Nearly a month after elections, the six-party alliance plus the Maoists are meeting for the first time early on Friday morning to start setting up a new government. The bargaining is going to be prolonged, and they have three weeks to reach a consensus.

Most politicians were deep in strategy sessions all Thursday to decide on their positions, and had switched off their mobile phones. The arithmetic of the electoral results is such that the Maoists are the largest party, but don’t have a clear majority. However, none of the other parties have the numbers to form a government on their own either.

The Maoists hold the trump card, and their central committee has come up with several scenarios: make Pushpa Kamal Dahal prime minister and form a government with or without the other parties. “If it still doesn’t work, we will be forced to go back to the people and relaunch our struggle,” warned elder leader Mohan Baidya (Kiran).

Some in the NC are said to be keen on the idea of Girija Koirala remaining a ceremonial head of state, but this is opposed by NC young turks as well as the Maoists who want both the head of state and government from their party.

The UML is still licking its wounds, and says it will not join the government or support the Maoists until it disbands the PLA, turns the YCL into a fraternal organisation, returns seized property and stops attacking its cadres.

“The PLA and YCL are not issues that should be raised now,” Maoist ideologue Baburam Bhattarai said in an interview on Wednesday. “We should focus on forming a government in which we will have a say in policy but will work on the basis of consensus.”

The parties are expected to decide not to have a supplementary budget for the interim because Rs 38 billion from the current fiscal year remain unspent.
Not out of the woods yet

Ever since the United Nations was brought in to be the acceptable third-party for overseeing Nepal’s peace process, it has proved to be a convenient lighting rod for everyone with a gripe. The royal right to casting UNMIN for being soft on the Maoists. The Maoists lashed out at UNMIN every time their shenanigans were exposed, like the time one-third of the commitment centre for hard fighters. We knew Maoists trooped out of cantonments during the election campaign to rough up other parties. The Maoists knew UNMIN knew and both knew we knew. But Maoists didn’t think the UN was a place to cut loose.

With their unexpeted win in elections, Maoist hardliners have changed their minds about unification. They now want them to leave when the mandate expires in July. We agree that a bulk of UNMIN can pack up. But perhaps a skeletal team should remain to take care of unfinished business. There are still 500,000 displaced people in the air: decommissioning of arms, security pack up. But perhaps a skeletal team expires in July.

The next prime minister is going to be the one who can bring all the parties to the table. The Maoists have been talking up unification, but they are the major threat to peace and security in the country. The coalition system means regional parties and later independent groups need to be heard. Inter-departmental bureaucratic battles are the norm. The Maoists know this perfectly well.

Corporate India’s influence has grown tremendously. Reliance’s Mukesh Ambani and the Bollywood stars are more important than most ministers. The sweep of the media means no government can afford to ignore issues which are broadcast relentlessly and reach millions. Fortunately for the Nepalis, we are too busy covering cricket, crime and cinema to keep tabs on the establishment and be the voice of the underprivileged.

That is why, despite the presence of one what would assume are balancing factors, the Maoists have been able to control–for good–the YCL and the Delhi, or more broadly, the entire South Asian region.

Nepali politicians teach India a few lessons by curting truly democratic, equitable institutions? Can they bridge the Gini coefficient to avoid the growing economic and social inequality? Can they teach the role of the city in the capital, and the majestic road, the Left hub near Gole Market, and the majestic government structures of North and South Block. Policy carved out in the past few years, the city's poor have a voice every five years. It is a neat consensus on certain issues. A stark contrast between the rich and the poor can never be controlled.

The Delhi chief minister has said that the city has problems because of workers from other states. Her response was definitely not the right answer to this.

But there is another side to the story. The more broadly, the entire South Asian region. This story is not merely about those who are left behind. It is about those who are willing to be defiled for the sake of the booming economy. Over the past few years, the city’s poor working class has been trampled. An over-interventionist judiciary teamed up with an administration eager to clean up Delhi before the 2010 Commonwealth Games. The media, nauseatingly celebrating all the time, cheered on.

First, there are the demolished. Technocrat planners said it was illegal. The poor had migrated from the rural hinterland and started facing poverty, agrarian distress and the absence of employment or had been dispossessed due to development projects, dam, mining, or SEZs.

It was government policy to force the villagers out of their villages, but once they started evicting out on existence on the city’s margins, their urban habitats have been converted into unlawful economic activities. The sweep of the media means no government can afford to ignore issues which are broadcast relentlessly and reach millions.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. NIMBY syndrome and accept the UN as a neutral entity. The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decompression’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.

The Indians helped set the stage by getting the Maoists and the NC and UML supporters from areas they won. What kind of behaviour after the peace process? The Maoists lashed out at UNMIN every time their hardliners were exposed, like the time they were being labelled as terrorists.

The word ‘mediator’ was replaced with ‘monitor’. ‘Demobilisation’ became ‘decommissioning’. The Maoists can afford to ignore issues which are broadcast relentlessly and reach millions.
NEW DELHI–The Nepali Embassy on Barsakhamba Road is perhaps the oldest legation in the Indian capital, and its age is beginning to show. The lawn, the porch and the drive-way bear the look of bygone eras. Inside, the spiral staircase, cavernous corridors and frayed carpets carry an imperial ambience.

Business is slack at the mission. Visiting Nepalis still queue up at the gate during afternoon to obtain recommendations for railway reservations, but other than that there is very little activity even during office hours to show that this is Nepal’s most important diplomatic mission.

Durgesh Man Singh presides over this regal setting but doesn’t have much to do when Sitaram Yechury is the intermediary between the prime ministers of the two countries. It would be unkind to characterise Durgesh Daktarsah’b as a lame duck envoy, but with a change of guards imminent at Singha Darbar and Shital Nibas, he probably fails to convey the sense of authority required to deal with highly protocol-conscious bureaucracy of South Block.

There are several urgent issues that need to be raised in New Delhi. Trucks carrying clinker and cement have resumed crossing the border, but a formal exemption on export of essential goods for Nepal is yet to be granted. The non-tariff barriers on Nepali produce into India continue despite promises to have them eased. Infected animals, birds and all kinds of men and women cross the open Indo-Nepal border at will. But cauliflower and cabbages need to be quarantined at the border. Nepalis going to India need to carry wads of hundred-rupee notes because Indian currency of higher denomination is not legal tender in Nepal, a decision taken at the insistence of Indian government.

India has cut back on petroleum to Nepal because NOC hasn’t paid off its debt. Inundation in the Tarai caused largely by road embankments on the Indian side regularly submerges Nepali territory. The Indians seem to have little interest in modifying the design of these roads, let alone to stop building barriers across natural river courses. Indian officials routinely dismiss Nepali apprehensions as exaggerated. Flooding in Bihar and Eastern Uttar Pradesh is a serious matter that requires cooperation. Pushing the problem upstream with unilateral interventions in Madhubani or Sitamarhi will only complicate things further.

Here in Delhi, Indians are getting all worked up about the ‘C’ word, China. Foreign policy hawks obsess about the prospect of the Chinese railway coming to Khalsa. The Constituent Assembly will be sitting in a Chinese-built convention centre, Nepali civil servants will soon start getting treated at a hospital being built by the Chinese, and the road from Chitwan to Kerung will probably be ready by the time Indians begin to design their Tarai road network. Durgesh invited Delhi media-persons for tea and tête-à-tête one evening this week. He probably lacks the budget to do anything better, yet the evening turns out to be lively. Over a mouthful of dalmoth, a worldly-wise hack explains India’s fears: “The Chinese are the biggest donors in Sri Lanka, they are close to the Pakistan Army, Burma is in a tight embrace, and Bangladesh is firmly in their grip. The semi-independent kingdom of Bhutan doesn’t count. So that leaves Nepal and Pushpa Koirala Dahal’s rhetoric about equi-proximity. South Block has reason to be alarmed.”

The future of the India-Nepal relationship will probably depend on the way we address these concerns. Once they are settled to mutual satisfaction, a renegotiation of the Treaty of 1950 will probably be a matter of minor detail.

The Indians are getting worked up about Chinese influence in Nepal

STATE OF THE STATE
C K Lal
Outdoor adventure enthusiast Alex Teh, 24, travelled three hours by bus from Kathmandu and now stands on the pebbled bank of the Upper Sun Kosi, 40km south of the Tibetan border. Buckling his life jacket and donning a blue safety helmet, he is set to take on the rough waters of the fabled Bhote Kosi.

With only one weekend to spare for white-water rafting, the Singaporean tourist wanted a trip that would be short in time but not short on action. The Bhote Kosi lives up to the most daredevil expectations, and is close enough to Kathmandu to allow for short package trips.

But its days as a tourist destination may be numbered. Nepal’s privately-owned Chilime Hydro Power Company has secured a license to build a dam on the middle stretch of the Bhote Kosi, which will submerge five of the river’s 10 major rapids.

