

OPINION Shambhu Ram Simkhada



VIEWPOINT Dr. Dhruba Gautam



ENVIRONMENT Batu Uprety

SPOIL GAUGUST.- 05, 2022 FORTNIGHTLY

NEPAL ECONOMIC CRISIS CELTING DEEPLE

INSIDE



EU SUPPORT HUMANITARIAN CAUSE



SPP CONTROVERSY
MUCH FUSS ABOUT NOTHING



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Kathmandu, Ph.: +97 1 4530250 Email: spotlightnepal@gmail.com

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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

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Notes From The Editor



On the recommendation of the Election Commission, the government is now at a final stage to announce the elections date. Although the Commission recommended the date weeks ago, the cabinet is yet to announce it. To give pressure on the cabinet, EC organized a press meet to inform the people about their recommendation. Given the government's decision to pass the Citizenship Amendment Act, which has got through the House of Representatives and in a fast track from National Assembly, the cabinet is likely to approve the date of November 20 soon. As the country is facing a serious stress due to declining foreign currency reserve, an uncertain economic situation is lurking over Nepal. Prime Minister Sher Bahadur Deuba, in a recent program, urged business community to avoid the import of luxury goods till the return of normal global situation. PM Deuba's statement indicated the real situation of the country.

There are several issues meriting space as a main story for this edition. Among them, we have decided to look at how disinformation and fake news turned a non-issue as a major issue of the country's political system. Implemented to enhance the humanitarian rescue capacity and peace keeping capacity of Nepal Army, Nepal's political leadership and intellectuals made the US supported State Partnership Program (SPP) as a military alliance between Nepal and US. Despite availability of so much of information at the official sites, communist dominated propaganda generated so much fake news about SPP that it turned a humanitarian program into a military alliance. To make a ghost out of it all, internal and external forces were involved in parallel. We have analyzed what SPP is all about from different sides as the cover story.

Keshab Poudel

Editor

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US ASSITANT SECRETARY DONALD LU

Nepal Connection

In his short and hectic two-day visit, U.S. Assistant Secretary Donald Lu has shared his interesting personal connection with Nepal through social media

By KESHAB POUDEL

ince his appointment as U.S. Assistant Secretary Donald Lu has shown certain personal affection to Nepal. In his first visit, Lu negotiated with Nepalese leaders paving the way for passing a US backed MCC.

As Lu came to visit Nepal, a section of politicians and their henchmen, under an orchestrated design,

were furiously opposing the State Partnership Program, a program dedicated to enhance the capability of security forces to deal with humanitarian rescue capability.

As Nepal is one of the countries prone to natural disasters including floods, GLOF, landslides and earthquake, the country needs to increase its capability to carry out rescue op-

eration and rehabilitation of people. However, he did not make any comments on SPP and directly attended formal programs to commemorate 75th yeas of establishment of diplomatic relations between the Nepal and United States.

In his second hectic tour Assistant Secretary Lu, instead of taking any public notice on non-issues raised by Nepal's political parties and the government, spared some time to share his connection with Nepal.

He shared how he fell in love with the country where people are kind and nice. As a section of politicians and henchman were ignoring their own good and harping on anti-American sentiment, Lu talked about how his first visit to Nepal transformed his personal life.

"I first visit Nepal in 1993 and now I'm visiting Nepal as secretary of state. When I visited Nepal 30 years ago, I fell in love with a woman who is now my wife. We have been



married for 26 years and have two beautiful kids. Both of names of our kids are inspired by our travel to South Asia, Alia and Kipling. We started our travelling in Darjeeling and we took rickshaw to reach border in Nepal. From the border we took buses, from terai to Chitwan National Park, Janakpur on to Kathmandu. We told the kids that there were so many huts inside so we had to travel on top. During our trip to national park, we looked at Arna Buffalo, tiger and rhino," narrates Lu in twitter.

In Janakpur, we were there during the Dipawali and I will never forget crossing the river near Janakpur, women seemed floating oil lamps celebrating the holiday. In Kathmandu, we toured amazing heritage treasure of Patan and tasted some of the best food in the world. Last night, I had some amazing vegetable momo and now I am looking at some tasty Newari food.

"Nepal is a place always

close to my heart because this is where I first fell in love."

U.S Assistant Secretary Donald Lu concluded his two days of whirlwind trip to Nepal. During his stay in Nepal, Assistant secretary Lu met with the Prime Minister and Minister of Foreign Affairs to discuss a range of issues including 75 years of U.S.-Nepal partnership and strong people-to-people ties.

"That concludes a whirlwind trip! Thanks for visiting us

@State_SCA Assistant Secretary Lu! फेरी भेटौला, सहायक विदेशमन्त्री Donald Lu! #USNepal75," tweets US Embassy.

Politicians in Nepal have their own interests, likes and dislikes, but US Assistant secretary Lu knows the affections of common Nepali people and the relations established at people-to-people level over 75 years of establishment of diplomatic relations and that they are stronger and cordial. Sharing his own personal events, Lu has shown that there are many good things in between politics and diplomacy to cherish.

US Secretary Of State Award For Corporate Excellence Delivered To Purnaa

US Assistant Secretary of State for South and Central Asia, Donald Lu, delivered the US Secretary of State's Award for Corporate Excellence to Purnaa, a US manufacturing company in Nepal that promotes ethical manufacturing by empowering traditionally marginalized people & survivors of exploitation.

Those in attendance included entrepreneurs, executives, business association representatives, development agencies, think tanks, and government officials – all key stakeholders in promoting sustainable economic development in Nepal.

US Assistant Secretary of State for South and Central Asia, Donald Lu, was received by high officials of the US embassy in Nepal when he arrived at the Tribhuvan International Airport.

Assistant secretary Lu was scheduled to pay a cour-



tesy call on Prime Minister Sher Bahadur Deuba and Minister Foreign for Affairs Dr. NaravanKhadbesides participating in the award-handing ceremony in the capital.

Lu had visited Nepal earlier in November last year. Informing about the arrival of Lu, the US Embassy said on its Facebook page that Assistant Secretary Lu would hold meetings with the business community, civil society, and government officials during his stay in Nepal.

"As our most senior diplomat focused on South Asia, he regularly visits the region to discuss a range of issues. For this visit, A/S Lu will meet with Nepalis from business, civil society, and government to discuss our 75 years of friendship, our shared commitment to economic development, democracy and human rights, and our mutual love of momo," the Embassy stated.

CoAS General Sharma Attended CHOD Conference

Chief of Army Staff General Prabhhu Ram Sharma returned after taking part in Annual Chief of Defense (CHOD) Conference-2022 in Australia. As per the decision of the cabinet, CoAS General Sharma attended the conference which was held in Sydney from July 25-27.

At the event organized by Australian Defense Force in collaboration with the U.S. Indo-Pacific Conference, the chief of armed forces from the region will discuss emerging international security issues and issues of bilateral cooperation in various dimensions.

Nepal Army's chief has been regularly participating in the conference since 2000.

Lt Gen Bal Krishna Karki welcomed COAS General



Sharma upon his arrival at TIA.

Nepal, Morocco Conclude Bilateral Consultation Mechanism Meeting

The first meeting of the Bilateral Consultation Mechanism between the Ministry of Foreign Affairs of Nepal and the Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates of the Kingdom of Morocco was held in Rabat. Nepal and Morocco had signed an agreement on the establishment of bilateral consultation mechanism between the two foreign ministries in 2017.

The meeting reviewed the status of bilateral coop-

eration between the two countries and discussed on ways to forge further cooperation and partnership in the fields of, economtechniic, cal, tour-



ism, cultural cooperation and human resource development. Also, views were exchanged on contemporary global issues such as climate change, migration, contributions to UN peace operations and issues of regional economic cooperation.

The Nepali delegation to the meeting was led by Bharat Raj Paudyal, Foreign Secretary of the Government of Nepal and the Moroccan side was led by Ambassador Abdelkader El Ansari, Director of the Department of Asian Affairs and Oceania, Ministry of Foreign Affairs of the Kingdom of Morocco, African Cooperation and Moroccan Expatriates. The other Member of Nepali delegation was Tej Bahadur Chhetri, Joint Secretary at the Ministry of Foreign Affairs of Nepal.

8th AKS Interdisciplinary International Conference Concluded

Jawaharlal Nehru University (JNU) New Delhi, Centre for Korean Studies (CKS), School of Language, Literature and Culture Studies (SLL & CS) and Nepal Law



Campus, Tribhuvan University jointly organized the 8th AKS Interdisciplinary International Conference (IIC) 2022 in Kathmandu.

The theme of the conference was Emerging Trends in Korean Studies in South Asia: Comparative and Inter-Cultural Perspective. The conference has brought more than 70 academic scholars from India, Korea, Bangladesh and Nepal.

They exchanged the latest research findings, cultural and social prospects, development of pandemic jurisprudence by the Nepalese Supreme Court and international cooperation between Korea and other jurisdictions to combat Covid-19, judicial activism of Nepalese Supreme Court and Korean court in responding to COVID-19, socio-cultural cooperation and relativism, constitutional dimension and constitutionalism perception between Korea and Nepal, Korean literature and legal languages and universality of courtroom language.

The participants also discussed foreign investment, development and human rights, nexus of law, comparative analysis of criminal law, literature and humanity education and employment, bilateral relation, cooperation and development common challenges of cyber security and perspective of economic social and cultural rights in Nepal, India and Korea were a key area of presentation and discussion in the altogether seven sessions held in two days of the conference.

Speaking at the inaugural session, the Chief Guest and the Vice Chancellor of the Jawahar Lal University (JNU) New Delhi India, Professor Shanti Shree Pandit expressed that such conference has brought the networking of academicians from different jurisdictions for further cooperation and contribution to uplift cultural, social values and promote Korean studies in Asia.

Addressing the Conference, Amb Park Chong Suk, Ambassador of Korea to Nepal, expressed that apart from investment and business relations the cultural sharing between Nepal and Korea is unique. He also expressed that the embassy will look forward to the days to have to establishing academic relations and collaboration in Nepal.

Justice of Supreme Court Hari Prasad Phuyal a Special Guest of the Conference expressed that such conference is a platform for academics, lawyers and even justices to share different dimensions and practices of culture, traditions, law, justice and many more. Expressing a vote of thanks at the inaugural ceremony Prof. Dr. DN Parajuli, Campus Chief of Nepal Law Campus, expressed that intercultural exchange between Nepal, India and Korea will boost bilateral relations and Nepal

Law Campus will always prioritize the inter-sector academic engagement to foster an academic relationship in the days ahead.

At the conference the keynotes were also expressed by Dr. Krishna Prasad Bashyal, Professor Ravikesh from JNU, Kim Kyung Suk, Skand Ranjan Tayal Former Ambassador to Korea from India and Satyanshu Srivastava JNU. All together thirty-two papers were presented by various scholars to name Saroj Krishna Ghimire, Dr. Newal Chaudhary, Kamal Raj Thapa, Dr. Balram Raut, Bijaya Prasad Mishra, Gyandarshan Bhattarai, Tej Man Shrestha, Bimal Prasad Poudel, RoshaniPoudyal, Kishor Sapkota and Saroj Kumar Giri, Sarita Khanal, Dev Mahat and Arjun Kharel from Tribhuvan University. Likewise, Sushmita Rajwar and Paresh Kumar were presenters from DU India.

Other participants included Prof BK Pandey from AJNIFM India, Dr. Bijay Partihari and Dr Kumari Rohinfrom JMI India, Dr. Afzal Ahamad Khan from Korean National University South Korea, Mr. Sanjay K Jha, Dr. Manish Kr Barnwal, Prof. Ravikesh, De Neerja Samajdar, Satanshu Srivastava, Aashi Dua, Gautam Kumar Jha, were presenters from Jawaharlal University New Delhi India. Likewise, Dr. Kushal Kumar, Anna Yang from ELFU, India, Jerin Mehjabin from MTTC Bangladesh, Naushad Alam from EFLU India, Dr Sarita Nandmehar from ODI India were Speakers at the Conference.

Japanese Photographic Image Print Exhibition Opens

Tamura Takahiro, Charge d'Affaires ad interim of Japan to Nepal, inaugurated Photographic Images and Matter, Japanese Prints of the 1970s amid a function at Japanese Embassy.

Attended by people from art and painting sector and lasting till July 22, the exhibition started with Charge d'Affaires Tamura Takahiro highlighting its importance.

The exhibition focuses on print expressions from the



1970s as seen in the work of 14 artists who helped develop a print movement in the world of Japanese contemporary art. The exhibition is divided into two sections: "The Age of Photographic Images," which focuses on the use of photographic images in the print medium, and "Images of Autonomous Matter," which focuses on works that were shaped by the intentions of matter.

Printmaking developed intensively in Japan after

the end of the Second World War, reaching its peak during the 1970s, when Japanese production also rose to the very top by world standards. In 1957, the Japanese government launched the International Biennial Exhibition of Prints in Tokyo as a special feature of its postwar culture policy. Awarded the International Grand Prize in the sixth edition of the biennale in 1968, Tetsuya Noda transformed photographic portraits of his family into prints. His works were significant in that they exemplified the huge changes that were underway in prints internationally, confirmed that there were parallels between trends in contemporary prints and contemporary art, and suggested future developments in contemporary art.

In the 1970s, there was a rapid increase in Japanese works that adopted Noda's method of converting photographs into prints. The era also saw the rise of works that placed special importance on allowing the materials (matter) used in printmaking (print blocks, paper, ink, etc.) to speak for themselves, which was lauded as a new trend in the medium. Another significant trend was the emergence of prints with an extremely strong materiality in which the image was transformed into a material.

These autonomous expressions of photographic images and matter in the 1970s dramatically expanded the field of prints and also exerted a strong influence on trends in contemporary art. While introducing important trends in prints during the 1970s, this exhibition focuses on print-inspired trend in contemporary art of the same period. "The Age of Photographic Images" section introduces Tetsuya Noda, Kosuke Kimura, Akira Matsumoto, Satoshi Saito, Hideki Kimura, Sakumi Hagiwara, and "Images of Autonomous Matter" section introduces Jiro Takamatsu, Katsuro Yoshida, Koji Enokura, Shoichi Ida, Tatsuo Kawaguchi, Lee Ufan, Mitsuo Kano, Arinori Ichihara. It is hoped that the viewer will gain a deeper understanding of contemporary art trends of the 1970s which were triggered by the print medium.

We Are At An Important Juncture In Our Relationship With Nepal: US Ambassador Nominee For Nepal

The US Ambassador Nominee for Nepal says he is well prepared to take up assignment in Kathmandu

Dean R Thompson, the United States ambassador nominee, in his opening statement before the Foreign Relations Committee of the Senate, said: "from my time as Principal Deputy Assistant Secretary in the South and Central Asian Affairs Bureau, as a US diplomat in Bangladesh, Sri Lanka, and India,



and a leader in the Department's crisis manage ment apparatus, I feel well pre-

pared to serve in this capacity, if confirmed."

Thompson was nominated as the US ambassador to Nepal by President Joe Biden in March.

He will get appointed once he gets through the hearing from the Senate's committee. He currently serves as the State Department's Principal Deputy Assistant Secretary for South and Central Asian Affairs, and was the acting Assistant Secretary from 2020 to 2021.

