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NEW SPOTLIGHT

June 18 July-01, 2010

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FORTNIGHTLY



Opinion
Dipak Gyawali



Interview:
Deepak Bohara

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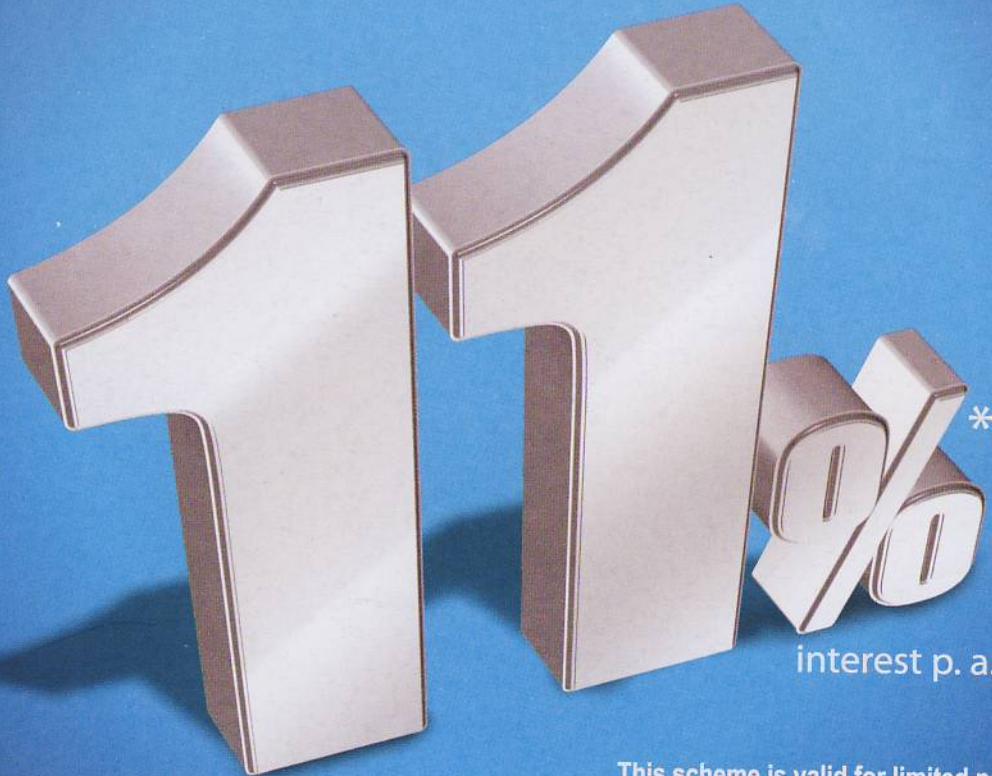
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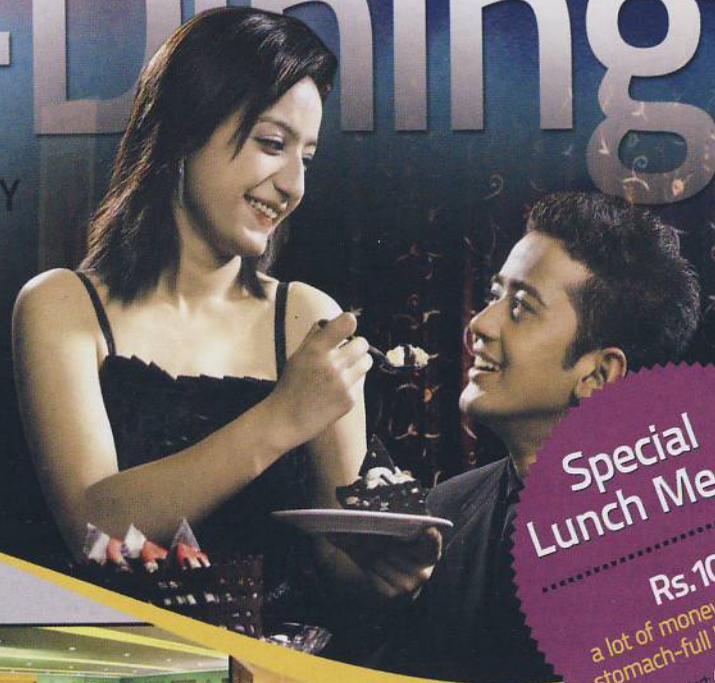


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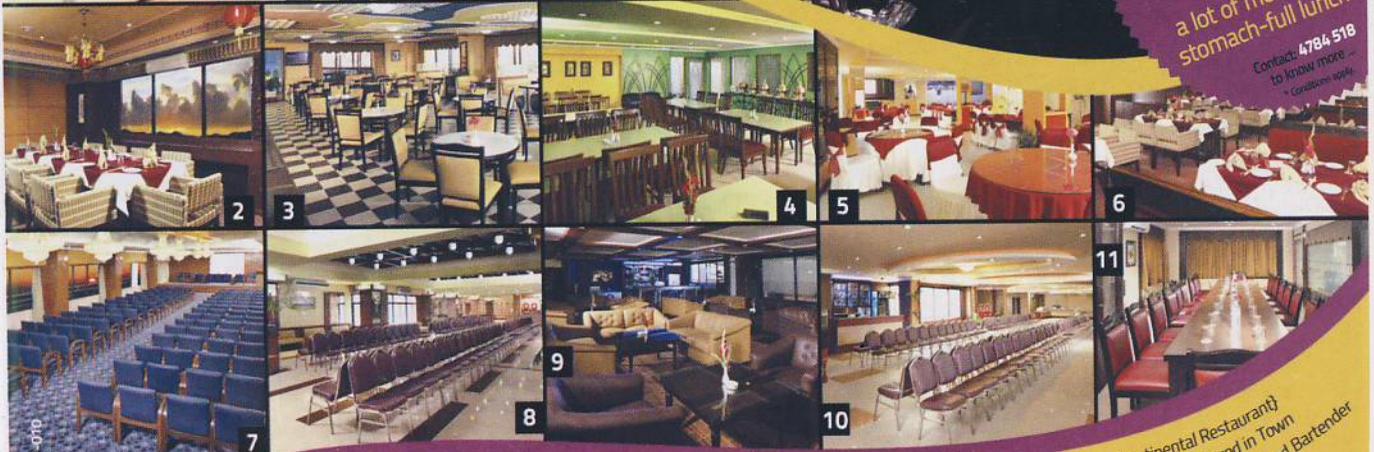
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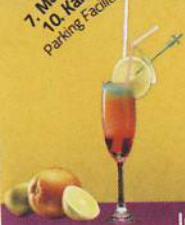


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- Suraj Singh Thakuri
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From the Editor

Today politics is a mess. Economy is messier. Political journey is uncertain. Economic travels even more unpredictable. People are more concerned about keeping their stomach full than with the politicians' empty rhetoric. But politics hogs the headline. Economy does not. Speculations of a political disaster do many rounds. Ticking of a powerful economic bomb rarely gets the notice. With political instability eating into the economic pie, the national economy today is on the verge of a volcanic explosion. Spendings are high, earnings low. Exports take a big dip, imports soar to a record high. The result: the balance of payments is precarious. Should the trend continue the economic chaos has every chance of getting out of control. The magnitude of its impact will be far greater than that of an impending political chaos. It is in this backdrop that we have decided to take a look at the looming crisis. As *Sanjay Dhakal* discovered in the cover story in this issue, few seemed bothered about finding ways to deal with the crisis. Even the authorities appeared helpless, as never-ending political agenda overshadowed the economic challenges. We believe that economy should not be left unattended even as the politicians play their games. The state of the economy has to do with the daily life of the people. If the economy is taken care of, people may begin restoring their faith in politics. Once the people's confidence is regained, the job of politicians will automatically become easier. Be it constitution-making or the successful conclusion of the peace process.

Keshab

Keshab Poudel
Editor



NEW SPOTLIGHT FORTNIGHTLY

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Intra-Party Polarization Brewing: Dr. Rawal

Constituent Assembly (CA) member Dr. Tilak Rawal has asked common people and civil society members not to put all CA members in the same basket.

"We have been making every effort to produce the constitution in time and are working

hard to complete our task," Dr. Rawal said at an interaction organized by Media Initiative for Rights, Equity and Social Transformation Nepal (MIREST-Nepal) to learn about the will of the people on the thematic paper of the Committee on Sharing Natural Resources.

"If the new deal related stalemate continues for long, existing inter-party differences could lead to intra party polarization," he said, "because CA members are increasingly becoming conscious that they are accountable to the watchful people, in addition to their parents."



Dr. Rawal said an intra-party polarization was brewing.

Chaired by Suresh Acharya, chairperson of MIREST-Nepal, the interaction program was attended by various stakeholders.

"If political parties failed to produce the constitution in extended tenure, people will not tolerate CA members and political parties," he said.

Dr. Som Prasad Pudashaini said that natural resources had little to do with the overall development.

NIBL Win Award

Bank Albilad, a joint stock company established on 04 Nov, 2004, has awarded Nepal Investment Bank Limited (NIBL) with The Best Remittance Partner award 2010. The award was given on the basis of the bank's steady performance level, outstanding support and excellent customer relations.

Amanat Ali, Head-Business Development said, "There has been a substantial growth of remittances to NIBL through Enjaz Banking Services in a short span of time. This growth has been a result of the excellent service and cooperation with our bank; NIBL more than deserves the award."

A growth rate of 138% was recorded at the end of Third Quarter 2010 as compared to previous year of the same period. The domestic agent has been increased to 450 at different locations of country. NIBL has emerged as the preferred bank for remitters in Saudi Arabia.

The bank is in the process to deploy 'Prithivi Express' Online Remittance system in Kuwait. NIBL has been providing account opening facility from UAE, Qatar, Saudi and Malaysia. NIBL is now expanding its network in Australia and America as well.

Countdown to 2015

Rotary International is a nonpolitical and non-religious organization of more than 1.2 million business, professional, and community leaders. Rotary's main objective is "Service Above Self"—in the community, in the workplace, and throughout the world. Rotary International is a key partner in the Global Polio Eradication Initiative since 1979 and globally has already spent around USD 800 million for the programme.

Based on the values and principle of the Rotary, the Rotary Club of Kathmandu-North, with support from UNICEF and Sabin Vaccine Institute, is advocating for sustainable

immunization financing in Nepal to help in the attainment of Millennium Development Goals (MDG) 4 and 5.

Resource constraints mar Nepal's anti-trafficking efforts

The Nepal government has made significant efforts to prosecute traffickers despite limited resources, stated the 10th Annual Trafficking in Persons Report, released in Washington D.C. yesterday. Nepal maintained its status as a Tier 2 country. The report raises trafficking-related complicity by government officials as a serious problem.

"Trafficking-related complicity by government officials remained a serious problem in Nepal, with traffickers using ties to politicians, business persons, state officials, police, customs officials, and border police to facilitate trafficking. Despite these serious concerns, there were no investigations, prosecutions, or convictions of government officials complicit in trafficking," said the report.

Releasing the report on Monday in Washington, DC, Secretary of State Hillary Clinton called it "a catalogue of tragedies that the world cannot continue to accept." "Human trafficking crosses cultures and continents," she said. "I've met survivors of trafficking and their families, along with brave men and women in both the public and the private sector who have stood up against this terrible crime. All of us have a responsibility to bring this practice to an end."

The report recommends that the Nepal government increase law enforcement efforts against all types of trafficking and against government officials who are complicit in trafficking; institute a formal procedure to identify victims of trafficking and refer them to protection services; and, improve protection services and put in place more effective tracking mechanisms for both sex and labor trafficking cases.

US Welcomes Extension Of OHCHR

The United States has welcomed the

agreement between the United Nations Office of the High Commissioner for Human Rights (OHCHR) and the Government of Nepal in extending OHCHR's operations for one more year.

"There are few issues as fundamental for Nepal's future as human rights. OHCHR plays an important role in promoting and protecting human rights by investigating allegations of abuses and working with the National Human Rights Commission and other Nepali human rights institutions," the US stated.

"We look forward to continuing to work with OHCHR in support of its mandate to promote and protect the human rights of all Nepalis."

Gorkha Brewery Bags Award

Carlsberg Group has awarded Gorkha Brewery — the local partner of Carlsberg Beer in Nepal, 'Company of the Year 2009'.

"It is a matter of great pride for us



that among the 55 companies from 40 countries a Nepali company has been chosen as the best," said Rajendra Khetan, chairman of Gorkha Brewery, unveiling the award in a ceremony.

Carlsberg Group awards the best company based on the evaluation of all the 55 companies' financial performance, market share, growth, management and such parameters.

Gorkha Brewery competed with companies from Russia, UK and Cambodia in the final leg for the award. It is also the first South Asian country to

Pakistan's Pop Star Performs In Kathmandu

The Embassy of Pakistan organized a musical program featuring Pakistan's leading pop star Sajjad Ali to commemorate the 50 years since the establishment of its diplomatic relations with Nepal.

Pakistani singer Ali sang various songs to enthrall the audiences in a jam-packed show at the Tribhuvan Army Club.

"We are organizing various programs to celebrate the 50 years of diplomatic relations between the two countries. This program is one of them," said Pakistan's ambassador to Nepal Syed Abrar Hussain.

Sajjad Ali has already released more than 24 hit albums in Pakistan.

Ali started his singing career in 1979 with classical songs and later blended his tunes into pop songs. A versatile



singer, Ali has earned fame from his songs which are equally popular among young and old generations.

win this award. In 2000 also, Gorkha Brewery had won Carlsberg Golden Words Awards for maintaining a very high and uniform quality in beer conforming to quality standards set by Carlsberg, Denmark.

Gorkha Brewery — that provides 400

jobs in direct employment — is also one of the top contributors to the government's coffers.

"In the last financial year, we have been able to contribute about Rs 2.5 billion as revenue alone," said CP Khetan, managing director of the company. "This fiscal year we expect this to cross Rs 3 billion," he added.

Gorkha Brewery was established in 1990 as a joint venture between Carlsberg and Khetan Group and has been marketing Carlsberg's international brands Tuborg, San Miguel and its local

brand Gorkha in the Nepali market. Gorkha Brewery has a 72 per cent market share in Nepal while Carlsberg's market share in the country is 8.5 per cent.