When news of the deal came out, villagers living both above and below the proposed dam site, as well as river and rafting organisations, scrambled to draw up a petition against it. They argued that the changes the dam will cause to the river will harm local livelihoods.

Rafting industry players say that about 20 to 30 percent of adventure tourists visiting Nepal come for rafting. “And a quarter of those go for the Bhote Kosi because it’s a serious mountain river but easy to visit for just a couple of days,” says Tej Bahadur, director of outdoor adventure company Mountain River Rafting.

The building of the dam has been delayed after the Nepal River Conservation Trust presented a petition against it in 2007, but the Trust’s president Megh Ale says that the project is unlikely to have been shelved for good. Five other hydropower dams have already been constructed in Sindhupalchok district.

Despite conservation and local economic concerns, it is clear that Nepal needs electricity, and the country’s 6000 rivers are a massive potential power source. According to Ale, the answer to meeting all the conflicting concerns is resource allocation. He says that most of Nepal’s rivers rise above 6000m in altitude, and suggests that water below 1200m could be allocated to recreation and irrigation, leaving waters above that altitude available to hydropower.

But implementing such an arrangement is easier said than done, especially as hydropower developers and tourism promoters are also competing for locations which are easily accessible. The cost of building increases massively the further a site is away from the road.

The Bhote Kosi is one of the most contested flashpoints because it has both road accessibility on the Arniko Highway and, with an average gradient of 80ft per mile, a massive water force. For rafting, its rapids are classed from ranges three to five in intensity (six is the most intense). In hydropower terms, the swell is capable of producing at least 45MW of energy annually.

Energy specialist Bikash Pandey agrees that reconciling the demands of both the tourism and hydropower industries will be hard, but says the issue must be clearly resolved. “In California, tourism has produced much more revenue than hydro dams could. We should bear this in mind. But on the other hand we can’t carry on with load-shedding like it is now,” he says.

River entrepreneurs like Ale are hoping the new political climate in the country will prove favourable. “Building a new nation will require foresight and emphasis on sustainable development, and so does river management,” he says. “The Bhote Kosi is the Everest of rafting. Just as the mountain, the river deserves protection and honour.”

rough ride: The Bhote Kosi is one of the most popular rivers for white-water rafting in the country.
Nepali Times: How do you define Complete Quality Processes (CQP) for manufacturing and service sectors?

Pat Townsend: Quality became useful as a concept when it was recognised that there were principles and practices that manufacturing and services, profit and nonprofit, have in common. We divide quality into two parts: quality in fact and quality in perception. Quality in fact is achieved when you meet your own expectations by accomplishing what you set out to do. Quality in perception is achieved when a customer believes that what you made or did is going to fulfill his or her expectations.

Does CQP work in a developing country like Nepal?

We could talk about quality as the great equalising tool in international competition. It is actually broken down into three pieces: leadership, participation, and measurement. In developing countries, it is true that quality provides the vocabulary and tools to compete in an international marketplace, but it does this by making sure that any enterprise has a good start on a local level. TATA motors recently changed its focus as a provider of utilitarian vehicles with its bid for Jaguar. That wasn't a random decision, but reflects questions we were asked in a workshop two years ago.

What is the connection between leadership and quality?

Leadership is inseparable from quality because leadership has the responsibility to create the environment in which quality practices operate. That includes everything from clarity of purpose, budget and time allocations, rules and tools, and setting the example for others to follow. Management is the rational subset of leadership while productivity is the rational subset of quality.

Some critics say that price and quality are commodity attributes in today's competitive marketplace.

When critics say that price and quality are common attributes, they are looking mainly at customer perception. But quality in fact looks beyond attractiveness, reliability, and affordability to look at the practices that produce the product or service. Innovation and creativity are merely two of those practices—although two that are currently receiving the most attention. We've included them in our workshops for over a decade.

A motivated workforce is said to be critical for quality goods and services. How can an organisation be motivated?

Oddly, senior management cannot motivate the workforce. What it can do is provide the environment in which workers can motivate themselves. This is a critical distinction. What quality does is democratise the workplace. It enables everyone to use his or her best judgment and develop sophisticated analytical skills. Senior management must structure the organisation so that there are the fewest roadblocks possible between a good idea and its implementation.

How do firms go about developing quality measurements so that they can keep track of what they do well?

Too many organisations want to look at measurement as the whole package. In this model, leadership decides on the measurement, directs the workforce to use it, records the results, makes adjustments based on the leadership's judgment. What this leaves out is the talents of most of the organisation. Management should above all be responsible for deciding which quality tools to use. Think of tools in two categories: doing things right and doing right things.

Employees can use any number of simple tools to determine whether they are doing their jobs right: flow charts, SPC, Six Sigma, Ishikawa fishbones—even something as simple as brainstorming. These are most useful at the management level. The caution is that over-reliance on any one tool produces stagnation and is totally counter-productive.

Pat Townsend will conduct the 'Leading for Quality' seminar on 20-21 May at the Radisson Hotel, Contact: Direction Nepal info@directionnepal.com

'Do things right, do right things'

Pat Townsend is an internationally acclaimed author and speaker on Complete Quality Processes (CQP), a unique approach to ensuring that an organisation's quality effort benefits from the knowledge, ability, and enthusiasm of every person on the payroll. He will be in Kathmandu later this month at the invitation of the Nepal-based Network for Quality, Productivity & Competitiveness to conduct a two-day workshop on Leading for Quality. Townsend talked to Nepali Times this week about quality-consciousness.
Interview with Dolma Chomo in Nepal, 11 May

Not our demand

Sudarshan Sigdel in Shiksha, 4 May

It is a month since the new academic year began, and school textbooks have still not come out.

Some officials at the Janak Siksha Samagri Kendra (JSSK) said some retired employees work as middlemen, supplying paper from the Kendra to newly opened private publications for a commission. Others blame bottlenecks in printing capacity, the CA elections, load-shedding and strikes in the Tarai.

The issue of commission charges is not new. Some think the JSSK's decision to allow private publishers to print school textbooks was motivated by the opportunities for commission revenues, although the official explanation is that the JSSK alone does not have the capacity to print all the required textbooks.

Ramesh Bhattarai, director general of the Sajha Prakashan (Kanchan Press, which was previously blacklisted for Kanchan Press, which was previously blacklisted for

The demand for school textbooks this year is about 2.24 million copies but not even half of this has been printed yet according to Bimal Aryal, director of the JSSK.

we are not leading a separatist movement. We are not saying that Tibet should not be a part of China. We know that more than 90 percent of Tibetans are happy being part of China. Our protests are against some of the policies that the Chinese government has in Tibet. We will protest until our demands have been met.

But in Kathmandu you hear “free Tibet” everywhere. There was even an attempt to burn the Chinese flag. We are not calling for a Free Tibet. Yes, during our movement, some increased governance may have raised that demand, and some unintended incidents have also taken place. But the police and government have followed up the peaceful movement with their violent suppression of it. Even amongst ourselves, there are people who hold different views. But our fight, as a movement, is for an autonomous Tibet.

Why are you opposing the Olympics?

Our cause is not associated with the Olympics and we are not opposing the games. Our movement has been ongoing for nearly 50 years with more or less the same demands, because of the Olympics, our campaign has caught the world’s attention and we have been getting international support.

Why not take up the offer of talks that the Chinese government put forward?

We have never opposed talks but first there needs to be a proper environment for them to work fruitfully.

## Short supply

It is a month since the new academic year began, and school textbooks have still not come out.

Some officials at the Janak Siksha Samagri Kendra (JSSK) said some retired employees work as middlemen, supplying paper from the Kendra to newly opened private publications for a commission. Others blame bottlenecks in printing capacity, the CA elections, load-shedding and strikes in the Tarai.

The issue of commission charges is not new. Some think the JSSK’s decision to allow private publishers to print school textbooks was motivated by the opportunities for commission revenues, although the official explanation is that the JSSK alone does not have the capacity to print all the required textbooks.

Ramesh Bhattarai, director general of the Sajha Prakashan (Kanchan Press, which was previously blacklisted for

The demand for school textbooks this year is about 2.24 million copies but not even half of this has been printed yet according to Bimal Aryal, director of the JSSK.

...
Globalization has given a new dimension to the world, where physical location and traditional barriers no longer limit the quest for knowledge acquisition, employment opportunities and business expansion. This is particularly relevant in the accountancy profession where world wide movement towards standardization of the profession, through uniformity of education, training, professional standards, continued professional education, code of ethics and a host of other compliance requirements are being standardized and made uniform for universal acceptance. Professional accountants are rapidly moving towards adoption of the same set of standards for global application, so that differences in work approach, methodology and conclusions drawn would be the same, no matter where or by whom the work has been performed.