In his statement he said if he gets confirmed for the position, he will push for the rights of all Nepali citizens and residents. "This includes the Dalits, marginalized communities, and refugee communities, including Tibetan refugees. I will encourage the Government of Nepal to implement policies that promote meaningful inclusion, economic opportunity, and humanitarian support," he said as per the statement released by the Foreign Relations Committee.

If confirmed, he will succeed Randy Berry in Kathmandu, who has been nominated by Biden as his ambassador for Namibia.

Berry had presented his letter of credence to President Bidya Devi Bhandari on October 25, 2018.

Thompson also said facilitating Nepal's economic growth and strengthening the trade ties between the two countries will be his priority if gets appointed.

He also mentioned parliamentary ratification of Millennium Challenge Corporation Nepal Compact in February, saying it got through Nepal's parliament despite a torrid disinformation campaign by PRC (China).

"We are at an important juncture in our relationship with Nepal. Nepal has been referred to as a 'yam between two stones,' those stones being China and India," he said. "While those countries do have important relationships with Nepal, we also share Nepal's interest in strengthening its sovereignty and its partnership with the United States."

"Nepal's progress on the commitments it made during President Biden's Summit for Democracy demonstrates how important Nepal's young democracy is to its people, and the importance it places on its relationship to the United States," he added. "Nepal's support for Ukraine resolutions at the UN General Assembly and the UN Human Rights Council demonstrates its dedication to the international rules-based order and the premise of territorial integrity. Nepal is a committed bilateral partner and a committed partner on the world stage."

JICA Extends Scholarship For Young Govt Officials

JICA and the Government of Nepal signed a Grant Agreement on assistance for "The Project for Human Resource Development Scholarship (JDS)" for the Fiscal Year 2022 amounting to Japanese Yen 376 million (Equivalent to NPR 350 million).

The Exchange of Notes regarding the assistance was signed between Madhu Kumar Marasini, Secretary, Ministry of Finance on behalf of the Government of Nepal (GON) and TAMURA Takahiro, Charge d'Affaires ad interim of Japan to Nepal, Embassy of Japan, Kathmandu on behalf of the Government of Japan (GOJ).

Similarly, the Grant Agreement was signed between Ishwori Prasad Aryal, Joint Secretary, International Economic Cooperation Coordination Division (IECCD), Ministry of Finance on behalf of GON and Ms. TANAKA Tomoko, Senior Representative of JICA



Nepal Office on behalf of JICA.

With the signing of G/A, JICA will offer 22 scholarships to the Civil Servants of Nepal to study in graduate schools of renowned Japanese Universities. The selected participants enhance their expertise in respective professional areas ranging widely from judicial, economic policy, industrialization to infrastructure sectors, and develop broad network at the global level.

The objective of the JDS is to strengthen the government's administrative capacities in Nepal for the young and capable government employees who are expected to engage in formulating and implementing social and economic development plans and thus play leadership roles to contribute to the development of Nepal. This agreement expects to expand and enhance the foundation for bilateral relations between Japan and Nepal by means of accepting students from Nepal in Japanese Universities as overseas students.

Government of Japan has been providing this scholarship since 2016. Until now, 80 civil servants have graduated from Japanese universities and spread across key ministries of Nepal building a strong alumni network. At present, 42 civil servants are undertaking Master's and PhD courses in prestigious Japanese universities.

Ms. TANAKA Tomoko, Senior Representative of JICA Nepal stated that, "We are hopeful all the scholars will contribute to the development process of Nepal and will be the bridge between Nepal and Japan once they come back after completing their education in Japan.

KOICA Organized Consultative Workhsop For Its Volunteer Partner Organizations

Korea International Cooperation Agency (KOICA) organized a Consultative Workshop for its Volunteer Partner Organizations on July 28, 2022 in Kathmandu.

The workshop aimed to review and evaluate KOICA's volunteer program with sharing and exchanging the best practices and creative ideas to improve volunteer program in Nepal among volunteer-related organizations. This meeting gave a platform to discuss ways to promote a better policy and effective implementation of Volunteer program in the future. About 33 participants from different partner organizations participated in the program.

Sunghoon Ko, Country Director of KOICA Nepal Office welcomed the participants. He emphasized the importance of cooperation from recipient organization to strengthen the KOICA program in Nepal. He mentioned that the main objective of the program is to promote friendly and cooperative relationship and mutual exchange between Korea and developing countries and to support their economic and social growth.

Simultaneously, he highlighted that KOICA has identified Environment as one of its new area of interest where it pursue to develop and implement new project and programs. Since last year KOICA have been trying to incorporate the environment sector in its entire cooperation program.

KOICA staffs presented about the KOV program, satisfactory survey form, safety and security issues of KOV as well as Green ODA Programs which KOICA Nepal have been implementing since last year.

Similarly, a brief presentation was done by the Nepal Korea Friendship Municipality Hospital highlighting about the support of KOICA in hospital waste management system. Last year KOICA supported 3 Biomedical Waste Autoclave Machines for KOICA supported 3 hospitals including Nepal Korea Friendship Municipality Hospital. Likewise, Environment Declaration was also signed by more than 10 organizations together with KOICA with an aim to protect the environment. KOICA Nepal Office has signed a declaration of environmental management of the office dimension for the environment on June 05, 2019 to implement the low carbon, energy reduction activities.

Group discussions were made to identify the environmental need assessment of the participating organizations. KOICA Nepal Office has serious concern towards environmental issues



too. From the constructive feedback of the discussion KOICA will try to support the recipient organizations in some extent. Also, KOICA hopes that the environment declaration signed by both sides will be implemented properly in coming days. The KOICA Volunteer Program is one of the main pillars of the KOICA programs. KOICA volunteer program aims to contribute to poverty reduction and sustainable development and to promote friendly relations between Korea and host countries. Volunteer program is an important aspect of KOICA's cooperation program in Nepal which supports to transfer Korean knowledge, expertise and technology directly in the grass root level. Now there are 5 volunteers who are actively working in various sectors. KOICA is committed in increasing the numbers of volunteers in Nepal.

BUSINESS BRIEF

Head-race Tunnel Breakthrough of 111 MW Nilgiri Hydropower Project

Chairperson of Nilgiri Khola Hydropower Company Pvt. Ltd. Prithvi Bahadur Pande attended the headrace tunnel breakthrough of the Nilgiri Hydropower Project. Promoted by the compa-



ny, Nilgiri Khola-I & Nilgiri Khola-II Hydroelectric Project have capacity of 40.7MW & 71MW respectively. Remainconstruction ing including hydro-mechanical and civil works are currently undergoing.

" The Head-race Tunnel Breakthrough of

the Nilgiri Hydropower Power project is a great achievement in this exemplary partnership project between Developer, Contractor and Consultants. This project has 11 km altogether tunnel length. We are proud of entire team who made this happen and are incredibly grateful to all stakeholders who have supported us in this challenging undertaking," writes a company in its press release.

Situated in Annapurna Rural Municipality ward 4 of Myagdi district, the construction of both the project has completed now. The electricity generated by the project will be connected to Nepal Electricity's Bankhet substation through 7 kilometer long 220 kV Transmission line.

The company will construct 7 KM transmission line on its own. With total estimated cost of Rs.13 billion, the project will estimated to be complete by December 2022.

Nilgiri Khola Hydropower Company Ltd. is developing Nilgiri Khola-I & Nilgiri Khola-II Hydroelectric Project. Nilgiri Khola-II Hydropower Project is being developed as cascade project of upstream Nilgiri Khola-I Hydropower Project. The Projects are basically a Run-of-River type scheme. Chairperson of Nilgiri Khola Hydropower Company Pvt. Ltd. Prithvi Bahadur Pande attended the headrace tunnel breakthrough of the Nilgiri Hydropower Project. Promoted by the company, Nilgiri Khola-I & Nilgiri Khola-II Hydroelectric Project have capacity of 40.7MW & 71MW respectively.

"The Head-race Tunnel Breakthrough of the Nilgiri Hydropower Power project is a great achievement in this exemplary partnership project between Developer, Contractor and Consultants. This project has 11 km altogether tunnel length. We are proud of entire team who made this happen and are incredibly grateful to all stakeholders who have supported us in this challenging undertaking," writes a company in its press release.

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IME Group Chair Hands Over Mass Casualty Evacuation Vehicles To Home Minister

IME Group Chairman and Senior Vice President of Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Chandra Prasad Dhakal delivered Vehicles to Ministry of Home Affairs Bal Krishna Khand.

IME Motors, the sole authorised distributor of Ashok

Leyland commercial vehicle in Nepal, handed over eight of units m a s s casualty vehicles, equivalent to mobile hospital to National Disaster



Risk Reduction and Management Authority (NDRRMA) which is under Ministry of Home Affairs.

Each mass casualty vehicle has six beds for patients, critical care facilities such as advance life support devices, portable ventilator, patient monitor, syringe pump, infusion pump, defibrillator, oxygen concentrator, ECG Machine, ultrasound machine and other infectious control instrument.

The vehicle is also equipped with CCTV camera and can be monitored centrally. Chairman of IME Group Dhakal said this kind of fully equipped mass casualty vehicle is the first of its kind in Nepal and will definitely help in treatment of the patient on site and mass transfer of patients from disaster site to nearby tertiary hospital.

Home Minister Bal Krishna Khand has pledged to increase the amount of budget allocated for people living with disabilities.

Addressing a program organized to hand over vehicles and disability assistive equipment used during disasters, Minister Khand said the government was serious in ensuring that the people living with disabilities live a dignified life.

He mentioned that the government has recently decided to give some monthly allowance to disabled people with an aim of supporting their lives.

Global IME Bank Makes Rs. 5.2B Profit In FY 2021/22

Global IME Bank Limited has earned a profit of Rs. 5.2 billion in the last fiscal year 2021/22 The profit of the bank was 25 per cent higher in the last fiscal year than the previous fiscal year.

In the fiscal year 2020/21, the bank had earned a profit of Rs. 4.16 billion.



During the review period, the net interest income of the bank has increased by 17.52 per cent, while the net fee and commission income has increased by 9.27 per cent, according to a press statement of the bank.

The total interest income of the bank is Rs. 10.74 billion. The total operating income of the bank has increased by 15.04 per cent and the operating profit by 26.90 per cent.

By the end of last fiscal year, the distributable profit of the bank was Rs. 3.199 billion.

The bank has collected a total of Rs. 286 billion in savings and invested Rs. 272 billion in loans in the last fiscal year.

Compared to the previous financial year, the bank's savings and loan investment have increased positively, it said. The EPS of the bank increased by Rs. 2.63 to Rs. 21.88 during the review period compared to the previous financial year.

During the review period, the bank's paid-up capital increased by 10 per cent. Similarly, the reserve fund has increased by 20.42 per cent.

The non-performing asset of the bank has come down to 1.22 per cent from 1.41 per cent in the last fiscal year.

The bank has 289 branches in all 77 districts of the coun-

It has been providing services to more than 2.9 million customers from more than 875 service centres, including 262 ATMs, 275 branchless banking services, 51 extension and revenue collection counters and three foreign representative offices.

Nepal's Pharmaceutical Sector In Face Of LDC Graduation

try.

Experts discussed the challenges faced by Nepali pharmaceutical industry in the context of new intellectual property regime after Nepal's graduation from the least-developed country (LDC) status in an interaction organized in Kathmandu.

They identified the major policy and institutional challenges for the optimal use of Trade Related Aspects on Intellectual Property Rights (TRIPS) flexibilities, and suggested way forward during the workshop titled "Preparedness of Nepal's pharmaceutical sector in the face of LDC graduation" organized by South Asia Watch on Trade, Economics and Environment (SAWTEE) and Third World Network (TWN).

Opening the program, Dr. Paras Kharel, Executive Director, SAWTEE began by emphasizing the flexibilities that Nepal receives as an LDC and the preparedness of the pharmaceutical sector for the challenges it may encounter after 2026.

Dr. Posh Raj Pandey, Chairperson, SAWTEE, presented the findings of the draft report "Preparedness of Nepal's Pharmaceutical sector to cope with the challenges of the country's LDC graduation" jointly prepared by SAWTEE and TWN.

Dr. Pandey suggested that Nepal could still avail different flexibilities even after the graduation, immediately during the transition phase and later as a developing country too while strengthening

BUSINESS BRIEF

the capacity of domestic pharmaceutical manufacturers.

Prajwal Jung Pandey, President, Association of Pharmaceutical Producers of Nepal (APPON), stated that the patent registration process for pharmaceutical companies in Nepal is complex and cumbersome. Pandey mentioned that Nepal has not been able to effectively grab the benefits provided to LDCs.

He emphasized that in the face of LDC graduation, private sectors, along with the government, need to move ahead in a collaborative manner to ensure that transition is smooth.

Dr. Shiva Prasad Shrestha, Senior Vice President, Nepal Medical Association, lamented that Nepal's pharmaceutical companies are limited to producing basic drugs rather than complex and life-saving drugs. He also stated that unless the government accords effective protection to domestic producers, Nepal's pharmaceutical sector will have a difficult time surviving.

Dr. Prativa Pandey, Executive Committee Member, Intellectual Property Protection Society Nepal (IPPSON), stressed that gaps lie in ecosystem, innovation and standards. She emphasized that research and development (R&D) ecosystem should be strengthened. Dr. Pandey said, "As a civil society we need to increase the capacity of the government in strengthening R&D."

K.M. Gopakumar, Senior Research and Legal Advisor, TWN, emphasized that an apt policy response is needed to minimize the impacts of LDC graduation in domestic producers and to ensure



access to medicine in an affordable way. While the draft law on intellectual property is generally in the right direction, there are rooms for improvements. For instance, the bill could decrease the scope of patentability by disallowing multiple patents in a single molecule, expand provisions related to compulsory licensing, and by introducing a transition period before the product-patents are implemented.

In the closing remarks, Bharat Bhattarai, Director General, Department of Drug Administration, stated that the government has acknowledged the need for policy reforms in the pharmaceutical sector and the findings of the study has been successful in providing robust policy recommendations. Bhattarai stressed that a holistic approach is needed among stakeholders to invigorate the pharmaceutical sector.

The workshop was attended by policy makers, experts from the pharmaceutical sector, medical professionals and representatives from academia, activists and civil society.

Passport, National Power And International Prestige

BY: SHAMBHU RAM SIMKHADA

"In the past when a Nepali travelled abroad only a few knew about Nepal. But those who knew looked upon Nepalis with interest and respect, as citizens of the land of the Buddha, Everest and Gorkhas.

