us all—Americans and Nepalis alike—safer. We are proud to work with Nepal to end this pandemic.

## Bangladesh Participates In Nepal Trade Fair

A 5-day trade fair, organized by Nepal Chamber of Commerce, was inaugurated on Thursday (16 June 2022) at the Nepalese capital. Prime Minister Sher Bahadur Deuba inaugurated the event at a simple ceremony at the national exhibition hall of Kathmandu.

Around 50 Bangladeshi traders - mostly women entrepreneurs - representing various sectors - such as garments, ceramics, handicrafts, jute and leather products are participating in the fair. Bangladesh has been designated as the country partner in this event, which is the first ever international fair being organized in Nepal after the Covid pandemic.

Bangladesh's participation is coordinated by the Export Promotion Bureau (EPB) and Bangladesh Embassy in Nepal in association with the SME Foundation of Bangladesh. Presided over by President of Nepal Chamber of Commerce Rajendra Malla, the inaugural ceremony was attended by Ambassador of Bangladesh to Nepal Salahuddin Noman Chowdhury as special guest.



## NEWSNOTES

### Japan Hands Over Books To Tribhuvan University

Japan Hands Over Books for Japanese Study to Department of International Relations and Diplomacy, Tribhuvan University



Ambassador of Japan to Nepal KIKUTA Yutaka handed over Japanese study books to Tribhuvan University.

Prof. Dr. Shiva Lal Bhusal, the Rector of Tribhuvan University, Prof. Dr. Kushum Shakya, Dean of Faculty of Humanities and Social Science, Prof. Dr. Khadga K.C. of Department of International Relations and Diplomacy, and students were present at the handover ceremony.

The books include a wide range of titles, from classics on Japanese spiritual culture to contemporary political and economic issues and will be housed in the library of the Department of International Relations and Diplomacy, Tribhuvan University.

On the occasion, Ambassador Kikuta emphasized the importance for young students to take time to read good books to promote their spiritual growth. He hoped that the books would expand their minds with a Japanese flavor. The books are donated by the Nippon Foundation "Read Japan Project".

SASAGAWA Yohei, Chairperson of the Nippon Foundation has also worked to combat leprosy in Nepal since 1975. June 17 was the day that the first eight Nepali students dispatched to Japan landed on the Japanese port of Yokohama in 1902.

### JICA Nepal, MOFE Ink An Agreement

JICA Nepal and Ministry of Forest and Environment (MOFE) concluded an agreement on the Technical Cooperation Project on Climate Change Adaptation through Sustainable Forest Management in Nepal on 14 June 2022. The Record of Discussion (R/D) was signed between Dr. Pem Narayan Kandel, Secretary, Ministry of Forest and Environment and OKUBO Akimitsu, Chief Representative, JICA Nepal in their respective



tive offices.

The five years project intends to strengthen institutional capacities of government entities responsible for accelerating climate change adaptation through sustainable forest management at national and local levels. At the federal level, the project aims to strengthen capacity of Ministry of Forest and Environment (MOFE) to roll out the policy and priorities on climate change adaptation. At the province level Ministry of Forest Environment and Soil Conservation (MOFESC) in Gandaki province is expected to enhance its capacity to supervise the actions on climate change through sustainable forest management led by both Division Forest Office (DFOs) and Soil and Watershed Management Office (SWMOs) in close coordination with the local government.

### Japan Hands Over Agriculture And Livestock Training Center In Kavre

The Government of Japan handed over a newly-built Agriculture and Livestock Training Center to Love Green Nepal in Kavrepalanchok district

Ambassador of Japan to Nepal, KIKUTA Yutaka,



attended the ceremony.

The new building has been built with the support of USD 85,189 under the Grant Assistance for Grassroots Human Security Projects (GGP) of the Japanese Government, according to the press release issued by the Embassy of Japan in Nepal.

On the occasion, Ambassador KIKUTA congratulated everyone involved in the project. He also appreciated the efforts of all who worked together with the Embassy to complete the project and hoped that the training center will become a community asset and serve the local people.

"Activities of LGN led by Amira Dali, including empowerment of women, environment friendly sustainable agriculture, are important factors in the development of Nepal as a whole. The center has a symbolic significance in this country and we are happy to support such efforts," he stated, adding, this project is another shining example of the friendly relations in the year of the 120th anniversary of the first Nepali students to be dispatched to Japan.

Love Green Nepal was established in 1991 with



the aim of contributing to the upliftment of low-income people living in rural areas. Love Green Nepal was previously in need of space to provide training in various agricultural and livestock products to farmers in Panchkhal Municipality, Kavrepalanchok to improve their livelihoods, read the press release.

## UNDP, ICIMOD To Promote Sustainable Development In Hindu Kush Himalayan Countries

The United Nations Development Programme (UNDP) and International Centre for Integrated Mountain Development (ICIMOD), headquartered in Nepal, have entered into a partnership to promote sustainable development in the Hindu Kush Himalayan countries.



UN Assistant Secretary General, UNDP Assistant Administrator and Regional Director for Asia and the Pacific, Kanni Wignaraja and ICIMOD Director General Pema Gyamtsho signed a memorandum of understanding (MoU) to this effect.

Under this MoU signed in Pokhara, UNDP and ICIMOD will collaborate to establish a framework for regional cooperation between the organizations to develop and share knowledge, promote capacity development, develop policies and practices, and enhance collaboration in the Hindu Kush Himalayan countries.

“I am pleased to sign this agreement to deepen our long-standing partnership to build resilience in the Hindu Kush Himalayan countries,” said Wignaraja.

“Addressing complex challenges facing the region requires transboundary cooperation among the countries sharing the same river basins. In the case of the Himalayas, this would need to cover the entire Ganges River basin, involving China, Nepal, Bangladesh, and India. We would encourage the sharing of climate data and technology; climate security and risk sensitivity planning; and cross border financing and insurance for flood resistant infrastructure and coverage of loss and damage.”

## Australian Ambassador Volk Hands Awards To Art Event Winners

“Fun to spend Friday with kids telling stories through art! I was pleased to fund this art event/competition organized by @AutismCareNepal. Inclusive learning environments healthy communities. Congrats winners!,” tweets Australian Ambassador to Nepal Felicity Volk.

Australia’s Ambassador to Nepal Volk tweeted

after she distributed award prizes and certificates to winners and participants of an Inclusive Art Event for children with neuro-developmental disabilities and neuro-typical children amidst a program.

The competition was organized by the Autism-Care Nepal Society with support from the Australian Embassy.

The Nepal Olympic Committee and Sports for All Commission also collaborated to raise awareness about autism and the meaningful inclusion of children with neuro-developmental conditions in public arts and sports events, according to a press release issued by the Embassy.

Addressing the award ceremony, Ambassador Volk said, “I have loved seeing stereotypes broken here and stigma addressed, as we come together, whatever our circumstances, to use colour and shape and form to communicate ourselves and our stories to each other,” read the press release.

“Communities can only be truly healthy when they embrace all their members, without prejudice or discrimination,” Ambassador Volk added.



## French Ambassador To Nepal And Mayor Discuss Cooperation

Ambassador of France to Nepal Gilles BOUR-

B A O called on m a y o r of Kathm a n d u Metropolitan City B a l e n Shah at his office. D u r i n g the meeting they discussed various areas of cooperation.



various areas of cooperation.

“Relationship between the two countries should never be One Way. We discussed about how we can contribute with our Art and Architecture to French People, and receive world class Technology from them. Arniko Built Beijing should not be limited to History Books,” said Mayor Balen Shah in his tweet.

“Was a pleasure to call on Mayor @shahbalen and discuss his priorities & explore avenues of cooperation



## NEWSNOTES

especially in the field of public service delivery i.e. waste management etc. Also discussed cultural/artistic exchanges which could benefit both countries,” tweets French Embassy in Nepal.

### Switzerland, Nepal Sign Agreement For ReMi Project

Nepal and Switzerland have signed an agreement for the implementation of the project “Reintegration of Returnee Migrant Workers (ReMi)” utilizing the Swiss Franc 6.8 million (equivalent to Rs. 861.3 million).

The objective of the project is to help workers returning from foreign employment reestablish themselves in society and actively participate in social, cultural, economic, and political life. The project aims at strengthening their capacity to define their plan of reintegration and utilization of knowledge, skills, capital, and experiences achieved through employment abroad, according to the Ministry of Finance.

The project will be implemented at 20 local levels in two provinces, Province 1 and Madhesh Province for four years starting from July 2022. The amount of assistance will be recorded in the GON Red Book and implemented at the local level.

Joint Secretary Ishwori Prasad Aryal, Head of International Economic Cooperation Coordination Division (IECCD), Ministry of Finance, and Silvana Hogg, Chargée d'affaires ad interim, the Embassy of Switzerland, signed and exchanged the agreement at the Ministry on behalf of their respective governments.

### Japan Hands Over New Classrooms Of A School In Jhapa

The Government of Japan handed over newly-built classrooms to the Shree Laxmi Narayan Secondary School in Jhapa district. The Deputy Chief of Mission,

Tamura Takahiro, attended the ceremony.

The new building has been built with the support of USD 118,870 under the Grant Assistance for Grassroots Hu-

man Security Projects (GGP) of the Japanese Government. On the occasion, the Deputy Chief of Mission, Tamura congratulated everyone involved in the project.

He also expressed appreciation of the efforts of all who worked together with the Embassy to complete the project and hoped that the new classrooms would improve the education of children in the nearby areas. This project stands as another shining example of Japan-Nepal friendship in this year of 120 year anniversary since the first dispatch of Nepali students to Japan, he added.

This school is a public school, established in 1967 and offers schooling from early child development level to the 12th grade. The project is expected to provide focused educational environment for children in the nearby areas who currently have inadequate educational facilities.

“The Embassy of Japan believes that the new classrooms will contribute to improving the educational environment for more children, enabling them to receive a more effective and appropriate education. The Embassy also believes that the support will contribute towards further enhancing the friendship between the peoples of Japan and Nepal,” reads a press release issued by Embassy.

### Foreign Secretary Paudyal Meets Danish State Secretary Lotte Machon

Foreign Secretary Bharat Raj Paudyal met with State Secretary for Dev Policy at Danish Ministry of Foreign Affairs Lotte Machon at Denmark.

During the meeting, foreign secretary Paudyal discusses on matters of mutual interest, including Nepal-Denmark relations and co-operation, trade, investment and partnership in climate change adaptation were discussed during the meeting.



### U.S. Supports Restoration Of Dzong Monastery In Mustang

With the support from the U.S. Embassy in Nepal, the restoration of Dzong Monastery in Mustang is complete. U.S. ambassador Berry participated in a small closing ceremony with community leaders and local people.

“Starting in 2019, we partnered with local communities & the Heritage and Environment Conservation Foundation to restore the monastery and make it safer & more accessible to the community,” states U.S. Embassy, Nepal, on Facebook page.

“Last week I traveled back to Mustang to see the restored Dzong Monastery! Starting in 2019, we part-





nered w/ local communities & the Heritage and Env. Conservation Foundation to bring the monastery's beauty back to life & make it safer & more accessible to the community," tweets US Ambassador to Nepal Randy Berry.

### KOICA And KAAN Organize Tree Plantation Program In Danchi

Korea International Cooperation Agency (KOICA) and KOICA Alumni Association of Nepal (KAAN) organized a Tree Plantation Program on the occasion of World Environment Day continuing its commitment towards conserving natural environment through tree plantation.

The program was organized on June 03, 2022 at Sri Adarsha Secondary School, Bhadrabas, Danchi which is one of the schools under KOICA's Green School Project. Tree saplings were planted in the vicinity of school by the team of KOICA Nepal Office, Korea Overseas Volunteers, KAAN executive members, Management team and students from Eco Club of Sri Adarsha Secondary School.

Besides, adding greenery to the school, the program also supported flower garden. Seasonal and Perennial flower plants were planted in the garden which will be protected and nurtured by school children under the management of Eco Club. The Garden was named "ECO Garden" which was named after ECO Club which was formed under Green School Project initiated in 2021.

KOICA's Green School Project has been running in total 7 schools of Kageshwori Manohara Municipality and Lalitpur Sub Metropolitan City. It has been very instrumental in promoting waste segregation, recycling and promoting healthy environment in schools.

At the same time, the project has also been provided with waste segregation units and colorful classroom bins to motivate the students to learn and do waste management. As the main tree plantation event was organized in one school among seven schools under Green School Project saplings were distributed to other six schools to mobilize their Eco Club in tree plantation aiming to generate a sense of responsibility towards the environment.



The program aimed to initiate some positive environmental actions at institutions

and individual level as a whole considering the importance of the environment for life on earth. As the tree plantation is very meaningful action to generate a sense of responsibility towards the environment and school is the place where we can forward a message for environment protection to the future generation and the larger community from where they belong.