In this quest for global competency, ICAN cannot lag behind, and is determined to pursue its target of achieving full compliance to international financial reporting standards (IFRS) requirements by the year 2011.

The theme of the conference “Integrating Nepalese Profession with the Outside World” is designed to address the contemporary issues of the profession and to enrich the professional knowledge and competency level closer to international standards.

The contents and sessions in this conference have ideally concentrated on the concerns of the professional accountants around the globe like opportunities and challenges of IFRS convergence and its implementation. Likewise other issues to be addressed in the conference are public sector accounting, scope and perspectives of Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO). The conference will also focus on Small and Medium Enterprise (SME) and role of professionals in upgradation and effective management of SMEs.

Another highlight of the Conference is fragmentation of each session to enable two-three speakers to present their views. Through this set up, lengthy sessions are replaced by brief yet forceful deliveries, and participants get the privilege of listening and interacting with maximum number of speakers within a short time frame.

The organizers of the Conference are confident that this event will be an exclusive forum for national, international accountants, as well as other stakeholders to broaden their knowledge on the wide range of topics of discussion, for their benefit and advantage.

About CAPA
Confederation of Asian and Pacific Accountants (CAPA) represents different national public accountants institutions within the Asia-Pacific region. Today, CAPA has a membership of 34 public accountants’ institutions in 24 jurisdictions. CAPA is by far the largest regional accountancy organization and its geographical area spans half the globe. The mission of CAPA is to provide leadership in the development, enhancement and coordination of the accountancy profession in the Asia-Pacific region to enable the profession to provide services of consistently high quality in the public interest.

Introduction
(Setup under the Nepal Chartered Accountants Act, 1997)
The Institute: A Brief Outline
The Institute of Chartered Accountants of Nepal (ICAN) is the national professional Accounting Body of Nepal established under the Nepal Chartered Accountants Act 1997 to enhance social recognition and faith in the Accounting profession by raising public awareness towards economic and social responsibility of Accountants and to contribute towards economic development of the country.

ICAN is an autonomous body and is solely authorized to provide education, guidance, control and supervision of the Accounting Profession in Nepal.

Mission
“ICAN aims to be recognized as a respected and highly professional accounting body, providing leadership on standards, education and self-regulation in Nepal”
It gives me immense pleasure to note that the Institute of Chartered Accountants of Nepal (ICAN) is hosting the 15th Board Meeting of Confederation of Asian and Pacific Accountants (CAPA) and CAPA – ICAN joint conference on ‘Integrating Nepalese Profession with the Outside World’ from 8th to 10th May 2008.

In the changing paradigm of global affairs, the role of Chartered Accountants assumes greater importance. Particularly, at this juncture, when Nepal is in transition to full fledged people centric democracy, the role of Chartered Accountants enlarges towards building New Nepal.

In such a scenario there is a paramount need for harmonization and integration of profession across the globe. Organizing such conference will go a long way in updating the information and knowledge levels of the participants.

I am confident that the convergence of world’s professional accountants in Kathmandu shall contribute to the development of high quality global accountancy profession.

Looking forward for the successful completion of this event.

Girija Prasad Koirala, Hon’able Prime Minister

I am very happy to learn that the Institute of Chartered Accountants of Nepal (ICAN) is hosting the 15th Board Meeting of Confederation of Asian and Pacific Accountants (CAPA), 67th Assembly Meeting of South Asian Federation of Accountants (SAFA) and CAPA – ICAN joint conference on ‘Integrating Nepalese Profession with the Outside World’ from 8th to 10th May 2008.

The process of globalization has broken the traditional barriers and has delimited the peoples quest for knowledge acquisition, employment opportunities, business expansion and many more. The world is moving towards standardization of different profession by integrating and making it universally accepted norms. Nepal can not afford to be out of this process. As professional accountants are the ultimate source of professional as well as technical knowledge we must welcome the attempt of ICAN to boost the scholar attitude of professionals by providing the platform for learning and sharing through such an international conference. This will undoubtedly enhance the economic development as this gives the maximum exposure to the participants regarding the contemporary financial as well as economic issues addressed by the conference.

While I would like to congratulate ICAN, I also wish it a grand success in its endeavor.

Mr. Subas Chandra Nembang
Speaker of Interim Legislature

It is indeed a great pleasure that the Institute of Chartered Accountants of Nepal (ICAN) hosting the 15th Board Meeting of Confederation of Asian and Pacific Accountants (CAPA), 67th Assembly Meeting of South Asian Federation of Accountants (SAFA) and CAPA-ICAN Joint Conference on ‘Integrating Nepalese Profession with the Outside World’ from 8th to 10th May, 2008. The Conference rightly quotes the topic “Integrating Nepalese Professionals with the Outside World” which clearly reflects the desire of Nepalese Professionals to move across the borders to capture the international standards and quality to make themselves equally competent and effective.

Professional accountants are no doubt the biggest economic intellectual property of the nation as they are the ultimate source of financial management, risk management, strategy formulation, designing and implementation of internal control system, reporting and communication to stakeholders or resource management in the most imminent and professional way. They play the pivotal role for economic mobilization and financial planning for the perfect economic upliftment of the country and most importantly in developing country like Nepal where economic reform comes to the first political as well as social priority. Events like this make the process of economic recognition of Nepal in International territory simple and tranquil.

So I would like to extend my best wishes to ICAN and all participants for their effort to unite with the global requirements. I wish a grand success of all the events.

Dr. Ram Sharan Mahat,
Finance Minister

It gives me a great pleasure to know that the Institute of Chartered Accountants of Nepal (ICAN) is hosting the 15th Board Meeting of Confederation of Asian and Pacific Accountants (CAPA), 67th Assembly Meeting of South Asian Federation of Accountants (SAFA) and CAPA –ICAN Joint Conference on “Integrating Nepalese profession with the Outside World” From 8th to 10th May 2008, in Kathmandu. I am pretty much hopeful these international meetings and conferences will be very meaningful that it will enhance accounting proficiency in the region. Globalization has required practitioners and organizations to share the development of accounting profession between practitioners. I am very much confident that such meeting and conferences will boost up and make capable every practitioners and organizers to operate practices in every corners of the globe.

The ICAN has always been the sole authority to regulate and develop auditing and accounting profession in Nepal. Since 1948 and accounting spheres are quite dynamic and require frequent changes in practice and standards with changing scenario and International Conference in partnership with Confederation of Asia Pacific Accountants (CAPA) on 10th May 2008.

I feel proud to congratulate the ICAN for organizing such a conference for its members. The conference is no doubt very much important in today’s context.

Dr. Badhu R Dahal
Finance Minister

There is something special about Yaris Hatch Back. Not just how it looks, or how it takes a corner. There is something deeper. In its own small way, Yaris Hatch Back rewrites the rules for what a car can be. A life-sized hatchback that looks and performs like nothing else in its class – squeezing an enormous amount of innovation into the curvy contours of its astonishingly compact frame.

And yet, it’s a blast to drive.
ICAN has recently completed its glorious eleven years. Even in this short span of time, it has come a long way. Adoption of IFRS by 2011, standardization of other procedural professional requirements and recognition by international fraternity are the major agendas for the Institute of Chartered Accountants of Nepal (ICAN) to boost its identification and existence. On behalf of ICAN and its members, I feel honored to present the common forum for concurrent issues of the profession, for all intellectual sharing and discussion on the honored to present the common forum for.

This conference and the 15th board meeting of CAPA being held in Kathmandu have rightly addressed the one of the agendas of ICAN regarding the international recognition. ICAN being one of the member of CAPA, has been provided with this opportunity. I thank CAPA for hosting these CAPA events in Kathmandu. ICAN is also thankful to South Asian Federation of Accountants (SAFA) for convening its 67th Assembly in Kathmandu. Moreover, I would also like to extend my gratitude to the entire event as well as conference organizing committees whose efforts and dedications has made these events come true in such a grand and impressive layout.

I hope this conference will be the learnings for all the participants where they can not only broaden their knowledge but also glister their professional spa.

I wish all distinguish delegates a comfortable & memorable stay in Nepal.

Mr. Ratna Raj Bajracharya, FCA President, ICAN

On behalf of the International Federation of Accountants (IFAC), its Board and its 157 members and associates worldwide, I wish to convey my sincerest best wishes for a successful conference on “Integrating Nepalese Profession with the Outside World” in Kathmandu, Nepal on May 10, 2008. I commend the Institute of Chartered Accountants of Nepal (ICAN) and the Confederation of Asian and Pacific Accountants (CAPA) for their collaborative spirit in organizing this important event.

This conference will focus on a number of issues that are central to developing a strong accountancy profession and to supporting sustainable growth in emerging countries. These include promoting high quality financial reporting in the public sector, achieving convergence to international standards, and addressing issues specific to developing nations.