At major international airports Nepali passport holder received greetings and quick

clearance. I wish that was the case today". Continuity and Change in FP the Independent, 18 December 1991

Nepal is one of the oldest independent nation-states of the world, older than the United States of America. Six years ago, Nepal and Britan celebrated 200 years of diplomatic relations. Despite this glorious history the 2022 Henley passport index places Nepal 105th out of 111, same as Palestine, which is yet to gain statehood, and below Haiti, Sudan, Congo and just above Somalia, Yemen, Syria, and Afghanistan, either failing or failed states. Is this a happy commentary on Nepal's international relations (IR), foreign policy (FP), and diplomacy? This article will examine Nepal's Domestic Politics-Foreign Policy interface and National Power-Interest Paradigm to see the role of IR/FP/diplomacy in Nepal's internal politics and together how they have affected national power and international prestige so vital for any nation to survive and thrive

Long Journey: Accelerating lately, decline of Nepal's national power and international prestige however started long ago. Despite huge sacrifice of Nepalis in the two world wars in favour of the victorious powers and Nepal's sovereign status registered with the League of Nations in 1929, Nepal was however unjustly excluded from the initial list of signatories of the founding of the United Nations in 1945. Closer scrutiny also refutes the claim of diplomatic glory prior to the restoration of democracy in 1990 and democratic republic later.

Changing Dimensions of FP: After a long period of isolation and lean on one side, active internationalism reflected Nepal's struggle for survival in a region and the world starting to change. The 1950 Treaty of Peace and Friendship with independent India came after Chinese intervention in Tibet. Diplomatic ties with China in1955 leading to the Signing of the Treaty of Peace and Friendship in 1960 and the Border Treaty in 1961 signaled the search for a balanced relations in the immediate neighborhood. King Birendra declared Nepal a Zone of Peace (ZOP) in 1975 reflecting the desire not to get drawn into great power rivalry.

Establishment of relations with the US and all permanent members of the UN Security Council, 1967-68 and 88-89 UNSC membership, active role in Non-aligned movement, initiative for the establishment of SAARC in 1985 and hosting its headquarter in Kathmandu, were all meant to enhance national power by diplomacy. But how have they helped Nepal's changing domestic politics and geo-political imperatives, national power in relations to the two immediate neighbours and internationally and ultimately served Nepal's national interests?

Balance sheet: On the bright side, Nepal has so far survived as a sovereign nation and remains active in many regional and global forums, including admirable role in UN peacekeeping. But the overall

picture of FP contributing to political stability and policy independence, socio-economic

transformation and national power enhancement serving the supreme national interest, is not so rosy as some delude themselves to.

Domestic Politics-FP interface: Starting from the early days of active FP, friendship with Israel may reflect BP's personal sympathy for the Jews for the injustices they suffered in World War II. But his political and FP interest in befriending Israel as a way of seeking the support of the increasingly powerful United States to Nepal's nascent democratic experiment, his own role as its champion and all of it serving the national interest in the emerging regional and global context could not be discarded. In initiating, continuing, and expanding active internationalism, nationalists like Mahendra and Birendra too must have had national independence as well as survival of monarchy and the Panchayat rule, they introduced, upper most in mind. Did they work?

BP was deposed and died struggling to restore democracy

Mahendra's inability to reconcile with BP and democracy, in which FP played a role, is partly responsible for the long internal political instability in which Nepal suffers to this day

ZOP, the most important FP initiative of the King who presided over the political system established by ending democracy, became a failure

Hindu monarchy, Nepal's founding, and ruling dynasty, was annihilated, forced out of power and ultimately the throne, under domestic and international pressure

Defense-diplomacy could not prevent Nepal suffering from decade long insurgency or save its traditional institution

More recently,

Leaders supposed to have presided over profound changes are struggling to institutionalize their achievements

A unique peace process making one leader "statesman of Asia" and even expecting the Nobel Peace prize and a nationally driven model of managing rebel combatants in post conflict situation remains ignored in international peace building literature let alone policy and practices

National Power-Interest paradigm: FP and defense-diplomacy are known as application of national power for the protection and promotion of national interests. Despite its relatively small size between China and India, historically Nepal was a powerful player in the Trans-Himalayas, lending military support, significantly expanding territory and gaining it back with diplomacy what was lost in war. What has hap-

pened to that national power over time?

Power is both relative and dynamic. One does not need data to suggest that over time Nepal's national power relative to India and China has not improved

In the latest Asian Power Index by Lowy Institute, in comprehensive national power Nepal with 4.5 score comes lower than Mongolia, Laos, Cambodia, Myanmar, much lower than Sri Lanka and Bangladesh let alone the global superpower US pivoting to the Indo-Pacific, China, now the world's other superpower and India taking its own seat at the global high table

In military capability Nepal is placed 25th among 26 countries coming only above Papua New Guinea. In economic relationships Nepal is only above North Korea and in diplomatic influence only above those two

Contribution of non-alignment to national power needs to be explored

Despite successive governments making it a priority refugees entering Nepal have not returned to their countries

Nepali migrant workers are in high demand but lowest paid and least protected in major labour markets

Kathmandu as the headquarter, where is SAARC today and what is Nepal's role as its current Chair?

Nepal's recent losses in elections for UN GA Presidency, and seat in the UNSC validates diminished diplomatic influence, strength of Nepali passport proves it further.

For the small and weak diplomacy is the tool of statecraft for enhancing national power. But here too, historically unresolved border issue with India has now reached a serious stage with the close neighbour refusing to come to the negotiating table and ignoring the EPG Report. Relation with

norther neighbour China described as "problems free" is now open for controversy with ideological underpinnings, reports of border problems and supply situations. Controversy surrounding US Millennium Challenge Compact (MCA) and now State Partnership Program (SPP), Europe's perceived meddling in Constitution making and with 200 years of diplomatic relations UK stopping to issue visa for Nepalis from its Kathmandu embassy show Nepal's FP in flux. So, in both Domestic Politics-FP interface and power-interest paradigm, still ongoing political transition, diminished power indices and relations with all major actors active in Nepal make Nepal "overexposed" to external pressure without either strong national power or effective diplomacy.

Need for a serious re-visit: What are the factors

responsible for Nepal's growing unfavorable domestic politics-FP interface and worsening national power-interest paradigm? Even more significantly, with diminished national power indices across all parameters, military capability, economic relationships, diplomatic and cultural influence, and internal ideological polarization with main parties unable to forge national consensus even on issues of vital national interests, how will Nepal, in one of the global epicenters, respond to serious challenges from within or outside?

No doubt some individuals have had outstanding careers in Nepal's FP/diplomacy, securing lucrative positions for themselves, some repeatedly. It may also be true that under some outstanding individuals some institutions may have served Nepal's national interest well. Despite that, why is Nepal's internal politics facing a seemingly never-ending tran-

sition and instability, few years of democratic experiment, 30 years of Panchayat with active Hindu monarchy, some years of multiparty democracy with constitutional monarchy, then a decade long Maoist insurgency and now a little over a decade of secular federal democratic republic? In the process why has Nepal's national power and international prestige declined so much?

Strength of Nepali passport is only one among many variables showing where we stand in international prestige and national power. A serious revisit of Nepal's domestic politics-FP interface and the conduct of diplomacy is essential for changing the deteriorating national power-interest paradigm and improve Nepal's international image. This is what I was trying to convey when I wrote the lines quot-

ed in the beginning soon after the political changes of 1990. Those lines were based on the treatment I and a senior friend received while transiting an Asian airport frequented by Nepalis those days. After democracy and now republic instead of strengthening why is Nepali passport getting even weaker? Obviously, "in the absence of people to lead it well a better system does not lead to a better society".

Scholar-diplomat Shambhu Ram Simkhada teaches and writes on transformative International Relations. His Book Nepal India China Relations in the 21st Century has been reviewed as "Daring, Delightful and Transformative". His latest book Triumph and Trauma of Transition on Nepal's ongoing political transition has also been described as 'powerful, provocative and captivating window into Democracy, Diplomacy and Peace Building in Nepal".



SPP CONTROVERSY

Much Fuss About Nothing

The first British Resident at the court of Nepal had said Nepalese were yet to see which is good for them and which is not. Harping on too much of anti-SPP rhetoric, Nepalese were destroying their trustworthy, friendly and good relations with the US.

By KESHAB POUDEL

y situation by no means as agreeable as it might be if these barbarians did but know their own good. Instead of which they are insolent and hostile, and played off on us, as far as they can and dare, the Chinese etiquette and foreign policy."

The statement by Brian Houghton Hudgson, the first British Resident at the court of Nepal, still rings true if the behavior of Nepalese political players was an indication.

There are many such remarks in the memoir, Life of Brian Houghton Hodgson, by William Wilson Hunter.

When Hudgson was resident in 1834, Nepal's internal politics was fragile due to factionalism in the internal power centers which were vying for influence by two foreign powers. Rumors based on fake information were used as a tool to make every non-issue a major issue capable of toppling the government of the day and for political revenge.

Over 200 years later, the situation of Nepal resembles the time of Brian Hudgson. From personal communications to social media and large media platforms, rumors and fake pieces of information can circulate in Nepal, with a potential to shake and topple the government and destabilize

the country. Until Nepalese leaders and citizens can distinguish what is Nepal's own good and what is in its interest, nothing will change.

SPP Debate

Having supported Nepal's overall development throughout the last 75 years after the establishment of diplomatic relations, the United States has played a major role in modernizing institutions and strengthening their capacity, including that of Nepal Army in peacekeeping and disaster and humanitarian management. Eight U.S. Marines have even sacrificed their life in Nepal while conducting a rescue operation during the earthquake in 2015.

Although State Partnership Program (SPP) is a continuing part of U.S humanitarian support to the Nepal Army, fake news and information about made the non-issue into a big issue as if SPP was a military alliance.

"It is unfortunate that a non-issue was blown out of proportion by certain internal and external powers terming it as a major issue," said a retired military general on condition of anonymity. "This simmering campaign is against Nepal's own good."

The general's observation is close to reality, given the situation. Along with communist-dominated

Nepalese parliamentarians, China openly opposed the SPP and India tacitly backed it from behind and SPP turned into a major issue in Nepal's internal politics.

With its existing strong traditional relations with the Nepalese Army, the Indian establishment sees SPP, which is not hostile or directed to substitute Indian Army's relations with Nepal, as a tool to minimize the Indian Army's relations with Nepal Army.

However, a small section of India's security experts also holds the view that a program like SPP supported by the US ultimately favors India when it has been facing growing influences of China in Nepal.

HudgsonAnd Present Nepal

Although Hudgson's letter was written in 1833, this also reflects the present situation. If the current ambassador of the world's only superpower writes his statement, one can easily guess what could be his words.

Although several political systems and rulers have changed in Nepal in its journey from a monarchy to a republican nation, the basic character described by Hudgson has not changed yet. Situated between the two emerging global powers, persons



in the statecraft in Nepal and intellectuals in general still run away behind the rumors giving up core interests of the country.

From ministers to the leaders of the coalition, the main opposition and a section of intellectuals and experts, instead of talking about any real issue involved in SPP, they had a one-point agenda to pressure the government to withdraw itself from the SPP and prove Nepal's non-alignment policy.

Although Sri Lanka, Bangladesh and Maldives are non-aligned countries as well, they are part of SPP. However, Nepalese leaders see joining SPP as tantamount to joining a military alliance.

Nepal has been receiving U.S. support in the humanitarian, military, economic, health, social and development sectors since 1947. "As a superpower, the U.S thinks globally all the time. Now US global development program is named Indo-Pacific, and every U.S. support will be under this name. In a real sense, the term is not a military alliance like CENTO and NATO," said a retired military general.

SPP Realty Vs Fiction

According to the US em-

bassy in Nepal, the State Partnership Program 'is not and has never been' a security or military alliance. The US embassy page on What is SPP clearly notes that.

In the decades since, the program has expanded to cover some 93 nations, including Bangladesh, Sri Lanka and the Maldives, with the aim of "carrying out activities to build partner capacity, improve interoperability enhance the capability to meet emerging challenges.

Nepal's army issued a statement last month denying that it had ever entered into an SPP agreement, and stressed that it was "always clear about" the fact that it would not be "entering into any military partnership with anyone in the future such that it has an adverse impact on the non-aligned foreign policy adopted by Nepal, its special geopolitical position and strategic sensitivities."

In October 2015, Nepal applied to join the SPP as it wanted U.S. humanitarian assistance to meet the challenges posed by the April 2015 earthquake. Disaster-prone Nepal requested to join SPP in 2017 and 2019 also.

But a political and foreign affairs analyst, who is also a former

Nepalese ambassador to both the US and Britain, emphasized that the SPP was "not all that bad". Dr. Suresh Chandra Chalise said: "Nepal is vulnerable to natural disasters and some of SPP's objectives are very relevant to Nepal."

Critics in Nepal, however, believe that the US could interfere in internal affairs under the guise of the SPP, arguing that participating in the program is tantamount to Nepal signing off on the US' Indo-Pacific Strategy. Nepali MPs weren't convinced.

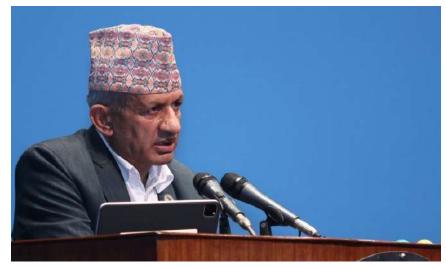
Political Debates

For the last two months, the communist-dominated Nepalese parliament and social media outlets had been full of disinformation regarding Nepal-US State Partnership Program (SPP).

Based on fake information, political leaders and intellectuals were expressing their arguments against SPP. Although Nepali Army has been participating and collaborating with the US in various humanitarian and peacekeeping activities under SPP, communist-led parliament and Maoist-backed coalition have started to debate recently.

Interestingly, all communist parties including CPN-UML, CPN-

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Unified Socialist, a breakaway of UML, Maoist Center, and Communist Party of Nepal (Masal) are ideologically divided and have bitter relations with each other, what they have in common is a unified stand against the SPP.

Participating in the House session, CPN-UML parliamentarians demanded an answer regarding the government's withdrawal from the State Partnership Program (SPP) and the revelation of correspondences made with the United States.

Among many others, Bhim Rawal, former Defense Minister and a senior leader of the UML and Maoist leader and chief Whip of Maoist Center Dev Gurung, have been harping on the need to go against SPP for a long.

Along with Rawal, former prime minister K.P. Sharma Oli and former foreign minister Pradeep Kumar Gyawali and other MPs of small Communist parties were also against it

UML leaders are pushing the government to withdraw from the State Partnership Program (SPP) from the Ministry of Foreign Affairs.

Minister Bal Krishna Khand and foreign Minister Dr. NaryanKhadka also spoke randomly in parliament without knowing much about it. Both the ministers said that the government had no intention of signing an SPP agreement during the prime minister's upcoming visit to Washington.

Seminar On Nepal Geo-politics

At a time when fake news and information have been clouding the reality about SPP and Nepal and US relations, the Center For Social Inclusion and Federalism organized a half-day seminar inviting security experts, former diplomats and politicians on Geo-politics and Military Diplomacy in Nepal-US Relations.

ing of Nepal's foreign policy and Nepal's interest were much cleared than that of any politician there. The views expressed by former deputy prime minister and foreign minister Upendra Yadav on SPP were vague and rumor based.

"Nepal should move ahead taking the confidence of China, India and the United States of America. However, Nepal will not join any kind of military alliance with anyone. Nepal will engage with neighboring powers and western power (America) and Nepal will make deals with them. However, Nepal will not make any military alliance or collaboration with any of them," said Yadav, who is also a key ally of the current five-party coalition government.