NIBL Opens New Branch

Nepal Investment Bank Limited (NIBL) opened its 40th branch in Lagankhel, Kathmandu on June 7, 2010. The branch in Lagankhel, at an emerging business hub of the valley, is connected to all other 39 branches of the bank around the country with ABBS (Any Branch Banking Service).

The branch office, with its spacious size, provides deposit and credit facility, foreign exchange, retail banking, import, export, letters of credit, guarantees and remittances, locker facility, 365 days service, ATM facility, multiple teller counters, among other updated banking services.

The newly opened branch is in tune with the bank's policy to expand its network and provide exceptional banking services within all major pockets of the country, both within and outside the Kathmandu valley.

In the coming days, the bank plans to extend its access through wider demography, whereby availing the banking facility for all. ■



NEPALI PRESS

Bahadur Deuba has started serious internal exercises. Known to have strong support



from Europeans and Americans, Deuba, who was also a hidden 'actor' in CA extension process, has been making moves towards improving his relationship with the two neighboring nations lately. The moves are said to be working positively. (*Ghatana ra Bichar weekly*)

KB Gurung Stakes Claim

In an interview, the Nepali Congress general secretary K.B Gurung has staked his claim for the top office of the country. He says he is a deserving Prime Ministerial candidate.

According to him, many leaders are good for the post of Prime Minister from Nepali Congress. Sher Bahadur Deuba and Ram Chandra Poudel are two of them.

Deuba, who has already been the PM, and Poudel, having been the Deputy PM and the Speaker, Gurung says, should now leave it to the senior most NC man the top job.

"I have already spoken to Deuba and Poudel. Repetition of the same person in the same post will not produce fruitful results. Since Deuba has already become the Prime Minister thrice, I have asked him not to eye the office again. Poudel, too, has become the speaker, minister and the deputy prime minister. He shouldn't aspire for the post of Prime Minister now. They should support me. If they accept my offer, then the matter is solved. Otherwise the unanimous decision of the party has to be followed by everyone. But I believe that both the leaders will accept my request." (*Naya Patrika daily*)

Compilation and Translation by
Abijit Sharma

Who's Next?

As the three major parties still fail to sit for a formal meeting



to reach a consensus, the main opposition Maoist party is faced with internal pressure to search for an alternative to Chairman Pushpa Kamal Dahal to head a new government.

"Until and unless an alternative name is searched for, a consensus cannot be reached" said one of the standing committee members of the Maoist. (*Rajdhani daily*)

Guess Who Went To Dinner

Indian Ambassador to Nepal, Rakesh Sood, has held meetings with top leaders from Nepali Congress. At a dinner held at the Indian Embassy with Congress leaders

Sushil Koirala, Ram Chandra Poudel, Sher Bahadur Deuba, Bimalendra Nidhi,



Ram Sharan Mahat and others, Sood inquired about the agreement made

between the parties on 28th May. Participants of the meeting are said to have snubbed the idea of a Maoist headed Government. However, there was an agreement among all to form a coalition Government with Maoist as a part of it.

In another incident associated with an Indian delegate, rumors went around on Monday, 7th of June that a late-night meeting between Maoist Chairman Pushpa Kamal Dahal and former Indian Ambassador to Nepal, K.V Rajan had been arranged. However, the meeting could not take place. (*JanaAastha weekly*)

Fake Promise

Maoist leader Baburam Bhattarai has quite a big support inside his party with leaders and senior cadres wishing to see him as the next Prime Minister. However, leaders like Prachanda, Mohan Vaidya Kiran and Ram Bahadur Thapa Badal are in no mood to place Bhattarai as an alternative. On a private meeting held between Dr. Bhattarai and chairman Prachanda, the former is said to have requested the latter to support him as an alternative candidate for the office. Chairman Prachanda is said to have given his word to support Bhattarai. He also promised to publicly acknowledge Bhattarai as the candidate for the Prime Minister post. (*Ghatana ra Bichar weekly*)

Clever Move

Eyeing the Prime Ministerial post for the fourth time, Congress leader Sher

The Illegitimacy of Loktantrick Oligarchy

— Dipak Gyawali

Can something be deemed legal but remain wholly illegitimate? It seems so, in quaint 'new' Nepal. And the shenanigans at the Birendra Convention Centre on the night of May 28 were not without historical precedents. The Mahakali Treaty was ratified at midnight by a two-thirds majority of parliament in 1996 that is 'legal' but so illegitimate that fourteen years hence it remains dead and putrefying. Are the people of Nepal fated to cover their noses again at another legislative disgust?

The life of the Constituent Assembly cum parliament was mandated by the sovereign people of Nepal through elections to expire at midnight on the 28th of May 2010. In two years of bickering, junketeering, 'Ramdev-ing' in Tundikhel at 4 AM and overall profiteering through extended perks, the frivolous three main parties within it – the EhMaKa (or EhMaLe, Maoists and Kangress) – had not only failed in the main task of drafting a new constitution. Rather than hammering out acceptable compromise deals, this CA had widened the rift among the brokers of the 2005 Delhi peace appeasement on issues as fundamental as federalism, structure of governance, pluralism and the fate of the peace process itself. The dying CA was formally convened only eighteen minutes before midnight and went into a ten minute recess at seven minutes past the hour of death. Before reconvening at half-past-twelve, murky deals were made that allowed Dev Gurung of the Maoists and Sarita Giri of some Sadbhavana faction to withdraw their tabled opposition, and for the law minister to table the proposed amendment to the interim constitution extending its own life by a year as well as to remove the 72-hour provision in the interim constitution for reflection and debate that would allow the sovereign people of Nepal to know what the proposal was all about. RPP-Nepal spoke out against it, but was ignored as voting began at 12:50 and the measure was declared passed by an overwhelming majority at 1:20 AM.

All this was illegal and illegitimate, but even more surreal when a parliament that died at midnight resurrected itself to extend its own life. Some tantric feat in this secular Loktantra! The CA has thus converted itself into a CC, a maladroit 601-member constitution drafting commission, no longer enjoying the mandate of the sovereign people but answerable only to EhMaKa party oligarchs. How feckless its leading lights have become was exposed by a TV program on the late Sailaja Acharya. On 12th June, her first death anniversary, Kangress oligarchs spoke glowingly of her upholding the politics of values which would remain forever an inspiration for the youth. These were the same people that ridiculed her stance and hounded her out of the party: she had firmly argued that the route of the CA would lead to anarchy, that a constitutional monarchy was a necessity, that appeasement of the Maoists could not protect the Kangress if democratic principles were compromised. These clips were all aired by the TV channel together with the hypocrisy of the oligarchs, the unwitting corollary of whose speeches was that they themselves no longer inspired the youth since they did not uphold those values!

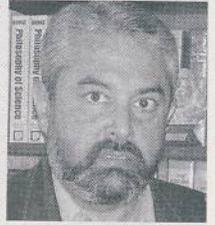
And it must be remembered that while Sailaja was fighting this futile battle on the eve of Jana Andolan-2, the ever-vacillating EhMaLe had just come out of a "regression half-amended" King's government and went on, in a manner of speaking, "to sleep with its enemy" in the principle-less faction of the Kangress. Its Raghuj Pant, now the prime minister's principle press person, wrote an article denouncing Sailaja and arguing instead that Sujata Koirala was a far superior a Kangressi leader for whole-heartedly supporting Jana Andolan-2. It is no wonder that the current Madhav-Sujata government sticks together in tight embrace, forgives her passport ignominy, promotes her father, the defiler of Democracy 1990 for a Nobel peace prize, and cannot be pried apart by any degree of Maoist protest, not the least

because it is the Maoists who brought Madhav to parliament!

One cannot but help wonder if this fecklessness is genetically encoded into the EhMaKa oligarchic leadership. When the Royal Massacre occurred in June 2001, Kangress enjoyed a majority government and the EhMaLe was the main opposition; but not only did this combo not have the guts to assert parliamentary supremacy by conducting a parliamentary enquiry, but its general secretary, the current unelected (or rather double-loser) prime minister chickened out of sitting in the chief justice-led enquiry commission. Together with the Maoists and the "grand design" feigning Girija, it chose, instead, the politics of innuendo and calumny. For those who believe that there is something called political morality, it was also baffling to see the EhMaLe welcoming the dissolution of the third parliament in 2002 by the Deupa Kangress (or Deupangress as opposed to the Girijangress faction) only to participate in its resurrected version in April 2006. One must for record's sake salute former prime minister K P Bhattarai and former mayor P L Singh for refusing to step into that illegitimate body despite being genuine MPs having won elections from Birganj and Kathmandu respectively.

There is a Nepali adage – 'a boil on top of a goitre' – to describe a compounded mess. This resurrected body's original five-year mandate from the people had already run out in May 2004 and hence it could no longer be considered a genuine 'parliament' but only a zombie verisimilitude. It went on to induct an un-elected third of itself from among the Maoists who believe neither in such a bourgeois parliament anyway or in multiparty political pluralism but uphold the dictatorship of the politburo and violence as a political tool. This illegitimate outfit then went on to decide in politburo fashion that Nepal would be a federal republic, a decision that would be ratified post-hoc by the first sitting of the CA. And what a sitting it was! Before the motion to declare the country a "secular, federal republic" was even tabled, a message was read out from the Mughlani parliament's speaker congratulating the house for taking that historic decision! The motion itself was tabled by someone who was not even a member of the house, no debate was allowed before the voting, and party whips ensured that all EhMaKa MPs voted like meek sheep and very unlike elected, self-respecting representatives of a sovereign people. The video clip of that first sitting of the CA is certainly not something that Nepalis generations hence would be showing to their grandchildren with tears of patriotism in their eyes and lumps in their throats! The CA's last day on May 28 too will evoke no such emotions as it gets consigned to the dustbin of history's amnesia and limbo.

There is now a clamour among the EhMaKa flunkies for a consensual "national government" answerable ostensibly to a 'date expired' CA. Before they do that, however, they should first, for honesty's sake, formally say goodbye to competitive multiparty democratic politics and tell the people of Nepal that they believe that the final arbiters of Nepali politics will be a closed-door EhMaKa oligarchy. And while doing that they may thank the Panchayat system for its "consensual" politics mediated by its oligarchic politburo called the Gaon Pharka. They can also make pilgrimages to its founding fathers for advice, especially a former Kangress general secretary and the erstwhile communists from Palpa and further west. These Panchayati oligarchs must be amused but sad as they watch the wheels of politics turn back to where they were over two decades ago. Sad because, unlike then under a monarchy, the miasma of illegitimacy now envelops this land in its putrid shroud that threatens its very nationhood and peace therein. ■





PM Nepal (Centre) : Counting days ?

THE PRIME MINISTER

(Don't) Read My Lips

After completing a year of leading a hotchpotch coalition the beleaguered prime minister mulls early resignation but shows no signs yet of acting on it

By SUSHIL SHARMA and
SAROJ DAHAL

If he came true on what he confided to some journalists and politicians early this month, prime minister Madhav Kumar Nepal would have stepped down by the time this report reached the readers.

Sitting down with select reporters over dinner at a Patan residence he showed no intention of continuing in office any longer.

"Enough is enough", he said in a reference to the non-cooperation from within the UML of which he once was a boss.

The main coalition partner, Nepali Congress, has firmly stood behind him. Some senior leaders of the main opposition Maoist too advised against quitting anytime soon.

But he has been feeling increasingly

uncomfortable with the leaders from within own party including the chairman Jhalnath Khanal.

Nepal accuses them of making the country a hostage by indulging in "character assassination" despite the party's central committee's decision to back him.

The dissident leaders even went on to advise the Maoist chairman Prachanda against reaching an agreement with the government on the issue of Maoist combatants' integration and management. That was the information the prime minister got from his channels infuriating him even further.

Unable to counter the intrigues, he seemed to give up.

He said, if the political stalemate ends after his resignation, he is ready to put in papers.

He was even more apprehensive about the days ahead as the Maoists threatened to disrupt the parliament to stop the government from presenting the annual policies and programme and the new fiscal budget.

"I would rather step down than bending on my knees before the Maoists," he said.

He told as much to the leaders of the coalition partners and twice gave them a deadline to search for a consensus successor.

His latest deadline expires on June 18.

"He seemed serious about the deadline and the intention to quit," said sources.

But two days before the deadline, he was a changed man.

He intensified consultations to convene the already-delayed budget session of the parliament come what may.

First he called a meeting of fringe parties whose support is crucial to keep him in power.

He apprised them of the government's plan to call the session and present annual policies and programmes and the new fiscal budget.

Bolstered by a commitment of solid support at the meeting, prime minister Nepal rushed from Singh Durbar to Shital Niwas to "discuss" with president Ram Baran Yadav the prolonged political stalemate and his plan to go ahead with the budget session despite the Maoists' threat of disruption.

Said his principal political advisor Raghu Pant, "the prime minister has been focusing on the convening of the budget session of parliament."

After the coalition parties' meeting and the prime minister's meeting with the president, Pant flatly ruled out early resignation.

As long as he enjoys the support of the majority of the deputies, there is no point why should the prime minister think of anything else, according to Pant.

For the moment, he has that support. The prime minister has been under pressure from them to remain in office.

Sources said, "even the opposition Madhesi Janadhikar Forum leader Upendra Yadav has privately asked him to stay put."

Political advisor Pant said "Don't go by what you hear (about the PM's reported mood to quit), but do take notice of what you see him act." ■



Prachanda (Left) Dr. Bhattarai : Fake smiles

MAOIST TUSSLE

The Drama Unfolds – Again

The old wounds resurface in the country's largest party as chairman Prachanda and vice chairman Baburam Bhattarai fight it out over the top executive office

By SAROJ DAHAL

Its Prachanda vs Baburam again. The repeat of six years-old Chunbang drama. Prachanda and the company brand Baburam “Indian” element.

Baburam and the company smell a “palace” rat in the rival camp.

Every time they deny it, the stage becomes even more dramatic.

Every time they bury the hatchet, the differences only get deeper.

The setting is different though. Earlier it was still the difficult insurgency days. Now it is the “hard-earned republic” days.

The issue then was how to move the “revolution” forward. The issue now is how to regain the seat of power lost a year ago.