The conference's focus on high quality financial reporting in the public sector is significant. I wish you much wisdom in your discussion about how the Nepalese accountancy profession can support the public sector in disclosing accurate and timely financial performance information, which is critical to enhancing public confidence in the activities of government and in better managing and monitoring performance. In addition, your focus on the resources necessary to achieve international convergence will better prepare professional accountants in Nepal to meet the challenges and opportunities of convergence.

This conference provides an important opportunity to strengthen the Nepalese accountancy profession and, as a result, build a stronger, more dynamic national economy. By hosting this conference, CAPA and ICAN demonstrate their commitment to collaborate in building a better future for the accountancy profession in Nepal and the entire Asian region. It also reflects a strong commitment to IFAC’s mission to serve the public interest and strengthen the accountancy profession worldwide. I wish you the utmost success in your conference.

Fernand Del Valle, President, IFAC

I am glad to note that the Institute of Chartered Accountants of Nepal (ICAN) is hosting the CAPA ICAN Joint International Conference on the theme Integrating Nepalese Profession with the outside world at Kathmandu, Nepal on May 10, 2008.

The Confederation of Asian and Pacific Accountants (CAPA) is making giant strides in professional arena both at the regional and international level. I must point out that World over Integration of profession has assumed utmost importance. It would not only add value to profession but also for the entire gamut of stakeholders as a whole. This Conference will definitely enable the sharing of experiences of international participants on the ways and means of integrating the Nepalese profession with international best practices and outside world.

The evolving of Nepal towards the Accountancy Profession has been commendable one and I compliment the ICAN for taking these small and careful steps so as to lay a strong foundation for Accountancy Profession in Nepal. I thank them for their wonderful effort in Organisation of this Conference and wish the Conference a grand success.

Kamlesh Vikamey, President, CAPA

It gives me great pleasure to submit my message as SAFA President of the CAPA/ICAN Conference in Kathmandu. At this important juncture of Nepalese history when the country is going towards a transition towards system compatible to international norms a gathering of professional being specialists in finance and accounting may assist the policy makers in appreciating the importance of economic issues in the well being of common man.

We in SAFA countries are going through a process of change in paradigm. After a long time economic considerations have overtaken political issues. This shift has placed dual responsibilities for the economic managers of these countries.

On the one hand they have to align their policies with international framework like WTO, OECD etc and on the other specific needs and interests of the country have to be safeguarded.

These considerations are prone to collusion in many ways. It is the role of the leadership to pass through the process without turmoil and collusion.

I congratulate the leadership of ICAN in arranging the events of this magnitude. We are hopeful that with their vision and farsighted this beautiful country will soon become Switzerland of east.

Syed Mohammad Shabbar Zaidi, President, SAFA
ICAN’s Objectives

The well-set objectives tailored to attain the Mission are as follows:

- To play the role of regulatory body in order to encourage the members to carry on accounting profession being within the limit of the code of conduct laid down so as to make accounting profession transparent.
- To develop, protect and promote the accounting profession by making the members and the practicing accountants understand the responsibility towards the importance of the accounting profession and the accountancy.
- To provide quality professional education to accounting professionals in consonance with international norms and practice so as to make the accounting profession respectable and reliable.
- To support the government with constructive suggestions towards the formulation and the revision of legislation in regards to commerce, trade, accounting, revenue etc.
- To support the economic development process by increasing the confidence among investors and general public towards the capital market by pronouncing the standards of disclosure in financial reporting practices.

Role of ICAN

As an apex Professional Accounting Body of Nepal, the primary role of ICAN summed as follows:

- Play advisory role to the government in policy matters regarding taxation, business & commercial law and other related matters etc.
- Undertake full responsibility in regulating the accounting profession by way of enforcing ethical & other professional standards.
- Produce qualified Chartered Accountants of high competence through rigorous and valuable education and training, who will be able to meet the challenges of the new millennium.
- Uphold professional integrity and honesty of its members.
- Maintain superiority in respect of professional competence.
- Take all necessary action required to enhance the accounting profession in the country.

The Council

The Council is the supreme authority responsible for the administration and management of the Institute. The Council is composed of 17 members of whom 10 are elected from among the chartered accountants members, 4 from registered auditors and 3 are nominated by the Government on recommendation of the Office of the Auditor General (OAG). The Council is headed by an elected president. The President and 3 members of the Institute are elected by the council every year. The council is assisted by various Standing and non-standing Committees. The Council is fully autonomous and it’s right to regulate accounting profession in the country bestowed by the Act.

International Affiliation

The Institute of Chartered Accountants of Nepal is an Associate Member of the International Federation of Accountants (IFAC), Ordinary Member of the Confederation of the Asian & Pacific Accountants (CAPA) & Member of the South Asian Federation of Accountants (SAFA).

Membership

The membership of the Institute as of 31 March 2008 was 378 Chartered Accountants (CA) and 7,291 Registered Auditors (RA). Among them, 348 CA and 6,696 RA hold certificate of practice (COP). Total membership does not includes 14 CA qualified from ICAN, who applied for membership pending granting of Membership certificate. Along with this number total chartered accountants members tolls 392 (Out of this 51 are qualified from ICAN). It is a remarkable result and a milestone achieved. All of these young professionals are placed amicably and highly regarded. It has given us a sense of belongingness and pride when the employers of these talents praise about their work quality and ability.

The total number of chartered accountants and registered auditors firms as on 31 March 2008 were 304 and 1215 respectively.

Education & Training

Due to overwhelmed response received from the students towards pursuing the Chartered Accountancy course, The Council of ICAN realizes the importance of education & training and with limited resources it has provided quality education to students.

Till 30th April 2008, total number of students enrolled in different levels of CA Education is as follows.

- CA Foundation Level : 2,562
- CA Intermediate Level : 936
- CA Final Level : 172

Total No. of Students : 3,670

New Syllabus

A new syllabus in line with IEG-9, Guidelines of International Federation of Accountants has been approved by the council and has already been effective from December 2007 onwards.

Quality Control: Peer Review

The Institute has emphasized that its members in practice provide high quality services to the demands and requirements and expectations of users of the financial information.

To accomplish its mission, the Institute has started the peer reviewing process by adopting Statement on Peer Review and Peer Review Manual. The peer review process has already been started among the practicing members.

Involvement in International Events

ICAN is fully dedicated and committed towards the development of profession, consistent with regional and international standard. In this regard ICAN has participated in SAFA Assemblies, Board Meetings, Conferences and also has been involved in various task forces since its membership. Similarly, relation with CAPA has come a long way and ICAN has participated in several CA Board’s Ex-Com/ and Annual General Meeting.

National Best Presented Accounts Awards

To promote accounting profession and better implementation of Standards, ICAN has been holding the National Best Presented Accounts (BPA) awards in various categories annually. The evaluation of the Annual Report is based on the criteria set by the SAFA.

For more details, visit www.ican.gov.np
Stitching the social fabric

SRISHTI ADHIKARI

The conference room at the Teaching Hospital is bustling with women. Some are busy cutting the long green cloths spread on the floor, others are sewing the pieces into hospital masks. Still more are sorting through piles of clothes, sewing buttons or stitching cuddly toys.

This is the International Women’s Sewing Group. Started in Bir Hospital in 1957 by Ambica Shrestha (the proprietor of Dwarika’s Hotel), Lady Scopes (the wife of then British Ambassador) and Lottie Weise (social worker and Rotarian), the group has been stitching and darning for Nepal for the last 50 years.

In 1957, the initial aim was to provide clean eye patches for mobile eye camps in the countryside, but as time went by, the group expanded its activities to providing clothes, educational supplies and scholarships. Now it even supplies computers and printers to one government school every year, with the assistance of the American Himalayan Fair.

The group, all of whose members are volunteers, receives requests from various parts of the country for help. They verify the authenticity of the claim and then respond accordingly. Most of the help goes to hospitals, schools and orphanages which are supplied with gowns, blankets, curtains, quilts, school uniforms and other clothes. They have also stepped in on occasion to provide relief after natural disasters with organisations such as Nepal Red Cross and the Rotary Club.

Marian Sundre recalls seeing girls tie scarves around their waists because they had no other clothes, and Shashi Shrestha says, “It makes me sad that people here in Kathmandu throw away their clothes so quickly, when there are people in the villages who don’t even have enough to cover themselves.”

A women’s group that has been sewing for the past 50 years

They get the clothes and materials from friends and acquaintances, including many departing expats. They send what is immediately usable straight to the countryside, and the rest they sell at an open bajara in Kathmandu. They also run stalls at meetings and social events of NGOs, where they sell home-made wares such as napkins and soft toys. Many of the members have

NIMBLE FINGERS: The International Women’s Group hard at work.

been involved with the group for years. “I’m from a privileged family, and being in this group I can give something to people less fortunate than myself,” says Marjua Rana, the group coordinator and a veteran of almost 30 years. “It’s also a good way to socialise with like-minded women. Plus the work we do is quite therapeutic, it’s something.”