The program was attended by KOICA Country Director Sunghoon Ko and all staffs, executive members of (KAAN, Korea Overseas Volunteers (KOVs) Sri Adarsha Secondary School Principal Jai Singh Choudhary and 35 eco club member students.

### Nepal And Norway Share Views On Post-COVID-19 Economic Recovery

Nepal and Norway held the first meeting of the Bilateral Consultations Mechanism (BCM) in Oslo. Foreign Secretary of Nepal Bharat Raj Paudyal and his Norwegian counterpart Tore Hattrem, Secretary General of Ministry of Foreign Affairs of Norway, led their respective delegations to the meeting.

The meeting discussed a wide range of matters concerning bilateral relations and cooperation between the two countries.

It underscored the importance of high-level visits and interactions among different walks of life including the private sector.



The two sides shared views on post-COVID economic recovery and its challenges, while agreeing to enhance prospects of bilateral trade, investment, transfer of technology and tourism between the two countries in the context of these challenges. The Foreign Secretary commended the valuable support Nepal has been receiving from Norway in various sectors such as education, energy, gender equality and good governance.

With respect to its planned graduation from LDC status and the realization of SDGs by 2030, Nepal highlighted the need of additional resources and measures for building capacity to meet these goals as well as the climate ambition pledged during the COP26.

The Norwegian delegation, while appreciating Nepal for making landmark achievements in social and political domains, assured that the bilateral cooperation and economic partnerships with Nepal would receive continued priority. The two sides agreed to work together at the United Nations and other multilateral forums on the common agendas, such as climate change and multilateralism.



## BUSINESS BRIEF

### Reception Hosted To Welcome Spanish Ambassador To Nepal Ambica Shrestha, Honorary Consul of Spain in Nepal,



hosted a reception to welcome the new Ambassador of Spain to Nepal Jose Maria Ridao Dominguez at Dwarika's Hotel amid a function.

Non-residential ambassador of Spain to Nepal Jose Maria Ridao Dominguez presented his letter of credence to President Bidya Devi Bhandari at Shital Niwas.

At the function attended by high-level government officials, Kathmandu-based ambassadors, honorary counsels and the business community, Shrestha welcomed the newly appointed ambassador of Spain expressing her confidence that Nepal-Spain relations will further strengthen in days to come.

Along with them, the other three non-residential Ambassador of Chili Juan Ronaldo Angulo Monsalve, Ambassador of Jamaica Jason Keats Matthew Hall and Ambassador of Indonesia Heru Hartanto Subolo were also present at the reception.

She recalled the medical support sent by Spain to Nepal during the hype of the Covid-19 crisis. She said that the medical equipment provided by Spain including ICU units helped to save the life of Nepali people.

Shrestha, who is also the president of Dwarika's Hotels, highlighted that tourists from Spain are contributing to Nepal's tourism sector.

Addressing the program non-residential ambassador of Spain to Nepal Jose Maria Ridao Dominguez said that Ambica Shrestha has been working to keep the Spain-Nepal relations strong for so many years. He said that Ambica is a great woman immensely contributing to strengthening relations between the two countries and providing support to the citizen of Spain in Nepal.

### NIBL, Mega Bank Sign Agreement For Merger

Nepal Investment Bank Ltd and Mega Bank Nepal have initiated the process of going for a merger to create a banking behemoth with a total paid-up capital of Rs 34.43 billion.

NIBL Chairperson Prithvi Bahadur Pandé and Mega Bank Nepal Chairperson Bhoj Bahadur Shah signed a memorandum of understanding to take forward the merger process at a program.

Prithvi Bahadur Pandé will be the chairperson, while Jyoti Pandey will be the chief executive of the merged entity,

which will be named 'Nepal Investment Mega Bank Ltd'.

The new executive committee will comprise representatives from the current executive committees of NIBL and Mega Bank.

The paid-up capital of NIBL currently stands at Rs 18.30 billion, while that of Mega Bank Nepal is Rs 16.12 billion.

Also, as the reserve fund of NIBL stands at Rs 14.82 billion and that of Mega Bank at Rs 5.92 billion, the credit portfolio of NIBL is Rs 473.46 billion and that of Mega Bank Rs 150.46 billion, and NIBL has Rs 12.01 billion in deposits to add to Mega Bank's Rs 152.08 billion, the merged entity will be a banking giant in the country in every aspect.

The share swap ratio for NIBL and Mega Bank has been set at 100:90.

Earlier, NIBL had inked an MoU for merger with Himalayan Bank. However, the planned merger fell through when the annual general meeting of the HBL rejected the plan.

The due diligence audit had suggested a swap ratio of 1:1 for the merger between NIBL and HBL.

The actualization of the merger would have made it the biggest commercial bank in the history of the Nepali banking industry in terms of paid-up capital of Rs 26.94 billion. The institutions would have operated jointly under the name of 'Himalayan and Nepal Investment Bank Ltd'.

Preliminary, the swap ratio for NIB and MEGA of 100:90 implies that the number of MEGA shareholders will decrease by 10%.

For example, if a shareholder of Mega Bank had 100 shares then his shares would be reduced to 90 shares in the newly merged company. However, the shares of NIB shareholders would remain unchanged in the new company.

As a result, secondary market trading of both NIB and Mega Bank will be suspended in the NEPSE.

### Global IME And Bank Of Kathmandu Sign Merger MoU

Nepal's two pioneer commercial banks, Global IME Bank Limited (GBIME) and Bank of Kathmandu Limited (BOKL), have finally agreed to merge. They have signed a Memorandum of Association (MoU).

Global IME BOK Limited has been agreed upon as the name of the new bank that will be formed as a result of the merger. CA Ratnaraj Ba-





pracharya will be the bank's Chief Executive Officer, according to the agreement. He is currently the CEO of GBIME.

There will be 5 Board of Directors (BOD) from GBIME including Chandra Prasad Dhakal and 2 from BOK's side in the merged entity.

An agreement has been reached to keep the swap ratio at 1:1 so that it can be altered if the swap ratio advocated by GBIME and BOKL is found to be insufficient.

Both banks have agreed to halt share transactions, as per the board of directors' decision.

According to the third-quarter report (Q3) of F.Y. 78/79, the share capital of GBIME is Rs. 23.79 Arba, whereas that of BOKL is Rs. 10.62 Arba. Following their merger, the core capital of the bank will be Rs. 52.29 Arba.

Likewise, the merged company will have a total paid up capital of Rs. 34.41 Arba, surpassing the MEGA and NIB's total paid-up capital of Rs. 32.81 Arba. With this merger, the bank will have the largest paid-up capital in Nepal. The total deposits and loans will be Rs 384 and Rs 380 arba respectively.

Both the banks have been able to make over Rs 6 billion net profit till the end of Jestha 2079. The total branches of the merged entity will be 385. Also the number of ATM, branchless banking and the extended counter will be 367, 275 and 61 respectively. There will be 3 contact offices internationally. Overall the bank will be able to render its services to more than 37 lakh customers in Nepal.

The merged company, Global IME BOK Limited, will be in operation as a result of previous mergers with 21 banks and financial institutions, which includes 5 'A-class' Commercial banks, 10 Development banks, and 6 Finance Companies

### NEA Urges Gandaki Provincial Govt To Expedite Projects

Managing Director of NEA Kul Man Ghising briefed Chief Minister of Gandaki Province Krishna Chandra Nepali Pokharel about the projects under construction and distribution in Gandaki, the problems seen in the construction of the projects, the obstructions in various places and the progress of complete electrification of the province.



During the briefing, Minister for Energy, Water Resources and Drinking Water Hari Sharan Acharya and Chief Secretary Rabi Lal Pantha in Pokhara discussed the problems of power transmission and distribution.

MD Ghising urged them to expedite the work of the projects under construction and proposed to expand the power transmission and distribution lines in Gandaki, which has great potential for hydropower generation.

"Some districts of the province are still not fully electrified. There is a problem of low voltage in power supply. We are always ready to provide necessary assistance and facilitation to resolve this and move ahead with the work for adequate and reliable power supply," he said.

Minister for Energy, Water Resources and Drinking Water Acharya said that continuous initiatives have been taken in the field to solve the problems faced by the power projects locally.

Locals have obstructed the construction of Kaligandaki Corridor 220 kV, Bharatpur-Bardaghat 220 kV, Marsyangdi Corridor 220 kV, New Modi-Lekhnath 132 kV transmission line in various districts of Gandaki.

#### Obstruction in Birauta substation

The locals have been obstructing the work of the proposed substation at Pokhara Metropolitan City-17 Birauta for several years to make the power supply of Pokhara reliable and qualitative.

MD Ghising said that if the construction of 132/11 kV substation could not be started immediately, there would be forced load shedding in Pokhara as the present capacity would not meet the demand.

Ghising urged Chief Minister Pokharel to take necessary initiative to remove the obstruction of locals.

### World Bank Provides \$80 Million To Improve Water Supply In Nepal

The World Bank's Board of Executive Directors has approved an \$80 million project to help Nepal improve the delivery of water and sanitation services and promote integrated water resources management.



"This project aims to strengthen the delivery of water and sanitation services at the local level by building the capacity of municipalities and thereby supporting Nepal's historic transition to federalism, while at the same time addressing critical gaps in water and sanitation infrastructure that hinder Nepal's economic progress," said Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal, and Sri Lanka.

The Water Sector Governance and Infrastructure Support Project will be implemented in strategic towns and rural municipalities in Karnali and Sudurpashchim provinces. Both provinces have low access to water supply and sanitation services, a higher incidence of poverty, and are vulnerable to climate change.

The project will help the local governments develop viable institutions to deliver water supply and sanitation services sustainably and efficiently. The project will also strengthen the accountability of the sector to customers by building the monitoring and regulatory capacity of provincial and federal government agencies in the sector. These will be complemented by investments in construction and rehabilitation of vital water supply and sanitation infrastructure, as well as water-quality surveillance facilities and monitoring systems.

# Balen's Challenge: Managing Urban Floods

## Overcoming Institutional Anarchy



BY: DIPAK GYAWALI

Technically, a wicked problem is one where contending parties cannot even agree on defining “what the problem is”, let alone agreeing on solutions. It cannot be solved through comfortable knowledge of textbook engineering or easy market economics which probably got us into the mess in the first place, requiring instead “un-comfortable knowledge” that challenges conventional thinking. Eventually, what would emerge is a “clumsy solution” that does not fully please all the contending views, requires many compromises from all opposing sides, but allows awkward moving forward with piecemeal engineering, both social and physical.

Kathmandu's newly elected independent mayor Balen Shah, in addition to the myriad other challenges he has to cope with, has to handle precisely such a wicked problem that is urban flooding. A freak 15-minute thunderstorm turns Kathmandu's streets into raging torrents that sweep away motorcyclists, minivans and even unsuspecting school children to their death. It is easy and fashionable to blame climate change for high intensity rainfall – and thus wash away any moral culpability the delinquent authorities, municipal and national, have to bear for this problem. Unfortunately, while climate change is going to give us increased intensity and frequency of both floods and droughts in the decades ahead, the root of the problem lies in the past years of here-and-now of mal-development that cancerous urban growth has seen, beginning with the last decade Panchayat system after the 1980 national referendum and accelerating

thereafter.

North-East Kathmandu on the left (eastern) bank of Dhobi Khola is a classic example, much of it the catchment of its sister tributary Chakhunja Khola (now paved over for a main road with the river forced into 48-inch hume pipes!). It saw itself transformed from green paddy fields to packed, cheek-by-jowl housing development in these four decades. The area from Chabel Chowk on the Ring Road to Kopan monastery to the north is today as, if not more, densely packed as core city areas of Patan or Bhaktapur. Comprising of Kathmandu municipality's wards 6 and 7, Budhaneelkantha's wards 10, 11 and 12, as well as Gokarna's ward 9, it has at least thirty thousand houses by eyeball estimates and a population close to two hundred thousand.

If one assumes each house has cost on an average thirty million rupees to build (and they are fairly well-built fancy houses!), we are talking nearly a trillion rupees of private investments alone! And if one adds to that public utility services of roads, electricity, telephone and internet cables, water supply etc., the number heads towards the astronomical. And if you multiply the replication of Dhobi Khola urbanization across Kathmandu valley several times – from Thankot to Sanga Bhanjyang, and Saankhu to Chapagaon, it is impossible to imagine that Nepal is a poor country!! And it is also very difficult to believe that just over thirty years ago, much of these areas were lush green rice fields!

What the third decade of Panchayat failed to do, i.e., decentralize development to the cities and districts outside Kathmandu valley,

multiparty system since 1990 failed to even more dramatically. Jobs, schools for children and hospitals for the sick were all concentrated in the capital with rent-seeking politicians adept at centralized patronage dispensing. It became imperative for people outside Kathmandu hoping to advance their careers or businesses to have a toe-hold, a roof over their heads, in the city's vicinity. Maoist insurgency since 1996



Forcing Chakhunja Khola (major Dhobi Khola tributary) underground, building a road & transmission line over it



Wholly inadequate outlet for Chakhunja Khola at Dhobi Khola confluence





greatly accelerated the process with anyone who was anybody in the districts feeling highly insecure and thus needing to relocate to Kathmandu for safety. Politicians in cahoots with land speculators (*jagga plotting dalals*, in Nepali) were quick to take advantage of this new-found demand.