Although the United States and Nepal Army officials have been saying that SPP is not a military alliance or military exercise but just a partnership between the two armies for humanitarian and peace-keeping operations, former deputy prime minister Yadav seemed to rely on the rumor based information currently circulated.



Opening the session, former ambassador to Denmark and chairperson of the center Vijay Kanta Karna highlighted the importance of the seminar in the present context hoping to see factual information on the debate.

His views and understand-

"Nepal cannot stand for military collaboration and Nepal cannot join Indo-Pacific Military Alliance. It is in the best interest of Nepal to follow a non-alliance policy," said Yadav.

Without elaborating how

SPP is against Nepal's core interest, former minister Yadav stated his views saying Nepal is committed not to allowing its soil to be used against any of its neighbors.

Similarly, the UML members of parliament and security expert Dipak Prakas Bhatta blamed a lack of coordination among the government offices in handling foreign and defense policy for the present controversy on SPP. He stressed the need to have coordination among the foreign ministry, defense ministry and Nepal Army.

Retired Army General's Views

At a time when the debate on SPP has been dominated by politicians and non-military persons, former Chief of Army Staff (CoAS) General Gaurav SJB Rana joined the debate expressing professional thoughts on it.

"SPP is not an agreement or alliance but a program designed to enhance Nepal Army's humanitarian and disaster rescue capacity."

He said that Nepal and United States established diplomatic relations under the pretext of cold war. "Our relations if analyzed on historical basis, have been sporadic, incremental and dependable on existing geopolitical conditions," said General Rana. He said that the establishment of diplomatic relations in the field of military assistance has been sporadic incremental. He said that our overall engagement with the U.S has been





constituent.

General Rana said that Nepal Army is a major wing of foreign policy since the unification of Nepal saying that there was the backing of the Nepal Army in 1947 to have diplomatic relations with the US.

"Nepal Army is one of the main wings of implementing the foreign policy of the government and there needs a better coordination between the foreign ministry and Nepal Army. Unnecessary efforts are made to drag Nepal Army into controversy in SPP. This is absolutely wrong," said General Rana.

He said that the army conducts military diplomacy to protect the broader interests of the country.

There is no need to be in confusion about the integrity and patriotism of the Nepal Army as the institution of the Nepal Army has not been built overnight. It is an institution that is deeply rooted in Nepal. "For instance, Purano Gorakh Battalion I joined as an office has a history of over 250 years."

General Rana said that SPP helps to enhance the peacekeeping and humanitarian crisis management capacity of the Nepal Army. He also urged politicians not to put Nepal Army in controversy through SPP.

Retired Major General of Nepal Army Dr. Purna B. Silwal also held the view that the Nepal Army has been pursuing military diplomacy for the protection and promotion of Nepal's interests.

"As SPP is not an alliance or agreement, Nepal Army has done nothing wrong taking the support to improve its own humanitarian capacity and capability. Nepal Army has been working as per the roles and responsibilities defined by the Constitution of Nepal," said Major General Silwal. "Nepal Army is an organized and disciplined organization and cannot go against Nepal's core interest."

Nepal In Regional Politics

As the global power balance is shifting with India and China vying for their influence in Nepal, both the emerging powers do not see the presence of only a superpower in any form in their interest.

Experts and diplomats hold the view that the current internal debate has nothing to do with Nepal's own core interest but is broadly a part of the regional geostrategic game plan.

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Former ambassador Dr. Dinesh Bhattarai said that Nepal has already entered into a regional geostrategic game plan. The current issue is how Nepal remains a sovereign and independent state. We need to understand that Nepal's reality is geography and its own handicap and limitation," said Dr. Bhattarai.

Former Nepalese ambassador to the United States Dr. Suresh Chandra Chalise said that Nepal-US relations started from military collaboration. Howev-

er, there is the need of an extensive debate on a sensitive issue like joining SPP.

Nepal needs to limit relations with the US just at the bilateral level. On the issue of SPP, there should be extensive an discussion before taking any decision. This is not an issue of this or that party, this leader or that leader but this is an issue which will affect Nepal's core interests.

"Not only on the domestic front, but Nepal also needs to convince its immediate neighbors and take them in confidence that Nepal's action and involvement with big power is not going against their interest.

Major General retired Dr. Silwal said that Nepal Army has been taking all initiatives at the interest of the country. "Nepal Army is committed to protecting sovereignty and integrity of the country. Don't express doubts about the institution."

Immature Leadership Sandwiched between the

two major powers, Nepal has been facing the same situation as it was back in the 1960s. However, King Mahendra carefully handled the situation balancing all the major powers India, China, the USA and even the USSR for the greater interest of Nepal. He visited the United States, Israel, China, and Russia taking the confidence of Indian leaders at that time. At a time when the global order is shifting and it became more complex, Nepal has a bankrupt leadership with no historical understanding and

s. However, King by handled the situal the major powthe USA and even greater interest of the United States, Russia taking the ian leaders at that en the global order became more combankrupt leadership understanding and retired cused dia for the USA and even be a companion of the United States, and the properties of the United States, and the properties of the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the USA and even greater interest of the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the USA and even greater interest of the United States, and the United State



diplomatic skills that is necessary.

As political leadership is showing immaturity and losing the trust and confidence of Nepal's two neighbors and other western powers like the US, Nepal will have to face a difficult situation.

Along with the US backed SPP issue, experts in Nepal's two neighbors are accusing each other of using Nepal's internal elements against their own interests recently.

Chinese state media Global Times in its recent article accused Pro-US and Pro-Indian forces of using Nepalese elements to fan anti-China sentiment. Similarly, a senior retired Indian Army commander accused China of encouraging anti-India forces in Nepal.

"Looks like there is going to be a competition of upping the heat by both our northern and southern neighbors. And we poor Nepali have to suffer history's most incompetent leadership at such a crucial juncture!" tweets Dipak Gyawali in a Global

Times Article.

As long as Nepali political leaders are unable to deal properly with Nepal's southern and northern neighbors about their security concerns and Nepal's relations with the USA, India and China, which are competing to vie influence in Nepal, will oppose the move of Nepal to take even humanitarian sup-

port from western power.

As Hudgson said, Nepalese are yet to see which is good for them or which is not. Raising anti-SPP rhetoric, Nepalese are destroying trustworthy, friendly and good relations with the US. Similarly, Nepalese leaders are losing the trust of Nepal's two neighbors as well as pushing the country into a most difficult period of uncertainty. Making a non-issue into a big issue, Nepal is losing its own credibility.

Urgency For Institutionalizing Environmental Monitoring And Auditing

Improving environmental quality and making development projects environment-friendly largely depends upon documented knowledge and learning from implementation of environmental protection measures (EPMs) included in the approved environmental assessment (EA) report. The EA - a predictive tool - includes in

Nepalese context the Brief Environmental Study (BES), Initial Environmental Examination (IEE), Environmental Impact Assessment (EIA), and Strategic Environmental Analysis (SEAn). During the last two and half-decades, the government is involved in legally approving IEE and/or EIA reports. The EIA report is sometimes approved at political level. Many people forget EA a 'prediction-based tool' and decide on 'absolute' term. It means what is written in the EA report may or may not happen during implementation. That would be known after monitoring and auditing.

Environmental monitoring is an integral part of an EA report. At least, compliance and impact monitoring are carried out to evaluate the degree of implementation of measures (compliance) and their effectiveness (impact). In many projects, pre-construction baseline is also documented, if there is a significant gap between the collection of baseline data and implementation or construction of the project. Monitoring provides greater opportunity to avoid costly mistakes and contributes to 'change the gear'.

As financial auditing, environmental auditing is a systematic, documented, periodic and objective process for examining and assessing environmental performance. Auditing is generally carried out to assess the actual environmental impacts, accuracy of prediction, effectiveness of measures, and functioning of the monitoring works. Although there are several types of auditing, project impact auditing would serve the purpose in making development projects environment-friendly. This auditing examines environmental changes arising out of project implementation and provides messages on actual departure and/or state of resources from pre-project condition.

Monitoring and auditing can be a part of the Environment Management Plan (EMP). Impact identification, prediction and evaluation provide information on 'what would or might happen' while implementing the project and EMP provides 'what actions should be taken'.

Nepal's Environment Protection Act (EPA, 2019) and Environment Protection Rules (EPR, 2020) have provisions for monitoring and auditing. The Act has made Ministry of Forests and Environment (MoFE) or the Department (Department of Environment) responsible for monitoring and supervision, including the 'optional provision' for Provincial government and Local level. The EPR has also made the proponent responsible to conduct 'self-evaluation' every six months and submit the report to the concerned agency or the Department. Local level may monitor and supervise the state of implementation of EPA and EPR, prepare report and make public and send to Province within 21 days after the end of each fiscal year. Province is legally made responsible to monitor and supervise of its project, prepare report (taking note of Local level report), make public and send to MoFE within 30 days of the end of each fiscal year. In case of violation of the approved EA report or environmental impacts crosses the limits or non-compliance with instruction issued to the proponent to avoid or adopt measures to mitigate adverse impacts,



BY: BATU UPRETY

proponent may be punished up to NRs. 15 million.

The EPA empowers MoFE or the designated agency to update auditing report of project within six months after two years of service delivery or product distribution. This provision on timing is technically and practically difficult to enforce. The EPR provides

guidance on the type auditing required.

Legal provisions provide clear messages for environmental monitoring and auditing, and it can be considered a good starting point to institutionalize these two important elements of the EA process and bring the mandated organizations within the 'legal network'. Experience informs that impact monitoring and project impact auditing provide lessons to select practical and cost-effective measures and make EA report implementable. Furthermore, compliance monitoring results would greatly help in understanding effectiveness of enhancement and mitigation measures. Monitoring results affect the auditing results.

Budget allocated for monitoring in the approved EA report indicates one-time monitoring and undermines the need for parameter-based continuous or intermittent monitoring. Alternatively, proponent is made responsible for regular monitoring as it should submit 'self-monitoring' report every six months.

Although legally required, monitoring and auditing are practiced in Nepal in few funded projects. Review of monitoring and auditing of few projects clearly indicates 'significant' departure from impacts identified or predicted. In Nepal, it is yet to institutionalize monitoring and auditing. This might be one of the reasons that approval of under quality EA reports is continued. Concerned consider that once EA report is approved, 'environment is automatically managed' and there is no need for implementing the legally approved EA reports.

Few reasons related to non-monitoring are: (i) inadequate awareness on the benefits of this globally accepted and massively used EA tool; (ii) unwillingness to understand the elements of its 'own' EA report and full dependence on 'consultants'; (iii) continued practice of' cut-and-paste' in EA report; (iv) continued practice of 'closing eyes' and approving under quality EA report; (v) proposal for non-implementable measures or monitoring requirements in EA report; (vi) non-allocation of required or estimated budget (as contained in the approved EA report) to implement measures and conduct monitoring; (vii) low or no supervision on measures implementation; and (viii) intention of only preparing and approving EA report of the prescribed proposal due to weak or no environmental governance.

Countries committed to maintain and/or improve project-based environmental quality have greatly benefited from EA process by implementing measures, and institutionalizing monitoring. Environmental auditing provides lessons on appropriate measures based on their effectiveness and those measures can be used in similar future projects. In a nutshell, EA report preparation and approval is meaningless till measures are fully implemented, monitored, and audited. Concerned agencies may wish to enforce legal provisions on environmental monitoring and auditing that primarily provides financial and environmental benefits to the proponent, recognizes proponent for making its 'investment' long-lasting and sustainable, and avoids punishment.

NEPAL ECONOMIC CRISIS

Getting Deeper

With increasing import bill and declining foreign currency reserve, Nepal's economy is facing a serve crisis. Thanks to pegging of Nepalese currency with Indian currency, there is some respite. However, nobody knows how government's 'glass half full' approach can rescue Nepal's crisis as economic crises abound

By KESHAB POUDEL

epal observed a prohibitive current account deficit in the last fiscal year of 2021-22. The ballooning current account deficit is causing a fast depletion of foreign exchange reserves and a crisis in the foreign exchange market.

As Nepal's foreign currency reserve is shrinking fast due to imports of luxury products like car, motorbikes and perfumes as well as essential products such as petroleum, food and so on, the option before the government is to issue an order to restrict all these imports.

Instead of announcing the decision, Prime Minister Sher Bahadur Deuba, who is facing General Elections in three months, has urged industrialists to reduce the import and consumption of petroleum products by increasing the use of electricity in industry and business.

"We are not in a position to lose foreign currency by importing unnecessary and luxurious goods," Deuba said. "We have to work to increase domestic production. The government is serious about preventing further deterioration of the economy and bringing it back on track."

"For strengthening the econ-

omy, I want to ask industrialists and businessmen not to import expensive and luxurious goods produced abroad only and to increase consumption, but to increase the production of goods and services that can be produced in the country and promote them, support import substitution, and focus investment in that area," said Prime Minister Deuba, addressing the 19th annual general meeting of the Confederation of Nepalese Industries. He said that both internal and external sectors of the economy are under pressure, he said.

For this, there is a need for both the government and the private sector to address the challenges of the economy by communicating and cooperating with each other, he said and added that the government is committed to solving the problems in the economy through a balanced budget and monetary policy.

Dominated by traders making money through importing luxury goods, Nepalese business communities find it difficult to swallow the pill of PM Deuba. As PM Deuba said that the country's economy is facing a great pressure due to overwhelming import of goods and trade deficit pressuring on foreign currency reserves, a business delegation de-

manded to lift the restriction on import of cars.

Thanks to pegging Nepalese currency with Indian currency, Nepalese currency is stable throughout the period. Given the shrinking US dollar reserve caused by the swelling payment for import of petroleum products, nobody is sure how long this will work.

Trade deficit grows

Nepal's trade deficit swelled to a record of Rs. 1,720.41 billion in the last fiscal year driven by significant imports of petroleum products and low volume of exports.

The country's trade deficit is higher than the annual budget presented by the government in the last fiscal year. In the last fiscal year, the total budget amounted to Rs. 1,564 billion.

According to the annual trade statistics published by the Department of Customs, the country's trade deficit has increased by 23 per cent to Rs. 1,720.41 billion in the last fiscal year 2021/22.

In the previous fiscal year 2020/21, Nepal had faced a trade deficit of Rs. 1,398.71 billion. Similarly, Nepal's trade deficit was Rs. 1,321.45 billion in the fiscal year 2018/19 and Rs. 1,099.08 billion in the fiscal year



2019/20.

The trade deficit declined in the fiscal year 2019/20 compared to the fiscal year 2018/19 due to the reduction of trade caused by the impact of COV-ID-19 pandemic.

The import trade increased by 24.72 per cent to Rs. 1,920.44 billion during the review period, resulting in high trade deficit. In the fiscal year 2020/21, the country imported goods worth Rs. 1,539.83 billion.

According to the statistics, total foreign trade has also increased. The country's foreign trade has reached Rs. 2,120.47 billion during the last fiscal year which is 26.15 per cent more than the previous fiscal year.

Exports set record

At a time when Nepal's import is rising, Nepal's export trade has set a historic record in the last fiscal year. The country exported goods worth Rs. 200.03 billion during that period, a record-high export of Nepal so far.