This month, the International Women’s Sewing Group is celebrating its 50th anniversary. The anniversary was actually last year, but the group members forgot.

“Things have been happening so quickly, when there are people in the villages who don’t even have enough to cover themselves.”

A nurse in Accham once told me: “People here think that if they do not eat rice they will be weak. They only eat roti when they’re fasting.” Who has told these people these things? People were not taught how to eat rice.

“Since when did the word for ‘food’ in Nepali (khana) come to mean only rice? Nepalis have traditionally lived on a rich variety of staple crops. Rice, wheat, maize, millet, potatoes, buckwheat, oats and barley are grown in different areas according to climate and environment. In recent decades these traditional foods have been replaced in many areas by a monoculture of rice, grown intensively in the Tarai and transported to the hills.”

Shrestha says, “It’s also a good way to socialise with like-minded women. Plus the work we do is quite therapeutic, it’s nice to have a break from housework once a week,” she adds.

The group has also helped to build the capacities of its own members. Shyam Badam Shrestha says, “The group used to be run by expats, but now you can see there are a lot of Nepali women.”

In the last 50 years, Nepalis have come to believe that rice is the only real food. It is partly due to the status associated with it. But it is also partly due to the government’s policy of promoting rice as staple around the country, regardless of whether the climate and terrain were suitable or not.

A nurse in Accham once told me: “People here think that if they do not eat rice they will be weak. They only eat roti when they’re fasting.” Who has told these people these things? People were actually offended in Mustang when I asked them why they ate rice instead of tsampa. To them the question seemed like an insinuation that they were poor.

Another thing that has caused people to abandon their traditional crops. Subsequently, areas which were once self-sufficient in indigenous crops have now become dependent on rice aid from the government and international agencies.

Khum Raj Punjeli, then CEO of Achham, told me: “We used to have enough food for our population and even export wheat to other areas. But nobody grows wheat anymore. Rice is brought by mules and porters, and it’s so expensive that now we are living in permanent food insecurity.”

In the last 50 years, Nepalis have come to believe that rice is the only real food. It is partly due to the status associated with it. But it is also partly due to the government’s policy of promoting rice as staple around the country, regardless of whether the climate and terrain were suitable or not.

A nurse in Accham once told me: “People here think that if they do not eat rice they will be weak. They only eat roti when they’re fasting.” Who has told these people these things? People were actually offended in Mustang when I asked them why they ate rice instead of tsampa. To them the question seemed like an insinuation that they were poor.

Neither the agriculture nor the health ministry has done anything to address the belief that staples other than rice are just for gaupars, which is now doing serious harm to the economy and health of Nepal.

The policy of rice for all Nepalis may have been well-intentioned but it has not stopped malnutrition in Nepal. If anything, people are more undernourished. At the same time a few people have got very rich off shipping rice from the Tarai to the hills.

In ‘New Nepal’, it is time that we start thinking sensibly and practically about food, and leave behind the prejudices and profit mindset which have fuelled our irrational fixation on rice.
Iika Basnet’s hands move with speed and dexterity over the tender shoots of the tea bushes. She gathers clumps of leaves and casually flicks them into the doko on her back. Tika and her husband grow tea on their five hectares of land at Nepaltar in Ilam.

In the past ten years as Ilam’s tea has won fame and recognition around the world, families like the Basnets have benefited as they switch from subsistence farming to tea as a cash crop. Today, tea gardens surrounding Ilam bajar stretch downhill through the valley to the river, draping the hillsides with an emerald carpet. The tea industry now directly benefits 7,000 families and tens of thousands of people have benefited from investing in their own private tea estates. There are more than 100 private plantations at Nepaltar alone.

With Darjeeling across the border, Ilam has just the right soil and climate conditions for tea. But it hasn’t always been easy; Ilam still suffers from an identity crisis and it has been difficult to penetrate an increasingly fussy international market.

A few years ago, 30,000kg of tea was sent back from Mumbai because the chemical content was too high. “But that was a blessing in disguise because today, farmers and tea companies have switched to organic tea in a big way,” says RC Nepal, manager of the Himalayan Shangri-La Tea.

Initially, local farmers didn’t want to stop using chemicals but they’ve come around. “Although chemicals make the tea grow faster, I’ve realised it’s healthier to use organic fertilisers,” says Krishna Bahadur Basnet, a local tea farmer who grows tea on 6.5 hectares. “Since I stopped using chemicals, I’ve seen leeches, beetles and snakes in my garden again. Now I know that the chemicals were killing them.”

Many farmers are now ardent supporters of the organic cause. “They said I should stop selling chemical fertilisers,” says...
“We need to try out new things with our tea if we want to compete with Darjeeling,” says RC Nepal, of Himalayan Shangri-La Tea Factory. For the last two years the factory has been producing a new kind of white orthodox tea. A tea connoisseur’s dream, it is drawn only from the best flushes, using one leaf and one bud. The white orthodox is packed with flavour, and also rich in anti-oxidants, anti-viral and anti-bacterial elements. The product currently sells for Rs 1,000 a kg in Nepal. “But we still haven’t perfected the technique yet,” says Nepal. “Makaibari in Darjeeling has been able to sell white tea for Rs 40,000 a kg. We need to develop our brand so we can catch up.”

Nepal exported 833.5 tons of tea worth Rs 83,347,000 in 2006, up from only 83.1 tons in 2002. Ilam’s tea is sold in India as Darjeeling tea. But 10 percent make their way to Europe where the Ilam brand is gaining recognition and this volume is expected to grow as European importers begin to trust Ilam’s organic leaves.

Gobinda Katuwal, proprietor of the only shop in Nepaltar that still sells chemical fertilisers. Factories periodically send inspectors to check private gardens for traces of chemicals, and if they find any, stop buying from that garden. “Our target markets are in Europe, mostly Germany and France,” says Nepal. “These buyers are really strict about chemical residues.”

Most of the tea produced at Shangri-La is still sold in India as Darjeeling tea. But 10 percent make their way to Europe where the Ilam brand is gaining recognition and this volume is expected to grow as European importers begin to trust Ilam’s organic leaves.

Where to get your cuppa:
Trends and Tastes, Hotel Narayani Complex, Pulchok
Nepal Tea House, Basantapur
Everest Tea House, Basantapur

“We need to try out new things with our tea if we want to compete with Darjeeling,” says RC Nepal, of Himalayan Shangri-La Tea Factory. For the last two years the factory has been producing a new kind of white orthodox tea. A tea connoisseur’s dream, it is drawn only from the best flushes, using one leaf and one bud. The white orthodox is packed with flavour, and also rich in anti-oxidants, anti-viral and anti-bacterial elements. The product currently sells for Rs 1,000 a kg in Nepal. “But we still haven’t perfected the technique yet,” says Nepal. “Makaibari in Darjeeling has been able to sell white tea for Rs 40,000 a kg. We need to develop our brand so we can catch up.”

“Going organic is the only way to preserve our livelihood,” says Tika Basnet, “and if it helps the environment then all the better.”
Flying the green flag
Kathmandu-based diplomats go electric

Norwegian ambassador Tore Toreng has now got used to the smiles and stares of motorists on his daily commute from Bhaisepati to Kupandole. Toreng is the first Kathmandu-based ambassador to go electric, and has fitted the Norwegian flag on his tiny battery-driven REVA.

“This is a perfect car for Kathmandu, I take it to most diplomatic receptions, driving around in a gas-guzzling SUV is a waste of money and waste of fuel,” says Toreng. This week, Toreng had the opportunity to show off his REVA to visiting Norwegian Deputy Minister for International Development, Hakon Gulbrandsen. After a test drive, both were happy Kathmandu is the first Norwegian embassy to use a fully-battery operated vehicle.

Norway is one of the world’s top five oil exporters, but has laid out a plan to be a carbon neutral country by 2050. Gulbrandsen told Nepali Times: “Electric transport is the best way to address the challenges of climate change, and this car sets a good example.”

Toreng, who is returning to Norway later this year, said he is now so hooked on electric cars that he will buy the Norwegian battery vehicle, called ‘Think’, when he goes back.

REVA’s distributors in Nepal, Eco-Vision, has been flooded with orders, but mostly from diplomatic missions and international agencies, which don’t have to pay a 140 percent tax. The duty puts the REVA far beyond the reach of most Nepalis.

“We want to promote the REVA as a people’s car and hope the new government will have a more enlightened policy on electric vehicles,” says Eco-Vision’s Jeevan Goff, “in the long run the hefty tax is actually hurting the economy”.