This Dhobi Khola area is the battleground constituency of Kangress's Gagan Thapa and the UML's Rajan Bhattarai, both leading icons of their own parties. In discussions with locals about development initiatives, especially the resettling of their followers and providing them perks, the name of president Bidhya Bhandari also comes up as this was the electoral constituency of her late husband Madan Bhandari. So too do pop up names of former vice-president Paramananda Jha, RPP leader Buddhiman Tamang and many more. Denizens of this settlement include current and retired judges, chief engineers, director generals, senior journalists, aid agency officers, NGO stalwarts and many more such luminaries.

Unfortunately, with the exception of one lone *Tol Sudhar Samity* in Kathmandu #6, they are all highly individualized with little sense of community cohesion; and having bought their plot of land from some broker, have bargained for whatever

public service such as roads or drains or water supply they could muster mostly at an individual level.

This is where their current woes stem from. Having never considered drainage as a collective public good but only as one of individual convenience, they find that, having built over rice fields, paved over rivulets and natural drainage channels for streets, and blocked spring outlets, streets turn into raging torrents even during normal thunder storms. Their ground floors are regularly flooded as Chakhunja river struggles to find its outlet to Dhobi Khola.

And the Nepali state as well as municipal/VDC authorities too having failed on this count as departments such as survey, roads, irrigation etc. have turned a blind eye to public land and riverine zones being criminally privatized and sold. (It is said the Survey Department refuses to give out cadastral maps of this area on application request as that would open up a can worms of the corruption therein!) If this is the state of surface flow, there is an even greater danger lurking in its groundwater. Because of individual blocking of spring outlets, groundwater and soil pressure is building

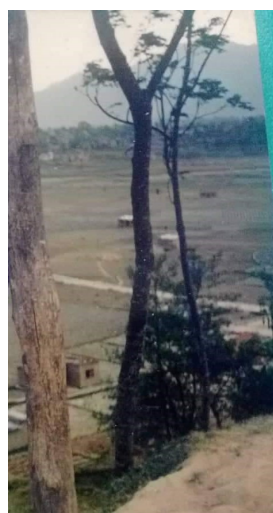
up in unlikely of places, pointing to possibilities of massive slope failure and subsidence, especially if earthquake tremours were to take place during the rainy season leading to high liquefaction.

Individualized approach to public goods such as drainage and roads – coupled with competitive political patronage – has led to the anarchic situation of multiple agencies working at cross-purposes to build drains. Chakhunja Khola has been forced into huge pipes totally incapable of handling thunderstorm floods with multiple connections in the upper reaches and inadequate capacity at the lower end by the time its main stem reaches Dhobi Khola. And working on short specific stretches at the behest of powerful individuals with no coordination whatsoever have been many government bodies whose professional technical staff should have known better: the Melamchi project, Irrigation Ministry's Department of Water Induced Disaster, Kathmandu Valley

Development Authority, and Local Development Ministry. Strangely, neither Kathmandu nor other municipalities have invested much in drainage work, except for individuals personally favoured by former mayor of Kathmandu.

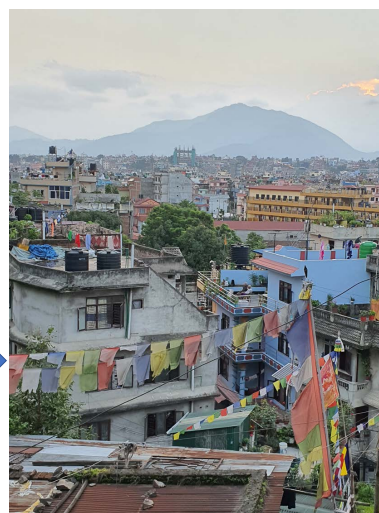
While individual households have come up with creative and much-needed

solutions – from raised dykes in front of their shops and house entrances, plugs for drains to prevent backflow of sewerage, roof water not allowed to spill into the yard but collected into wells – they are hardly adequate to solve the problem's totality. But given the individualized nature of the settlement, it would also not be wise for mayors of Kathmandu, Budhaneelekantha and Gokarna to impose any planned solution. Indeed, there are already rumblings of discontent and preparations to go to court against neighbours across the block! Better would be for them to facilitate more *Tol Sudhar Samities* to first discuss this wicked problem among themselves. These civic bodies (with municipal leadership help) would need to find pointers from uncomfortable knowledge of floods and hydrogeology, land taxation/equitable household contributions, anthropological understanding of institutional evolution of public endeavors etc. Only then could they arrive at outlines of clumsy solutions before municipalities or government bodies could provide them practical relief measures. Failing that, it would be more money literally going down the drain!



Dhobi Khola flood plains & rice fields in early 1980s

View today from same Mahankal hillock of the built up Dhobi Khola flood plains





U.S. ARMY GENERAL'S VISIT

# Fake Info Drowns Reality

*Although the four-day visit of Commander General Flynn of the United States Army Pacific Command (USARPAC) was conducted in a transparent and open manner, fake information circulated through social media, and traditional Nepali media, overshadowed the good part of his visit*

By A CORRESPONDENT

In the words of American scholar late Leo Rose, in his book Nepal: Profile of a Himalayan Kingdom, international factors have a strong and often decisive impact on Kathmandu's domestic politics.

Surrounded by two big and powerful neighbors, Nepal's attempts to go beyond its existing geo-strategic dimensions have always received strong resistances. As just before prime minister Sher Bahadur Deuba's schedule to visit Washington starts, social media and political leaders, particularly communist leaders, have created a big storm, putting pressure on Deuba.

Debates started in the domestic sector demonstrate the painful fact of Nepal described almost 42 years ago by American scholar Rose.

## Deuba's Forthcoming Visit

As the members of parliament and social media started to express views, Minister for Foreign Affairs Dr. Narayan Khadka intervened with an official statement. He said that the arrangements are being made to prepare for Prime Minister Sher Bahadur Deuba's visit to the United States of America.

Responding to lawmakers' query about Prime Minister Deuba's visit planned for the USA, he said the final decision in regard to it is still





awaited.

Minister Dr. Khadka clarified that such visits would be made in a transparent and accountable manner. Khadka also informed that the Chief of Army Staff would go to the US after visiting Syria and said that the visits of high-ranking officials to and from friendly countries would continue. He clarified that Nepal did not lean to the north or the south and was firm in its balanced policy for the benefit of Nepal. “The head of the government’s foreign visit is customary,” he added.

#### Point of Debate

The efforts to drag Nepal and U.S. relations into controversy started from different quarters, particularly communists, after the completion of the four-day successful visit of U.S. Army General Flynn and his delegation to Nepal. The debates centered on State Partnership Program (SPP) between Nepal and the U.S.

Although Minister for Foreign Affairs Dr. Khadka declared that the matter on State Partnership Program (SPP) with U.S. is over, com-

munist leaders are yet to give up their demands.

“The matter is already a closed chapter with the Nepali Army (NA) clarifying it. Thus, it is not necessary to bring the topic into a discourse again,” said Dr. Khadka responding to the queries in the House of Representatives.

According to Minister Dr Khadka, it is not possible for Nepal to be part of any military alliance as it is highly aware of its geographical position and the sensitiveness of its neighboring country.

#### Disinformation And Fake News

Disinformation like Nepal entering a secret military agreement with







U.S. against China and India and Nepal attempting to be a military base were widely circulated recently.

From well-informed leader of coalition partners, former prime ministers Dr. Baburam Bhattarai, Madhav Kumar Nepal and Pushpa Kamal Dahal, to former ministers Pradeep Gyawali and Bhim Rawal, let alone firebrand North Korean style communist leader Prem Suwal, all of them raised the issue terming SPP with the U.S as a military agreement.

However, Nepalese officials including ministers and the Embassy of United States termed all that information was fake, fabricated and false, as the campaign to damage the bilateral relations was doing the rounds for a few days.

#### Led by Communists

In the last seventy-two years of democratic history of Nepal, communist forces have been thriving, pushing Nepal into a prolonged instability. This time it was no exception. Although all communists are divided over their internal matters, and some don't see each other's face, all of them held united voices against SPP.

Having thrived on anti-Indian and anti-American slogans, Nepal's radical communists are highest beneficiaries of liberal democracy.

Although former deputy

prime minister and ruling party member Madhav Kumar Nepal has toned down his comments after clarifications from the foreign minister, UML leader and former foreign minister Pradeep Kumar Gyawali, former defense minister Ishwor Pokharel and leader Bhim Rawal demanded that the government should clarify the letter said to have been written by it in regard with SPP, and implement a balanced foreign policy.

Talking about America's State Partnership Program (SPP), foreign minister Dr. Khadka said that it was a mechanism developed by the United States to extend humanitarian aid during natural disasters and foster cultural exchanges. The communists-led campaigners did not listen to it.

Even after the statements of two ministers, Nepal's parliamentarians from UML and Nepal's radical communist party including Maoist center and Unified Socialist pressed for further clarification.

At a meeting of International Affairs Committee, dominated by communists, Nepali Congress members, however, defended the government.

Former Deputy Prime Minister and committee member Prakashman Singh stressed that there was no need to doubt the government's clarifications on the SPP.

Likewise, former Deputy Prime Minister and committee member Sujata Koirala said the government has already clarified the matter and it is no more necessary to discuss the matter ahead.

#### What Is SPP

"The State Partnership Program (SPP) is an exchange program between an American state's National Guard and a partner foreign country. The U.S. National Guard domestically supports U.S. first responders in dealing with natural disasters, such as earthquakes, floods, and wildfires."

According to Embassy, SPP has existed for over 25 years and includes over 80 partnerships with over 90 countries, the majority of which are not in this region. In the event of natural and other disasters, ranging from hurricanes to earthquakes, floods, and fires, the United States seeks to share the best practices and capabilities of our National Guards — our first-line responders. SPP can be an effective means of facilitating this type of cooperation.

#### Nepali Army Clarifies About SPP

After an effort to drag Army into controversy, the Nepali Army's Public Relations and Information Directorate has clarified that the Nepal Army has not entered into any agreement or understanding regarding the SPP with the US Army or the government and there is no such process to reach any agreement to that end.

"The Nepali Army has always been clear and aware of the fact that the non-aligned foreign policy pursued by Nepal, the specific geopolitical position of Nepal and its strategic sensitivities should not be adversely affected by any military partnership with anyone," reads the statement.

#### U.S. Embassy's Clarification

The Embassy of United States in Nepal says that the document published by some online outlets purporting to be a military deal between the United States and Nepal is fake.

"The document published by some online outlets purporting to be a military deal between the United States and Nepal is fake. By policy, the United



States does not ask countries to join the State Partnership Program and only responds to requests for consideration,” writes U.S. Embassy on its Facebook Page.

Minister of Law, Justice and Parliamentary Affairs Govinda Bandi bluntly said that all information published in the social media regarding the SPP and Nepal is fake.

#### Four Day Visit

Nepal and the United States have been regularly hosting each other's army delegations. The heads of USARPAC has been regularly paying Nepal's visit as Nepalese Army chief reciprocating with visiting United States. Traditionally, Nepalese Army chief visits India, China, United Kingdom and United States almost regularly.

As in the past, visiting Commander General Flynn, commander of the United States Army Pacific Command (USARPAC) of the United States of America, and his delegation visited Birendra Peace Operation Training Center Panchkhal and Army Command and Staff College (ACSC), Shivapuri.

According to a press release issued by Nepal Army, Commander General Flynn and his team were briefed by the commander and head of the peace center and the activities currently undergoing and current state of the center.

General and his team also conducted an inspection visit of the center. During the visit, Nepal Army generals expressed hope that U.S. Army will increase its support to further strengthen the training center.

After the inspection visit, the team visited Army Command and Staff College (ACSC), Shivapuri. Addressing an interaction in the college, Commander General Charles A. Flynn said that Nepali Army is a dependable land power and one of the oldest armies of the world.

Attended by Nepal Army's Generals and officers, General Flynn also inspected the college. He also planted a tree in the premises of the college.

During his visit, General Flynn also paid a courtesy call to President Bidhya Devi Bhandari and Prime Minister Sher Bahadur Deuba and CoAS General Prabhu Ram Sharma.

General Flynn also visited Nepali Army Headquarters on June 10, 2022. He also held discussions with Chief of Army Staff of Nepal Army General Prabhu Ram Sharma and Nepal Army's delegation.

In honor of General Flynn, Nepal Army offered a guard of honor to him. During his visit, Nepal Army has presented different operation activities of Nepal Army. During his meeting with CoAS Sharma, they discussed the matter of mutual interest and bilateral issues.