Exports had crossed one hundred billion marks for the first time in the fiscal year 2020/21, reaching Rs. 141 billion. According to the statistics, Nepal's export trade has increased by 41.47 per cent to Rs. 200.03 billion in the last fiscal year.

Even though exports went up significantly, the ratio of export to import is still 1:9.60. The share of export

in the total foreign trade is only 9.43 per cent while that of import is at a whopping 90.57 per cent.

The statistics showed that the growth of export in soybean and palm oil significantly contributed to the achievement in export growth in the last fiscal year.

The share of soybean, palm and sunflower oil to the export trade stood at around 47 per cent during the review period. The country exported soybean oil worth Rs. 48.12 billion, palm oil worth Rs. 41.04 billion and sunflower worth Rs. 4.5 billion in the last fiscal year.

In the same period, Nepal imported crude soybean oil worth Rs. 46.31 billion, crude palm oil worth Rs. 33.23 billion and crude sunflower worth Rs. 16.49 billion during the review period.

Similarly, Nepal exported carpet worth Rs. 10.07 billion, readymade garments worth Rs. 8 billion and textile worth Rs. 3.5 billion in the last fiscal year.

Petrol Import

Nepal spent a big chunk of money to import Petroleum crossing Rs. 336 billion. Diesel is the most imported commodity in the last fiscal year. Diesel worth Rs. 168.23 billion had been imported during the period.

Meanwhile, petrol worth Rs.

71.38 billion, liquefied petroleum gas (LPG) worth Rs. 65.55 billion, aviation fuel worth Rs. 15.15 billion, kerosene Rs. 1.68 billion, lubricants worth Rs. 6.14 billion and petroleum bitumen worth Rs. 7.85 billion had been imported.

Similarly, maize worth Rs. 19.64 billion, paddy and rice worth Rs. 47.57 billion and wheat worth Rs. 5.66 billion had been imported. The import to export ratio has mildly narrowed down in the fiscal year (FY) 2021/22 in comparison to FY 2020/21 as the size of the export edged up.

According to the annual data for 2021/22 released by the Department of Customs, the ratio between imports to export narrowed down to 9.60 in FY 2021/22 from 10.91 recorded in FY 2020/21.

In the wake of rising stress on the balance of payment (BoP), a significant jump in the export and the ban imposed on imports of luxurious items seems to have helped.

Nepal's Debate

At a time when the country is facing a severe economic crisis, Nepalese Parliamentarians, intellectuals and politicians are spending their time on non-issue of citizenship, elections and nitty-gritty personal political matters.

For now, it is the economy that is being adversely affected by po-

COVERSTORY

litical turbulence and mismanagement. The economy is far from being out of the critical ward. As Nepal's currency pegged with Indian rupees, this helps to calm market sentiment. However, this is only temporarily given the swelling imports. Both volatility in global commodity and financial markets and political unpredictability at home is eroding confidence.

The rapidly declining value of the rupee against the dollar is the most worrying sign of that. The rupee has depreciated by 20pc in the past few months, adding to spiralling inflation.

Nepal Rastra Bank has pointed out that some of this depreciation is part of a global phenomenon due to the growing strength of the dollar. But other factors have also contributed over the months.

The country's foreign exchange reserves are around \$6.7bn, which cover less than six months of imports. As the reserve cushion has begun

use of petroleum products, government spending must decrease. Every element of government expenditure shall require a critical review.

The government's spending on unproductive activities is better eliminated or substantially curtailed and the expenditure for new or early-stage large infrastructures is better deferred for an indefinite period until the economy navigates into sustainability.

The spending on social safety nets shall also need to be revisited and made more efficient. The government is in fact in the process of eliminating or minimising spending of lesser importance.

Monetary Policy

Unveiling the monetary policy, central bank governor Maha Prasad Adhikari announced that credit expansion to the private sector would be confined within 12.6 percent, a sharp reduction from the targeted 19 percent in the last fiscal year.



to erode so has confidence.

If reserves continue to dwindle, external capital injections prove inadequate or envisaged inflows don't materialize, panic can take hold in markets even ahead of a cash flow crisis. Confidence can quickly evaporate over the perceived inability of the country to meet its financing requirements.

Immediate step

Along with restricting the import of luxury items and reducing the

Likewise, the new monetary policy aims to limit the growth of money supply (cash, demand deposits, non-cash assets that are very liquid and that are easily convertible into cash) to 12 percent from the last fiscal year's target of 18 percent.

This is the first time that the growth target of credit expansion and money supply has been kept at such a low level in many years.

The greater the money supply

and credit expansion, the greater the possibility of increased inflation because of the demand they create in the market. During the first 11 months of the last fiscal year, credit expansion to the private sector stood at 16 percent as banks and financial institutions stopped further lending in the second half of the last fiscal year.

Merchandise imports soared 27.5 percent to Rs1,763 billion, as against Rs186 billion in exports during the period. As a result, gross forex reserves plunged by 19.6 percent to \$9.45 billion in mid-June 2022, down from \$11.75 billion in mid-July 2021.

Massive imports coinciding with a surge in global inflation caused by rising prices of petroleum products contributed to a 70-month high inflation of 8.56 percent and depleting foreign exchange reserves.

Though the monetary policy aims to tame inflation at 7 percent as announced by the budget statement for the current fiscal year, the central bank believes maintaining inflation within that limit will be very challenging.

"The impact of rising fuel prices and supply side constraints on prices will continue to remain for some time," the monetary policy states. "As domestic demand (for goods and services) will increase due to the upcoming general elections, salary increment (of government staff) through the budget and the expansion of the social security net, it will be challenging to maintain inflation within the limit."

Experts say the monetary policy has acknowledged that rising inflation and massive imports have emerged as major concerns for the economic health of the country.

During the first 11 months of the last fiscal year 2021-22 ended July 16, a total of 24,305 borrowers received Rs115.70 billion. In the previous fiscal 2020-21, a total of 48,890 borrowers received Rs148.75 billion.

Governor Adhikari said the central government would review the policy on refinance, confining this scheme to the productive sector including agriculture, exports and sectors which are yet to recover from the Covid-19 pandemic.

"Such refinance should be

COVERSTORY

provided as emergency aid only. If the central bank provides this option continuously, it will lead to credit expansion and affect economic stability."

Considering the impact of Covid-19, Nepal Rastra Bank had allowed banks and financial institutions to restructure and reschedule loans. It said that it would review this provision. The central bank also came up with certain moves to improve the liquidity position of banks and financial institutions.

After Covid-19 hit the country, the central bank had adopted a policy of allowing banks and financial institutions trend of balance of payment, the foreign currency reserve decreased by around Rs 2.3 billion US Dollars in the 11 months of the FY 2021/22. It has now been reported to be 9.45 billion US Dollars.

The reserve is adequate for the import of goods and services for 6-7 months. However, there were further challenges to keep inflation due to the devaluation of Nepali currency against the US Dollar lately.

Remittances Inflow

More than two and a half billion rupees enter Nepal every day in the form of remittances. According to Nepal



to maintain the liquidity level at the lowest possible so that they would be able to expand credit to help the economy recover.

Consequently, the cash reserve ratio (CRR), a certain percentage of a bank's total deposits that it needs to maintain as liquid cash at Nepal Rastra Bank, and the statutory liquidity ratio (SLR), which is the minimum percentage of deposits that a commercial bank needs to maintain in the form of liquid cash, gold or other securities, were slashed.

As the new monetary policy seeks to reduce expansion of credit, it announced that the CRR and the SLR would also be raised.

With the rise in the negative

Rastra Bank data, youths who have gone for foreign employment have been sending 2 billion 745 million rupees to Nepal daily.

In the 11 months of the fiscal year 2078/79, 9 trillion 5 billion 380 million rupees have entered Nepal from abroad. Most remittances have come in the months of March, April and May.

Out of that, the highest amount of 93.38 billion rupees entered Nepal in the month of March. It is mentioned in the data of Rastra Bank that 91.07 billion was received in the month of March, 87.05 billion in April, and 93.39 billion in May. Again, 83.95 billion rupees were received in the month of October, while the lowest amount was 71.76 billion rupees from abroad in the month of Janu-

ary. The remittance inflow is increasing every year. In the year 2077/78, 9 trillion 61 billion rupees of remittances were received. Similarly, in the year 2076/77, foreign remittances of 8 trillion 75 billion rupees have been received.

Remittances account for an average of 25 percent of gross domestic product in Nepal. Of that, 7.8 percent was spent on debt repayment, 4.5 percent on purchasing household goods, 3.5 percent on education, 2.5 in capital formation, 0.5 for business and 0.6 percent has been saved.

This figure does not include people from India and foreigners by illegal process. Among them, 90 percent of young people went to Gulf countries and Malaysia and 10 percent went to other countries.

The dollar has come under renewed pressure amid higher demand from importers. Bankers say the "import mafia" has practically drowned the national economy and is still insisting that more imports be allowed while the country is already on the brink of default.

The policy-makers, after enjoying a decade of stability in the exchange rate and external accounts, are suddenly embroiled in a crisis scenario. Their challenge is to reset monetary and exchange rate policies so that the widening current account imbalance doesn't evolve into a full-blown currency crisis. In order to do so, Nepal needs to look at the underlying drivers, both domestic and international, of the ballooning current account deficit.

First, global prices of coal, oil, gas and other primary commodities, including food grains, have more than doubled over the last 12 months and this resulted in an unprecedented rise in the cost, insurance and freight value of those imports. The reopening of the global economy after the coronavirus pandemic, the breakdown of global supply chains and the Russian invasion of Ukraine were to blame for the surge in commodity and energy prices across the globe.

VIEWPOINT

Without Cooperation, Water-Induced Disasters Will Continue To Wreak Havoc

Before it can exit from the vicious cycle of annual disasters that mire its people in poverty and hopelessness, Nepal must adopt a more collaborative approach.

Disaster is in the air

Around the world, rainfall is growing increasingly unpredictable and erratic, leaving many regions vulnerable to more intense and more frequent water-induced disasters, including floods and landslides. South Asia ranks right up at the top of the list of most affected regions.

BY: DR. DHRUBA GAUTAM

right up at the top of the list of most affected regions.

Already 50 million people of the 1.8 billion strong

population in the Ganges River Basin suffer each year, and the projected cost of addressing such disasters in 2030 is USD 215 billion.

True, deaths and loss of assets are on the decline, but, really, South Asian nations are neither structurally nor non-structurally prepared for the predicted onslaught. Take Nepal. Here, water-induced disasters cause on average 300 deaths and shave 1.5% off of the GDP every year. The monsoon season is a particularly frightening time, as poor households watch fearfully for their houses to be swallowed by a flood or crushed by a landslide. Human and economic losses are great and growing.

A recurrent Nepali tragedy

The impacts of water-induced disasters are not limited to statistics on deaths and dollars. Every disaster means dozens of loved ones dead and injured and hundreds of homes and infrastructures, including schools, bridges, government offices, hydropower stations, irrigation projects, and commercial enterprises damaged and destroyed. Such disasters also increase long-term poverty levels by damaging agricultural land and crops, thereby increasing food insecurity; displacing people; and interrupting livelihoods.

Devastation of this scale is an annual affair. According to Nepal's DRR Portal, 141 water-induced disaster incidents occurred between 5 June and 10 July, 2022. Of the total 77 districts, nine districts experienced floods, 31 districts landslides and 51 districts heavy rainfall. Altogether 114 local governments were forced to address disasters that claimed the lives of 23, severely affected more than 168 families and cost NPR 61.4 million. All in just 35 days.

Cumulatively over the last decade, the impact is yet more shocking. Between 2011 and 2021, in 5,825 water-induced disasters; 2,362 died, 880 went missing, 1,646 were injured, 78,811 families suffered, and NPR 19 billion were lost. Such loss is not evenly distributed. Just 23 districts are at high risk of floods and 31 districts at high risk of landslides.

Monsoon facts

Nepal's lack of preparation is somewhat puzzling. We know the facts; the meteorology is no secret. The average annual rainfall during the monsoon (13 June to 23 September) is roughly 1,358.5 mm, 80% of the yearly total, and the average number of rainfall days is 105 to 110.

One twist in the pattern does exist, however: of late, the monsoon has withdrawn later than usual. And this year it arrived a week early, on 5 June. While rainfall amounts do fluctuate, the Department of Hydrology and Meteorology (DHM), can and does make predictions that could be used for better preparation. This year, for

example, rainfall is to be normal to above normal in large parts of the country, and slated to total up to 1680 mm.

Why the persistent problem

Both natural phenomena and human activity are responsible for water-induced disasters. In the hills, high AM intensity rainfall loosens landmasses, making slopes

vulnerable to failure. Severe deforestation and poorly

planned civil engineering works, both the fault of human negligence, are then all it takes to trigger an actual slide. The 2015 earthquake is case and point. Google images from 2015 reveal the high concentration of landslides along the Mahabharat and Churia ranges in earthquake-affected districts. Other triggers include heavy rains, avalanches, dam bursts, and flash floods.

Floods in the Terai, in contrast, are triggered by the haphazard extraction of riverbed materials from the Churia. In addition, the dykes India has constructed close to the border obstruct the regular flow of flood water, resulting in inundation in Nepal lasting several days to weeks. Embankments and elevated highways built near the Nepali border with Uttar Pradesh and Bihar also exacerbate the impacts of floods.

Initiatives: too little, too late

Government, non-government, private and humanitarian agencies have tried to manage water-induced disasters and even developed many good practices but are stymied by significant challenges.

Policies on paper hard to put in practice. The Disaster Risk Reduction National Policy (2018) focuses on floods, inundation and climate change-adaptive agricultural systems in a bid to build resilience and the National Water Plan (2002–2027) incorporates integrated water resource management, including water-induced disaster management, risk and vulnerability mapping, disaster networking, and information system improvement. The goals of the latter policy include establishing a national flood forecasting and early warning system by 2017 and limiting social and economic losses due to water-induced disasters to levels experienced in developed countries by 2027. Because of the lack of supportive institutions, however, these goals will be hard to realize.

Similarly, while the 2016 the Water Induced Disaster Management Policy promoted a decentralized river basin-scale approach to flood risk management, the required coordination with provincial and local government agencies has eluded the nation. In 2018, the Water and Energy Commission Secretariat also sought to promote integrated river basin management by outlining the required institutional framework. It did develop river basin organizations, but without a legal framework to functionally empower and financially sustain them and with the constraint of overlapping government jurisdictions, it found adopting government strategies challenging. The lack of financial backing for efforts makes matters worse.

Plans still piecemeal. While the government's amended monsoon preparedness and response plan helped develop and strengthen indicator-based disaster-resilience measurement tools for

communities, on the ground, the spirit of community-based disaster risk management is weak. In addition, flood vulnerability in the Terai has increased with the influx of migrants and the resultant profusion of haphazard settlements that disrupt natural drainage. Coordination of plans is poor, technical and financial resources limited, and the sharing and implementation of good practices and learning minimal. Given that most plans merely duplicate efforts, they need to be harmonized into one all-encompassing effort.

Mapping minimal and inadequate. Technical teams have been working with governments to use satellites and drones to add more depth to traditional on-the-ground observations of unstable mountainsides, but progress in consolidating information from countrywide multi-hazard risk assessments is slow. Unfortunately, too, VisRisk: Visual Systemic Risk Analytics Platform is not yet used adequately to identify risks and vulnerabilities before crafting the plans.