In the past four months, Eco-Vision has received 20 orders of the new model REVA-i, and customers include the World Food Programme, the Norwegian Embassy, UNDP, DfID and GTZ. ICIMOD has even installed a solar charger in its parking lot for the two REVAs it owns.

Richard Ragan, the representative in Nepal for the World Food Programme, is also flying the flag on his electric car. WFP driver Rabi Gautam says he actually finds the REVA easier to manoeuvre on Kathmandu’s narrow streets as he takes Ragan for his official meetings and on office errands. “It’s like charging your mobile at night, with three hours of charging it takes you 80km which is more than enough,” says Gautam.

Kunda Dixit
Although soft in timbre, flamenco has an urgent rhythm to it, which lies just under the surface only to rear its head often when least expected. It is this rhythm that simmers when Jorge Pardo plays the flute, accompanied by harmonizing from guitarist Juan Diego and a muted beat from percussionist El Chispa. Jorge Pardo walks a thin line. His playing is a convergence of two distinct styles of music: Spanish flamenco and American jazz. As a pioneer fusion musician who is constantly blending the two together, Pardo is an icon for many jazz flute and sax players. A biography of Pardo describes him as ‘a disserter in the ranks of flamenco,’ and he agrees. “You have to be a rebel,” he says. “An artist has to take tradition and push it further than ever before.”

When Pardo started out in flamenco, the guitar was the star and the head-unit-end-all. He added flute and saxophone, two instruments never used before in the genre. “I chose to play the flute because there were other flamenco guitarists who were better than me, and the saxophone because all my musical heroes play that instrument,” he says. Putting the flute at the centre brought a new dimension to flamenco.

He soon caught the attention of Paco de Lucia and played with his sextet for several years. Perfecting and maturing his sound, he also played alongside Chick Corea and was part of La Leyenda del Tiempo, a record legendary in flamenco music. Along the way, Jorge picked up different styles. As a jazz enthusiast, he started to blend together the genres, throwing his saxophone and flute into the mix. “Music itself is fusion,” says Pardo. “Flamencos come from Spanish, Gypsy and Jewish traditions. In the same way that jazz has different roots in America.”

From the whirlpool of Pardo’s influences emerged one of the biggest flamenco jazz records ever made: Vientos Flamencos. Now Vientos Flamencos is in Nepal for the very first time. Jorge Pardo and his band Vientos Flamencos (Juan Diego on guitar and El Chispa on percussion) are here on special request from the European Commission and Kathmandu Jazz Conservatory’s Mariano Abello. Abello is a self-confessed fan, gushing: “Jorge is one of my musical heroes.” Jorge seems happy to be in Nepal, and is enchanted by the Nepali banjari. As a Banjari, he says the tuning and tone of the banjari are especially intriguing.

As we Nepalis have only just been introduced to jazz, are we ready for flamenco? Says Jorge: “Music has no frontiers. If it is well done, has rhythm and has heart, it doesn’t matter what country it comes from or where it is, people will love it.”

He gets magically transported to a mythical China of an unspecified ancient era, where an evil warlord terrorises the populace. Jason learns that it is he who is destined to return home should the magic staff he has brought with him from the mundane world to its owner, the mystical Monkey King who is imprisoned in a stone by the warlord. After setting off on his quest, Jason is accompanied by Lu Yan (Chan), an immortal vagabond drunk, and Pranaya SJB Rana. As we Nepalis have only just been introduced to jazz, are we ready for flamenco? Says Jorge: “Music has no frontiers. If it is well done, has rhythm and has heart, it doesn’t matter what country it comes from or where it is, people will love it.”

Along the way, the pair train Jason in Kung Fu. The fact that magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of Kung Fu. Jason learns that if he is ever to return home he must identify with other than the two Asian superstars. The audience the movie hopes to attract would need a character to perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of magic is normal and commonplace in this ancient world can perhaps explain how Jason manages to completely master the art of
## Continuous Enlargement

Over the years the European Community has expanded from 6 to 27 member states with the entry of Romania and Bulgaria on 1 January 2007. The initial 6 member states are Belgium, Germany, France, Italy, Luxembourg and the Netherlands. Denmark, Ireland and the United Kingdom joined in 1973, Greece in 1981, Spain and Portugal in 1986, Austria, Finland and Sweden in 1995. The biggest ever enlargement took place in 2004 with 10 countries – Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. The EU, its member states, and institutions have a common flag that is used as a symbol of the European unity – the flag is dark blue with a circle of 12 yellow stars. No matter how many member states join the EU, this flag remains the same.

As a further integrating factor the common currency, the Euro (€) was introduced on 1 January 2002, and three years later. Currently 15 EU Member States, including Cyprus and Malta, the latest ones joining the European Monetary Union on 1 January 2008, use the Euro as official currency.

The term Schengen Agreement is used for two agreements concluded between European States in 1985 and 1990 which deal with the abolition of systematic border controls between the participating countries. The Schengen rules apply among most European countries, covering a population over 400 million and a total area of 4,268,633 km². They include provisions on common policy on the temporary entry of persons (including the Schengen Visa), the harmonisation of external border controls, and cross-border police and judicial co-operation. A total of 31 states, including 27 European Union states and four non-EU members (Iceland, Norway, Liechtenstein and Switzerland), are subject to all or some of the Schengen rules, and 24 have fully implemented them so far.

## The EU Institutions

There are five main EU institutions, each playing a specific role:
- European Commission (driving force and executive body);
- Council of the European Union (representing the governments of the Member States);
- European Parliament (elected directly since 1979 by the citizens of the Member States);
- European Court of Justice (ensuring compliance with law);
- Court of Auditors (controlling sound and lawful management of the EU budget).

Several other agencies and bodies complete the system, including the European Economic and Social Committee, the Committee of the Regions, the European Central Bank, the European Ombudsman and the European Investment Bank.

The Presidency of the European Union rotates every 6 months among the 27 Member States. It is currently held by Slovenia and from 1st July 2008 by France. Every five years European citizens elect new members to the European Parliament.

## The EU in Nepal

Several EU member countries are long-standing development partners with Nepal and currently five member countries and the European Commission have established individual diplomatic missions in Kathmandu: Denmark, Finland, France, Germany and the United Kingdom. These five EU member countries share the responsibility for acting as the local EU Presidency in Nepal.


An EU-Nepal Cooperation Agreement has existed since June 1996. Within this co-operation framework high-level consultation – the so-called ‘Joint Commission’ takes place between the European Commission and the Government of Nepal on bi-annual basis. The most recent EC-Nepal Joint Commission was held on 14 February 2007. The EU member countries and the European Commission (EC) coordinate their policies and assistance to Nepal but the individual member states have their own assistance programmes. Additionally, the EC administers the common EU budget for specific initiatives and assistance as well as a portfolio of development assistance. Following are the major EU funded projects underway in Nepal:

- **Human Rights and Democracy**
  - **European Instrument for Democracy and Human Rights (EIDHR)**
    - The EIDHR is programmed for promoting core values of the European Union and serves as a means to promote these values by providing financial and moral support to civil society initiatives concerning human rights and democratization in third countries.
    - The general objectives of EIDHR are to respond rapidly to requests for small-scale financial support for initiatives designed to promote and protect human rights and democratization as well as efforts aimed at conflict resolution. Nepal is one of the 68 focus countries for the EIDHR worldwide. Since Nepal became a focus country for EIDHR support in 2001, the European Commission has funded 34 EIDHR micro projects and 10 EIDHR Macro Projects in Nepal with the total contribution of around € 4 million. From which 15 micro projects and 5 macro projects have already accomplished and the rest 24 projects are continuing the activities. Call for proposal process is underway for selecting projects under the EIDHR Micro allocations to Nepal for 2007 & 2008 (€ 1,200,000.00)
  - **Human Rights Monitoring Mission in Nepal**
    - The OHCHR Mission in Nepal, the largest in the world, also had the European Union as its biggest donor during its first mandate of September 2005 to March 2007. The total EU contribution to the mission stood at EUR 5,050,000.00.
  - **Conflict Mitigation**
    - **Conflict Mitigation Package**
      - The European Commission launched Conflict Mitigation Package II - “CMP II” (7 ME) in May 2007 and for a duration of 30 months. CMP-II seeks to assist national institutions in their efforts to promote and enforce access to justice and human rights. Main components and beneficiary institutions are the Judiciary represented by the Supreme Court and the National Judicial Academy, Legal Aid with the Nepal bar Association and Human Rights represented by the National Human Rights Commission in partnership with the National Dalit Commission, the National Women Commission and the National Foundation for Development of Indigenous Nationalities. CMP-II was preceded by CMP-I (2.153 M €) with two projects aiming at improving the socio-economic conditions and confidence building measures for people in rural areas and one aimed at mitigating the conflict through mass communication and media in Nepal.
  - **Rural Development**
    - **Renewable Energy Project Nepal (REP)** is one of the priority areas of cooperation indicated in the previous National Indicative Programme (NIP) 2002-2006, concentrating on the overarching objective of poverty alleviation in Nepal. The overall objective of the project is to create a renewable energy infrastructure in rural areas, which facilitates income generation, sustainable growth and delivery of social services, thus alleviating poverty.
    - It is estimated that approximately 1.5 million people would benefit from the project, which would support approximately 205 health posts, 266 schools, 182 other community services, that includes computer literacy, community entertainment, and community telecommunication centres to receive PV systems providing electricity. In addition, at least 87 PV systems for milling, 30 water pumping, 24 solar dryers and 14 Solar Hot Water Systems (SHWS) will be supported.
  - **Economic Cooperation and Regional Integration**
    - The European Commission has allocated a budget of about 6.6 million EUR to support:
      - Nepal WTO programme, access to finance for SMEs, and diversification of exports;
      - SAARC in the fields of harmonization of standards, trade facilitation, awareness raising and information dissemination, and private sector business support, helping the

## ADVERTORIAL

Members of the Schengen zone marked by dark blue.
region to better integrate economically as the EC/EU has been invited as an observer at the 14th SAARC Summit in New Delhi.