As U.S Army has been providing technical and human resources as support to Nepal Army, in managing humanitarian affairs and disasters and strengthening the capacity of Nepal's UN Peacekeeping forces, it is a normal practice to do so.

As the issues flared up, the debates diverted from humanitarian support and disaster cooperation between the two armies to military alliance.

Nepal Army in its official press release said, “this kind of high-level visit has further strengthened the existing bilateral relations between the two countries and enhanced mutual respect between the two armies.” Similarly, U.S. Embassy in Nepal in its tweet says “General Flynn's visit was a success.”

Home Minister Bal Krishna Khand said Nepal and the USA continued to see bilateral goodwill visits and

exchanges of regular assistance since the beginning and a recent visit from the USA was the continuity of the same culture.

Although the recent controversy is slowly receding after the intervention by the government, this kind of storm will not die any time soon. Celebrating 75 years of establishment of diplomatic relations with Nepal and contributing immensely in overall development of Nepal, United State has been a key partner of Nepal.

As the global balance of power is shifting, Nepal's big challenge now is to balance its relations with U.S and two fiercely competitive neighbors India and China who dislike any kind of strategic presence of the sole super power in Nepal.

“Given its track record, however, it is reasonable to assure that Kathmandu will continue to function as independent and fiercely nationalist polity- that advance its perceptions of Nepal's interest,” said late Rose.

In recent years, Prime Minister Deuba, with Ministry of Foreign Affairs under good hands, and his own team led by his spouse Dr. Arju Deuba Rana, has made a great stride in foreign affairs restoring friendly relations with its neighbors particularly with India. PM Deuba may do a similar feat with the U.S. by skillfully balancing the relations.

# Sweden's Neutrality Is Gone, Nepal's non-Alignment Must Stay



BY: KATAK MALLA

At the time of this writing, a letter dated October 27, 2015, undersigned by the then Army Chief Rajendra Chhetri, addressing the US government's State Partnership Program is widely circulated in the Nepal media outlets. The authenticity of the letter is now confirmed by the current Army Chief Prabhu Ram Sharma. When the letter was sent to the US, the Nepal government was headed by the prime minister KP Sharma Oli, who is the current leader of the Nepal Communist Party United Marxist-Leninists.

The said letter was written seeking for partnership with the US for "long-term, enduring and mutually beneficial security relationships to exchange military skills and experience, share defense knowledge, enhance partnership capacity and further mutual security cooperation." The content of the letter, especially 'security relations' and 'security cooperation, is being considered by many as contrary to Nepal's non-aligned foreign policy principle.

The Swedish rationale for joining North Atlantic Treaty Organization (Nato) and Nepal's presumed need to keep its non-alignment intact are relevant issues for the current discussion.

With the ongoing Russian military attack on Ukraine on February 24, 2022, and the chain of events since then along with Finland's decision on May 12, 2022, the Swedish Parliament on May 16, 2022, made an unprecedented decision to join nato. Sweden and Finland have already submitted their applications to Nato headquarters. The decision is being described by the Western media outlets as 'historical and as a' radical

shift' from centuries-long neutrality to the military alliance, although the two countries since the 1990s have been engaged in Nato through the 'partnership for peace' agreement.

At the outset, it can be said that the two countries will now be 'partners of war' under Nato protecting themselves as well as other Nato members. According to Article 5 of the Nato Treaty, "an attack on one member is considered an attack on all." Nato claims to be a collective defensive military organization, although Nato can be used for both defensive and offensive purposes.

**Despite its dysfunctional democracy and lack of economic development, Nepal's role in the UN peacekeeping operations is significant (Nepalese diplomats need to tell the world about it). The most important example is Nepal's non-alignment in the Sino-Indian war of 1962.**

After all, the terms 'defensive' and 'offensive' have a double meaning in any war situation, e.g., whether the 2003 US illegal invasion of Iraq was defensive or aggressive (whether it was a provoked or unprovoked war) is still being debated. The very logic of international law that 'two mistakes don't make a right, whether it relates to US or Russia or any other state, needs to be applied.

Russian President Vladimir Putin's invasion of Ukraine has led to indiscriminately mass murder in Ukraine as did the US in Iraq. These are blatant violations of the principle of non-intervention. In addition, the Russian aggression being an invasion made by a permanent UN Security Council member also damages the UN system that evolved after the second world war, in effect creating a lawless world. The five permanent members of the UN Security Council, who are responsible for the maintenance of peace and security, have failed in their responsibilities. Weapons of mass destruction and mil-



itary alliances seem normalized. Voices for nuclear disarmament are being overshadowed by militarism, arms race, and nuclear terror.

Putin has been instrumental in creating both physical and mental terror in Europe in general, and in Scandinavia in particular. The invasion has whipped up public opinion in Finland and Sweden for Nato membership. Before the war, Finland's public opinion in favor of Nato was less than 20 percent which increased to 76 percent at the time Finland officially decided to join Nato. Similarly, in Sweden, the opinion increased from an initial 22 percent to 53 percent at the time when the government decided to enter Nato.

It is reasonable that people unite in times of crisis. Some people may be happy with the decision to join Nato, but others are mourning the passing of neutrality. Everyone, however, seems to be realizing the fact that life will never be the same again in Scandinavia. The decision also gives an opportunity to reflect on whether Sweden's neutrality has been genuine in the past, especially during the second world-war, giving German Nazi troops passage through the country towards Norway. Swedish arms sales and Swedish alignment with the US after the second world-war also subjects for reflection on Swedish foreign policy and neutrality in the past.

## Some tenets of Sweden's foreign policy

Sweden has been a successfully neutral state for about two hundred years or more, keeping itself out of the first and second world wars. The Swedish neutrality image reached its height at one point being known as a moral superpower. Under the leadership of Prime Minister Olof Palme, especially in the 1970s, Sweden was well-known for its commitments to democracy, human rights, peaceful settlement of disputes, and opposing arms race in demanding nuclear disarmament. Palme's opponents have been advocating for joining the Nato alliance for a long time. Now, it is Palme's own Social Democratic Party that has changed the course of Swedish neutrality.

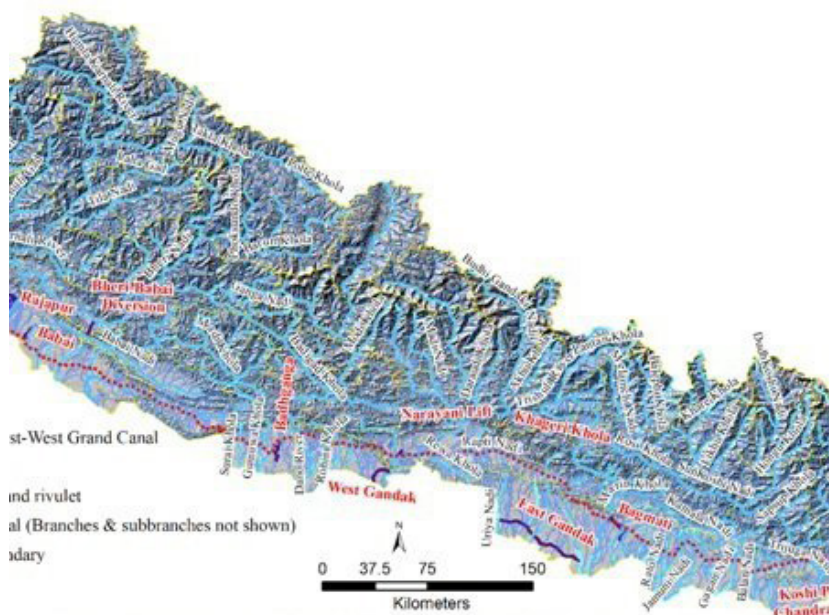
The current Swedish leadership may wish to keep its image of neutrality and continue its basic tenets of foreign policy. Practically, however, Sweden is transiting from its advocacy for disarmament toward a strategic arms race, and from a peaceful settlement of disputes toward military use of force. As a neutral state, Sweden had been a fellow partner with the non-alignment movement advanced by newly independent states after the second world war. Now entering the Nato umbrella, Sweden and Finland will have to be the actors of war not only for its own defense but for all Nato members.

Sweden may face some initial difficulties in convincing the world public at large about leaving its long-adhered policy of nuclear disarmament. Sweden - as well as Finland - will have to be dependent on nuclear arms parity between US and Russia (e.g., the number of intercontinental ballistic missiles, which according to some reports has 665 and Russia 760). In addition, as Nato members, Sweden and Finland would be required to build not only more conventional arms, but perhaps also nuclear arms, not to mention the increase their military budgets. Although necessary it will be difficult for Sweden to be a trustworthy voice to the world audience regarding the need for nuclear disarmament as it used to be before. These are important issues needed to be studied strategically but is outside the scope of this writing. Only a few, but important, rationale and issues involving the historic decision to join Nato are addressed here.

## Rationale

Firstly, the rationale that 'extraordinary situation

and extraordinary measures are presented as a genesis of the Swedish decision, although Sweden is not in a war situation yet. Without public referendum and/or wider public debate, the ruling Social Democratic and opposition Moderate parties decided to apply for Nato membership along with Center, Liberal and Christian Democrat parties, including extreme right-wing Sweden Democrats. Out of the eight parties in the Swedish parliament, only the Left and Green parties oppose to join the military alliance.



## VIEWPOINT

Secondly, the rationale that there is 'no viable alternative to Nato', is imperative to take the decision. This is unique, pointing to the perception of all other means of defense having come to an end, including UN avenues of peaceful settlement of dispute and co-existence that Sweden used to champion. It seems, that working for peace in Ukraine through talk and de-escalation is an impossible task.

Thirdly, yet another rationale is that we do not want to be 'intimidated' by Putin and his bullying to neighboring countries. And, therefore, it became necessary to show Putin that we make decisions on our own. This argument may have helped the rise of public opinion toward Nato. An additional argument is that the decision will not only strengthen the national security of the two countries, but also the collective security of Nato members. It reads as a reasonable argument. As we look at the other side of the argument though, it should also be acknowledged that Putin's aggression put pressure on Sweden and Finland to join Nato.

Fourthly, that Sweden will not let nuclear weapon installations on Swedish ground and not let Nato troops being based in its territory, is yet another rationale; but the question stands, how the two countries could defend themselves against Russian attacks without having nuclear arms for themselves - or without Nato's nuclear arms in their territories in a worst-case scenario.

Finally, Sweden's and Finland's entry into Nato could be added value to Nato, both countries having high-quality military technology. This is a reasonable argument. At the same time, Sweden will have to exchange its long-earned neutral image and siding with a military alliance, perhaps not by choice but by compulsion. In this context, Sweden's liberal, peaceful, and the democratic image is at stake. As the tension rises, Sweden and Finland would need to rethink building nuclear weapon capability. If Sweden and Finland choose to develop nuclear weapons, Germany and Japan may consider rearming themselves. What would happen if Japan and Germany upgraded themselves into nuclear-weapon powers? What kind of world would it be like?

### **The nuclear terror era has begun**

The world has entered an era of nuclear-weapon terror. Russia is threatening to use nuclear weapons. One can only guess that the US and other nuclear-weapon

powers are closely watching Russian threats. Nobody knows Putin's next move. He has warned to put nuclear weapons in Kaliningrad by the Baltic sea if Swe-

den and Finland join Nato. It may be Europe's 'Cuban missile crisis' - somewhat similar to when in 1962 the two superpowers of the US and the Soviet Union were having a face-to-face nuclear confrontation. Ukraine is also being called a new 'Afghanistan for Europe'.

Putin is being described as a gambler and a calculating risk-taker by some. His physical health and mental psychology are being discussed in media outlets. Whatever is true, Putin's invasion of Ukraine has given a new lease of life to the declining US empire; the former US President Donald Trump had openly declared that Nato was obsolete. Nato leaders and strategic analysts may be studying possible consequences to Nato itself if the US elects a Trumpian kind of president again in the future.

### **Neutrality as a non-military target**

There are countries in Europe that have not shifted their opinion due to Putin's war on Ukraine, e.g., Ireland remaining neutral. Neutral states are supposed to be non-military targets during wars according to the long-established practice of international law. The US carpet bombing of neutral Cambodia during the Vietnam war was an obvious violation of international law. The war was neither declared by the US Congress nor had any legal basis. It was the aggression against Vietnam guided by political ideology and sphere of influence. The only legal basis for the American war against North Vietnam was said to be based on the so-called self-defense of South

Vietnam. The logic of Cambodia was that the then Cambodian head of state, Prince Norodom Sihanouk appeared more friendly to the communists than to the Americans. The US also invoked 'hot pursuit' or chasing or catching Vietnamese fighters in the territory of Cambodia. But no convincing evidence was ever presented.