The latest politburo meeting has been a scene of a fierce debate between the two camps.

The bone of contention: who should lead the consensus government should

such event arise under a recent three-point deal with two other major parties.

Having apparently failed in his comeback bid Prachanda has now stood in the way of Baburam’s aspiration to occupy the seat of power at Singh Durbar.

Most parties are opposed, to Prachanda leading the proposed consensus government of national unity. Baburam is their favourite.

Instead of clearing the way for Baburam, Prachanda has now proposed in the politburo meeting that the party sit in the opposition bench.

This has angered Baburam who is in no mood to take it easily.

Said one of his close confidantes, “the party can longer suffer just for the sake of personal ambition one individual leader.”

According to him, the situation is so much different from the one six years ago. “We are in open politics and we will take it on openly.”

This could mean a free-for-all between the allegedly “pro-palace nationalist” camp and the “reformist pro-Indian” camp.

The immediate casualty: Maoist hopes of a leading the new government of national unity.

A little distant casualty: the unity of the Unified Communist Party of Nepal-Maoist.

Lumbini Bank Turnover

By ABIJIT SHARMA

Citing its much – improved Capital Adequacy Ratio, strong liquidity position and reduction in Non Performing Loan, Lumbini Bank, which was taken over by Nepal Rastra Bank (NRB) in 2058 B.S, has now declared itself as one of the top and safest banks among all the commercial banks operating in the country.

The bank was taken over by NRB in 2058 due to its poor performance, mismanagement and deep financial troubles. However, with a new management, four years down the lane, the



bank has recorded significant improvement in its performance.

Capital Adequacy Ratio, which measures the ability of a bank to absorb shocks during times of economic and other financial crisis, of the bank has been recorded as 24.23 %, at the end of the Chaitra 2066. It has also recovered 120 crores of cash from bad loan portfolio as a result of which the Non Performing Loan has reduced from 20.54% to 4.66% in four years.

The bank has maintained a sound liquidity position of 30% of deposit which is much better than the required liquidity position of 20% set by NRB. Similarly, the bank has experienced an improvement in their Reserve Fund, with a positive Rs. 155 million on Chaitra 2066 compared to a negative Rs. 1,221 million four years back. Increase in its Networth from negative Rs 722 million on Ashad 2063 to a positive Rs. 1,449 million on Chaitra 2066 also highlights the bank’s turnaround.

“We are very proud to say that Lumbini Bank is now one of the healthiest and safest banks for depositors and investor” said a happy CEO of the bank, Sovan Dev Pant. He also informed that the bank would paying the dividends to its investors from the next year, which it had been unable to do in the last four years because of its financial woes.

CLIMATE FUNDS

No Bang For The Bucks?

Protests against agencies like World Bank handling climate monies pushes such aid into controversy

By NAVIN SINGH KHADKA in Bonn

Climate change has not changed the north-south divide. It has rather widened it further.

Rich countries insist the funds they pledged for vulnerable ones to help adapt to climatic changes are being provided. Poor nations argue they have hardly received any.

So, where has the money gone? Particularly, the 10 billion Dollars annual fast-start funding developed countries had promised for the first three years after the global climate summit in Copenhagen collapsed last year?

Only a full-fledged investigation can find that out.

But many from developing worlds say past experiences have shown that money is either kept idle or is poorly disbursed by international financial agencies donor countries prefer to channel the funds through.

The World Bank, Global Environment Facility, and regional banks like the Asian and African Development Banks top the list of such institutions under attack.

At the United Nations climate conference in Bonn during the first two weeks this month, more than 300 non-government organisations from around 50 countries made their resentment public.

They said they had written to US president Barack Obama asking him not to make climate funds available through the WB.

"The WB's track record of imposing policy conditions and programs on developing countries and its undemocratic governance structures seriously discredit the institution," the letter read.

"Developing countries, who will bear the heaviest burden from climate change, are the least represented inside the bank."



Climate Fund : Issue on debate

The nearly 300 NGOs including Friends of Earth, Action Aid, Christian Aid and five also from Nepal have even accused the bank of financing fossil fuels and lacking transparency.

The multilateral financial agency has not made any comment to the allegations.

Its Pilot Project on Climate Resilience (PPCR) in Nepal courted controversy last year after government officials and the British Department for International Development, that has chipped in money in the scheme, expressed unhappiness over the way it was handled.

With the budget of nearly 950 million dollars, the PPCR is being piloted in around 10 countries.

The Global Environment Facility is another Washington-based agency that has been constantly criticised by developing and least developed countries for not making climate funds adequately available.

Head of US climate delegation,

Jonathan Pershing did accept in an interaction with journalists in Bonn that GEF needed to pull its socks up.

Many negotiators from developed worlds, however, say most of the developing and least developed countries are just not ready to handle the funds on their own and corruption in these nations makes matters worse.

A principal negotiator from Europe

said without wanting to be named, "Politicians in out part of world are hesitant to give money directly to the recipient countries because they fear that they will be held accountable in their parliaments if the funds are found to be misused by these countries."

Emerging and poor economies have been pushing for an independent body under the United Nations Framework Convention for Climate Change to manage and disburse climate funds.

But despite several rounds of conferences over the years, there has been no agreement on the idea.

So, for now, donor countries will in all probabilities use the same old agencies to channel most of their climate aid to poor and vulnerable nations.

And as long as that happens, many recipient countries and non-government agencies' will carry on crying foul - unleashing controversies that dog climate funds.

Khadka is a BBC journalist

WORLD CUP 2010

Football Mania

The ongoing world cup games in South Africa have gripped the football lovers once again

By BHAGIRATH YOGI in London

On 12th June (Saturday), Ravi Thapaliya was watching the football world cup live between the English and American teams along with his friends at his apartment at Kensal Green in North West London. As the England captain Steven Gerrard scored first goal just four minute after the match had kicked off, English football fans cheered at a local pub down the Harrow Road.

"I am a fan of English team but was upset to see the England goalkeeper Robert Green fail to stop the Americans," he said. The match ended in a draw 1-1.

Since the launch of the World Cup football on June 11th in the Soccer City in Johannesburg, South Africa, UK has already been gripped by football mania. Football lovers have put England world cup 2010 flags in front of their houses and also in their cars. Whether it is your drawing room or a local pub, football is the only topic in town.

"The World Cup is a uniquely unifying force in English life," writes Jasper Rees, a veteran sports journalist, in *The Telegraph* daily. "Football is now a part of the national lifeblood, like the weather or soaps."

A country that hosts one of the most ardent football fans in the world, Britain has high hopes from the on-going World Cup 2010. Speaking in Johannesburg, England captain Fabio Capello said his players were ready to play, both physically and mentally. "They're focused. Our challenge is to win. Nothing more," he declared.

While it's too early to predict if the English team will be able to live up to the expectations of its fans and supporters back home, English pubs are doing brisk business cashing in on the bonanza. Unfortunately, Nepali restaurant entrepreneurs in the UK say they are yet to make any money out of



the football fever.

"Since football fans prefer pubs over restaurants, we haven't seen any surge in customers during the football season," said Kishor Sapkota, a young Nepali

entrepreneur who owns Gurkha Palace Restaurant at Folkestone.

Sapkota, who is also the sole distributor of Nepal Ice beer — manufactured by the Chaudhari Group— said since the product was mainly targeted to the restaurant-goers, he didn't have any special plans to promote the beer during the world cup.

For football lovers though, the most popular sporting event in the world was a rare opportunity for which they had to wait for full four years.

Ravi Thapaliya supported South Korea during the previous world cup football in 2006 but was disappointed as his preferred team could not make it to the final. He recalls vividly how he enjoyed watching the final match between Italy and France in Kathmandu when Italy beat France by 5-3 in a penalty shootout.

"Though I miss my friends here, I don't have to worry about the loadshedding or waking up till late in the morning to see my favourite matches," he said.

If you are talking about football, it doesn't matter where you are based. The global sporting event transcends the borders. ■

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BALANCE OF PAYMENT

Importing Crisis

Since October last year, Nepal's macroeconomic stability has shaken under the deluge of import even as its income from remittances has stagnated while those from exports have plummeted. Fuelled by the easy availability of remittance income, the sudden exposure of the middle class families to the mall culture and their subsequent consumption-spree, imports broke all previous records. Coinciding with depleting exports, it has, literally, burnt a hole in the nation's pocket. As of now, the country is in serious trouble as its foreign exchange earning from remittances, tourism, exports are now unable to foot its import bill. In economic parlance, the Balance of Payment (BoP) deficit of Nepal, is now around Rs 20 billion

By SANJAYA DHAKAL

Last time Nepal suffered from similar BoP crisis was back in the early 1980s. That was the time when Nepal had semi-closed economy and illiberal political regime.

Twenty-five years down the line, the country is staring down the same problem but with much more complicated ramifications.

Ramifications and consequences may be complicated but its roots are simple.

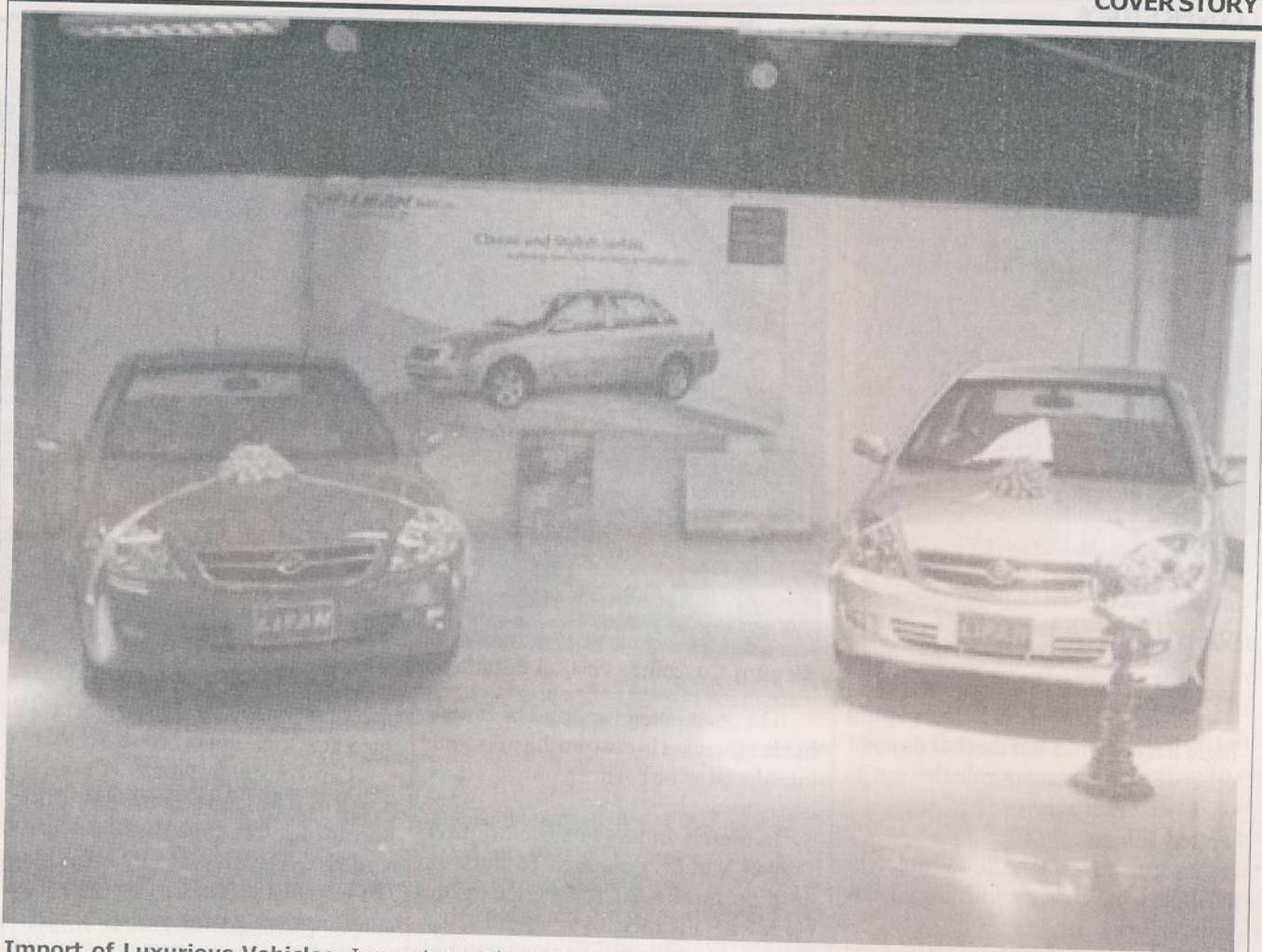
The country is not earning enough to buy its imports. Since October, the country has had to dig deep inside its forex deposits to pay the ever-fattening import bills.

The situation is not at all tenable. From last year's position when Nepal could finance 11 months' worth of total imports of merchandise through its forex

reserve, it has now come down to 6 months.

If this slide is not halted immediately, an all-out bankruptcy cannot be ruled out, according to many economists.

And the signs are already worsening. Despite several policy efforts by the government the Balance of Payment deficit has continued to hover around Rs 20 billion.



Import of Luxurious Vehicles: Increasing trade gap

Compare this with the fact that little over a year ago, Nepal was enjoying BoP surplus of Rs 38 billion.

Not only that surplus has vanished, but the country is now reeling under Rs 20 billion of deficit – a total loss of nearly Rs 60 billion in such a short time.

Why?

Many theories have been forwarded to explain the astounding loss of Rs 60 billion from the national exchequer.

The most apparent one is the huge and burgeoning gap between import and export.

“We have already imported the amount of goods in nine months in this year what we did in the whole of 12 months last year. If the rate of import growth continues, we will have trade deficit, in goods alone, to the tune of Rs 402 billion, which is 29 percent of our GDP of Rs 1182 billion,” said Dr. Tilak Rawal, former governor of Nepal Rastra Bank (NRB).

According to Keshav Acharya, senior advisor at the Ministry of Finance, earnings of the country have stagnated while expenses have spiraled.

“The remittance incomes were the main pillar behind the increasing foreign exchange in previous years. But this year, the remittance growth has come down from 65 percent to 10 percent. The exports have also decreased by 10 percent. On the other hand, imports have surged by 46 percent. This has created a huge problem for the economy,” Acharya said.