Education: Education Sector Policy Support Programme

The EC provides financial support to the Education for All (EFA) Programme during 2007-09; 2. Sector Budget Support to Capacity Development (CDS) through a strategic set of activities to enhance sector institutional and individual capacities, as well as to improve service provision, maximise sector results and enhance capacities in the EFA and School Sector Reforms (SSR) programme.

Project implemented by NGOs

i) ONG-PVD budget line (projects implemented by European NGOs)

The EC has a long standing relationship with non-governmental and other civil society organizations. The European Commission is giving grants to both local and international NGOs to implement projects. This aim at supporting small scale initiatives proposed and/or carried out by civil society organizations originating from the partner countries in the area of development. There are currently 26 on going projects. The EC has contributed approximately 750,000 Euros for each project. The projects are implemented all over Nepal and include issues of social inclusion, health and sustainable rural development.

ii) Vulnerable Communities Package

The overall objective of this local call for proposals was to assist the vulnerable populations and groups affected by the conflict, including ethnic minorities, Dalits and other lower social strata of the population so that the current conflict potential can be reduced and the socio-economic conditions of the target population improved. There are currently 8 projects being implemented under this Call. The total budget for this call was 7 million Euros.

iii) Non State Actors in Development (projects to be implemented by either European or Nepali non state actors)

This thematic programme recognizes the very important role non-state actors should play in each country development policies and strategies. It is especially targeting the most vulnerable population groups, aiming at promoting an inclusive and empowered society in partner countries like Nepal and more specifically at improving populations access to social services, promoting their participation in policy making processes, strengthen the capacity of civil society organizations and local authorities to participate in poverty reduction and sustainable development strategies, and facilitate interaction between State and non-State actors in different contexts. The total budget of this thematic programme for Nepal is 2 million Euros.

Aid to uprooted people

Under the AdH the uprooted people thematic line, the EC is contributing towards a durable solution for the Bhutanese Refugees. The EC has been giving grants to UNCHR

and is looking forward to a greater cooperation with UNCHR for a lasting solution of the Bhutanese problem.

- Humanitarian Aid

The European Commission is one of the biggest sources of humanitarian aid to Nepal. Since 2001, the European Commission’s Humanitarian Aid Department (ECHO) has provided close to €34 million aid for victims of humanitarian and forgotten crises, including €13.5 million for the 107,000 Bhutanese refugees in Nepal and nearly €20.5 million for victims of the armed conflict and natural disasters. In 2007, ECHO’s funding to Nepal totalled € 8 million (EUR 4.3 million for conflict-affected populations). In 2008, funding should be € 6 million retreating the EC’s willingness to support Nepal in this time of transition where humanitarian needs are still high. The European Commission remains dedicated to support the transition and the overall peace process in Nepal. Among our supportive efforts this year of 2008 and since the month of March the deployment of the EU’s Election Observation Mission has taken place under the guidance and supervision of the chief observer, Mr. Jan Mulder, Member of the European Parliament. The mission has observed before and after the Election Day 9th April 2008 and will remain in country until the completion and finalisation of the electoral process.

The Europe Union has a global reach which enables us to facilitate trade and development to support human right, rule of law and democracy worldwide. On the 9th May 2008 the Delegation of the European Commission to Nepal would like to remember the special friendship between the EU and Nepal.

Eduardo Lechuga J. jimenez

Chargé d’Affaires
Delegation of the European Commission to Nepal

Europe Day Message 2008
By Mrs. Benita Ferrero-Waldner, European Commissioner for External Relations and Neighbourhood Policy

This year has been momentous for Europe. Today is the first Europe Day when peoples of countries once divided by the “iron curtain” can travel freely across Europe since the Schengen free travel area was expanded to the east. This year we are also celebrating the tenth anniversary of the European Monetary Union, one of the EU’s strongest symbols. The Euro area is set to expand to countries which, less than twenty years ago, were still guided by a totalitarian state-directed economy. It is by pooling our resources and building ever closer ties within Europe that we have unified our continent in peace; bringing freedom, security and prosperity to our citizens.

Increasingly, our internal achievements have an impact on our place in the world. With a combined population of nearly 500m and a quarter of the world's trade as the European Year of intercultural dialogue and encourages a structured dialogue between producer, transit and consumer countries, promoting energy efficiency and encouraging others to use a wider energy mix. We need to enhance global governance to help meet the global challenges, ensuring the protection and well-being of our citizens and preventing threats from becoming sources of conflict. Putting people at the center of our efforts we need to tackle threats to human security. The vicious cycle of poverty and violence has to be broken and we all have a contribution to make. Therefore, we will continue to promote measures of conflict prevention, peace building, post-conflict reconstruction, democratic governance and human rights protection, as well as encourage development and women’s empowerment.

In the era of globalised threats and opportunities we need to fully engage in the world of development and humanitarian assistance, including ethnic minorities, Dalits and other lower social strata of the population so that the current conflict potential can be reduced and the socio-economic conditions of the target population improved.

The Europe Union has a global reach which enables us to facilitate trade and development to support human right, rule of law and democracy worldwide. On the 9th May 2008 the Delegation of the European Commission to Nepal would like to remember the special friendship between the EU and Nepal.

Eduardo Lechuga J. jimenez

Chargé d’Affaires
Delegation of the European Commission to Nepal
An American teenager Jason (Michael Angarano), obsessed with Hong Kong cinema and kungfu classics, finds an antique Chinese staff in a pawn shop: the legendary stick weapon of the Chinese sage and warrior, the Monkey King (Jett Li). With the lost relic in hand, Jason unexpectedly finds himself transported to ancient China. There, he meets the drunken kungfu master, Lu Yan (Jackie Chan); an enigmatic and skillful Silent Monk (Jet Li); and a vengeance-bent kungfu beauty, Golden Sparrow (Liu Yi Fei), who lead him on his quest to return the staff to its rightful owner, the Monkey King - imprisoned in store by the evil Jade Warlord (Collin Chou) for five hundred years.

Call 4442200 for show timings at Jai Nepal www.jainepal.com

WEEKEND WEATHER

FARMERS throughout Nepal have welcomed the heavy rain which has drenched the country this week. This week’s rainfall reminds us of a similar event two years ago, when a series of strong westerly fronts brought heavy showers, well above average, in May and June but delayed the actual monsoon by about two weeks. It is not certain that this will happen again, but satellite pictures this week indicate that robust westerly fronts have more moisture in store for the weekend. Valley residents can expect sunny intervals with short showers. Enjoy the fresh mornings after the air is washed clean.

An American teenager Jason (Michael Angarano), obsessed with Hong Kong cinema and kungfu classics, finds an antique Chinese staff in a pawn shop: the legendary stick weapon of the Chinese sage and warrior, the Monkey King (Jett Li). With the lost relic in hand, Jason unexpectedly finds himself transported to ancient China. There, he meets the drunken kungfu master, Lu Yan (Jackie Chan); an enigmatic and skillful Silent Monk (Jet Li); and a vengeance-bent kungfu beauty, Golden Sparrow (Liu Yi Fei), who lead him on his quest to return the staff to its rightful owner, the Monkey King - imprisoned in store by the evil Jade Warlord (Collin Chou) for five hundred years.

Call 4442200 for show timings at Jai Nepal www.jainepal.com

WEEKEND WEATHER

FARMERS throughout Nepal have welcomed the heavy rain which has drenched the country this week. This week’s rainfall reminds us of a similar event two years ago, when a series of strong westerly fronts brought heavy showers, well above average, in May and June but delayed the actual monsoon by about two weeks. It is not certain that this will happen again, but satellite pictures this week indicate that robust westerly fronts have more moisture in store for the weekend. Valley residents can expect sunny intervals with short showers. Enjoy the fresh mornings after the air is washed clean.