### **Is Putin going to end the war without the neutrality of Ukraine?**

It is not only Nato members but also neutral countries like Switzerland that are supplying arms to Ukraine. At the same time, Nato leaders are trying to avoid direct confrontation between Nato and the Russian military. Ukraine's President Volodymyr Zelensky has asked Nato to establish a 'no-fly zone' over Ukraine which has been declined by Nato. Regime change in Russia is expected but not argued for by Nato. The Nato leaders must realize that Russia is not Afghanistan, Libya, and Iraq where regimes were changed by wars. How will Nato manage nuclear weapons after a Russian defeat or Putin's regime change? Will a new regime in Russia

**Nepal opposed the Soviet invasion of Hungary and Czechoslovakia. Nepal also opposed the Soviet Union's invasion of Afghanistan. Nepal's representative to the UN, Rishikesh Shah took a stand at the UN against Soviet leader Khrushchev representing history.**



be less nationalistic than the current one?

Nearly one month after the Russian aggression, Ukraine's President Zelensky offered a declaration of neutrality to Russia for peace 'without delay.' Zelensky's offer for peace includes 'security guarantees and neutrality, non-nuclear status'. No further discussion has been made on this proposal.

### **Turkey's opposition**

Sweden is determined to join Nato, sooner or later, despite the media reports that Turkey is opposing Finland and Sweden to enter Nato (a unanimous decision of all Nato members is required for new member admission). Who knows if Turkey is bargaining with the US for the F-16 fighter aircraft delivery, indirectly working with the Russians or both? Both Sweden and Finland are being accused by Turkey of sheltering the Kurdistan Workers' Party, which is resisting Turkish domination in the Kurdistan region. Some reports suggest that Putin is 'secretly controlling Hungary and Turkey to stop the West in its tracks.' Hungary and Turkey have a different understanding of the very idea of democracy, which poses new challenges for Sweden and Finland having to deal with. Above all, EU member states have not decided on the long-standing Turkish application for EU membership. Some Nato leaders have called the fight for Ukraine as a fight between democracy and dictatorship. The world's well-known war strategist Henry Kissinger suggests that international politics has entered a 'totally new era' and it is strategically unwise to describe the Western support to Ukraine as a strategy to protect Ukrainian democracy against the Russian dictatorship.

### **Nepal's non-aligned foreign policy**

To be neutral is to stay out of the war regardless of right or wrong. Non-alignment means taking non-military measures to prevent war. Nepal has taken a just stand against the Russian invasion of Ukraine. China and India have not opposed Russia in the Ukraine war. Nepal's foreign policy has long been based on the principle of non-alignment. For example, since the mid-1950s, Nepal joined forces with the Non-Aligned Movement in opposition to Nato and Warsaw Pact. Nepal is the first Asian nation to recognize Israel, and at the same time constantly supports the Palestinian people's right to self-determination. Nepal had taken a stand against apartheid in South Africa at a time when the US and Britain were supporting apartheid. Nepal opposed the Vietnam War, in relation to the US, and likewise, Nepal took

a stand against the US military invasion of Grenada.

Nepal opposed the Soviet invasion of Hungary and Czechoslovakia. Nepal also opposed the Soviet Union's invasion of Afghanistan. Nepal's representative to the UN, Rishikesh Shah took a stand at the UN against Soviet leader Khrushchev representing history. As Nepal's envoy, Shah opposed the Soviet invasion of Hungary and Czechoslovakia even without instructions from the Nepalese government. At the time when Britain, France and Israel invaded Egypt to control the Suez Canal, the Soviet Union sided with Egypt in the Suez Canal conflict, Shah protested the Anglo-French invasion. The United States threatened economic sanctions on Britain, France, and Israel. This was the cornerstone of Nepal's non-alignment. The Nepali government did not like what Shah did at the UN. He was also criticized by India. During his short tenure as ambassador to the United Nations, Shah has contributed to the growth of Nepal's non-

aligned foreign policy. Time Magazine (October 24, 1960) writes that "Rishikesh Shah, the most influential diplomat in Nepal to make" non-aligned foreign policy respectable".

Despite its dysfunctional democracy and lack of economic development, Nepal's role in the UN peace-keeping operations is significant (Nepalese diplomats need to tell the world about it). The most important example is Nepal's non-alignment in the Sino-Indian war of 1962.

Because of geographical proximity with Russia and having utilized the described rationale earlier lead Sweden and Finland ended neutrality and non-alignment once and for all. But Ireland did not. Nepal should not always look down on the importance of having taken a non-aligned position historically. Sweden and Finland may not have found a viable alternative to a military alliance. Nepal's non-alignment provides alternatives as the situation changes, raising its legitimate voice without joining a military alliance and contributing to the UN for peace. Nepal's non-alignment must remain. Non-alignment is a strength, not a weakness. As Howard Zinn put it, "you can't be neutral on a moving train, you have to take sides." Taking sides as non-aligned means standing up for nuclear disarmament, peace and coexistence, peaceful resolution of disputes, human rights, democracy, etc. Non-alignment is a strength of moral power. It is a choice for any state how to use it, i.e., either to join the powerful bully or uniting small powers against bullies.

**It is reasonable that people unite in times of crisis. Some people may be happy with the decision to join Nato, but others are mourning the passing of neutrality.**

# Foreign Policy Options

*At a time when the old World Order is in a transition, Ministry of Foreign Affairs starts YN Khanal Lecture Series to explore Nepal's Foreign Policy*

By KESHAB POUDEL

With the Russian invasion of Ukraine, the world order has been deeply polarized again.

At a time when Nepal's two neighbors India and China are absent in the UN voting on the issue, Nepal firmly stood against the Russian invasion against Ukraine and voted supporting Ukraine's national integrity and independence.

Given the intensity of division in the global politics, starting academic discussion on the issues of Nepal's foreign policy is highly important. Unlike using a highly sensitive terminology like Sagarmatha Sambad, the start of a series of discussion, taking a moderate posture, is a diplomatically right step.

Situated between two prominent global powers, India and China, a small country like Nepal has no option other than to understand its limitations. In this context, choosing to feature YN Khanal, a career diplo-

mat, and highly acknowledged for his calibre, in the lecture series is a wise work of the ministry.

At the function attended by people from different walks of life including Kathmandu based foreign diplomats, secretaries, former Nepalese ambassadors and cadres of Ministry of Foreign affairs, many experts termed this initiative as important.

"Thought-provoking discussion about Nepal's foreign policy - past, present & future. The inaugural Prof YN Khanal Lecture, delivered by Prof SP Subedi proposed new opportunities to position itself as a middle power," tweets Felicity Volk, Australian Ambassador to Nepal.

Other ambassadors also hailed the series to know Nepal's policy. However, some also pointed out the shortcomings in the lecture. Although Nepal voted in favor of Ukraine denouncing Russian invasion in UN, no one said anything on

the series regarding Nepal's position.

Diplomatic relations by United Arab Emirates and other Gulf nations like Bahrain, global state on Middle-East and Israel are changing. Although Nepal was the first country in South Asia to establish diplomatic relations with the state of Israel 62 years ago, Nepal's voting pattern in UN regarding the issue of Israel has not changed.

Although Professor Dr. Surya Subedi talked about the need to change Nepal's policy to go global, he did not speak any word regarding Nepal's position on changed context of Middle- East and Israel.

"Nepal is unable to provide strong support to Ukraine's independence as it did in the UN voting. No one spoke about the invasion and Ukraine's painful suffering," said a foreign diplomat on condition of anonymity.

## New move

With the assumption of the post of foreign minister by Dr. Narayan Khadka, who is himself a scholar on Nepal-India relations, and well informed foreign secretary Bharat Prasad Paudyal and capable career civil servants of Foreign Service, two recent initiatives taken by Ministry of Foreign Affairs will contribute to make foreign ministry as a professional institution.

By the way highly important questions were posed by young civil servants working at the Ministry of Foreign Affairs during the discussion at the YN Khanal series, one can see the institutionalization of Ministry of Foreign Affairs with a new breed of diplomatic cadres.

After observing the first Foreign Service Day, the Ministry of Foreign Affairs had started the





lecture series named after Professor YN Khanal, a legendary scholar, bureaucrat and a career diplomat of Nepal's foreign policy. The first edition of Prof. YN Khanal Lecture Series concluded by debating various issues related to Nepal's foreign policy.

One hour-long presentation and another half-hour-long discussion highlighted the concurrent global and regional issues and Nepal's positions and places in the new order, the organizers said.

The keynote speaker at the program, Prof Surya Prasad Subedi, said the foreign policy of Nepal must have a global outlook; it must go beyond its preoccupation with the management of relations with its two immediate neighbors. "Nepal has to grow out of 'a yam between two stones' mindset and the self-defeating notions of an insignificant, improvised and peripheral state tucked away in the southern flanks of the Himalayas.

Describing various historical events in Nepal's history of foreign policy, Professor Dr. Subedi said that concluding the 1950 Treaty of Peace and Friendship with independent India following the British withdrawal from South Asia is one of the significant events for Nepal.

"This treaty is significant for two main reasons; first it was more or less a modified version of the 1923 treaty with the British, and second it defines the nature and scope of Nepal's relations with India," said Professor Dr. Subedi

By maintaining cordial relations with India, British India, Nepal regained some of the lost territories and was able to secure formal recognition of independence and sovereignty through the 1923 treaty concluded with the British during the height of British imperial power. The establishment of the UN when Nepal established diplomatic relations with the United States, concluding a treaty of friendship and commerce on 25 April 1947, also a major development of Nepal's international relations.



He said that King Prithvi Narayan Shah the great, Jung Bahadur Rana, Chandra Sumsher Rana, BP Koirala and King Mahendra, King Birendra and all the prime ministers, after the restoration of democracy till now, have greatly contributed to safeguarding Nepal's national interest.

Addressing the Prof. YN Khanal Lecture Series, Foreign Minister Dr. Khadka said "Safeguarding of sovereignty, territorial integrity, national independence, and protection of national interest has been at the core of Nepal's foreign policy all along.

Addressing the Prof YN Khanal Lecture Series organized by the Ministry of Foreign Affairs, he said that Nepal will continue to be committed to a balanced and independent foreign policy based on national interests. It is on this basis that Nepal has been developing friendly and good relations with its neighbors and other countries.

He emphasized the need to work together to address the common challenges facing the rest of the world in the face of increasing human and economic losses caused by the recent Russia-Ukraine war.

Dr. Subedi, a Visiting Professor at Oxford University, said that there is every prospect of more prosperity for Nepal, provided that the country is able to put in place

sensible policies designed to exploit its comparative advantage and its geostrategic status.

Secretary at the Ministry, Bharatraj Poudyal, shared that such lectures would be conducted once in a year for discussion on regional knowledge enhancement, existing policies and practices.

Professor Yedu Nath Khanal, a well-known diplomat served as the secretary at the Ministry of Foreign Affairs and also as ambassador to China, India and the United States. The ministry has started this lecture series in his name and honor.

Attended by scholars, Kathmandu-based foreign diplomats, secretaries, former ministers, former carrier diplomats, media persons and cadres of the Ministry of Foreign Affairs, this is a major event organized to explore Nepal's foreign policy issues.

"It gives me great pleasure to welcome you all here tonight on the occasion of the very first in the Professor Yadu Nath Khanal Lecture Series. The need to institute a platform for constructive and insightful deliberations on key foreign policy issues has been discussed in the Ministry of Foreign Affairs for a long time – it is with a great pride that we embark today on the first of the series," said Minister for Foreign Affairs Dr. Narayan Khadka at the First



Edition of Professor Yadu Nath Khanal Lecture Series

“This lecture series is named after Professor Yadu Nath Khanal, who was himself a perfect combination of erudition, expertise, and modesty. It is a fitting tribute to him, and an apt recognition of his seminal contribution to shaping Nepal’s foreign policy and diplomacy that it is named in his honor.”

“Let me begin by thanking Professor Dr. Surya Subedi for accepting our invitation to be the keynote speaker here this evening. Today Prof Subedi joins us in celebration but we also recognize the dedication and readiness he has shown over many years to travel all the way from the United Kingdom to be here in Nepal to share his knowledge and expertise in the service of his home country whenever needed.

“Professor Subedi has succinctly encapsulated the evolution of Nepal’s foreign policy from its foundation. He has also suggested future outlooks for Nepal’s foreign policy. We are thankful for this contribution and dedication since it cannot be overestimated how useful it has been for the practitioners of foreign policy and diplomacy to hear perspectives from an academician with a wide international exposure.”

Prof. Subedi’s views have emphasized the safeguarding of our

sovereignty, territorial integrity, national independence, protection, and the promotion and advancement of national interest as cornerstones of Nepal’s foreign policy.

The foreign policy parameters defined by our Constitution serve as a guiding light for us and define a balanced and independent foreign policy and diplomacy. We strive to maintain friendly relations with our immediate neighbors, extended neighbors, development partners, major powers, the destination countries of our migrant workers, as well as all other countries of the world. The basis of these friendly relations is firmly rooted on sovereign equality and mutual respect; this is an approach that has always benefited us and has served our national interest well.