Project learning insufficiently applied. The Nepal government has partnered with the ADB, World Bank, UNDP, Zurich Foundation and other agencies to manage floods since 2009, and the Australian and Finnish governments and development agencies such as the World Bank, FAO, UNDP, European Union, JICA, and US-AID have contributed to water management since 2006. The good practices and learning generated by these nodal agencies are not reflected on the ground, however, because knowledge management mechanisms are poor.

That said, the Nepali government and 17 development partners did endorse the Kathmandu Declaration and 10-year GRID Strategic Action Plan committing to green, resilient and inclusive development aimed at coping with the slow-moving catastrophe of melting glaciers and severe and unseasonal storms. Up to USD 4.2 billion will be provided in potential future support in addition to \$3.2 billion already committed.

Satellite surveillance is slow. Pilot projects using satellites to monitor the mountainous regions of Nepal, Bhutan and India in partnership with the identified slopes subject to constant deformation, an early sign of landslides. It helped to investigate the causes of the Melamchi disaster of last year. The information gained was critical to understanding the risks of new landslides and planning building back better. But overall monitoring mechanisms are still slow.

Risk warnings inadequately systematized. Nepal effectively communicates hydrological-meteorological hazards by providing real-time and three-day rolling information using standard operating procedures (SOPs) for early warning systems (EWSs). These SOPs provide a coherent framework for future investment and offer significant benefits for reducing vulnerabilities and losses by giving communities enough time to respond. Nepal Telecom and Ncell play significant roles in disseminating flood warnings and extreme weather alerts through SMSs and phone calls. Despite these advancements, the National EWS Action Plan (2013) has not been enacted, there is no policy to systematize EWSs, and trans-border weather and river monitoring and EWS need strengthening.

Regional cooperation too limited: Despite the common challenges faced by the South Asian countries, regional cooperation for disaster management has been limited to a bit of debate and discourse due to geopolitical tensions and limited technical capacity and financial resources. While each country has disaster-related policies, limited commitment and resources inhibits their implementation.

All is not lost

Adopting the following structural and non-structural ap-

proaches can reduce the impacts of water-induced disasters.

• Strengthen regional weather and river monitoring and EWSs. Addressing the regional implications of disasters in Nepal requires regional coordination and collaboration as well as trans-border weather and river monitoring and sharing of information. To do so, the existing flood forecasting system and EWSs needs to be upgraded. In addition, community awareness of and capacity for flood response needs to be improved by modernizing Nepal's observation network, extending it into the High Himalaya and making its forecasting more accurate and timely. A stronger water monitoring and water auditing system needs to be in place so that Ganges-Brahmaputra-Meghna flood forecasting can provide warning up to 16 days in advance. The 'common alert protocol' should be used so that emergency messages can be disseminated over a wide variety of systems.

• Establish and strengthen EOCs. Local governments need to regulate EOCs, eliminating duplication and enhancing coordination, communication, and information management, as well as strengthen their technical capacities using software and hardware packages that enable them to disseminate timely impact-based early warning messages to last-mile populations. EOCs must develop early warning and communication plans that consider the needs, capabilities, and preferences of vulnerable groups, including women, children, youths, persons with disabilities, senior citizens, and indigenous groups.

• Improve small-scale infrastructure. All sorts of improvements should be made, including raising plinth levels, improving drainage systems, repairing floodwalls, and maintaining evacuation routes. In addition, bioengineering techniques, terracing, and dyke, floodway and dam construction should be used to manage excess water. River training and integrated watershed management efforts like water source protection and gully control, need support, as does the development of GIS-based flood hazard maps. All three tiers of government must also increase their investment in integrated disaster risk management and improve access to disaster risk finance for transferring risks.

• Share experiences. South Asian countries should organize learning-cum-review workshops under the leadership of national institutions like Nepal's National Disaster Risk Reduction and Management Authority and improve their tools and approaches for integrated disaster risk management by sharing and adopting others' good practices and learning. The technical capacities of institutions like the SAARC Disaster Management Centre, ICI-MOD, and RIMES, need to be strengthened to support this effort.

 Operationalize learning. Learning needs to be applied in order to improve structural and non-structural measures, from infrastructure development and river basin management to preparing multi-hazard risk profiles, signing river water sharing agreements, developing forecasting and EWS, and implementing risk-sensitive land-use planning.

(Dr. Gautam is an Independent Researcher and Consultant. He is associated with National Disaster Risk Reduction Centre (NDRC) Nepal as Senior Research Fellow and HADRI/Western Sydney University as Adjunct Fellow. He can be reached through drrgautam(@gmail.com)

RUSSIAN INVASION OF UKRAINE

War Against Humanity

A German scholar says that the Russian invasion of Ukraine is against freedom and liberal world order, condemning Russians for war against humanity

By A CORRESPONDENT

A lthough South Asian people and countries did not have to face war after Russian invasion of Ukraine,



they have had to suffer badly with disruptions of food supply and petroleum products.

Sri Lanka has already collapsed failing to pay higher price for petroleum products and food stuffs. Bangladesh and Pakistan are under pressure and Nepal too is heading for a serious economic crisis. Compared to other countries, India is a bit more comfortable in its position but people in India have been suffering from higher price in the food and petroleum product as well.

Andreas Klein, a newly appointed Director of the Political Dialogue Asia Program of the KAS, said Ukrainian soldiers are fighting against Russian invaders to protect the freedom and democracy of the people all over the world.

He said that after the Russian invasion of Ukraine on 24th February the global scenario has changed and freedom of individuals and democracy is again under a threat.

Klein said that people around the world thought that the fall of the Berlin wall on the 9th of November 1989 and the German Unification a year later opens the liberal democratic world as American scholar Francis Fukuyama's book says the End of History and the Last Man.

"The Russian invasion of Ukraine stalled everything. Countries like Sweden and Finland joined NATO. Germany has changed security and foreign policy," said Klein. He said that a former KGB agent Putin is killing innocent freedom fighters of

> Ukraine in war and millions of people around the world by blocking the supply of grain.

> He said that the smaller and bigger nations in European Union have now realized the need to increase their defense budget and have a different opinion on relying on Russian gas.

"Putin, a former KGB agent, aims now to destroy small states and their people. All of us need to be grateful for those Ukrainians who have been defending not only

their land and freedom but ours as well."

From a shortage of food to rising prices of energy, the countries around the world have to pay a big price for the Russian invasion of Ukraine.

He said that this invasion has also questioned the relevancy of the United Nations and its utility to protect the independence, sovereignty and freedom of small nations.

He said that the Russian invasion of Ukraine is threatening the freedom and independence of other small Russian neighboring states. "After the blockade of energy supply by Russian, Germany is facing an energy crisis and other European nations are also facing a similar state."

"This is not a war on Ukraine or Europe but it is a war against freedom. Germany and other European countries will provide all support to Ukraine to defend its territory from Russia."

Almost five months have already passed since the Russian Invasion of Ukraine. However, it is bringing pain and suffering not only to Ukraine and Europe but globally. The South Asian Region is not an exception.

Given the growing impact of the Russian invasion of Ukraine, the Consortium of South Asian Think Thank (COSATT) in collaboration with the political dialogue Asia Program of the Konard Adenauer Stiftung (KAS) had organized the talk program.

Participated in by a wide range of people from parliament, diplomacy, military, civil society, media and elected local leaders, this is the first program of its kind to widely discuss the economic, political, and social implications of the Russian Invasion of Ukraine.

Opening the program, Dr. Nischal N. Pandey, Convener of COSATU, said countries in South Asia voted differently in UN regarding the Russian invasion, Bhutan, Maldives, Nepal and Sri Lanka voted against the Russian invasion condemning the Russian move. However, Bangladesh, India and Pakistan were absent from the voting.

Pandey said that the South Asian nations are facing a massive shortage of food, rising fuel prices and social and political unrest. The military implication of the Russian invasion is still unclear. At a time when Russia supplies over 70 percent of military hardware to India, it is yet to see how its effects show up.

As Nepal voted against invasion, two of its neighbors India and China were



absent from the voting. This is also challenging for Nepal in the days to come. India and China getting a lot of benefits from the cheap Russian oil and their dependency on Russian oil is increasing. This will have its impact as well.

SARI/EI

Energy Trade

When USAID launched South Asian Regional Energy Initiative (SARI/EI) aiming to improve the energy trade among the South Asian countries two decades ago, countries in the region did not have separate business entirety, cross border transmission line and regulatory mechanism for energy trade. Although the energy trade pattern is still dominated by bilateral arrangements between regional countries, there is now everything to conduct the trade at regional level. Nepal has turned from net importer to net exporter with reliable cross border transmission line starting to export electricity to India. Now, Nepal has started to talk on modality for export of big volume of electricity to India and Bangladesh

By KESHAB POUDEL

oes this country have any genie to make four billion rupees in 45 days? Congratulation hydro electricity sector! Writes former energy secretary and energy expert Anup Kukar Upadhyaya in his tweet on July 26.

Former secretary and Electrical Engineer Upadhyaya, who had spent his entire career in the Ministry of Energy and Water Resources, tweeted this referring to the money earned by Nepal Electricity Authority exporting electricity to India.

In a seminar, Managing Director of Nepal Electricity Authority Kul Man Ghising revealed that the recent electricity trade with India has shown that Nepal can earn money by exporting electricity to India. Addressing a program organized by Association of Former Career Ambassadors of Nepal (AFCAN), Ghising said that Nepal is exporting electricity in India on an average Rs.10 to Rs. 12 per unit, earning good money.

Just a week ago, SARI/EI also organized a workshop in Kathmandu to discuss modality for the electricity trade with India. Presenting a paper on Nepal Special Model of Cross Border Electricity Trade, energy expert Sher Singh Bhat said

Nepal has abundant hydro-potential as source for energy with geographical connectivity with India and China only.

"Nepal has over five decades of transaction with India. He said that logistics positions, infrastructure, development in different stages remain as stepping stones for current level of transaction, further level of deemed bilateral/sub-regional

transactions, their modality and development of infrastructure has to rest upon this past. "We have to explore the typical Nepal model of Cross Border Electricity Trade (CBET) that could level up Nepal's export of electricity by harnessing the available resource of clean energy, manage limitation and associated risks. Nepal mostly remained net-importer in past but is tending to be in a net-exporter status now," said Bhat. He said that Nepal has



ENERGY

large hydro-potential as comparative advantage. This can be harnessed to meet domestic demand as well as to export to markets across the border for economic gains. Electricity can be planned as country's main export product.

He talked about the wet surplus of 500 MW up to 2500 MW in 5 yrs. He said that dry deficit of 500 MW will reduce gradually. "Actual Peak Demand in year 2020 was recorded as 1407.94 MW, only 41.6% of forecasted demand 3384 MW at business as-usual case 4.5% economic growth."

Nepal's access to any cross border market of electricity including Indian markets is contingent to Indian consent.

India has made remarkable progress in developing and operating its internal market of electricity and successful operation of two energy exchanges namely IEX and PXIL.

Nepal has been transacting electricity with India for about five decades as net importer mostly under G2G mechanisms. Neighboring countries of India had a perception that India is flexible to exports but reluctant to imports despite signing bilateral PTA.

But delay in import of electricity by India was due to two reasons: Size and load of terminal sub-stations at two sides was suitable for export by India in radial mode but not for import. So establishment of high capacity cross border infrastructure and synchronous operation of two systems was necessary for import by India. This process took time.

Although bilateral power trade agreements with neighboring countries opened import by India, but corresponding guidelines and procedures were absent. It took time to develop these guidelines and procedures.

A perception that imports by India would start immediately after signing Indo-Nepal Power trade Agreement in 2014 was not practical because conditions precedent including completion of D-M X-border line, synchronous operation of

two grids and development of subsequent Guidelines and Procedures were met in 2018 only.

Incorporating Two Basket Strategy in Generation Expansion Planning Procedures and practicing it as a culture was also mulled. Periodic updates forecast long term demand based on recent trends -- Prepare periodic Generation Expansion Plan according to updated demand as appropriate mix of projects (ROR/PROR/Storage and other renewable) and implement it.

What else? Trade the supply differential of domestic basket as seen during the operation planning in Indian short term and day-ahead markets. Develop and

Seminar on
CROSS BORDER ENERGY TRADE
21 – 22 July, 2022
Karbanada, Nepal

implement suitable policy, legal and regulatory initiatives to aggressively develop second basket i.e. export oriented projects targeting the Indian long term market. Q40 criterion can be waived for export basket.

INITIATIVES AT BILATERAL LEVEL

Initiatives sought to develop and implement suitable and fast track guidelines and procedures to aggressively develop second basket i.e. export oriented projects in Nepal targeting the Indian long term market. To facilitate that, amend the Indo-Nepal Power Trade Agreement and convert into Indo-Nepal Agreement for Cooperation in Power Sector with provisions of: Fast track procedures in Nepal for development of export oriented project by external entities including Indian as sole or joint venture developers. This calls for development of projects through Indian

public sector entities by direct negotiation between two governments, fast track procedures in the Indian long term market for PPA between private developers in Nepal and Indian off-takers. Engage in separate discussions regarding third country trade through sub-regional or tripartite agreement, development of additional cross border lines and use of domestic transmission systems of countries for trading in the third country market.

Two Decades

Two decades after its inception, USAID supported South Asian Regional Initiative of Energy SARI/EI is finally able to bring the tangible change in the energy trade among the South Asian Countries.

Ongoing Nepal-India cross border energy trade is an example to show how things can change for the betterment of the region in using clean energy and reducing the trade imbalances.

When SARI/ EI was launched, the region did have very few cross border transmission lines, regulatory institutions and regulations. After two decades of intensive efforts, holding different levels of interaction at different level, SARI is able

to achieve its goal to enhance the regional trade for the benefit of the countries and people of the region.

This is what experts and policy-makers presented an a seminar on Cross Border Energy Trade under South Asia Think Tank Forum attended by high level government officials including member of National Planning Commission, Secretaries of Energy Ministry and Energy Commission, representatives of regulatory bodies like Nepal Electricity Authority, Civil Society, University professors and media,

USAID Nepal's Acting Deputy Mission Director, Beth Hogan, opened the Inaugural Session of the Seminar on Cross Border Energy Trade (CBET) as a part of the TTF to engage politicians, institutions, and other influencers on CBET.

Addressing the opening ceremony acting Deputy Mission Director

Hogan said that SARI has immensely contributed to create conducive environment for the regional energy trade.

Regional Energy

Delivering the welcome address Mohandas Manandhar, chairperson of Nepal Energy Foundation said that the region has made tremendous improvement in the regional energy trade in the last two decades.

He said that the South Asian

Energy Initiative (SARI/EI) since its inception in 2000 immensely contributed in building regulatory mechanism and legal reforms in the cross border energy trade. Chairperson Manandhar said that regional energy trade has gone through a long process before materializing at the current shape.

In twenty years since the inception of SARI/EI, we have regulations, policies and framework regional and cross border electricity trade. SAARC Framework for Energy Trade, Bangladesh, Bhutan, India and Nepal (BBIN) firework and bilateral cross border frame work for energy trade. He said that the construction of new cross border transmission line recently enhances the bilateral energy trade between Nepal and India, Bhutan and India and India and Bangladesh.