An American teenager Jason (Michael Angarano), obsessed with Hong Kong cinema and kungfu classics, finds an antique Chinese staff in a pawn shop: the legendary stick weapon of the Chinese sage and warrior, the Monkey King (Jett Li). With the lost relic in hand, Jason unexpectedly finds himself transported to ancient China. There, he meets the drunken kungfu master, Lu Yan (Jackie Chan); an enigmatic and skillful Silent Monk (Jet Li); and a vengeance-bent kungfu beauty, Golden Sparrow (Liu Yi Fei), who lead him on his quest to return the staff to its rightful owner, the Monkey King - imprisoned in store by the evil Jade Warlord (Collin Chou) for five hundred years.

Call 4442200 for show timings at Jai Nepal www.jainepal.com

WEEKEND WEATHER

FARMERS throughout Nepal have welcomed the heavy rain which has drenched the country this week. This week’s rainfall reminds us of a similar event two years ago, when a series of strong westerly fronts brought heavy showers, well above average, in May and June but delayed the actual monsoon by about two weeks. It is not certain that this will happen again, but satellite pictures this week indicate that robust westerly fronts have more moisture in store for the weekend. Valley residents can expect sunny intervals with short showers. Enjoy the fresh mornings after the air is washed clean.

An American teenager Jason (Michael Angarano), obsessed with Hong Kong cinema and kungfu classics, finds an antique Chinese staff in a pawn shop: the legendary stick weapon of the Chinese sage and warrior, the Monkey King (Jett Li). With the lost relic in hand, Jason unexpectedly finds himself transported to ancient China. There, he meets the drunken kungfu master, Lu Yan (Jackie Chan); an enigmatic and skillful Silent Monk (Jet Li); and a vengeance-bent kungfu beauty, Golden Sparrow (Liu Yi Fei), who lead him on his quest to return the staff to its rightful owner, the Monkey King - imprisoned in store by the evil Jade Warlord (Collin Chou) for five hundred years.

Call 4442200 for show timings at Jai Nepal www.jainepal.com

WEEKEND WEATHER

FARMERS throughout Nepal have welcomed the heavy rain which has drenched the country this week. This week’s rainfall reminds us of a similar event two years ago, when a series of strong westerly fronts brought heavy showers, well above average, in May and June but delayed the actual monsoon by about two weeks. It is not certain that this will happen again, but satellite pictures this week indicate that robust westerly fronts have more moisture in store for the weekend. Valley residents can expect sunny intervals with short showers. Enjoy the fresh mornings after the air is washed clean.

An American teenager Jason (Michael Angarano), obsessed with Hong Kong cinema and kungfu classics, finds an antique Chinese staff in a pawn shop: the legendary stick weapon of the Chinese sage and warrior, the Monkey King (Jett Li). With the lost relic in hand, Jason unexpectedly finds himself transported to ancient China. There, he meets the drunken kungfu master, Lu Yan (Jackie Chan); an enigmatic and skillful Silent Monk (Jet Li); and a vengeance-bent kungfu beauty, Golden Sparrow (Liu Yi Fei), who lead him on his quest to return the staff to its rightful owner, the Monkey King - imprisoned in store by the evil Jade Warlord (Collin Chou) for five hundred years.

Call 4442200 for show timings at Jai Nepal www.jainepal.com

WEEKEND WEATHER

FARMERS throughout Nepal have welcomed the heavy rain which has drenched the country this week. This week’s rainfall reminds us of a similar event two years ago, when a series of strong westerly fronts brought heavy showers, well above average, in May and June but delayed the actual monsoon by about two weeks. It is not certain that this will happen again, but satellite pictures this week indicate that robust westerly fronts have more moisture in store for the weekend. Valley residents can expect sunny intervals with short showers. Enjoy the fresh mornings after the air is washed clean.

An American teenager Jason (Michael Angarano), obsessed with Hong Kong cinema and kungfu classics, finds an antique Chinese staff in a pawn shop: the legendary stick weapon of the Chinese sage and warrior, the Monkey King (Jett Li). With the lost relic in hand, Jason unexpectedly finds himself transported to ancient China. There, he meets the drunken kungfu master, Lu Yan (Jackie Chan); an enigmatic and skillful Silent Monk (Jet Li); and a vengeance-bent kungfu beauty, Golden Sparrow (Liu Yi Fei), who lead him on his quest to return the staff to its rightful owner, the Monkey King - imprisoned in store by the evil Jade Warlord (Collin Chou) for five hundred years.

Call 4442200 for show timings at Jai Nepal www.jainepal.com

WEEKEND WEATHER

FARMERS throughout Nepal have welcomed the heavy rain which has drenched the country this week. This week’s rainfall reminds us of a similar event two years ago, when a series of strong westerly fronts brought heavy showers, well above average, in May and June but delayed the actual monsoon by about two weeks. It is not certain that this will happen again, but satellite pictures this week indicate that robust westerly fronts have more moisture in store for the weekend. Valley residents can expect sunny intervals with short showers. Enjoy the fresh mornings after the air is washed clean.
NO MONKEY BUSINESS: Protesters in London demonstrate outside the Nepali embassy, protesting against Nepal’s export of monkeys for animal research.

STILL WAITING: PLA commanders at the Chitwan cantonment fill in questionnaires for consultation on army integration on Tuesday. The consultation is being carried out by military expert Indrajit Rai.

TIKA IN YOUR EYES: Dharmendra Jha is mobbed following his victory to become president of the Federation of Nepalese Journalists on Sunday.
An awesome economy

A lot of you confused readers have written to the Ass asking it to explain what the next government is going to be like, how it is going to be formed and who’ll lead it. To all of you, the donkey has one simple answer: I’m an Ass, not an astrologer.

Seriously, how on earth can an anal-ist make head or tail of what is going on in this country? That is why this week the Ass has laid out the permutations and combinations of all possible forthcoming scenarios:

Chairman Dahal becomes both head of state and head of government
PKD is head of state and BB is head of government
BB is head of state and PKD is head of government
Girija Koirala is ceremonial president and Lotus Flower is executive premier
Ram Raja is head of state and PKD is PM
Awesome is prime minister and Lalchand is bumped off to head the National Planning Commission
The Fierce One moves into Naryanabati and becomes king
King G becomes president
Ass is appointed Rastriya Pramuk and his ass-istant made Upa pramuk

There is also unprecedented chauvinism between Chairman Sa'b and the Chief Sa'b. The two seem to have hit it off surprisingly well, according to unusually well-informed sources. The Maoists seem to be keen to discern the inmates of the cantonments by July so as not to give any excuse for UNMIN to stay on. The Indians, who also want UNMIN to pack up and leave, have therefore agreed to bankroll the rehab of all 30,000 in the camps.

The Maoists are negotiating for a few high-profile commanders to be inducted into the Nepal Army and that is as far as integration is going to go.

Just what exactly do the Maoists mean by a “mixed economy” under “bourgeoise capitalism”? What businessmen want to know, but they’re not getting a clear answer despite inviting the chairman and ideologue to their meetings. The conspiracy duo also seems to be getting tired of answering these questions. Asked to spell out what exactly would be Maoist policy on business, BB told a gathering this week Nepal would have a “Prachanda Economy”. An awesome economy? And economy a la Prachanda Path? A fierce economy?

Then there remains the pesky problem of what to do with the young commies, who are now behaving exactly like Alsatians in Animal Farm. The cute little puppies that Napoleon reared are getting difficult to control and are eroding the comrades’ bargaining position vis-à-vis the parties and the Americans. So, the leadership has decided to allow the Young Gandhian League to help the police in traffic management and in other development activities. How exactly is the YCL going to deal with traffic violators on-the-spot public caning with a bamboo lathhi of those who run red lights?

The NC, despite its election symbol being Tree, did nothing to replant the stately eucalyptuses that kingji chopped down all over Kathmandu in 2005, so maybe the league of young communist conservationists should be unleashed to do the replanting in Pulchok and Baluwatar.

Now deprived of their own ethnic autonomous province, Bahuns and Chhetris and Thakuris have formed the Khas Liberation Front and held their first convention in Samakhusi the other day. The only problem with the name “Khas” is that its adjective is “Khasi”.

WOULD YOU LIKE MORE EASE AND JOY IN YOUR LIFE?
ACCESS ENERGY TRANSFORMATION!

YOU ARE INVITED TO A FREE INTRODUCTORY TALK AT THE WINE CELLAR ROOM IN THE RESTAURANT OF KATHMANDU GUEST HOUSE
FROM 6:00 TO 7:30PM ON MONDAY EVENING 12TH MAY
JUST COME ALONG AND HEAR ALL ABOUT IT.