Rapidly changing dynamics of international politics and shifting power equation among major powers have rendered foreign policy making and practice more dynamic and complex. The world was already facing significant uncertainties in the global social, economic and international peace and security arenas. These uncertainties were further compounded by the ongoing war in Ukraine. The devastating humanitarian crisis that this war unleashed also caused other far-reaching crisis that has affected millions of people globally. Higher

inflation, ensuing food and energy security threats, slower economic growth and the drying up of international financial resources is contributing to significant negative supply shocks for the world economy. The growing threats to international peace and security and the escalating tension between world powers are directly linked to these uncertainties. Nepal is certainly not immune to this global tumult. Unlike in the past, today’s foreign policy is not limited to a set pattern of bilateral and multilateral institutional engagements alone, it also has to deal with mega challenges, such as, climate change; financial, food and energy crises; international migration; refugee crisis; mass evacuation and repatriation of population; transnational crimes; cyber security; terrorism and so forth.

In light of a rapidly changing global political landscape, the challenges of today’s foreign policy can only be addressed through the collective and collaborative efforts of all countries, big or small, operating under accepted norms of rules-based international order and through multilateralism. We consider that respect for and adherence to the principles of sovereign equality and non-interference enshrined in the Charter of the United Nations provide a sound basis for cooperation among nations and will allow us to tackle these challenges on a global scale.

Our present Government, led by Prime Minister Sher Bahadur Deuba, remains committed to maintaining Nepal as a democratic, peace-loving, and inclusive nation, where the respect for fundamental freedoms and human rights prevails. Attaining economic development and prosperity for our people stands as the high priority agenda for economic diplomacy.

The recent local governments have consolidated our democratic foundation and forcefully restated the supremacy of the popular will. Nearly 65% of 17.7 million voters peacefully participated and elect-



ed over 35 thousand representatives, including over 14 thousand women representatives. The entire international community has appreciated this successful democratic exercise – it is an extraordinary feat needs to be highlighted and celebrated.

The first lecture in the Professor Yadu Nath Khanal Lecture Series, whose aim was to share insightful assessments of Nepal's foreign policy, now concludes on the positive note that it will continue as an important event in the Ministry's annual calendar in the coming years.

We look forward to these regular events as an ongoing opportunity to continue to provide insights on areas of foreign policy.

"I would like to close by placing on record my special thanks to Professor Jaya Raj Acharya, a name intimate to Professor Khanal, who was with us throughout the preparation for this event but who unfortunately could not join us this evening due to a commitment outside the country.

I also thank Foreign Secretary Mr. Bharat Raj Paudyal and other colleagues at the Ministry for their contribution and dedication to make this event successful.

Special thanks also go to the media for their coverage of this program so that the insights that have been shared here can reach a wider audience. In addition, I am happy to announce that the lectures will be uploaded on YouTube and the Ministry's website soon.

In closing, I extend sincere thanks also to our distinguished guests for their attendance and active participation. We look forward to getting together again next year to share more topical views."

The history of Nepal's foreign policy and diplomacy is a product of sacrifice, valour, wisdom, and craftsmanship of many people, said Bharat Raj Paudyal at the First Edition of Professor Yadu Nath Khanal Lecture Series. Of course, its evolution has not been the sole burden or responsibility of a few. But some

people like Prof. Khanal have a bigger share in it, he added.

"Born in Tanahun District in August 1913, Prof. Khanal served as Nepal's Foreign Secretary for the two terms (1961-62 and 1967-70) and Advisor to the Prime Minister on Foreign Affairs after 1990. Apart from various other responsibilities, he served as Nepal's Ambassador to China, India and the United States."

Prof. Khanal steered the development and intellectualization of Nepal's foreign policy in its formative years with dignity and distinction. He demonstrated, in diplomatic practice a n d through his writings, the sharp-ness of j u d g - m e n t on how N e p a l c o u l d pursue its vital interests against the constraints of various kinds.

He led the drive to diversify and expand Nepal's diplomatic contacts and engagements. His counsels derived from his vast experience and in-depth study continues to serve as important pointers to the succeeding generations of Nepali intellectuals and Foreign Service officials.

He held a principled view that a country like Nepal needs to maintain clarity, consistency, credibility and coherence in foreign policy. This continues to be as relevant today as it was in the times of Prof. Khanal.

This lecture series, therefore, is an effort of the Ministry to pay tribute to Prof. Khanal. We plan to host such a lecture annually on the issues of national, regional and global importance that have direct bearing

on Nepal's national interest and the conduct of foreign policy. We hope that the deliberations of the lecture series will help better understand and navigate through the dynamics of the contemporary issues.

The series is expected to inspire the current and future foreign policy practitioners to internalize the values, ideas and ideals that Prof. Khanal epitomized and expounded. This will also serve as a platform of acquiring better insight into the art of diplomacy. More importantly, it is expected to substantively contribute to



Nepal's foreign policy process.

He is a professor of international law at the University of Leeds, England, and a visiting professor at the University of Oxford. He has fulfilled important international responsibilities including under the UN mandate. Between 2007 to 2012, he was UN's Special Rapporteur for Human Rights in Cambodia.

He is the author of several books, including a seminal book on Nepal's foreign relations. He has provided expert advice to successive governments and leaders of Nepal.

Holding two important functions, Ministry of Foreign Affairs has made a good attempt to explore new ways. This is expected to be more lively and wide in the coming days.

# Finding Alternative: A Legal Gift To Nepali People



BY: BATU UPRETY

On 26 May 2022, an extended full bench of the Supreme Court quashed all decisions to construct the proposed Nijgadh airport and ordered the government to find alternative site if the government wants to build the international airport. Previously on two petitions, the Supreme Court issued Interim Order to stop all activities related to clearing of Nijgadh forests for airport development. This signifies the urgency of ensuring environment conservation and protecting biodiversity during infrastructure development and analyse alternatives to make the development environment-friendly and sustainable.

Based on national and international practices, and Nepal's Environment Protection Act (EPA, 2019) and the Environment Protection Rules (EPR 2020), including the repealed EPA (1996) and EPR (1997), alternative analysis is the 'core element' of any level of environmental assessment - Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) in Nepalese context. In 1990s, IEE and EIA study analysed alternatives based on approved Terms of Reference. Parliamentarians understood its greater importance and included provisions in the EPA (2019). Section 4 of the EPA (2019) obliges the proponent to make detailed analysis of various alternatives and recommend an appropriate alternative.

In 1995, the government started discussion to construct a second international airport after the deadly aviation disasters of the Thai Airways and Pakistan International Airlines in Nepal in 1992. The government advanced its process to construct the Nijgadh airport after the start of the construction of the Lumbini and Pokhara Airports of international standards and carried

out EIA of this proposed Nijgadh airport without the feasibility study and complying the approved Terms of Reference (ToR) regarding alternative analysis.

In May 2018, the Ministry of Forests and Environment approved an EIA report of the Nijgadh Airport. Several issues cropped up after the approval of the EIA report (<https://www.spotlightnepal.com/2018/09/20/international-airport-forests/>). Realising the need

**The Supreme Court Order further recognizes the utmost importance of alternative analysis of any proposal and/or component(s) of its proposal taking into consideration the location, size, use of forest area, design, and technology. It is well proven and established fact that alternative analysis provides the proponent multiple opportunities to select 'best' and environmentally sound alternative to make her investment long-term benefits. Through these three projects**

for additional airport, alternative analysis as contained in the approved EIA report was revisited in January 2020 (<https://www.spotlightnepal.com/2020/01/03/approved-nijgadh-airport-eia-alternative-analysis-revisited/>).

Advocates of the Nijgadh airport have not seen any alternatives and blame the conservationists while an extended full bench of the Supreme Court ordered to explore alternatives. Taking into consideration the technical understandings of the provisions of EPA (2019) and EPR (2020), Forest Act (2019), approved ToR of the proposed Nijgadh airport, Treaty Act (1990), Convention on Biological Diversity and Paris Agreement on climate change to which Nepal is a Party, and national and international commitments on environment, biodiversity and natural resources conservation and also national and international practices on IEE/EIA, the Supreme Court Order provides the proponent multiple opportunities to explore best alternative with compliance with above mentioned commitments and make the airport construction and operation environment-friendly and sustainable. Application of EIA tool and its alternative analysis in Nepal has made significant contribution at least on East Rapti and Babai



Irrigation Projects.

In late 1980s, Asian Development Bank (ADB) provided financial support to implement East Rapti Irrigation Project to irrigate over 8,000 ha by diverting East Rapti River near Lothar, Chitwan. During construction stage, Chitwan National Park - World Heritage Site and a habitat of one-horned rhinoceros - asked for EIA study to construct dam in the left bank of the river (Park side). ADB carried out EIA study and its alternative analysis recommended to implement Farmer's Managed Irrigation Scheme (no dam construction and diversion of river water). The EIA study brought back the Project into 're-design stage' and implementation of FMIS alternative irrigated all command areas without damaging the Rhino habitat.

In 2003, Babai Irrigation Project planned to use 1150 ha of forests to construct a canal. The then Ministry of Forests and Soil Conservation informed to submit approved EIA report as per EPA (1996) and EPR (1997) to provide forest area. The Project carried out EIA study, analysed alternatives, and finally selected alternative - 'loss of 22 ha of forests'. The EIA study of these two projects provides a clear guidance for alternative analysis and its contribution to forests and habitat conservation.

The Supreme Court Order further recognizes the utmost importance of alternative analysis of any proposal and/or component(s) of its proposal taking into consideration the location, size, use of forest area, design, and technology. It is well proven and established fact that alternative analysis provides the proponent multiple opportunities to select 'best' and environmentally sound alternative to make her investment long-term benefits. Through these three projects (two irrigation projects, and Nijgadh airport), Nepal has demonstrated the global community the importance of alternative analysis. In this context, the Supreme Court Order on proposed Nijgadh airport is considered a 'legal gift' to the Nepali people and advocates of Nature conservation to protect the planet. It further motivates to observe the

World Environment Day (5 June) 2022 for sustainably living with Nature in this 'Only One Earth'. This a clear message and call for protecting the 'lungs of all life-forms' and the human beings.

Contrary to the legal provisions (EPA, 2019 and EPR, 2020), Forest Act (2019), national and international commitments on environment and biodiversity conservation and reducing greenhouse gas emissions as committed during CoPP26 of the Climate Change Convention in November 2021, Glasgow to achieve net-zero

emission by 2045 and second NDC targets, including others, the Government on 29 May 2022 through #375 of the Budget Speech has provisioned to arrange project implementation on the basis of Preliminary Assessment. Nepal's EPA

(2019) and its EPR (2020) recognizes Brief Environmental Study (BES), IEE and EIA for the prescribed projects. Now the question arises which should be complied with - Preliminary Assessment as mentioned in the Budget Speech or provisions of the EPA and EPR and forest and other laws. This signals to non-compliance with the Supreme Court Order and existing laws on the environment. Furthermore, budget allocation for proposed Nijgadh airport after Supreme Court Order may be used for finding 'best' alternative.

Hope, Lord Pashupati Nath will save the conservation movement and encourage the government to comply with its own national policies and laws, and international commitments - legally binding and/or non-legally binding instruments. This will also help the government to be more realistic in making commitments at all levels, and protecting the life-support system - the Nature and the Forests - lungs for human beings and other life-forms.



# NEPAL-INDIA ELECTRICITY TRADE

## Historic Milestone

*Starting export of 364-MW electricity to India, Nepal has set a historic milestone. With all technical groundwork done by a team led by Nepal Electricity Authority Managing Director Kul Man Ghising, the official visit of Prime Minister Sher Bahadur Deuba to India had made the breakthrough in Nepal-India electricity trade. Showing tremendous goodwill towards Nepal, Indian Prime Minister Narendra Modi directed concerned officials to look at Nepal's request on electricity export. Opening the market for Nepalese electricity, India has shown that it is a big market for Nepal. As trade is part of a give and take, Nepal needs to follow this principle in dealing with India. For MD Ghising, who wiped out load-shedding in his first tenure, starting the export of big volumes of electricity to Indian market is another feather in his cap of his second tenure*

By A CORRESPONDENT

Against Nepalese mindset that India cannot pay the market price to Nepalese electricity, Nepal has been receiving a higher price per unit of electricity exported to India.

According to NEA, Nepal has been exporting electricity to India for Rs.11.38 per unit on an average. Nepal has been exporting an average of Rs. 100 to Rs.150 million of electricity to India every day since Nepal started the export of electricity to India in full capacity.

This way, Nepal has been selling electricity to India at a better price than it pays for import. Nepal imported electricity from India last winter at an average rate of Rs.9.7. The NEA started selling 37.7 MW of electricity generated by its 24 MW

Trishuli and 15 MW Devighat power plants on June 2.