To be frank, imports had always exceeded exports and trade deficit had never gone away in the past too.

But in the past, the trade deficit was covered by the earnings from remittances and other service sector.

This time, the gap was too huge to be filled. Why then, didn't anybody see this crisis coming?

Capital Flight

“Symptoms had shown long ago. But the authorities failed to notice them,” feels Dr. Rawal.

In fact, the emergence of a trinity of troubles – the BoP loss, liquidity crunch in banking system and unusually high import of gold – had coincided last year.

But the authorities in the Ministry and, more particularly, the Nepal Rastra Bank (NRB) were preoccupied. Nobody put the two and two together.

“The whole thing was triggered by capital flight,” confided one former NRB insider not wanting to be named.

“What happened was, taking advantage of the difference in custom duty on gold imports in India and Nepal, a huge amount of LCs were opened for their imports to Nepal. The gold came here and were surreptitiously smuggled across the border to India. But the money did not come back to Nepal. It was either invested in India or taken elsewhere from

there. This created a huge hole in BoP," he said.

Another NRB insider even contemplated that the gold may not have entered even into Nepal. "Just like a few months ago there was a scandal of foreign exchange abuse by some unscrupulous traders who opened LC to import wool from China but only did so in paper, the same thing could have happened with gold too."

Anyway, the hole was created. And since NRB had the huge deposits of local currency against which it had provided foreign exchange to those importers, there was big liquidity crunch in the market.

Even Finance Ministry officials do not rule out capital flight as one of the roots of the problem.

"Since we have outlawed the capital account transfer, I cannot, as a responsible official, say that capital flight has occurred. But the data do point otherwise and I cannot rule this out as well," said Acharya.

Failed Efforts

In order to stem the flow of gold, the NRB had, in February, introduced new policy efforts.

It asked for the deposit of 40 percent cash margin while opening LCs to import gold.

IMPORT OF CRISIS

- Nepal imported buffalo, goat worth Rs 15 billion in nine months of current fiscal year
- *Bhote Lasun* or Garlics from China were imported to the tune of Rs 290 million
- Top imported items include gold (Rs 37 billion); followed by petroleum products (Rs 34 billion); vehicles (Rs 21 billion) and MS billet (Rs 12 billion)
- Last year Nepal imported Rs 284 billion worth of goods in total; this year the same amount of import has already taken place in only 9 months
- This year the trade deficit in goods alone is estimated to stand at one-third of country's total GDP
- Import growth rate has surged to whopping 46 percent



Birgunj Customs: Political disturbance

The government, spurred by India's further increase in custom duty on gold, introduced an ordinance to raise its duty here.

In March, India's Finance Minister Pranab Mukherjee increased duty on gold from IRs 20 to 30 per gram. Nepalese authorities responded by moving an ordinance to increase gold duty here from NRs 13.

"We thought we could bring BoP loss to zero by April through these measures. But it didn't happen. We then thought it would end by the end of this fiscal year. That also doesn't look likely," said Acharya.

"We now believe that BoP loss is not going to vanish anytime soon. We will just bring it down gradually," he said.

In order to overcome BoP crisis, the country has already asked for help from International Monetary Fund (IMF).

The IMF has responded by providing around Rs 3 billion of interest free loan under Rapid Credit Facility (RCF).

That if the BoP loss does not start to reduce substantially soon, the country will fall in an economic crevasse is not contested by anyone.

The authorities are now in a desperate mood.

Harsh Measure

And the desperate times are spurring desperate measures.

It looks almost certain that in the

upcoming budget, the government will introduce some import control.

"Our consumption growth is a big problem. The latest figures by Central Bureau of Statistics show that of Rs 100 earned, we save less than Rs 10. This is not sustainable. We have to control our consumption," said Acharya.

As such, the government is mulling to introduce controls on imports of luxury goods such as expensive vehicles, diamonds etc.

That will be a tall order. At a time when the middle class families with disposable income have taken to the rising mall culture, controlling consumption will be easier said than done. ■

EXPORT SCORE

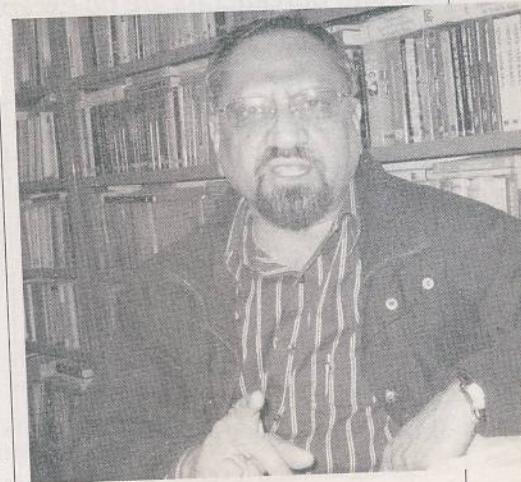
- In nine months, Nepal exported Rs 45 billion worth goods in total
- Compared with the total exports of Rs 45 billion, the country imported gold alone worth Rs 37 billion
- Exports have decreased by ten percent compared to last year
- Remittance income which were growing by up to 65 percent last year, is now growing by around 10 percent only

Inclusive Growth Distant

By Bishwamber Pyakuryal

Since the signing of the Comprehensive Peace Agreement five years ago, Nepal's economy has started to show a negative growth. During the civil war, we had much better economic indicator than what this country is realizing now after 2006. Thus, this is four years on the row. One of the major risks for the sustainability of the country is that the micro economic stability was broken now. There is the need to do a scanning to learn of what kinds of constrains are there in sector specific terms. What kinds of constrains have different agencies, foreign, government and national, diagnosed for the country. There is a need to scan all these indicators and put them in order for Nepal growth. For instance, poverty, inclusive growth, inequality, deficit in balance of payment in external trade, declining trend of foreign exchange reserve, declining of remittances growth etc are there. There is the need to do a ranking of all constraints and how to make them sustainable through the intervention of the government. This is a major question. The present question is not only to diagnose the binding constraints of growth. By now there has been a couple of dozens of field based research works by local and international consultants and donor communities as they have nicely diagnosed Nepal's economic problem. The problem now is the restructuring and building of economy like in the politics where there is discussion on the issue of governance, restructuring of state, state building and so on. When such issues are surfacing, politics is looking at Nepal with the perspective of a federal state. Something is taking place in politics but they left the issue of economic restructuring at the hands of god. This is the reason most of the

economic indicators which are linked with Indian economy are being delinked. The parameters of economic linkages with Indian economy is now delink. This is the reason even after the decline of inflation in India, our inflation continues to rise. We have now economic institutions that cannot work in Nepal's present context. This is the most damaging thing in Nepal's economy. On the one hand Nepal's foreign currency reserve can only back the imports of 6.5 months of goods and services. We had reserves to sustain 14 months. Why did India go for aggressive liberalisation in 1990? Because when there was dramatic decline in the foreign exchange reserve in India. This was the major damage. It was in terms of millions of US dollars. We need to develop outward looking economy and lift the restrictions. India liberalises its market to invite more foreign investment. That was the reason Nepal brought the convertibility regime. Initially, there was a partial convertibility and later on there was full convertibility. This is the reason there was high growth in urban sector but the inequality increases in rural sector. This is the reason there was decline in poverty after 1980s and the inequality also rose. For the inclusive growth the present inequality trend is inimical. We cannot have sustainable economy in this context. Now the time has come to do something. If we want to carry our fragile economy, planning commission, ministry of finance and central bank need to have a working committee. There is a liquidity crunch but the finance ministry is following expansionary policy. The growth is declining but the size of the budget is increasing. This is the reason the estimate inflation report is growing. Although NRB estimated 7 percent



inflation, there remains a double digit inflation. If Nepal continues to move this way, it is inevitable that it will have a slow growth. It is almost certain that Nepal can not achieve a growth of more than 3.5 percent in this fiscal year. There is a need to additionally invest to achieve the target of 5.5 percent. The country which we brought up under the three year interim plan, which projected 25 billion rupees for agricultural sector, that amount of money was aborted with the reasons unknown. We don't have that kind of capability. Then how come can we achieve 5 percent growth? Where is the institution that can balance the expansionary policy? Expansionary policy means higher inflation. When we failed to narrow down the double digit inflation since last two years, how can we contain the inflation when we are increasing the size of the budget by 20-25 percent. This will increase inflation and the life of the people will be more difficult. In this context the question of inclusive growth is a distant dream.

If politicians fail to link state restructuring with the economic restructuring, politicians will lose their credibility to go ahead with politics. Nepal's question now is to make the growth sustainable.

(As told to New Spotlight)

WORLD CUP MANIA

The most popular global sports tourney spares none. Nepali politicians and bureaucrats are no exception.

By **ABIJIT SHARMA**

The mega-event of football has begun. Considered as a festival by football lovers all round the world, the World Cup fever has not spared the Nepalese. Interestingly, the political leaders and bureaucrats are also among the ones spellbound by the on-going football fever.

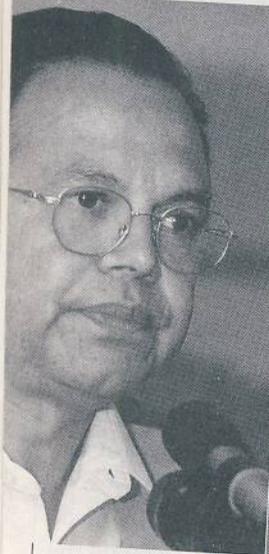
According to *Kantipur*, Maoist leader Prachanda has managed to watch some of the matches of the World Cup. Prachanda supported South Korea

time. Surprisingly, he also finds a connection between strategies used in football and politics. "This is one of the reasons I love watching this game" he expressed. Education Minister Sarvendra Nath Shukla revealed that the world cup matches has acted as a stress buster to him. He is quite a football buff, as he has planned to watch even the late night matches. He, too, prefers the same team as Pun.

Some leaders, however, aren't quite football enthusiasts. Sports Minister,

his bets on England, which has been quite unfortunate in the past editions of the tournament. Commenting on the match between Argentina and Nigeria, Secretary of the Peace and Reconstruction Ministry Punya Prasad Neupane, said that he especially liked the co-ordination and team spirit of the Maradona coached team. Another secretary, Lila Mani Poudel of Prime Minister Office especially liked Messi's performance in the match although he was unable to score.

Dr. Madan Kumar Bhattarai, Secretary of Foreign Ministry says since he is a foreign secretary, it would be unfair for him to choose a specific team as he feels it feels it would be undiplomatic. He says that he would try to catch all the matches Live, as far as possible. Secretary of the Development Ministry Krishna Gyawali has an emotional connection



Khanal (Left) and Bhattarai : Football buffs

in its match against Greece on the 13th of June. Another leader Jhalanath Khanal of UML, too, took out time to watch the same match. Both the leaders supported the same team for the same reason; their team being an Asian country.

Another Maoist leader Barsaman Singh Pun says will be one of the viewers of the World Cup. He is cheering for Argentina and Brazil this

found himself quite busy to watch any of the match. He says his party's works take consume more of his time. Maoist leader Baburam Bhattarai too, is on the list. He, in fact, went to Gorkha on Saturday, the second day of the tournament, and returned late night.

Bureaucrats are not far behind. According to *Annapurna Post*, Secretary General of the legislative parliament Manohar Prasad Bhattarai is placing

with Brazil as he had a Brazilian friend during his student days in the US. He wants Brazil to win but would also be happy to see the host nation lift the trophy. He regrets not being able to watch the opening ceremony.

Whichever the team the leaders and bureaucrats are supporting, one this is for sure; the World Cup has indeed gotten everyone hooked to the television set for the next one month. ■



DARJEELING

Troubled Movement

Assassination of senior Gorkha leader Madan Tamang was a major setback to Gorkhaland Movement

UMA KANTA KHANAL
in Siliguri

After a senior Gorkha leader, Madan Tamang, was assassinated with *khukuri* in Darjeeling, many questions have arisen regarding the continuity of the Gorkhaland movement. The reason is the North Bengal police have filed a case of murder against the leaders of Gorkha Janamukti Morcha, including its president, Bimal Gurung.

Madan Tamang, 62, president of Akhil Bharatiya Gorkha League, was assassinated when he was preparing for a mass meeting in Darjeeling on May 21. An unidentified group came to the spot of the mass meeting and attacked Tamang with *khukuri*. Reports say that the cadres of Gorkha Janamukti Morcha had been obstructing Tamang from organizing the mass meeting in Darjeeling for a few days.

Madan Tamang was a supporter of the separate Gorkhaland state but not of Gorkha Janamukti Morcha, which is the party leading Gorkhaland movement. He used to criticize the activities of the Morcha that the Morcha was going to agree with the Central and the West Bengal Governments in an interim setup including Darjeeling Hills, Siliguri Terai and Dooars.

After killing of a senior Gorkha leader, Gorkha people are afraid of insecurity in the Darjeeling Hills. But they keep mum instead of expressing anything. They are also frustrated regarding the future Gorkhaland movement.

The thousands of people attending the funeral ceremony of Tamang also protested Morcha's leaders. They raised slogans that Morcha's leaders were responsible for the killing of Tamang.

After the North Bengal police filed the case of murder against Morcha's leaders, 11 central committee members resigned from the party. Later, the spokesperson of the party Harka Bahadur Chhetri and L. B. Pariyar took back their resignations on the party's pressure. But, the 9 members have also played vital role in the talks with the centre and the West Bengal Government. Madan's Tamang younger brother Amar Lama also resigned from the party.

The intellectuals express frustration about how the movement would develop in the future. Dr. Kumar Pradhan, a senior journalist and retired professor, says that the assassination of Tamang is the worst of all. He said, "Let's see what will be there in the future."

The political analysts say that Morcha now faces many difficulties in leading the movement. The executive editor of Himalaya Darpan, a daily newspaper in Nepali from Siliguri, Sibu Chhetri, said, "The losing of key persons of Morcha will affect in implementing the programmes of agitation", Sibu said.

Many Indian Gorkhas have now begun saying that the agitation of 1986 came to an end with the agreement of Darjeeling Gorkha Hill Council, a developing agency which is inactive now. The present movement also has faced many obstructions with the clashes among Gorkha groups.