Chairperson Manandhar said that after 20 years of SARI/EI all the countries in the region have started taking the benefits of the regional energy trade. He said Nepal has started to export 360 MW of energy to Indian market brining a lot of benefit to the country. He said that the electricity trade with India will largely contribute to reduce Nepal's trade deficit with India.

Member of National Planning Commission Dr. Surendra Labh Karna said that this seminar has a significant importance in a context when Nepal has started to export big volume of electricity to Indian market through cross border trade.

Secretary of Ministry of Energy Sushil Chandra Tiwari said that Nepal will have large volume of surplus electricity from next year and opening a market in India is a positive step for us.

Secretary of Energy Commission Dinesh Kumar Ghimire said that given current state of construction of hy-

city to South Asian countries must have access to clean energy for sustainable growth and job creation. The USAID uses al will the Think Tank Forum (TTF), a network of South Asian civil society organizations, to

build strategic consensus among neighboring nations on cross-border energy trade.

CBET is a key area of action under the South Asia Regional Energy

Partnership (SAREP), the flagship ener-

make the two-day seminar a success.

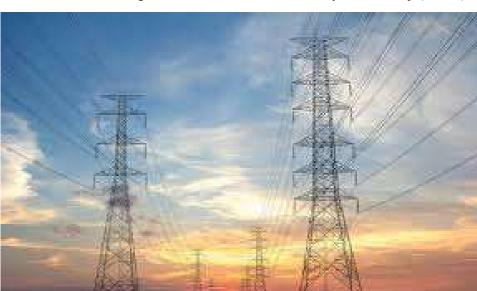
gy program of USAID, covering Bangladesh, Bhutan, India, Nepal, the Maldives, and Sri Lanka.

Organized by US-AID's South Asia Regional Initiative for Energy Integration (SARI/ EI), Integrat-Research and Action for Development (IRADe), and

Nepal Energy Foundation (NEF) the Seminar on Cross-Border Energy Trade (CBET) came out with many new ideas.

The South Asia Regional Initiative for Energy Integration (SARI/EI) is a USAID supported program, with Integrated Research and Action for Development (IRADe) as its implementation partner. As part of the SARI/EI program activities, South Asia Think Tank Forum (TTF) for regional energy cooperation is created as an outreach and dissemination forum, intending to engage policy makers, media, parliamentarians and bureaucrats, civil society and citizens to prioritize, fast track and push the agenda for CBET. And, Nepal Energy Foundation (NEF), a non-profit organization of Nepal's energy sector, is a member of the South Asia TTF Phase-II.

As part of the TTF activities, NEF engaged with policy makers, sector experts, researchers, and journalists to obtain a common understanding on Nepal's aspiration for a long-term and sustainable implementation of CBET with neighboring countries in the region.



dropower projects in Nepal there will be over 2000 MW of electricity available in Nepal for export. Secretary Ghimire, who has taken part in different stages of negotiations with India in energy trade, said that Nepal's electricity will depend upon Indian market. He said that there is the need of more cross border transmission lines to export electricity to India.

During the program, Sher Singh Bhat, vice-chairperson of Nepal Energy Foundation, presented the Nepal Specific Model of Cross Border Electricity Trade.

Presenting the highlights of the study, Bhat showed the overall Nepal India electricity trade and opportunities and challenges.

In her closing remark, Monali Zeya Hazra, regional energy manager and clean energy specialist, Indo Pacific Office, USAID/India highlighted the contribution made by SARI project in the region over the last two decades.

Dilli Ghimire, managing director of Nepal Energy Foundation, thanked all the participants and those involved to

UPPER TRISHULI 3 B HYDROPOWER PROJECT

Slow But Steady

Although it has gone through several disruptions caused by the Covid-19 pandemic and restrictions, including lockdown and supply constraints due to border closure in Kerung, the 37-MW Upper Trishuli 3B Hydro Electricity Project (UT3BHEP) has been making a big progress in civil works. Led by Managing Director Mohan Gautam, who has an experience of working in construction of Upper Tamakoshi Project and establishment of office of Dudh Kosi Storage project, Trishuli Jal Vidyut Company Ltd has been making every possible effort to accelerate the pace of construction and complete the project by September 2023. However, the big challenge is to bring the hydro-mechanical hydro-electric equipment in time from Kerung border

By A CORRESPONDENT

fter almost two years of COV-ID-19 pandemic and lockdown, Upper Trishuli 3B, though it is at a slow pace, is now accelerating the speed of construction. As the pace of civil work is taking pace, the challenge before the project now is to bring all the hydro-mechanical and hydro-electric equipment in time.

With work virtually stalled for a year, the project has geared up its speed following Kul Man Ghising's return as Managing Director of Nepal Electricity Authority and Chairman of Trishuli Jal Vidhyut Company Limited a year back. His directions have helped to accelerate the pace of civil work in UT3BHEP. The progress made in the construction of tunnel, power generation plants and other civil works are the testimony to this.

"The pace of civil work construction is going well including the construction of powerhouse. We are worried on how to quickly bring hydro-electric and hydro mechanical equipment from China at the speed of civil work construction," said MD Gautam.

Despite facing severe crisis of Covid-19 pandemic followed by health protocols and lockdown, 37 MW Upper Trishuli 3B Hydropower Project has made a progress completing almost 86 percent of civil work.

Progress Of Upper Trishuli 3B Project

Excavation of head pond has already completed. More than 75 percent of structural concreting work in head pond has been over. Earthwork of approach pressure conduit is over. Some 88 percent of structural concerting work on approach

pressure conduit has been completed. Backfilling work on head pond and approach pressure conduit is ongoing.

Out of 3796.85 meter long Headrace Tunnel Excavation, 3334m (87.8 percent) has already been completed. Audit-1 and Audit-2 of lower stretch of headrace tunnel have been completed. Now contractor has completed invert





clearing and started rock bold work for permanent support.

After rescheduling the Headrace Tunnel Excavation, the target for breakthrough of the tunnel is fixed for December 2022. However, there are certain challenges to complete the excavation of tunnel. Due to weak rock obtained in tunnel, the excavation work has been delayed.

Stone and mud flows from the upstream Audit-1 of headrace tunnel created a sink hole over the open space of the tunnel. It has hampered several excavation efforts. It is realized now that there is the need to re-align the tunnel which is likely to increase the length, Due to this, the completion of the tunnel is likely to take longer.

Work Completion

Slope excavation work has already completed. The support work on the slope like Rock bolt, Wire mesh, Concreting, Grid beam and Tendon has also been completed.

Surge tank is 39.3 meters in height and 15 meters in width. Eight meter (20.35 percent) of excavation of surge shaft has completed. Similarly, excavation of pilot hole for surge shaft has also completed.

Penstock is 175.95 meters in length and 4.2 meters in width. Excavation of Upper Horizontal Penstock Tunnel (28.82m), Lower Horizontal Penstock Tunnel (80.62m) and Penstock Vertical Shaft (66.51m) has also completed. Likewise, anchor block foundation and support

of penstock tunnel has also completed.

The civil work in powerhouse is making progress. The excavation of power house has already completed. In excavation slope, work on the rock bolt, soil nail wire mesh and grid beam concreting has also completed. Foundation treatment work in the powerhouse has also completed.

Likewise, 24.68 percent of the structural concreting work in powerhouse has completed and draft tube installation in powerhouse is currently undergoing.

Out of 115.06 meter long Tailrace, the excavation of 85.62 percent has already completed. Similarly, 27.49 percent of structural concreting work in Tailrace has been measured so far.

The project has also made a

progress in detail design construction for hydro mechanical works: Trash Rack, Intake Stop log, Penstock Pipe, Penstock Bifurcation, Draft Tube Stop log, Penstock Stop log, Intake Gate, Water Tight High Pressure Access Door at Audit 2, Penstock Pipe joint and Hydro mechanical System (Part 1) have already been approved. The manufacturing of Hydro mechanical related parts and equipment started in September 2021 and transportation started in April 2022, and installation of some of them have already begun. However, the process has recently slowed down.

Similarly, the electromechanical work is under way. The design and manufacturing of electromechanical equipment has already been approved. This involves Turbine Drawing, Turbine Inlet Butterfly Valve, Powerhouse EOT Crane, Air Compressor and Gas Tank, Oil Treatment System, HVAC System of Powerhouse, Speed Governor, Generator Drawings, Excitation System, Electrical Equipment Layout Plan, 132 kV Air Insulated Switchyard, Step-Up Transformer Drawings etc.

The installation of Draft Tube Elbow and Draft Tube Cone has begun. The manufacturing of powerhouse EOT Crane, Main Inlet Valve has also completed. Currently, the manufacturing of Spiral case and Stay ring and Power transformer is underway. The work related electromechanical parts and equipment started in January 2021 and the delivery of those products in project sites started in March 2022.

The power generated by the project will be evacuated through 3 kilometer long 132 kV transmission line connecting



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to Nepal Electricity Authority's Trishuli 3 B Hub in Samudratar. As per the agreement between the company and NEA, NEA will bear 45 percent and company will bear 55 percent of the cost for the project. NEA will appoint a separate company to construct the transmission line.

Due to much weaker rock and geological condition than expected in early design, there was the need to re-align the tunnel which is likely to increase the cost of the project. However, this escalation cost has been included in the total project cost because such possible increase of cost was predicted earlier. It will cover much of the cost escalation.

Continual depression of Nepalese currency against US Dollar is leading to increase the cost of project. However, the price contingency provision in total project cost will cover a large amount in it. pace of the work.

Due to cash flow situation, the manufacturing of EM/HM equipment is yet to start.

The company has taken several efforts to settle the problems. The company has proposed material advance system to purchase construction material.

Amending the process of LC, the company has proposed to provide 20 percent interim advance payment against the bank guarantee after the design approval of electromechanical and hydro mechanical equipment.

"Concreting of structures has started after completion of excavation of surface power house; work is being done with the aim of concreting the first phase by connecting electromechanical equipment and parts," said Gautam.

n it. ment and parts," said Gautam. pleted.

As the completion period of project is likely to increase by 2.5 years, the interest rate of the project is also likely to increase. If the project is completed by September 2023, the cost will be less around 80 million. However, this amount will be managed from the savings from other headings of estimated cost.

Challenges until 2023

The company has already taken several mitigation measures to solve the problems faced by the project to complete it by September 2023. One of the major challenges is continual price rise. Due to this, the contactor is facing the cash flow disturbance on its capacity to purchase construction materials. This hampers the

Situated in Rasuwa and Nuwakot district, the 37 MW Upper Trishuli 3B Hydropower Project is a part of the People's Hydropower Program. The project has also started issuing share after permission from SEBON.

Jointly formed by Nepal Electricity Authority (NEA) and Nepal Doorsanchar Company Limited (NDCL), Trishuli Jal Vidhyut Company Limited (TJVCL), under the leadership of MD Gautam, has been working at a good pace.

With proper guidance and committed management, the project has now achieved every target completing over 65 percent of work by the second week of July 2022 on the way to completing the

project by its 2023 September target.

Managing Director of Trishuli Jal Vidhyut Company Limited Gautam, who has been working quietly mobilizing the contractors, is seeking to remove the remaining hurdles to bring the equipment in time.

With complete backing from NEA's management and the Minister of Energy, Water Resources and Irrigation, MD Gautam and his team have quite efficiently handled all the processes of construction of UT3BHEP.

Project manager Anandna
Dhugel has been leading and coordinating
the construction works at sites. According
to him slope excavation work has already
completed. The support work on the slope
like Rock bolt, Wire mesh, Concreting,
Grid beam and Tendon has also been completed.

Surge tank is 39.3 meters in height and 15 meters in width. Eight meter (20.35 percent) of excavation of surge shaft has completed. Similarly, excavation of pilot hole for surge shaft has also completed.

By using his technical capacity and managerial experience, Gautam is now moving in his plan to bring the work to the pace of that before the outbreak of the COVID-19 pandemic. The management now wants the same to repeat.

Progress

Despite facing a severe crisis of the Covid-19 pandemic followed by health protocols and lockdown, 37 MW Upper Trishuli

3B Hydropower Project has made a progress completing 65 percent of work.

"Concreting of structures of powerhouse is underway and some hydro-mechanical component has also been installed at the basement. He said that the work is being done with the aim of concreting the first phase by connecting electromechanical equipment and parts," said project manager Dhungel.

NEA and Nepal Telecom have 30/30 percent founder shares in Trishuli Hydropower Company Limited, the promoter of the project. The company will have a 5 percent share of Rasuwa and Nuwakot rural municipality and municipality, 5 percent of Rasuwa and Nuwakot local

ENERGY



financial institutions, 10 percent of Rasuwa and Nuwakot residents, 15 percent of public and 5 percent of NEA and Telecom employees.

The estimated construction cost of the project is Rs. 7.44 billion. The construction of the project, which was in full swing, was halted for about 15 months as Chinese workers, who had gone home in the second week of January 2020 to cele-

brate the New Year, could not return due to COV-ID-19 and e quipment and materials could not be brought from China.

The construction of the project was resumed only from April 2021, but the work

was again affected for about three weeks due to the second and third waves of COVID-19.

Also, construction was affected by the discovery of a much weaker rock than previously estimated in the main tunnel. Contractor Chinese company Shuifa ANHE Group Co. Ltd. is currently constructing main structures, including intake, main tunnel and powerhouse.

The contract agreement was signed with Shuifa ANHE Group Company on February 12, 2018, for the construction of the project in the Engineering, Procurement and Construction (EPC) model.

The contractor company will design, construct, connect and operate all the civil, electromechanical and hydromechanical side structures and equipment of the project.

The electricity generated will be transmitted to the national grid through the existing Samundartar Trishuli 3B transmission line.

The period from November to the first week of June is regarded as the best time to achieve progress in the civil and other surface construction work because of favorable weather. Following the onset of the monsoon in June, progress has slowed down. Although everything is going well now, given the present scenario of manufacturing and installing equipment, there might be a delay of few more months in completing the Project.