At the current rate, Nepal can export energy to India between Rs.15 to Rs.20 billion in the period of seven months. If this rate continues in future, Nepal can export electricity to India annually worth of Rs.70 billion within a few years.

### MD Ghising's Role

Although different organizations have played their own role to make this historic trade possible, NEA's Managing Director Ghising was quietly working to prepare technical work to export the electricity. With the backing from the Minister of Energy, Water Resources and Irrigation Pampha Bhusal, MD Ghising's main priority in his second tenure was to

export the surplus electricity to India.

Having been involved in closely paving the way to complete 456 MW Upper Tamakoshi, a game changer hydropower project in his first tenure, MD Ghising faced the challenges in second innings to manage the surplus electricity generated by it.

In a short time, he was compelled to see waste of electricity worth over billions of rupees last year. With the start of the export and completion of several transmission lines to supply electricity from one part to another, MD Ghising has somehow had a relief.

As permitted by India, NEA has started to export all 364 MW of electricity to India from June 10. Nepal entered a new stage from being





a net importer of electricity to a net exporter.

The start of electricity trade between Nepal and India also proves an ill-conceived perception of a handful of Nepalis wrong and irrelevant that India cannot import electricity from Nepal.

By exporting electricity to India, NEA has also made irrelevant the negative connotation of a few so-called pseudo-nationalists that India will not purchase Nepalese electricity.

Selling at a good competitive price, NEA has also shown to the common people that Nepal can generate the money from trading electricity with India proving irrelevant the perception of a few people that Nepal should not export electricity to India at a cheap price.

“I am proud to say that the start of the export of electricity to India sends the message to the common people that Nepal can benefit by selling electricity to India,” said Managing Director of NEA Kul Man Ghising. “This is a historic milestone in the bilateral electricity trade between the two countries.”

There is a reason for MD Ghising to be proud. During his first

tenure as MD, Ghising ended decade-long load shedding contributing to the GDP of the country and completed a number of stalled projects.

In his second tenure, MD Ghising set another milestone placing NEA from net importer of electricity to net exporter and changing all ill-conceived and negative perceptions among the people regarding Nepal-India electricity trade.

After Nepal’s power plants started generating surplus energy, it has now started selling electricity under India Energy Exchange Lim-

ited (IEX).

On April 6, India allowed the NEA to sell additional electricity generated from four hydropower projects — Kali Gandaki (144MW), Middle Marsyangdi (70MW), and Marsyangdi (69MW) — all developed by the NEA, and Likhu 4 Hydropower Project with 52.4MW capacity, developed by the private sector. Earlier, Nepal was allowed to sell electricity generated by Trishuli 24 MW and Devighat 19 MW.

During the recent visit of Prime Minister Sher Bahadur Deuba to India, Nepal had received approval from the Indian side to export up to 364 MW of electricity to the Indian energy market.

The designated authority of India had granted the NEA permission to supply an additional 326 MW to be traded in the Indian power-exchange market.

After the entry of 51 MW of Likhu IV on June 10, developed by private party Green Venture, Nepal’s approved quantum to sell electricity under IEX has been completed. This also indicated that India is also willing to purchase the electricity generated by private sector.

All the electricity under IEX is exported to Indian market through the 400 kV Dhalkbar-Mu-



## COVERSTORY

jafarpur cross-border transmission line. MD Ghising said that this is a milestone in the history of bilateral electricity trade between Nepal and India.

“We are exporting all the surplus electricity to India. This ends the possibility to waste the electricity which is not consumed domestically for now,” said MD Ghising. “We have been constantly in discussions with authorities in India to export additional surplus electricity to India.”

“All have to appreciate and thank the generosity shown by India towards Nepal by providing access to Nepalese electricity in the Indian market. This will carry a positive message at the public level. This has changed the perception,” said MD Ghising.

With this, Nepal India electricity trade has entered a new phase. Constructed with the domestic capital, with involvement of three big Indian companies, allowing 456 MW Upper Tamakosi in the Indian market will be another gift to Nepal.

### Nepal's Import Modality

Nepal has been importing electricity from India in three different modalities. Under the short-term bilateral system, Nepal has been importing at an average price of Rs.6.65 to Rs. 6.59.

Nepal has also been import-



ing electricity from the Indian state of Bihar on a necessary basis. Nepal pays Rs.9.89 per unit.

### Utilization of Surplus Electricity

Electricity is being exported to India according to the quantity for which it had given permission. There used to be surplus power in the previous years as electricity used to be generated matching the installed capacity.

Five hundred megawatts of power were in surplus in the last monsoon alone which was equivalent to Rs 5 billion calculated in terms of its market value. However, Nepal Electricity Authority (NEA) did not face this problem this year as it has started selling the entire approved 364 MWs of electricity in India through the pow-

er exchange market there.

This year, the NEA first started selling electricity generated by Trishuli and Devighat on June 2 with the country's power plants producing surplus electricity due to rising water levels in the rivers where the power plants are based.

NEA need not have to face the problem of managing the surplus power this year due to the government's meaningful efforts. The problem of the country's power utility having to shut down production at its powerhouse to buy power from the private power producers has also been resolved with this.

Last year, NEA had to suspend production from its semi-reservoir-type projects and purchase the electricity generated by the private sector-owned projects.

“To be able to sell the entirety of surplus electricity generated for export with approval received from India is a milestone for the country's electricity trade,” said MD Ghising. “This has ended the possibility of wastage of surplus energy.”

He said that the NEA is making efforts with Indian officials to sell additional electricity in the Indian market in the coming days.

“We are expecting to export all the surplus electricity to India.





This will end the possibility to waste the electricity which is not consumed domestically for now,” said MD Ghising.

Despite exporting the current volume, Nepal will still have some more surplus electricity given the completion of some projects. “We have been constantly in discussions with authorities in India to export additional surplus electricity to India.”

Nepal’s peak demand for power stands at 1,773MW average, according to NEA. It has been able to export energy to India at a time when its southern neighbor is facing an energy crisis due to the shortage of coal and its skyrocketing prices internationally amid the Russia-Ukraine war.

Ghising described the sales of 364MW of electricity as an implementation of the Joint Vision Statement on Power Sector Cooperation issued jointly by Prime Minister Sher Bahadur Deuba and his Indian counterpart Narendra Modi in early April.

Last month, NEA had invited bids from Indian companies to sell its 200MW surplus energy in the upcoming monsoon season under a long-term



power purchase agreement.

Speaking at a press conference organized at the Ministry, Minister for Energy, Water Resources and Irrigation Pampha Bhusal said that the first step towards the implementation of the vision document on cooperation in the energy sector has been taken after receiving approval from the Indian side for additional power export.

She said that India’s decision to purchase additional electricity from Nepal was positive as there was concern over wastage of electricity generated in Nepal during the rainy season.

“We needed a bigger market, which has led to further market expansion,” she said.

She said that the surplus electricity after consumption in Nepal would be sold in India and the market for electricity in other countries would be expanded through Bangladesh, Bhutan, India and Nepal Participatory Sub-regional Forum (BBIN).

“This will reduce the trade deficit between the two countries and contribute positively to the economy,” said Minister Bhusal.

“The implementation of the vision document on cooperation in the region has also started, we would like to congratulate and thank all those involved in it,” she said.

Stating that the door of power generation has been opened with the assurance of the market, Minister Bhusal expressed confidence that the scope of electricity trade would also increase in the coming days.

As Nepalese electricity enters into a big market in India, this has started a new era in Nepal’s history of energy trade.



## Israel And Nepal Are Small But Proud Nations That Are Proud Of What We Are And Who We Are



BY: HANAN GODER-GOLDBERG

I am standing here in this day marking 62 years of our diplomatic relations. An event that happened because of the decision of our two leaders: David Ben Gurion the first Prime Minister of Israel and BP Koirala the first democratically elected Prime Minister of Nepal.

At that time, Nepal was the first, and for 30 years the only country from this region to have full relations with the state of Israel. Israel will never forget and will always appreciate this friendship! I come here often to visit this



place, to touch the walls, to look at the rooms, to remember and to appreciate the heroic struggle for democracy.

Israel and Nepal share many common things: It varies from tolerance to diversity, from natural treasures to cultural richness. I want like to use this opportunity and to mention here also the democratic values that are common to both our nations. Dear Friends, Even today our world is not perfect. Unfortunately, only half of our world enjoys democracy. I am so glad to note that both our nations belong to this half that practices democracy. There is no better place than this Museum to remember and mention this: democracy is not a perfect system of ruling but is defiantly better than any other system.

We should protect it, adjust it and never take it for granted. We should always remember what is the alter-

native to democracy: Failing to protect these values will lead to tyranny or anarchy. None of us would choose any of these two options. While here I sometime close my eyes and try to imagine how things look when this was a prison, a prison of disrespect to a clear message of millions of Nepali voters. But, let's remember BP's great spirit: While staying here for seven long years, without any trial, BP wrote a book His novel "Hitler Ra Yahudi". This was a literature breakthrough using the tool of writing a travel diary to describe a journey that starts with a sailing ship in Mumbai and ends in... Israel! The characters he meets, the Jewish immigrants he watches, his dreams and the shaking dialogue between Hitler and god are worth reading for any Nepali, Israeli or any person from any other nation I ask myself what brings a man, a leader, while spending years in prison, to write on such a topic and I think that this book gives a strong message of hope: If the Jews that suffered so badly reached their promised land, a "promised land" will be there also for the Nepali people.

BP was right. We see his vision come true every day in the political life in Israel and in Nepal. Let me use this opportunity and say a few words about the friendship between our two nations: It all starts when we look at ourselves in the mirror and try to identify and determine who we are: We see ourselves, Nepalese and Israelis as part of small entities, small cultures, surrounded by big neighbors. Our identity is important for us and we will do any possible action to keep, preserve and protect it. We are small but proud nations that are proud of what we are and who we are. We are proud of our languages and of our culture, we cherish our natural treasures as much as much of our society diversity, tolerance and respect are a leading asset in our list of values. From here will come all other explanations of the intimate close relations and mutual understanding.

*Hanan Goder is the ambassador of Israel to Nepal. Excerpts of his statement delivered at the program jointly organized by The Embassy of Israel and B.P. Museum Committee on "Interaction Program: B.P. Koirala and Nepal-Israel Relations" at The B.P. Memorial Museum, Sundarilal to celebrate 62 years of diplomatic relations between Nepal and Israel.*





## UPPER TAMAKOSHI HYDROPOWER

# A Game Changer Project

*Although it has faced several natural and man-made obstructions like earthquakes, COVID-19, and Nepal-India border disruptions, the delay from Lot 2 Hydro-mechanical Contractor, Upper Tamakoshi Hydropower Project (UTKHEP), which has started a commercial generation of electricity last August, has proved as a game-changer project in Nepal's electricity production. After the sustained production from the project, Nepal's energy status has changed from net importer to exporter. Generating cheaper electricity, the project also helped to reduce electricity tariffs and increase the profit of NEA. However, the main challenges before the project, which has been providing many benefits to promoters and lenders and consumers, how to offer benefits to public shareholders and turn the project into a profit-making venture*

By A CORRESPONDENT

**F**or the third consecutive quarterly financial disclosure, Upper Tamakoshi Hydropower Limited (UTKHPL) has generated income. According to the unaudited 3rd quarter Statement of Financial Position, the company has submitted Rs. 5,163,334,201.35 bill

to NEA up to the month of 2078, Chaitra 30. However, the company has received 2,76,04,70,418 with some provisional deductions. UTKHPL officials clarified that such deducted majority of amounts has been recovered so far.

Started full commercial

production from Bhadra 25, 2078, UTKHPL has been generating the electricity in full capacity. However, compared to first and second quarterly, the income in the third 3rd quarter has reduced due to the low flow of water in the river and the reduction of Rs. 83,79,94,492



by NEA. Similarly, payment for increased interest rates and depreciation costs increased the loss amount of the company said unaudited 3rd quarter Statement of Financial Position released on Baisakh 2079.

“As NEA has already refunded Rs. 2,76,04,70,418 and NEA are in the process to refund the remaining amount, the company’s loss will reduce and improve the cash flow.” As per the current selling rate, there is no possibility to drastically increase the income and cash flow as expected by the company,” states the statement.

To turn the company into a profit, the company is taking several initiatives including negotiations with financial institutions to revise the interest rates and reforms in other financial management, and equity adjustments in assets. The company is also working to capitalize on various structures of its asset.

To expand income, UTKHPL is considering a second expansion stage, the 20-MW Rolwaling Khola Hydroelectric Project (RKHEP), which would contribute another 105 GWh of energy and enhance 210

GWh dry season energy from UTKHEP. After the completion of the process, the financial position will change in better way.