After 5 days from Tamang's assassination, Morcha's President demanded investigation from Central Bureau of Investigation CBI. He said, "The police want to defame us." But the West Bengal Government ordered a CID inquiry into the brutal murder of Gorkha leader, Madan Tamang. Director-General of Police Bhupinder Singh said a CID probe had been ordered into the All India Gorkha League (AIGL) president's killing. He said Special IGP Pankaj Dutta and IGP (CID) N.N. Pandey have been sent to Darjeeling.

The people say now Morcha has responsible works to do immediately. The first is that Morcha has to prove itself that it was not involved in the assassination of Madan Tamang and the second is that it has to continue the talks with the Centre and the West Bengal Government. ■

"Minister Does Not Order Cutting Trees"

DEEPAK BOHARA

DEEPAK BOHARA, who was appointed the Minister for Forests and Soil Conservation a year ago, is in controversy now following a massive scale of illegal logging in Terai. Minister Bohara, however, claims that he has made a significant decision to stop illegal logging and protect national parks as well as has made a lot progress in forest conservation. Bohara, who was a science student, spoke to KESHAB POUDEL on various issues at his office. Excerpts:

What is the present state of community forestry and forests in general at a time when a massive controversy has arisen regarding the management of forests in Terai?

Actually, when we started community forests in 1975, our aim was to increase the coverage of forests. The two people involved were: Nil Prasad Bhandari and a DFO, who started work in Thokara VDC of Sindhupalchowk district in 1976. With a basic idea to protect forests through community participation in forest management, the mass scale of involvement of community in forests began. The community forestry stopped the process of deforestation in many areas. Today we have 15,000 community forestry user groups.

What does this mean?

The result in the early stage was very successful and now it is slowly deteriorating. The whole idea is slowly changing and a few people, in the name of community forests, are exploiting them for their own interest. This is where the government is worried.

What is happening now is that trees are being cut by user groups.

Is not the District Forest Officer responsible in issuing such permissions?

Though the DFO is given the right to endorse the community's proposal for forest management, this provision was ignored by community users' groups. Now the entire game plan has changed. Under the total grip of community forestry users groups, people are completely holding the forest management system to ransom, they even issue tender, auction and log the trees as per their wishes to outsiders.

Can they sell forest products to outsiders?

Although no community forest user group has the right to sell the forest products outside their community, they are selling the forest products to outsiders now. For example, community user groups of Nawalparasi and Sarlahi were selling their trees to Kathmandu. This is against the spirit and act of community forestry. When a community users' group in Chitwan announces the auction for trees, anybody from Jhapa, Kathmandu or Pokhara could be participating in the auction.

Even as you are saying that the community users are behind the misuse of forests in Terai, there are reports implicating your rampant

involvement in a massive scale of logging. What do you say?

The minister cannot order people to cut the trees. Even at the district level the trees are cut under the decision of user groups. The community user groups decide how many trees should be cut after permission of the district forest office. The DFO has to give a final nod. I don't understand where the involvement of the minister is seen in all these. Since you are deciding which trees need to be cut and which are not, you are getting the permission from local DFO office, the minister is in between the DFO and the community and there is no question of involvement of a minister.

If you are not involved, who is, when it is reported that you have already transferred a number of DFOs in Terai, regarded as a lucrative place for transfer?

Transfer of DFOs is a regular process and there is no question of any hanky panky here. The post of DFO used to be like a musical chair in the past and I tried to change this. Someone will come and someone will go according to bureaucratic practice and norms. They will be rotated. I have tried to give stability to the positions.

If that is so, why have you transferred DFOs in Terai?

To your question, where one should go and serve basically, depends on the need of the ministry and district. Every one has to go everywhere.

How much influence do you use in transfer of DFOs?

Of course, the ministry transfers the DFOs. The transfers are made according to laws and regulations. In the transfer process, I don't have anything to do. It is a routine. I have not transferred the DFO to cut the trees.

• What is this hoopla about rampant cutting of trees then?

There was news of rampant cutting of trees. However, it was done by the users groups. We captured two of community forest chiefs for their involvement in illegal business. A user group in Sarlahi cut the trees and built 40 kilometers road to ferry the logs. We also sacked two DFOs.

What is the state of Terai forest?

Frankly speaking, most of the Terai's community forests are under a threat from the users groups. As I have already mentioned, we have nabbed the users groups involved in illegal cutting of trees. We suspended the DFOs and some of them were transferred.

If everything is so neat, why is there so much of media hype showing your involvement in the illegally felling of trees?

This is my eleventh month in office and I have

Of course, the ministry transfers the DFOs. The transfers are made according to laws and regulations. In the transfer process, I don't have anything to do.

made number of major achievements during my tenure in the areas of conservation. Interestingly, the attack against me has started recently. I don't know why suddenly I have become a victim of such attacks when I have been positively working in the conservation sector that is open to all. I have given explanations and the ministry has also answered the questions. I defiantly say that the ministry's face has changed during my tenure. What I can say is we need full support from the press, donors, local community and civil society to preserve the forest and endangered species.

Whoever may have done it, there is a rampant cutting of trees. How can you change the situation for the better?

If we can change a few rules of community forestry, we can stop the illegal felling of trees. We have stopped now and we are able to contain it. First of all, we need to stop the selling of the trees of community forests to other districts. The priority of the forest products of the community forestry should be given to the people living in local areas. Forest products should not be allowed to for sale and auction to others. The time has come now to stop that practice. If we are able to stop the practices to auction the trees for outsiders, we will be able to control the cutting of logs. What is happening now is the people from all over the country are taking part in the auction process of the community forestry. Had we stopped the present state of selling trees, it would have changed the scenario.

There are complaints from people and communities living in southern parts of Nepal that they don't have access to trees?

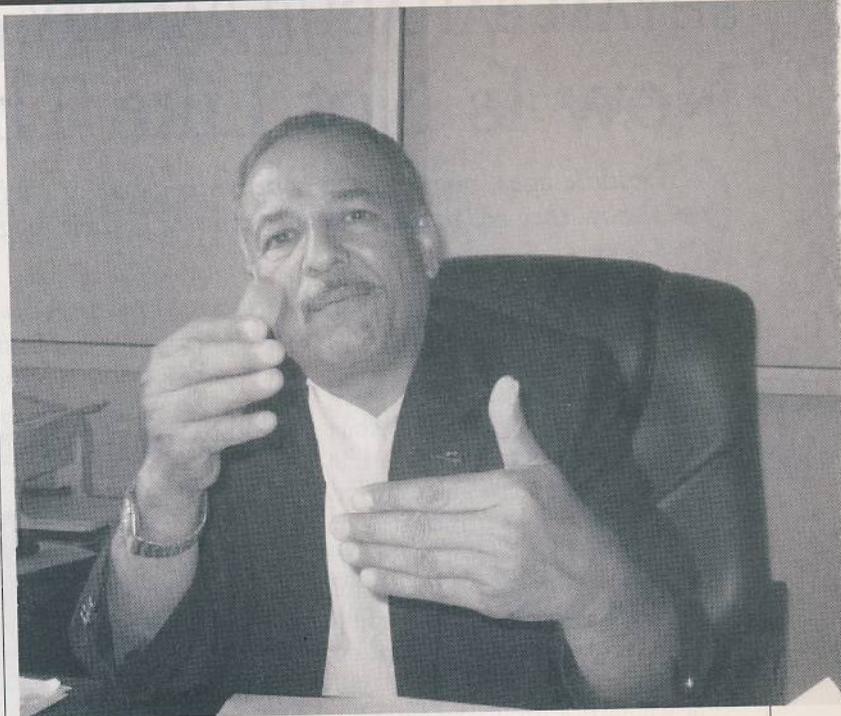
That is true. Actually, this concept was introduced to share the forests among the people living side by side. The community has the first right to use the resources. However, the national forests of northern Nepal are now used by people living in north not south. People from southern plains have no access to forests in the north. I think the government needs to take care of the genuine demands of people.

It is often complained that the well planted government forests, handed by the government to users in Terai, are the major sources of conflict where the users' groups are selling trees to outsiders. How will you check this?

Once again, the conflict appears when the users groups try to auction the forest products to outsiders. Had it been given only to the local community, the situation would not have been like the present one. We are coming up with a government decision on selling the community forestry logs to outsiders. That will minimize illegal felling. There are many users groups in Terai who have been doing extraordinary jobs to protect the forests. However, many bad guys are also running the community forestry.

How do you look at the growing number of illegal trans-boundary trade instances involving endangered species?

Nepal is in the midst of transit route of the illegal products of endangered wild animals. There is involvement of all the people of different countries in



this trade. For instance, we recently nabbed five illegal poachers in Sindhupalchowk. Interestingly, out of them two are Chinese; two are Indians and one Nepali. We recovered 40 kilos of bone Salak which is much endangered. That proves Nepal is slowly turning into a transit for illegal sale of tiger bones, one horn rhinos and so on.

You recently visited China. Have you signed any trans-boundary agreement?

We have two big neighbors India and China and we must do something with them to solve this problem. During my visit to China this time, we signed MoU with China on trans-boundary smuggling of endangered species and poaching and transportation. Thinning the border and borders town. This will definitely help stop the illegal trade. We also seek support from China to establish the Musk deer farm in Nepal. We have proposed the trans-boundary meeting in every three months. China also agreed. They also feel the urgency to stop the illegal trade of endangered species. This is a big step taken by Nepal and China. We want to do similar kinds of agreement with India.

Killing of rhinos is on the rise if recent instances are any indication. What steps does Nepal have to take to control this?

There is a problem. We have been facing stiff challenges from the poachers in our national parks. If we look at our position compared with our neighboring countries, the situation is much better. Our national park is protected by Army and they have been doing a very good job. We want to build the capacity of the army and the local people living in the buffer zones. We need to convince the people that the national park and wildlife is yours. The benefits from the forest and national park should go to the people. ■

We have proposed the trans-boundary meeting in every three months. China also agreed. They also feel the urgency to stop the illegal trade of endangered species. This is a big step taken by Nepal and China. We want to do similar kinds of agreement with India.

SHYAM BAHADUR PANDEY

Now Is Not Like Then

In the middle ages, people were tourists because of their religion, whereas now they are tourists because tourism is their religion.

By SHRADHA GYAWALI

Shyam Bahadur Pandey is a creative and industrious entrepreneur who has contributed significantly to the tourism industry of Nepal. Pandey was born in Kathmandu 73 years ago. A successful Nepali entrepreneur, he is still leading an active life and offers an inspiration for the younger generation.

"Be willing to learn all your life," says Pandey. Ask him, he practices what he preaches.

In his childhood days, the scope for people's exposure to outer world was limited. Children in those days, he says, had limited ambitions compared to those of today.

Pandey didn't have any big ambition either. Rather he hoped to be able to make some contribution to the country.

Educated people reach certain heights with greater ease than those without education. This asset also helped Pandey to get where he stands today.

"The most valuable gift that you can give someone is the freedom to be themselves," says

Pandey, who completed his high school from Padmodaya, did his post graduation from Nagpur and was also trained in the US.

"All that I am today and all my achievements are because of my loved ones who allowed me to choose my own vocation in life and supported me instead of compelling me to become an engineer or doctor or other fashionable professional as they fancied," he says.

The legendary hotel Shangri-La in Kathmandu and the people who shaped it shared something in common — a vision of what Shangri-La should be and the fortitude to make it happen. Pandey

had a vision and worked to make it come true. His aspiration for a Shangri-La, a cozy and hospitable home away from home, was realized when the hotel took shape. Pandey took Shangri-La to Pokhara, a spectacular and an exclusive place to spend a holiday, yet another home away from home for all.

The hotel idea became more ambitious than Pandey ever imagined it to be. He was helped in his dream hotel by Desmond Doig, the 'Renaissance' man who made Nepal his home.

"Our Future Depends Greatly on Tourism"

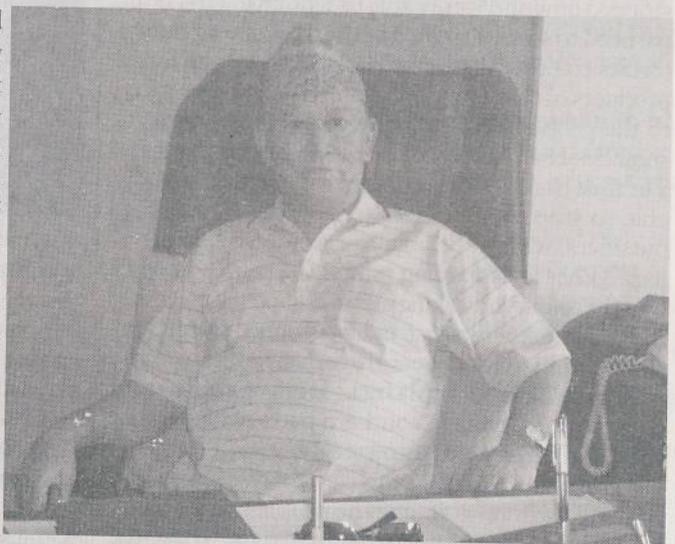
The travel and tourism industry is just a huge part of our economy and Shyam Bahadur Pandey, in a brief interview, opens up his experiences in this field where he has spent most time of his life.

What tools can be implemented in order to boost the level of tourism in the country?

As our future depends greatly on tourism, our main focus should be on boosting our tourism in countries like Europe and America but at the same time I also think we should do something in India as it is easy. I don't think that we can get the same volume of people from China. Marketing has been our major tool that we have implemented but we are also doing everything else possible. Nepal being a poor country and due to problems like political instability, insurgency, and absence of aircraft, the process of boosting the sector has not been very easy.

What preparations and steps are being taken in order to make Nepal Tourism Year 2011 a success?

There have been plans on improving the national airways but still nothing seems to be possible due to hurdles and barriers.



We are also preparing for festivals to attract tourists to our country. Hotels are doing renovation works and are also going for marketing. More events will also be conducted for this purpose. The Swayambhu stupa, for example, has also got gold paint after a hundred years in view of the tourism year 2011.

How do you feel has the tourism industry contributed to the country?