SALIENT FEATURES OF UPPER TRISHULI 3B HYDROELECTRIC PROJECT

General

Location: -Kispang Rural Municipality (Nuwakot), Uttargaya Rural Municipal-

ity (Rasuwa)

Type of Scheme: - Run-of-River (Cascade of Upper Trishuli 3A Hydroelectric

Project)

Gross Head: - 90m Installed Capacity: -37MW

Average Annual Energy after Outage:

292.58GWh/year

Dry Season:- 134.88GWh/year Wet Season:- 157.70GWh/year

Penstock

Length: - 185.33m Diameter: - 4.2m Thickness: - 18mm

Hydrology

Catchment Area: - 4577km2

Design Discharge (at 70 % PoE): -

51m3/sec Powerhouse Type: - Surface

Size (L X BXH): - 40.4m x 19.30m x

33.81m

Head Pond (Connected to UT3A Tail-

race Pond)

Size: 29(L) x 5.2 to 11.0(B) x 7.35 to

14.8 (H)

Lowest Bed Level: - 714.20m Intake: - Bell Mouth Type

Tailrace Conduit
Type: - RCC

Length :- 180m (5.323 m (B) x 3.6 m $\,$

(H))

Approach Pressure Conduit

Type: - Box Culvert Length: -243.47m + 40m

Size: - 5.1m x 5.1m Square and 5.1m

diameter Turbine

Type: - Vertical Axis Francis Capacity: - 2X19.715MW

Headrace Tunnel Shape: - Horseshoe Length: - 3805.48m

Diameter: - 5.1m ~ 6.1m

Generator

Type: - 3 Phase Synchronous Capacity: - 2 X 22.7045MVA

Adit Tunnel Shape: - Inverted D

Length of Adit 1: - 463.3m, Diameter: -

4.0m + 1.5 m

Length of Adit 2: 119.17m Diameter:

 $-5.95m \sim 6.1m$ Transformer

Type: - 3 Phase Oil Immersed Outdoor

ONAN

Capacity: - 2X 23 MVA Voltage Ratio:- 11 kV /132 kV

Surge Tank

Type: - Restricted Orifice Diameter: - 15.0m Height: - 39.3m Transmission Line

Voltage Level:- 132 kV, Double Circuit

(3km)

Construction Period: -1095 Days from

Commencement Date

Commencement Date: - 14 March, 2018

NEPAL-INDIA ENERGY TRADE

A New Beginning

Business and trade of any kind is part of negotiations. Complications arising in Nepal-India electricity trade can be handled by respecting the sensitivity of each other

By A CORRESPONDENT

Trade of any kind involves the country's interest. Nepal's current electricity trade is no exception. As an importer of Nepalese electricity, India would have certain terms and conditions for import of the electricity.

In business dealings, it is an obligation of Nepal to address them. India is allowing the import of electricity generated from projects with investment from India and countries other than China. The Indian government has expressed its unwillingness to purchase the electricity generated from the projects with any kind of Chinese investment and involvement.

By allowing the electricity generated by two projects constructed under German cooperation, two under Indian cooperation, one by ADB and other India Nepal joint ventures, India has shown its preference.

Not allowing 456MW Upper Tamakosi in the trade, India has shown that it cannot purchase the electricity not only from the projects constructed through Chinese investment but also electricity generated by the projects constructed by the Chinese companies.

Although three major contractors of 456 MW Upper Tamakoshi projects are Indian, the government of India does not consider this project to purchase the electricity.

Former minister Dipak Gyawali said that Nepal is exporting electricity to India in cheaper prices. Instead of focusing on export Nepal should focus on increasing internal consumption.



Gyawali said that India considers Nepal's water as strategic resource and is interested in regulating it on that basis. "All concerned stakeholders should give up the dream that Nepali will be rich by selling electricity to India. We must increase domestic consumption," said Gyawali.

Addressing a program organized by Association of Former Career Ambassadors of Nepal (AFCAN), speakers said that India's restrictions not only limit Chinese investment but also the project constructed by Chinese companies and Chinese technology.

However, Managing Director Nepal Electricity Authority Kul Man Ghising expressed his confidence that Nepal can generate huge amount of money exporting electricity to India. Presenting his key statement, he said that the investors need to take the concern of India and its choice if they intend to export the electricity to India.

"Our current trade with India has shown that electricity is only product in Nepal to have greater market advantage. If there is a market, we need to catch it up," said MD Ghising. He also said that the myth in Nepal that Nepal cannot export electricity to India proved wrong following our trade of 360 MW of electricity to India.

"Our electricity development is also connected with geo-politics. We are inviting foreign investment in hydropower and most of the companies are Chinese," said Ghising. "We need to invite more direct investment from India to increase our export." NEA is developing a project in a joint venture with India's state owned company in Arun valley," said Ghising.

However, we can make changes in the stand in the course of negotiations. In earlier directive, India has made a condition for 50 percent Indian investment for the export of electricity to India. After continual request from Nepal, India amended the directives. The procedure of the current regulation is dynamic. However, Indian policy now is not to purchase electricity generated from a project financed by China and constructed by the Chinese companies.

During the India visit by Prime



Minister Sher Bahadur Deuba in April, India assured us to open market for Nepalese electricity. He said that a feasibility study is underway to construct transmission line connecting China. Modality for the construction of Rasuwa-Kerung Cross border Transmission line is yet to develop. Chinese are constructing Transmission line from Lhasa and there are no problems in Nepali side.

Geo-politics is the main reason behind delaying the construction of west-Seti project. We have discussed several times but we are unable to assure Chinese on the market in India. Our sole market is India. Similarly, we are unable to sign PPA on Chinese demand.

As Nepal Bangladesh Electricity trade has a big potential, Nepal and Bangladesh are now discussing on market. Ghising said that the time has come for Nepal to think energy security till 2050. He said that due to lack of integrated project among the government agencies, there is a problem for larger project.

We have constructed settlement roads and other infrastructure in the areas selected for larger storage project. Given the current state of development, construction of larger project is impossible in next 50 years.

If we do not construct larger projects, we will be unable to fulfill energy demand and water demand for the increasing population. This will bring a major challenge for energy and food security.

Ghising said that Nepal India electricity trade is now going very smoothly and satisfactorily. We can make electricity trade with Bangladesh and Sri Lanka and Bangladesh wants to purchase our electricity.

Howdy Modi

Three years ago, the then US President Donald Trump invited India's Premier to an event titled 'Howdy Modi' held at a stadium in Houston, Texas on 25th Sept. 2019 with an eye for the support of Indian origin citizens of the USA. Trump's own visit to India one year later, to further cement that relationship, was troublesome because of riots in North East Delhi. Was this an ill omen as Donald Trump lost the US Presidential election in November 2020?

BY: HEMANG DIXIT

Our former PM Prachanda, the fearful one, made a departure from tradition by making his first visit as a Nepali PM to China for the closing session of the Olympic Games. His breaking with the tradition of 'Delhi first' was perhaps taken as affront by our Southern neighbour. After all Nepali politicians, irrespective of their political heritage and colour have had long standing links with the South Block of New Delhi than with the much further afield Beizing in the North! Was this therefore an attempt by Prachdraji to say 'Howdy Modi' prior to taking over and sitting in the PM's chair in Nepal? One can only wait and see the post elections scenario in November.

Perhaps commenting on this trip is useless as Nepali politicians have always been kow-towing to the officialdoms or handlers in South Block. All through the last seventy years they are like puppets on a string and the Babus or the JNU handlers have had immense pleasure in making Nepali politicians sweat and fret! If anything it was the monarchs that have stood upright and strong against the gale from the South.

The old saying as far as India / Nepal relationship was that it was a question of 'Beti and Roti' from ancient times.

The Mogul invasion of India is thought to have accelerated that process when many princely states sent their Ranis and Betis for shelter to the Hindu Kingdom of Nepal.

It was the monarchs of this country who stood up to authorities of our Southern neighbour. We remember King Mahendra's quip to PM Indira when he said, 'Communism does not travel by taxi'. In the same vein was King Birendra's stated remark to PM Rajiv when he said, 'We are in the mood for talks!' The last straw which broke the camel's back was the proposal to offer our Northern neighbour observer status in SAARC! Ironically, this came to pass a little later significant, but that is of no consequence when SAARC is now moribund!

In contrast to the above happenings are the 'Lampasar' attitudes of our PM's to South Block or RAW dignitaries. Our politicians usually make their first trip to Delhi as a priority. The Nepalis have seen all this over the years and are accustomed to it being 'Hatti ayo, hatti ayo fussa'. The same story repeats, starting with Matrika re Koshi Barrage, and Sher Bahadur re Mahakali. These had been presented as 'Pies in the sky' for the Nepalis to munch on! The real fact is that Nepal only recently got water from Tanakpur, as per the Mahakali Treaty after a wait of 27 years. This depicts the state of affairs! When the various treaties regarding our water resources were signed, the peoples' expectations rose, only to be dashed to the ground as a result

of total inactivity for the promised benefits. Sadly as far the pilgrimage to Delhi is concerned; it had been started by the Kangressi stalwarts of Nepal for many Nepalis were also involved in the freedom movement to get the British out of India. Sadly this trend has been going ever since.

> We have been discussing about the Indo-Nepal Eminent Persons Group (EPG) which was set up years ago to revise the 1950 Indo-Nepal Treaty of Friendship. The EPG members met alternately at the

two capitals of the two countries for over two years and finally submitted their reports to the two PMs of the two lands over two years ago. Both the two PMs have not looked over such an important report as they have not had the time. (In the case of Nepal a late statement was that PM Oli had done so). What a state of affairs! A photographic image suggests that former PM Prachanda may have done so very informally with India's Foreign Secretary and the picture seems to convey to the beholder that our former PM may have been at the receiving end! What a state of affairs between two neighbouring countries.

> The contact with our Northern neighbour has been much longer, for Nepali PMs had been sending presents periodically to the Chinese rulers at Beijing and acknowledging their over lordship for centuries. Tea is said to have been introduced in Nepal as a result of seeds/plants given by the Chinese emperor. Perhaps frequent visits to China could not be undertaken frequently because of the high Himalayas straddling on our border.

> As per comments in the press, if the 'Gathbandan' stands at the hustings and

the election in November, there are a number of likely candidates of both sexes in line to be the PM of this land of ours. This is however something that only time will tell.

As a tail-ender, I am reminded by the old English nursery rhyme:

Pussy cat, Pussy cat where have you been? I have been to London to see the Queen, Pussy cat, pussy cat what did you do there?

I frightened a little mouse under her chair. The question remaining of course is who has been fright-

The bottom line and not to be forgotten at all costs is to be imperative and wise to maintain amicable relationships, without hurting the sensibilities of our northern and southern neighbours. At the same time our national priorities must not be sidelined nor should our contacts and relationships with other nations of the world suffer.

Finally as Trump's American Dream was unfulfilled in January 2020 will Prachandra's be any different following the Nepali general elections on the horizon?

The author is a retired medical doctor and writes fiction under the pen name of Mani Dixit also. Website: www.hdixit.org.np. Twitter: @manidix-

EU SUPPORT

Humanitarian Cause

EU Ambassador Nona Deprez visited Sudurpaschim taking firsthand stock of the projects supported by the European Union (EU)

By A CORRESPONDENT

As Nepal enters into the middle of monsoon, the country will face more devastating floods caused by intense rain, if the past is any indication. The recent visit of ambassador of Nona Deprez European Union to Nepal to inspect the EU supported flood prevention programs was a timely response in that context.

During her stay in Sudurpachim Province, Ambassador Deprez visited the project sites and vulnerable areas and interacted with provincial and local governments and officials of implementing agencies, local communities and youths. The ambassador also inaugurated some of the completed projects.

She went to Tikapur Municipality to see the implementation of early warning system and inaugurated projects in Dhangadhi. Although this is the season of heavy rains and floods with high risk, the ambassador decided to make a firsthand observation of the real state of rural people and project sites.



"Glad to learn about 2021's success using #Socialprotection system to provide early warning messages and cash relief to reduce flood impacts. @Euinnepal is committed to reaching most vulnerable asap in disaster utilizing the Gov's social as-

sistance program," tweeted ambassador Nona Deprez that Nepal Red Cross Society noted.

"Anticipatory action saves lives. #shock responsive social protection Tikapur municipality for sharing lessons learnt with neighboring municipalities of Karnali river basin," said ambassador Nona Deprez.

For the past few decades, floods have created annual havoes in Sudupaschim Pradesh killing hundreds of people destroying crops and property.

With the support from European Union and other agencies like ECHO-Asia, various agencies like Nepal Red Cross, UNDP and agencies have been implementing various programs in Kailai and other district of Sudurpaschim Province.

Launched in various sub-metropolitan, municipal and rural municipal bodies in Kailali, the early warning system has helped



to prevent the damage and human casualties as well. Unlike in the past, people living in the lower areas of major rivers find time to save their property and reach in safe shelters due to the warning.

With the climate warming the intensity of rain and timing has changed. Last eear, a flood at the end of September destroyed all the crops pushing people to a food insecure position.

"Anticipatory action saves lives. #shock responsive social protection Tikapur municipality for sharing lessons learnt with neighboring municipalities of Karnali river basin," tweets ambassador Nona Deprez. "Waiting for the flood to come #Tikapur embankment. Anticipatory action saves lives."

In Dhangadhi, ambassador Deprez interacted with child club members.

Through an online Monitoring & Incident Reporting System set up under an@eu_echo-UNICEF project, adolescents & young people have been contributing to the reporting of protection-related cases in Sudurpaschim Province. #Preparedness to prevent COVID 19 while ensuring safe & dignified #migration!

Deprez also inaugurated the newly constructed Water, Sanitation and Hygiene (WASH), health and



protection-based facilities at Gauriphanta.

The facilities were built under the auspices of the "Effective case management by strengthening isolation centers and ground crossing points (GCPs) management for rapid response and preparedness against COVID-19" project implemented by the International Organization for Migration (IOM) under the leadership of the Nepal's Ministry of Health and Population, financial support from the European Union Humanitarian Aid, and in implementing partnership with Save the Children and local support Nepal National Social Welfare Association.

"I am pleased that, thanks to the European Union, those facilities such as waiting room, drinking water, and breast-feeding centers have been established as part of the Health Desk at the borders to facilitate a smooth health checkup for migrant workers who are contributing to sustain their households as well as to the country's economy," she added.

"The facilities have been designed to ensure that they are gender-sensitive and disability-friendly, making it accessible for everyone," said Lorena Lando, IOM Chief of Mission for Nepal.

"Ultimately, we want to contribute to sustainable management and preparedness for migrant flows at each crossing point to promote safe, orderly and dignified migration," Lando added.

European Union is a major development partner of Nepal supporting many development sectors in Nepal. Since she arrived in Nepal, ambassador Nona Deprez has been regularly visiting the project sites interacting with provincial governments, local governments, partner organizations and community people. She always encourages young population to engage in development activities.

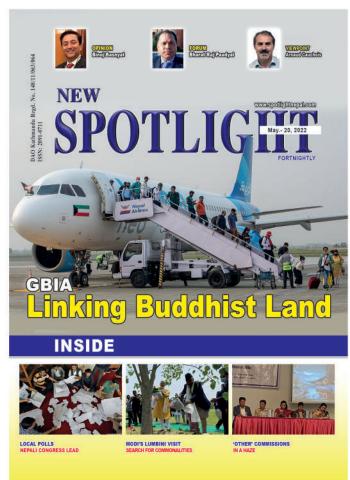


बाढीपहिरोबाट जोगिन

- >जथाभावी सडक निर्माण र वन विनाशले बाढीपहिरो निम्त्याउछ।
- >वृक्षारोपण गरौं, वनजंगल जोगाऔं, बाढीपहिरो नियन्त्रण गरौं।
- >पिहरोको जोखिम भएका क्षेत्र तथा नदी किनारमा रुख, बाँस, निगालोजस्ता भु-क्षय रोक्ने खालका विरुवा रोपौं र संरक्षण गरौं।
- >आफ्नो बस्ती तथा समुदायको रक्षा गरौं।
- >बाढी तथा पिहरो गएको सूचना तल्लो तटीय क्षेत्रमा दिऔं। आफु पिन बचौं अरुलाई पिन बचाऔं।















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