### Share Structure

The majority share (51%) of the Company is held by four public entities, namely, Nepal Electricity Authority (NEA), Nepal Telecom (NTC), Citizen Investment Trust (CIT) and Rashtriya Beema Sansthan (RBS). NEA has a 41% stake, NTC has a 6% and CIT & RBS each have

a 2% stake in the company.

Similarly, the general public and residents of Dolakha district are holding 15% and 10% share respectively. The remaining 24% share has been held by contributors to the Employees Provident Fund (EPF), NEA & Company’s staff and staff of Institutional organizations providing loans to the company.

This indicates that the general public has also made a big investment through the company’s initial public offering (IPO).

### Share Of Company

Although the project is one of the best projects so far in terms of energy generation, the share prices of the company are yet to reflect it. In the one-year period, the price of the share has fluctuated from Rs.781 to Rs. 535 now.

The 456 MW Upper Tamakoshi, Nepal’s largest so far, reached a milestone on July 6 with one of its six 76-megawatt units starting power generation

Inaugurated in July, UTKHPL started the commercial operation date (COD) on 20 August with 4 units and full-fledged production with all 6 units from September 10, 2021.





The company has not done any adverse activities to affect the share price. After the commercial generation of electricity from September 10, 2021, the company started to generate income. However, the fluctuation of share prices has more to do with the market and share transactions. At a time when the share market is virtually collapsing, Company's share is performing well with Rs. 535 on the day of closing of the third quarter.

With the fourth quarter financial disclosure a month away, the current share value will likely be increased because the income of the fourth quarter will be better than the earlier one given the flow of water in the river and the generation of electricity.

As the company has also been working to tighten internal expenditure aiming to reduce unnecessary spending, it will give more benefits to the public shareholders in the coming days. "The management is seriously working on how to provide more benefits to the public shareholders," said Bigyan Shrestha, CEO of UTKHPL.

As the project started commercial production from all units on September 10, the revenue generated by the project has shown that it will be expected to generate around Rs.9 billion annually from this year.

The current share price of the UTKHPL indicates that there is growing confidence in the public regarding the future of the project. People are expecting more dividends in the process.

### A Game Changer

After the completion of Upper Tamakosi, Nepal's status in producing electricity has changed. With a surplus of energy at hand, Nepal's policymakers have started to talk about replacing the LPG gas with electric cooking, electric vehicles and finally export of electricity.



Although the project has been delayed for a few years, it started generating and supplying electricity to the country when a major global energy crisis hit the world skyrocketing the prices of Petroleum Products including LPG.

With these, the project has not only saved over 9 billion annually importing electricity from foreign countries but also opened a way to offer benefits to shareholders and confidence among Nepali technicians.

Faced a series of unavoidable natural crises, great earthquakes, coronavirus and other obstructions in supply, 456 MW Upper Tamakoshi Hydroelectric Project, Nepal's largest hydropower project, has started the generation of electricity and revenue turning Nepal into a self-reliant electricity generation.

Involved in the project from inception in different positions along with first CEO Dr. Mrigendra Bahadur Shrestha, who had completed all the preliminary works to commence constructions, Chief Executive Officer of UTKHPL Bigyan Shrestha, who has led the competent team of NEA to complete the mammoth project, is now working to optimize the

benefit to public shareholders and keep their faith on the project.

From the construction of roads and conducting a detailed survey of the site and preparing tenders, the first project manager Mr. Shrestha had done everything to materialize the project.

"We are now working on how to provide more benefits from the project to beneficiaries including the public shareholders," said Shrestha. "We have completed the mammoth task of completing the project. We have also considered now starting another project like this."

As the private sector cannot invest in projects like semi-reservoir or reservoir projects like Upper Tamakosi, the government of Nepal needs to take initiative to construct this kind of project, said Shrestha who spent a long time with the project.

"My sincere thanks go to all helping hands to serve consecutive 33+ years in Nepal Electricity Authority with the accomplishment of 456 MW Upper Tamakoshi Hydroelectric Project in this tenure," said CEO Shrestha.

### Electricity Self Reliant



After the completion of the project, the country is now self-reliant on electricity. Although there are 108 private hydropower projects that have been supplying 815MW of electricity to the national grid, no project is matching to the capacity of Upper Tamakosi in generation and price per unit.

With its daily peaking reservoir, UTKHPL can generate energy at a full capacity of 456 MW at peak time even during the dry season when the electricity production from the run of the river projects declined drastically.

The plant, the largest hydroelectric project in the country, is located in a remote region of the upper Himalayas on the Tamakoshi River, about 6 km from the border with China's Tibet.

With a natural head of 822 m and six underground units, it produces up to 2,281 GWh of electricity annually. This renewable energy will improve living conditions and promote economic development in the country.

The major components of this project are the intake, a 22-m-high concrete dam, and twin desanding basins, a 7.86-km-long

headrace tunnel, a 360-m-high surge shaft, and a 495-m-long penstock pipe, an underground powerhouse with six Pelton turbines, a 2.9-km-long tailrace tunnel, and a 47-km-long 220-kV transmission line to New-Khimti substation.

All six turbines and generators have been in full operation since September 2021. During the rainy season, the total electricity generation of Nepal will exceed what the population and the economy are consuming. The country can benefit in several ways from the surplus of electricity: Electricity costs will decrease, there are plans to supply consumers in need with electricity free of charge, and Nepal could export electricity.

### Clean Energy

Hydroelectric energy is one of the sustainable renewable energies with low-carbon emissions. The use of hydropower as the main source of energy for everyday activities will help to noticeably reduce fossil fuel carbon emissions in Nepal.

The Upper Tamakosi plant, however, can generate electricity at full capacity for a minimum of four hours during the dry season, accord-

ing to the project. This is a historic achievement. This makes Nepal a power surplus country capable of exporting electricity.

Given its production capacity, the Upper Tamakoshi Hydroelectric Project is of high economic importance to Nepal as it has not only made Nepal an energy surplus country. But it also contributes to the national gross domestic product. Besides those imports, it also cut the import of electricity from India in the dry season-saving billions.

According to the study, the project is expected to contribute around 1 percent to the GDP and also help boost industrial production. The completion of the project has shown that Nepal can collect the fragmented capital within the country and invest in projects like Upper Tamakosi.

The completion of the project and the beginning of the generation, it has boosted the morale and confidence of the Nepalese people. The project has shown that Nepali can now develop these types of projects through their own resources and manpower.

Various reports have pointed out that Nepal has a severe infrastructure investment gap, which is slowing its economic growth. Between 2007 and 2017, the country went through a massive electricity supply shortage that caused up to 18 hours of daily load-shedding.

This load-shedding had drastic costs for Nepal's economy. According to a World Bank report, the reliable power supply would have increased the country's annual gross domestic product by almost 7 percent, and annual investment would have been 48 percent higher.

According to him, initially, the interest to be paid was estimated at Rs14 billion. "Now, the bank interest alone stands at



Rs32 billion. So, the overall cost is around Rs 86 billion.” The annual interest rate has been set at 11 percent in an early loan agreement, however, it raised up to 12% for some years during construction.

On the one hand, the project is a milestone for a country like Nepal facing an infrastructure gap but it is also a reminder of how cost and time overruns impact the development aspirations

The national pride project was originally scheduled to be completed in mid-July 2016, but the 2015 earthquakes hit the project very hard. The access road leading to the project site was totally destroyed when the project had completed 79 percent of the civil works. The installation of the penstock pipes was slated for 2015. But that too saw a setback.

The construction work stopped for months when the hydro-mechanical contractor, Texamo Railway

Engineering of India lacked the expertise to execute the difficult task of installing the penstock pipes including hydro-mechanical works.

Subsequently, the project developer, the Upper Tamakoshi Hydropower Limited, appointed Andritz Hydro to fit the high-pressure steel penstock pipes when the contractor Texmaco abandoned the project.

With the average power purchase agreement (PPA) rate of Rs 4.06 per unit, it is the cheapest price of electricity for the Nepal Electricity Authority. It is benefi-

cial for the power utility for use of peaking run-of-river (PRoR) synergy. Even after paying back the loans within a reasonable extended time, it can generate a good amount of income in the future and more power projects can be developed with it.

### Challenges and Problems

At a time when the construction of the project has already been completed and the project has entered into a generation stage, the company's target is now to minimize other expenditures and reduce interest.



The cost of the project escalated due to delays in the construction period.

Providing the good dividends to investors and ensuring the formidable income and negotiating with financial institutions for the reduction of interest rates is the target of the company,” said CEO Shrestha.

As the project has contributed immensely to the country's overall energy scenario and economy of Nepal, once the financial institution revises the interest rates and the company

manages its expenditure, it will start to give more deviant to the public shareholders.

Whatever the status of share, the Upper Tamakoshi has solidly contributed to the infrastructures development of the region. With 220 kV Transmission line, substations and roads connecting northern remote areas, Nepal's economic activities has accelerated.

Under the infrastructures built of the project, private sectors

are investing in hydropower projects with the capacity of over 200 MW in Dolkha. From the tail race, Upper Tamakoshi V is under construction with the capacity of

100 MW.

### Ray of Hope

Last year during September, October and November, NEA was not in comfortable position to dispatch all available generated energy as there was not firm contract to export Surplus energy to the Indian Grid. As a result of permission to trade upto 363 MW to Indian Energy Exchange (IEX) market NEA is now in better position to dispatch all available power including power of Upper Tamakoshi HEP.

## आगलागी हुन नदिन चनाखो बनौं ।

आगलागीबाट वर्षेनि अबौंको क्षति हुने गरेको छ । सावधानी अपनाउन सके जनधनको क्षति रोक्न सकिन्छ ।

त्यसका लागि:

- खाना पकाईसक्ने वित्तिकै आगो, ग्यास चुल्हो, स्टोभ वा हिटर निभाईहालौं ।
- सिलिण्डरको रेगुलेटर, पाईप वा चुल्होबाट ग्यास लिक भएको छ/छैन, ध्यान दिने गरौं ।
- ग्यास वा पेट्रोलको गन्ध आए बेवास्ता नगरौं ।
- सलाई, लाईटर जस्ता आगो सल्काउने वस्तु बालबालिकाले भेट्टाउने ठाउँमा नराखौं ।
- खाना पकाईसकेपछि पानी छ्यापेर आगो निभाऔं ।
- चुरोट, तमाखु, चिलिम, सुल्पा नखाऔं । खाएमा आगो राम्ररी निभाऔं ।
- विजुलीका तार, प्लग, स्वीच वा वायरिङ् ठीक अवस्थामा छ/छैन नियमित जाँच गरौं ।
- घरवस्ती नजिकै पोखरी, ट्याङ्की वा अरु कुनै तरिकाले पानीको जोहो गरिराखौं ।

विपदबारे चासो राखौं, चनाखो बनौं !



नेपाल सरकार  
विज्ञापन बोर्ड

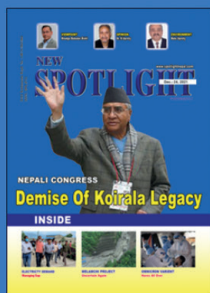


# For News, Views, Comments & Perspectives

## LOG IN

# spotlightnepal.com

### Latest Magazine



VOL. 15, No. 10, Dec. 24, 2021 (Poush 09, 2078) Publisher and Editor: Keshab Prasad Poudel Online Register Number: DOI 584/074-75



VOL. 15, No. 09, Dec. 10, 2021 (Mangshir 24, 2078) Publisher and Editor: Keshab Prasad Poudel Online Register Number: DOI 584/074-75



VOL. 15, No. 08, Nov. 19, 2021 (Mangshir 03, 2078) Publisher and Editor: Keshab Prasad Poudel Online Register Number: DOI 584/074-75



VOL. 15, No. 07, Oct. 29, 2021 (Kartik 12, 2078) Publisher and Editor: Keshab Prasad Poudel Online Register Number: DOI 584/074-75

**NEW SPOTLIGHT**  
NEWS MAGAZINE

**Kathmandu, Ph.: +97 1 4530250**

**Email: [spotlightnepal@gmail.com](mailto:spotlightnepal@gmail.com)**

## Why pay a fee? Get it done for FREE.

Introducing NIBL's Thaili, a zero transaction fee digital wallet.



Here you go Sis! Your  
**BIRTHDAY SURPRISE!**

Rs. 5000 transferred to sister's account.



Transfer money, pay bills and do much more  
at zero transaction fees.



For anything and everything



DOWNLOAD the App now



(available soon for iOS users)



Rs. 5000 deposited in account.

Oh Dai! You're the best.  
**ABA TA PARTY!**



Features and services  
updated regularly



Available for  
Android users



iOS users get started on:  
[www.nibl.com.np/thaili](http://www.nibl.com.np/thaili)



Download and experience  
features and special offers



**GET 4% AND 2% DISCOUNT  
ON NTC AND NCELL TOPUP**

Customer 01-4545481  
 SUPPORT 01-4512044  
 email us at: [thaili@nibl.com.np](mailto:thaili@nibl.com.np)