Tourism is an industry that has a lot of benefits. It generates the highest level of employment. It is also a clean industry as it goes hand in hand with the environment and is considered to be eco-friendly, an aspect that should be given due importance these days. This industry also gives employment in the remote areas which is not something other industries, other than the tourism industry, can do. It also helps in generating foreign exchange and taxes for the country's benefit. ■

King and Country

By Yubaraj Ghimire

The Constituent Assembly's political legitimacy is being intensely debated, after the house chose to extend its own tenure despite having failed to deliver the constitution by the rigidly prescribed deadline, May 28. The Rastriya Prajatantra Party Nepal (RPP-N), with four members in the 601-strong house, declared the extension wrong on both political and moral grounds, although its national executive did not endorse the majority demand that its

With the death of that hope, more and more Nepalis are seeking better opportunities abroad. Official assessments show that more than five million Nepalis are working abroad, including in the Gulf.

members quit this "illegal house".

The party spoke from a Hindu right-wing plank, demanding that the matter of whether the country became a federal republican and secular Nepal or reverted to a unitary Hindu monarchy, be settled only through a referendum. Its decision to come out openly as a Hindu and monarchist party comes at a time when the parties that undertook to write the new constitution institutionalising the three new identities failed to do so within the mandated life of the house. But the Unified Communist Party of Nepal-Maoists (UCPN-M), which still insists that its joining the peace and democratic process is only tactical, and that it has not given up its ultimate goal of establishing a people's republic peacefully if possible, and through violence if necessary, has clearly not surrendered the revolutionary space to other groups or forces. As resentment

against the three big parties — the Nepali Congress, the Communist Party of Nepal-Unified Marxist Leninist (CPN-UML) and the UCPN-M mounts, RPP-N's assertion against their policies is understandable. The party is clearly banking on a groundswell of opposition against these parties, which monopolised power and policy in the last four years, and failed to resist blatant foreign interference in domestic affairs and speculation over Nepal's unity and integrity.

The strongly pro-Maoist national media has also started giving space to news and views in favour of the monarchy, their simple lifestyle, and the former sense of public security and national integration. RPP-N chief Kamal Thapa claimed that the Maoists have realised their mistake in abolishing the monarchy and are now in favour of "a cultural monarchy". The claim is yet to be endorsed by the Maoists although its senior leaders have met various pro-monarchy leaders, and have been trying to meet former King Gyanendra, who has apparently asked them to first make their "position vis a vis the monarchy" public.

The conflict for a decade until 2006 was followed by rising expectations that Nepal would be a stable democracy and prosperous economy. With the death of that hope, more and more Nepalis are seeking better opportunities abroad.

Official assessments show that more than five million Nepalis are working abroad, including in the Gulf. The process remains unabated, as another 3.5 million face food scarcity this year. The earlier trend of well-settled Nepalis abroad returning home to contribute their expertise has now stopped altogether, because of the chaos and uncertainty. As a result, Nepalis living abroad — nearly a fourth of the country's population of 2.8 million — have more stakes in the stability and prosperity of the countries they work in, than in Nepal. This reduced investment

of Nepalis, though they contribute nearly 17 per cent of the GDP — also allows the international community, and donors (which contribute about 5 per cent of the GDP) and the business community (which contributes 2 per cent through taxes), a greater space in policy formulation.

Clearly, the exclusion and indifference of vast sections, including the middle classes and the disadvantaged, from the sphere of politics and policy formulation both dilutes national feeling and plays into elite hands. The UCPN-M however, is the only party that mobilizes Nepali migrants and labourers abroad and collects money from, almost like Sri Lankan Tamils once did. The RPP-N, in a way, has taken these factors into account and indirectly challenged the influence of outside actors by asserting that the three new identities of federalism, secularism and republicanism are concepts borrowed from there. But it is clearly coasting on the others' failure and unpopularity rather than putting forth its own organisational ability and vision. The upside, however, is that large numbers of people, who live in the country despite all the instability, have begun acting like active stakeholders warning political parties that they are not indispensable and would not be forgiven for missing the historic opportunity to deliver a constitution consolidating peace and democracy and opening new vistas for Nepal's economic growth. The days to come will sorely test Nepal's political parties.

The article posted on Indian Express on Jun 14 2010, yubaraj.ghimire@expressindia.com



“Minus Politics, Plus-2 Schools Are Best”

Dr. Baburam Pokharel

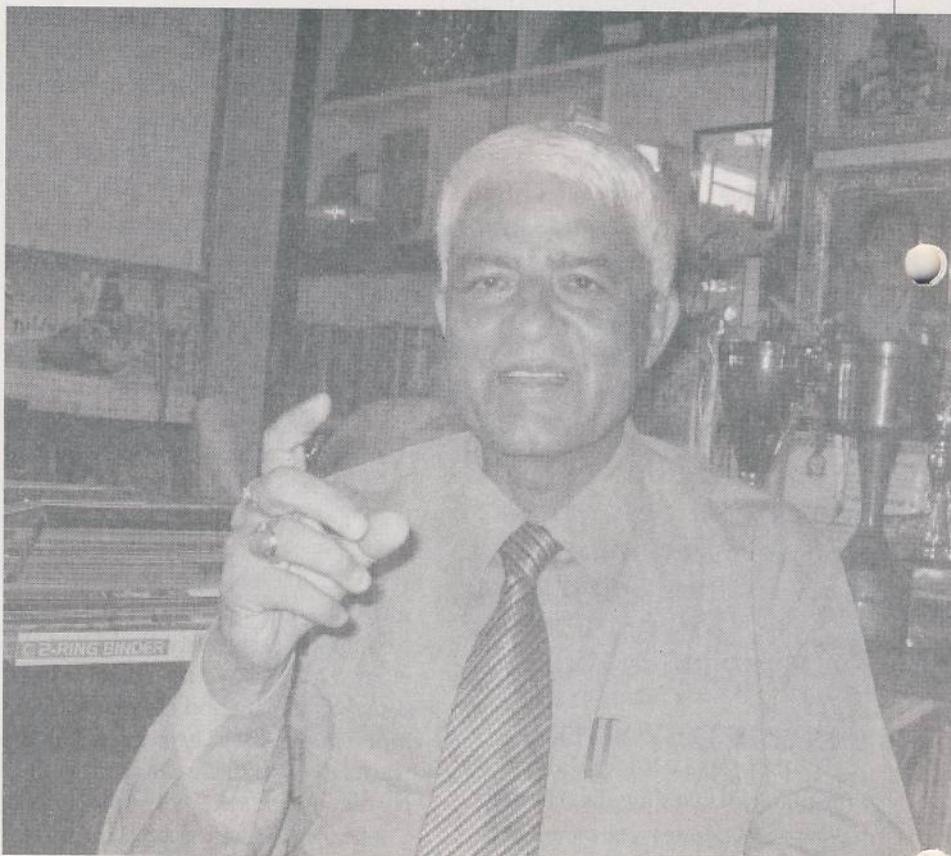
DR. BABURAM POKHAREL, founder principle of V. S. Niketan Higher Secondary School and College, has a long experience in the education sector. Established in 1981 by Pokharel, V.S Niketan has made a steady progress in the last 30 years and established itself as a leading private sector education institution dedicated to impart quality and affordable education to all. From pre-primary level up to the graduate, there are all levels of education under V.S. Niketan roof. At a time when the results of School Leaving Certificate are going to be published anytime in the near future, founder principle Pokharel spoke to New Spotlight about various issues of higher secondary education. Excerpts:

As results of SLC will be published soon and more than 300,000 students are coming to join higher secondary education, what challenges and opportunities do you see before the students?

As you said, the examination results of SLC will be announced soon and out of 465000 students, a large number of students who will pass the SLC exams will come to search for good schools and colleges. Now the students have to enter higher secondary school. Unlike in the past, the choice of an overwhelming number of students is now +2 rather than TU affiliated colleges. Before introduction of Higher Secondary Education in Nepal, a large number of students used to go to foreign countries to pursue the +2 because of uncertainty in the examination system in TU affiliated colleges. Frankly speaking, the introduction of +2 education

drastically reduced the number of students going abroad. Higher

it is yet to build its own institutional capability. Due to this, there appear



Secondary Board has established itself as a credible body to announce results and routines in time. This education system is also at par with international standards. This matches the 21st century education system. One of the major highlights of this education is that it provides peaceful atmosphere to the students. Guardians and students are now looking forward to choose good schools of higher secondary education.

How do you see HSEB's Role?

Although Higher Secondary Education Board (HSEB) is said to be autonomous and independent, the reality is different. There is frequent political intervention in the HSEB and

problems in curriculum and examination. Whatever the situation may be, we don't have any other alternative than to strengthen the Higher Secondary Education Board as it is going to be the part of school education now.

Despite many ups and downs, you have been involved in higher education sector for many years now. What are your experiences?

Initially, the idea was proposed in 1990 to make Nepal's school education at par with South Asian countries. It took a year to change the mind of parents and students that +2 educations was a part of higher

secondary education and the quality of education was good.

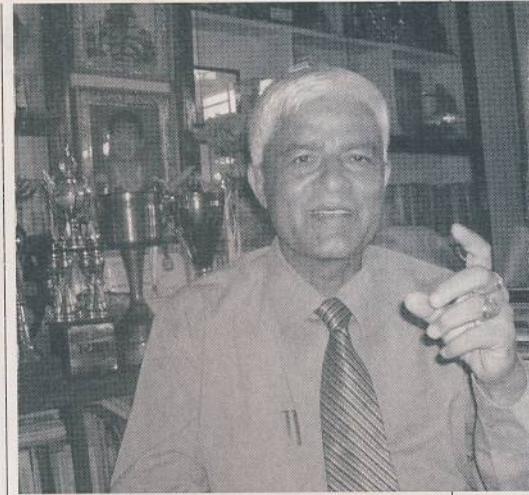
How parents are motivated?

We motivated parents in early days convincing them, that this +2 is a good education. I am proud to say that higher secondary education proves that it imparts quality education and education with nominal politics. There were just 39 schools when we introduced it and now there are 2611 higher secondary education institutions in the country. Actually, the spirit of the act is to offer up to higher education in remote parts of the village where people can benefit from the education. This also encourages the

high school and colleges, I am proud to say that we are able to secure over 98 percentage successes. Nepal government awarded excellent school of the year. We are now running BBA and our BBA program is like a hot cake. Banks are offering placement for our students even before completion of their course. Our program is with the job guarantee. Thanks to the support of parents and students, we are able to establish ourselves as a good school.

What is the fee structure?

Our fee structure is cheaper and affordable to the middle class family. Our results of all the levels are always good. We are able to convince the



What are the challenges for future?

Politicization is a major problem. The time has come to delink politics from education. Over politicization is badly affecting our education system. Our school was shut down in the beginning of the academic session. All the political parties need to issue commitments that they will not interfere in education and it must be made a peace zone. Political parties must issue the commitment. We must stop the flow of students going abroad for study after +2. We must prepare the plan to attract the students going abroad.

What is the state of youth?

We are losing our manpower. We need to produce the manpower as per the need of the country. There is the need to create a proper atmosphere and a healthy atmosphere. The higher secondary board should allow more schools in rural parts of Nepal. Affiliation should not be given to the education institutions without infrastructure.

Do you provide scholarships?

We are also providing scholarships for students of various groups. We provide scholarships to the students of Martyrs, Dalits, poor communities as well as the students with excellence.

There was no project for +2. Because of low priority of government, the private sector stepped in, now this is, trapped in. It is now concentrated in the urban areas bringing unhealthy education. Instead of the person involved in education sector, we can see the investment of other groups also.

girls to receive education at their door step by upgrading the local government schools as community schools. However, the sector has commercialized and the involvement of private sector has gone up. Nobody has supported +2 education including government and University Grant Commission. There was no project for +2. Because of low priority of government, the private sector stepped in, now this is, trapped in. It is now concentrated in the urban areas bringing unhealthy education. Instead of the person involved in education sector, we can see the investment of other groups also.

What about the V.S Niketan?

Started with 147 students and 7 teachers in 1981, the school has made a lot of progress. From pre-primary to

parents. Our students are getting scholarships in engineering colleges, medical colleges. More than 200 students have already secured medical degree and more than 350 engineering. V.S Niketan has already produced 22 batches of SLC, 15 batches of +2 and 5 batches of bachelors. My students are leading 12 branches of school. In all sectors, you can see our students.

How do you see the result?

We have produced good students. We have discipline. There are more than 5000 students studying in various levels including 3000 at school level, 1200 at +2 and 500 at bachelors level. We have healthy atmosphere and good environment. Ours is a most disciplined school as we have our own infrastructures. I am serving the nation.

Organic Agriculture Holds Out Hope

- Umesh Lama

Nepal is an agriculture-based country. Some 80 % Nepalese are engaged in farms. Only a portion of agriculture, however, is organic. The Three Year Interim Plan (TYIP: 2007/08-2009/10) of the government of Nepal describes the need to secure Nepal's access to the international markets by increasing the credibility of its organic products. Organic Agriculture in Nepal is clearly a good hope for the country. Indigenous knowledge is available in this sector and this raises the prospects of economic empowerment.

However, the emphasis on organic agriculture at the programme level looks inadequate for its development and promotion. There is a virtual lack of government support to organic growers and marketers. It is found necessary that before the beginning of the cultivation of organic crops, their marketability, and that too at a premium over the traditional and modern products, has to be assured. Mass production of organic products and the business volume for market sale are still invisible. The research work on processing and certification are weak and, in many cases, are missing.

The current situation is that haphazard use of chemical fertilizers and pesticides have been causing soil degradation and desertification. As a result, decline in crop production, ecological imbalance, severe health hazards on humans and animals, loss of indigenous variety and biodiversity are emerging as major problems. Regular use of pesticides and chemicals is causing them not to respond to production. Many insects and diseases have become resistant to chemical pesticides. Small farmers are facing not only non-affordable and unreliable high cost external inputs but also counterfeit chemical inputs.

Poor technical skills and capacity in managing complex problem in the farm land, insufficient organic technology to support production, lack of research on processing and certification, poor investment capacity, small and fragmented land holding, and less risk

bearing capacity etc are the key constraints at the producers' level. Poor consumers' awareness about the organic products, quality and availability, lack of trust about the authenticity of the products, higher price of the products, impoverished market infrastructure are the constraints at marketers' level.

The problems have been aggravated due to the combination of above factors coupled by the negative effect of climate change; e.g uneven and disturbed rainfall, drought, gradual rise in temperature and lack of conservation farming practices. As a result, decrease in crop yield and soil productivity has become a reality. Because of the above situation, majority of farmers in Nepal are poor, socially excluded and food insecure, always looking for alternatives. The situation demands low external-input eco-friendly agriculture technologies, particularly the organic agriculture, which is in the rising trend nationally and internationally.

Organic agriculture is a practice that does not use any chemical fertilisers, pesticides, growth regulators and genetically modified organisms (GMOs). In general, in livestock, hazardous food additives and medicines are excluded. This helps produce safe nutritious and quality food products together with maintaining ecological balance and its sustainability.

Broadly Organic agriculture in Nepal can be categorised into 3 types; Organic agriculture by nature, Organic agriculture in conversion and Organic agriculture.

These days, the niche market for organic products are steadily increasing particularly in the urban areas despite the fact that Organic products are a bit expensive compared to conventional products. The higher cost is mainly associated with compensation for the low crop yield during conversion period with an offer of 15-20 % extra price as premium price to the farmers, higher transportation cost while sourced into the urban areas from far remote areas and the cost of certification.

The national certifying body such as the organization like Organic Certification Nepal (OCN) have also been established as a certifier and have started working.



Similarly the national network organization such as Nepal Permaculture Group (NPG) and the private sector like Organic World and Fair Future (OWF), Organic Village etc are aggressively involved in promotion and marketing of organic products. The organic campaign is gaining momentum. To this context it is essential to launch inclusive business model based on fair trade principles so that producers, traders, super marketers and consumers will have a win-win situation. To speed up the movement further, the government should actively partner and cooperate with various agencies involved in organic agriculture, a private public partnership should be effectively promoted without any hesitation. Importantly the state should develop a clear vision with a long term plan about what commodities should be focused on and how the country should start converting the farm land into organic on a phase wise basis. It is essential to find out which products should be based on domestic and international market. The possibility of linking organic agriculture with Agro eco tourism should also be explored.

In conclusion, organic farming holds out a big prospect in the Nepalese context. Coordinated efforts among the actors is essential to boost it by meeting the challenges on the way to its development. Policy environment, private public partnership with inclusive business adapting to fair trade principles and clear long term vision and plan are vital including research, extension, market development and commercialization to this sector.

(The author of this article is the chairman of Organic World and Fair Future (OWF) and can be contacted at email; umesh.lama@yahoo.com)

There is flexibility in examination

Chelsea International Academy has established itself as a successful educational institution to produce quality students at the General Certificate of Education (GCE), A level of Cambridge International Examination. **Sudhir Kumar Jha**, Principal and founder director of Chelsea International Academy and President of Cambridge Educators' Association of Nepal, spoke to New Spotlight on various issues regarding the A-level education in Nepal. Excerpts:

Many parents still do not know much about Cambridge A-level. What is A-Level all about?

General Certificate of Education (GCE) is a program of Cambridge International Examination (CIE). CIE is a body of University of Cambridge Local Examination Syndicate (UCLES), which has been named Cambridge Assessment for clarity. It has been providing GE Advanced Level qualifications in more than 150 countries of the globe for about 50 years in some 70 different subjects. It is one of the globally recognized certificate level educations.

How many Colleges are there for A-level?

There are 28 schools which teach Cambridge A Level. Out of them, 24 are in Kathmandu, 3 in Pokhara and 1 in Biratnagar.

Why does your school prefer 'A Level' for higher education to the '+2'?

We found A level comparatively more competent than +2 because it gives more options to the students and they can choose from a wider range of subjects and can select them in different combinations. Since the students get to choose what subjects they are going to study, it becomes easier for them to specialize on the subjects of their interest from the beginning. One can opt for Higher Education anywhere in the world after completing the A-Level courses.

How will you check the quality?

British Council is supervising the work in maintaining quality and Ministry of Education, the High Level Evaluation Monitoring Committee are also doing the work. They make a visit to the institutions and also supervise the colleges. According to the CIE and MOE, every institution needs to maintain the international level of infrastructure (Library, Science Lab, Computer Lab, Play Grounds and many more).

Do you think the quality of all these institutions is the same?

I have to agree that the quality of all the colleges is not the same. In terms of fees also, there is a wide gap. Some schools charge 20,000 per month and there are also institutions which charge 2000 to 3000 rupees. Where there are no students, they charge less fees. You can judge the quality in

terms of fees also. The teachers are expensive and class room sizes need to be smaller as you can place 20-25 students per class. According to the criteria of Ministry of Education, every teacher teaching A-Level subjects needs to be at least Post Graduate. Every institution is required to have Teacher's Support Site and Broad Band Connection. The British Council, CIE and Ministry of Education have decided to make visits to all the A-Level schools four times a year. This decision of regular supervision has helped to raise the standard of A-Level institutions of Nepal. However, some schools are hiring the students who just completed the A-Level. I can not say that all the colleges provide the same quality of education.

Can it be affordable to all?

A-Level Education is considered as one of the expensive studies in Nepal. However, if the quality of studies is to be provided equivalent to the Cambridge University education, the fee is still very cheap.

Is there a similar fee structure in the schools or a wide variety?

The fee structure of A-Level in Nepal is different in different institutions. A-Level institutions are charging the fee ranging from Rs.5000 to 20,000. Similarly, these institutions are charging Rs. 20,000 to Rs.60,000 as admission amount.

Don't you have scholarships?

Many institutions have provided the facility of merit and needs based scholarship to the needy ones. Because of this facility, even financially weak guardians have been able to provide this quality of education to their children.

On what basis do students choose these schools?

The choices of students also depend upon the capability of students and quality of institutions. If a student is financially well to do, he or she will choose an expensive school. If someone is less affluent, his choice definitely will be for a cheap school.

What about courses?

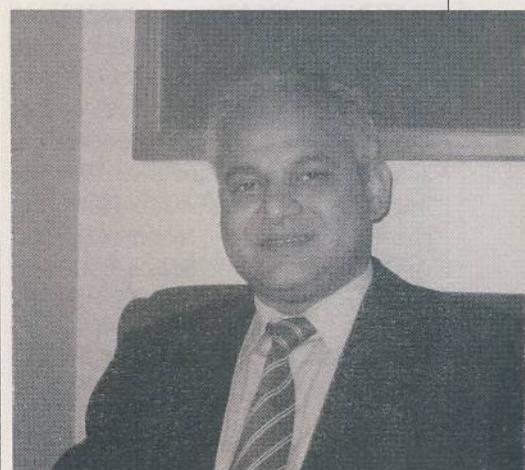
The courses are quite elaborate and they enhance the creativity of the students. The courses help students critically analyze what they studied so it definitely increases their cognitive and learning abilities to be able to proceed easily to any higher level courses.

What is the position of Chelsea?

We have 200 students now and hundred percent students secured first division in SLC. A student who scored highest mark in CSB has already been enrolled in our college. We are admitting 200 students annually at A-level. We have altogether 1000 students under Chelsea.

Why are colleges moving to A-Level?

Because of the quality of curriculum,



students prefer this education. Cambridge offers options to choose from about 70 different subjects. Cambridge University refines the curriculum every two years. Though the courses are designed for UK, the Cambridge gives us flexibility in teaching. They ask us to teach the course looking at the Nepalese context. This is an international course but it can be taught in a national context. One of the important aspects of A-Level is that it has a course which allows you to go to depth.

How is the examination system?

There is flexibility in examination also. Students are allowed to give reexamination if they are dissatisfied with the course. So far as appearing the examination is concerned, it is student friendly and there is also flexibility as students can appear for all the subjects in the same year or go for partial appearance. There is high possibility to qualify for international colleges for further studies. The courses stress creativity and analytical skills. The marking system is based on percentile basis. Many students get scholarships. One of the important aspects of this course is that it has international recognition. Until seven or eight years ago, most of the students of A-Level were offspring of retired British Gurkha as most of them returned from Hong Kong and Singapore. Now the situation is that all kinds of students are enrolling at A-Level. We have good students and we have good results.

When you started Chelsea, your mission was to pursue quality education. Have you achieved your goal?

We have done a lot of things but we are yet to make hundred percent progress. This year there were 400 students applying for 200 seats. We have now more than 1000 students and the number is increasing day by day. ■

The Off-Season Advantage

DR. HARI KRISHNA UPADHYAYA earned his Ph.D in Agricultural Economics in 1988 from University of the Philippines at Los Banos (UPLB) with outstanding academic performance. In 1991, he initiated and led the establishment of the Centre for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED) – a leading national NGO engaged in rural livelihood enhancement in Nepal. Dr. Upadhyaya, a former member of the National Planning Commission, chose to stay back in Nepal after his postgraduate studies so that he could do something meaningful towards reducing rural poverty of small and marginal farmers by creating and expanding agro-based income generating opportunities at the local level, such as commercial off-season vegetable production in which Nepal's hilly areas have had natural ecological advantage. His perseverance, dedication and commitment eventually paid off. Nepal has begun to commercialize its subsistence-based agriculture. CEAPRED, which started with a small program involving 1300 households launched in the eastern part of Nepal in 1991, is now working with 120,000 families in 42 districts. With support from his organization, large numbers of rural and marginal farmers are seeing drastic changes in their livelihoods as they turned to off season, market based vegetables and vegetable seed production. As CEAPRED celebrated two decades of its establishment, Dr. Upadhyaya spoke to **NEW SPOTLIGHT** on various aspects of CEAPRED's work. Excerpts:

What do you say of the two decades of CEAPRED in Nepal's agricultural sector?

Well, thanks to all those who supported us, CEAPRED has been able to establish itself as a national developmental NGO of Nepal. In fact, it is the first non-governmental organization in the country to work in the agriculture sector since its establishment in 1991.

In which areas is CEAPRED working?

CEAPRED has consciously and consistently focused on sustainable poverty reduction and enhancement of food security and livelihoods of the poor, disadvantaged and deprived families including small and marginal farmers of rural Nepal.

What is the major difference of your approach compared to that of others?

CEAPRED'S approach to poverty reduction consists of promotion of new and better economic and livelihood opportunities at the local level and linking these opportunities to potential markets, both within and outside the country. Some examples of CEAPRED's initiatives, which have been most widely recognized and referred to, include commercial off-season vegetable production program launched in the early 90s and commercial vegetable seed production currently in operation in several districts of Nepal.

Why did you choose the vegetable seeds?

In remote and inaccessible areas, commercial production of bulky and perishable commodities, such as fresh vegetables, is not a feasible strategy for increasing household income and food security due to the lack of market access. But, commercial production of low-volume, high-value commodities, such as vegetable seed is. Unlike fresh vegetables, vegetable seeds are high-value low volume commodities and can be stored locally without any significant quality loss.

Could you explain the CEAPRED program approach?

CEAPRED follows a three-pronged program approach consisting of social mobilization, capacity development and local institution building. Almost all the projects designed and implemented by CEAPRED have followed this approach. CEAPRED has already promoted some 164 primary cooperatives of various types, which include 11 multipurpose co-operatives, 35 production cooperatives,



72 marketing co-operatives and 46 savings and credit co-operatives. District unions have been established in 13 districts. In addition, a number of new cooperatives, including district and central unions, are currently in the process of formation.

What is CEAPRED's microfinance strategy like?

Despite the growth of a number of financial institutions, a large proportion of the rural people in general and rural poor in particular are still deprived of access to formal financial services. In rural Nepal, where accessibility is constrained, population is sparse and off-farm trade and micro-enterprises are limited, external models, such as Grameen Banks, do not seem to work. Mobilization and organization of clients and delivery of micro-finance prove costly. Due to poor marketing networks and infrastructure, the extent to which borrowers can generate quick returns and therefore, repay loans on weekly, is very limited. In this context, saving and credit models, which are internal to the community, prove more effective, efficient and sustainable. CEAPRED has adopted this model as a means to expanding financial services in rural areas. A major additional advantage of this model is that it serves to link microfinance with technology and other business development services at the organizational level.

How can farmers be made more productive?

First of all, infrastructure development should be given top priority. Alongside, new and more productive technologies should be made available to the farmers. I said "alongside" because it should not take long after building roads for farmers to access productive technologies as in the case of farmers along the Dharan-Basantpur highway who benefited from off-season vegetable production technologies nearly two decades after the highway was built.

What in your experience makes the difference?

Twenty years ago, we came up with a particular vision or philosophy for agriculture. It was not just an approach to agricultural development. It was like a new paradigm - a paradigm that was fit for Nepal's unique geo-physical and ecological context.

Even in the present context of WTO, off season vegetables will be most advantageous commodities to benefit the farmers. We cannot sustainably compete with India in other normal season agricultural products because of differences in subsidy regime, level of infrastructure and the scale of production.

Why do you think the approach was suitable for us?

Nepal, fortunately or unfortunately, is surrounded by two big countries, namely, India and China. Economically and socially, India comes to the forefront. There is a very nominal possibility for us to compete with India in food grain production. India is far ahead of us in terms of infrastructure development, subsidies and economies of scale, which reduce the cost of production and increase the competitiveness of Indian farmers over Nepali farmers. However, we can be better off in one condition. If we can plan commodity production by taking into consideration our ecological or natural niches, which I often refer to as our "natural ecological capital", Indian products cannot compete with us on such niche commodities. If we are able to tap the ecological diversity and produce commodities accordingly, we can easily access markets, including the border markets.

Does India not have such ecological zones?

India does have pocket zones like Kashmir or Himanchal, which can

produce what our hills can produce. But India is a huge market. With the population of a billion, India's vegetable market is so huge. If we target to cater to a small portion of Indian vegetable market, it is going to change our rural economy. In economics term, we seem to face a perfectly elastic or horizontal demand curve with India, meaning almost everything that we produce can be consumed by the market without changing prices.

How viable is it for producers to think in this light?

Theoretically, producers and suppliers who face a perfectly elastic demand are not in the most advantageous positions. However, for small production such as ours, the price is always given and our supply will not change the price. Compared with the size of total demand,

our supply will be nominal. Even in the present context of WTO, off season vegetables will be most advantageous commodities to benefit the farmers. We cannot sustainably compete with India in other normal season agricultural products because of differences in subsidy regime, level of infrastructure and the scale of production.

Do people know about the contribution CEAPRED has made?

Frankly speaking, we have never made any conscious effort ourselves to do the marketing for our organization. We have relied on others to do that for us. And it has worked to some extent. We believe that our work and the impact it has made on the lives of the poor should speak for us. The paradigm that we experimented, I am proud to say, has worked. Nobody needs to talk and go for mass sensitization for off season vegetables now. There is enough evidence on the ground as to what works and what does not.

The idea is good for areas where there is easy access to market but what about the remote areas where you cannot sell fresh vegetables?

We think commodities that are non-perishable, high-value and low-volume

will be most suitable in remote areas. One example is vegetable seeds. Our experience of last six years on vegetable seeds has shown that this works.

How dependent is CEAPRED upon donors?

Whether one likes it or not, I have to accept the fact that we are largely donor dependent, like other NGOs of the country. But we have never compromised on our priority and competitive strengths. We accept projects which are complimentary or at least do not override our goals and our internal expertise. We have also tried to stick to our approach and to our target groups, which are poor, marginalized and disadvantaged people.

How do you assess the current level of economic transformation?

Almost every economy in the world is agrarian in its early stage of development. Agriculture has been a major sector contributing to industrialization of most economies that are developed now. Every country has to go through the process of structural transformation from agriculture to non-agriculture. Nepal is no exception. Nepal is also in the process of structural transformation. At the first stage Nepal's economy was subsistence based and nobody sold milk and vegetables. In the second stage, there is visible move towards commercialization. The off season vegetables, dairy and meat and meat products are products of the second stage. The next stage is one of specialization and shift towards industrialization, and agro-industries or agro-processing will provide a smooth link to this shift. ■

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Heart Attack and TB: The Double Whammy.

Buddha Basnyat, MD.

When I did my internship at Shanta Bhawan Hospital (now Patan Hospital), it would be rare to see a patient with a myocardial infarction (heart attack). How things have changed! Now heart attacks happen across the social range. In countries like Nepal because the state does not help out with the hospital bill nor is there any insurance cover, the economic burden for the average Nepali for cardiovascular illness is stunning. With infectious diseases (TB, typhoid, typhus) you can take a course of antibiotics and usually you are cured. This is hardly ever true of cardiovascular illnesses like heart attacks where the illness may be there to stay.

As though this were not enough, there may also be a genetic component that predisposes people from South Asia to heart disease.

40 year old Ram Maharjan was a taxi driver. One day he experienced sharp chest pain with nausea and vomiting, but he drove himself to Bir Hospital where with tests he was diagnosed to have a heart attack. He was referred to another hospital and after further testing, they told him he required a stent (a tube to prop open the artery) to be put in one of the coronary arteries where there was very significant narrowing which was the cause of the heart attack. However after payment for all these tests, he'd run out of money. He had no money left over for the potentially life saving procedure of stent placement. In addition he would need follow ups and expensive drug regimens.

This is an often repeated, sad narrative in the hospitals in Nepal which two to three decades ago saw mostly infectious diseases. But the tragic part is that the infectious diseases have not quite gone away. We continue to see rampant TB

and typhoid. A true double whammy situation. And now there is also HIV to contend with. What happened to cause the sudden increase in cardiovascular problems?

People talk about lifestyle changes (more sedentary life, the diet is more processed, easy availability of sugary drinks, smoking) which have promoted cardiovascular illnesses. Importantly diabetes has become rampant. South Asia holds the dubious distinction of having the largest collection of diabetics in the world. Diabetes, although this is an endocrine (gland) problem, is the king of cardiovascular diseases because it affects the heart (you tend to get more heart attacks), the brain (you get more strokes), the eyes (you may go blind), or the kidneys (you may have kidney failure and require dialysis). All of this has obviously spelt trouble for Nepal and the rest of South Asia.

As though this were not enough, there may also be a genetic component that predisposes people from South Asia to heart disease. When studies were carried out in South Asians living in the UK, it was found that the South Asian population for the same sex and age group had a higher risk of heart disease than the local UK population. Similar studies have also come out of the USA. In fact, a well established cardiac gene defect (MYBPC3) has been shown to afflict 4% of the South Asian population predisposing them to cardiovascular illness. Four percent in South Asia translates to millions of people. Indeed the WHO says that South Asia will be the hub for cardiovascular illness starting from this year.

These cardiovascular problems have become so severe in poor countries such as ours that mathematical modelling to see if taking a preventive pill (a poly pill that reduces cholesterol, blood sugar, and high blood pressure) after the age of 50 has been carried out. The results are very promising and even some field



trials by the drug company Cipla are ongoing. There are ethical issues that need to be resolved about the polypill; but for sure, in countries like Nepal where treatment of cardiovascular diseases and its complications can be financially so devastating (as in the example of the taxi driver above) that any kind of preventive measure is an attractive idea.

In the meantime as far as possible we need to drink clean water, avoid fatty food, stop smoking, avoid sugary drinks and instant noodles, eat dal bhat, and go for morning walks. These lifestyle suggestions would be ideal if adherence to these good habits could be improved.

Buddha Basnyat is a Consultant Physician at Patan Hospital

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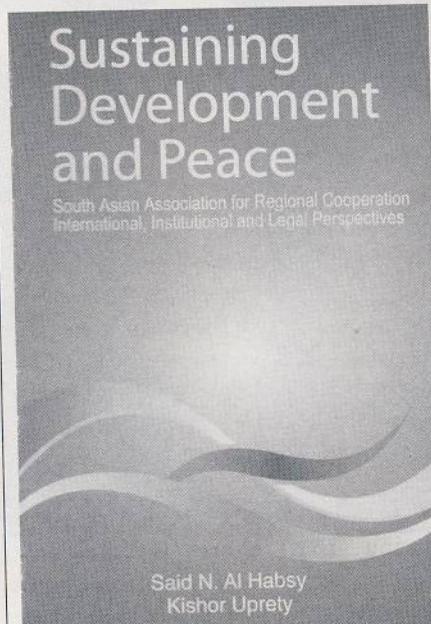
Sustaining Development and Peace

By Pravakar Adhikari

I just finished reading the excellent book which our two colleagues Said N. Al Habsy and Kishor Uprety have recently published ("Sustaining Peace and Development. South Asian Association for Regional Cooperation, International, Institutional and Legal perspectives". The University Press Ltd, 2010, 145 pages).

All of us know that, over the past few years, sustainable development has emerged as the latest development catchphrase. Economists, academics, government officials, and governmental as well as nongovernmental organizations working on developmental, environmental and other issues, have all embraced it as the new paradigm of development. The co-authors too, both lawyers by profession, embracing the concept of sustainable development, especially its all-encompassing nature, have paid it a tribute.

The book is about the South Asian Association for Regional Cooperation (SAARC), an international organization formed to facilitate cooperation in the region, a region where countries are brought together by geography, bound by history, but divided by a combination of a number of development issues. The book depicts, in one single volume, the SAARC's evolutionary history, along with contemporary relevant decisions made by its members, in order to meet its avowed objectives like (i) promotion of the welfare of the people; (ii) acceleration of economic growth, social progress, and cultural development; (iii) strengthening of collective self-reliance; (iv) contribution to mutual trust and understanding; and (v) collaboration and mutual cooperation in the economic, social, cultural, and technical fronts. While the review of the evolutionary processes shows the difficulties encountered by the countries in materializing many decisions, the book actually focuses on the legal aspects. It clarifies, by discussing the different legal instruments issued by the comity of members, the nature and patterns of collaboration amongst them, and vying for implementing a regional integration strategy to deal with a variety of issues of common interests including, among other, the problems of poverty, food security, environment, and trade. Indeed, trade integration is a chapter worth noting, in this region, which happens to



be the least integrated one.

In that attempt, the book, in detail, depicts a system that started with the formation of a preferential regime and gradually morphed into a free-trade regime, alongside the WTO framework that existed already. Related to trade, regional cooperation in infrastructure and energy, too, remains a hugely untapped potential in South Asia, and is covered by the book, albeit in a succinct manner.

The region's rich hydroelectric and energy resources, all of which sit near a border with India, a country whose thirst for energy is unbounded, thus become an interesting and well deserved topic. Certainly, not everything is perfect. The process of evolution has a lot of flaws; and the book does provide ample criticism of the SAARC process, especially on the issue of non-implementation of many of its conventions and decisions, and the dismal performance of many of its actions.

It also flags that this regional body has little to show in terms of matching with its foundational objectives and in terms of reaching its benefits to the masses in the region. Nonetheless, overall, the co-authors have done a good job of introducing a regional topic, with unique legal lens, and thus, the book is a must for lawyers working on the issues of development related to South Asia.

Mr. Adhikari is Associate Professor, Nepal Law Campus Tribhuvan University

"Nepal: Design Options for the New Constitution" launched

Subhash Chandra Nemwang, the Chairperson of the Constituent Assembly (CA) launched the book "Nepal: Design Options for the New Constitution" amidst an important gathering in Kathmandu yesterday.

Edited by constitutional expert, Dr. Bipin Adhikari, the book is based on the resources pulled together at the international conference on dynamics of constitution making in Nepal in post-conflict scenario (Jan 15-17, 2010).

Chairman of CA Constitutional Committee, Nilamber Acharya opined on the occasion that the book is going to be very helpful to understand what many international experts think about the draft concept papers and constitutional formulations of the Assembly. Two international experts Dr Jyoti Singhera and Dr Marcus Brand also lauded the efforts of Nepal Constitution Foundation, Tribhuvan University Faculty of Law and Supreme



Court Bar Association to bring out these important international inputs for the constitutional making process.

The book comprises of papers of twenty-five international experts including Professor Cheryl Saunders, Professor Wiktor Osiatynski Professor Theo Li-ann, Professor Rohan Edrisinha, Professor Wang Zhenmin, and Yash Pal Ghai, key note speeches of President Dr Ram Baran Yadav, CA Chairman Nemwang, Minister Dr Minendra Rijal and Farewell speech of Prime Minister Madhav Kumar Nepal. ■

"Long Tradition, Short Memory"

Chandi Shrestha

Although **CHANDI SHRESTHA** retired as the secretary for Home Affairs five years ago, he continued his active life with patience and zeal. Shrestha moved to the private sector. He joined the board of directors of Spice Nepal Pvt.Ltd, a major telecom service provider in the country. Shrestha started his stint in civil service as a section officer in 2034. He rose in the ranks of bureaucracy to become the frontrunner for the post of chief secretary of the government after Bimal Prasad Koirala retired from the post. The royal government refused to appoint him at the head of all civil servants. Shrestha spoke to **NEWSPOTLIGHT** on issues of bureaucracy then and now. Excerpts:

It is said that Nepalese civil service is completely politicized. How do you view it?

You cannot separate administration and politics. Frankly speaking, civil service is the helping hand of politics. You cannot say that you can make administration hundred percent clean and away from politics. We can only ascertain a tolerable limit to it. Whether *one likes* it or not, one of the major parts of bureaucracy is to support politics. Even in normal periods of time, you cannot completely stop political interference. At present, the country has been passing through a transitional phase and the level of political interference will be more. In many cases, the bureaucracy needs to guide politics because it is the permanent and stable government. One of the fundamental responsibilities and jobs of bureaucracy is to implement the rule of law and to work under it. It is unfortunate that the present leadership of the administration is unable to do so.

You also held the position of Home Secretary and political parties are accusing that the police administration is politicized too and it fails to perform its duty to establish law and order. How do you look at this situation?

I cannot say that the police are not functioning. Of course, there may be some lapses and some faults. In a force of more than 50,000, one cannot rule out minor mistakes and lapses. As former home secretary what I can say is that Nepal Police is doing quite a good job. The problem with police and bureaucracy is that they are not abiding the rules and laws but what they have been doing is how to make the work easier for ministers. One of the functions of police is to maintain law and order and rule of law.

At a time when every one has been saying that there is rampant politicization of police and bureaucracy, you have said that nothing like this is there. Then what is there?

This kind of situation is there all the time. We always have short memory. There was politicization in bureaucracy and police all the time. Only concern is the level. I can say that the level of political intervention is higher now than in the past. If all our bureaucracy and police work under the rule of law, everything will be alright. For instance, there is widespread criticism in the implementation of law. Though they entered mainstream politics more than four years ago, the rebels are still following their own rule. There is discrimination in dealing with common citizens and rebels in same cases. If a rebel commits the act against the law, he is simply acquitted terming it as a political case. Whether it is a murder or kidnapping, a rebel gets more privilege. This kind of situation must end and rebels too need to be brought under the rule of law. As long as home ministry cannot be functional, other ministries cannot do anything. Due to its main role in the country's day to day affairs, every political party wants to have home ministry under it. It is a very important ministry. There are 150,000 employees involved in Home Ministry and it is very important.

There is a decline in the prestige of civil servants. Who is responsible for this?

The civil servants

themselves have to take responsibilities for this. Due to failure of civil servants to work as per the responsibility given to them by laws, it is weakening. The secretaries are now working as private secretaries. Other reason is the distribution of portfolio under the basis of political inclination. This eroded the values down to line. There is a tendency now to select Afna Manche (one's henchmen) rather than capable men. The third attack is coming from INGOs and NGOs which are rocking the system to suit their own interest. In this context, the civil service is in complete humiliation.

Don't you think it was unjust when you were denied the post of chief secretary despite your seniority?

Of course, I was the most appropriate person for the post of chief secretary but then government took the decision otherwise. I was not representing the aristocratic family and I was just a son of an ordinary citizen. This is the reason I was rejected. I did not feel humiliation but I feel a kind of pride.

When you were the home secretary, you signed the initial document of the Nepal-India Extradition Treaty. How was the document?

The document which I signed was completely a document which, I can claim, protected Nepal's interest. I am unhappy with the failure of the government of Nepal and India to sign and implement the final agreement. The treaty represents Nepal's national interest. If you add something more, I cannot say how it will be. Extradition treaty itself is not bad but it is the content and clauses which will make the difference. ■

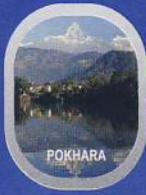


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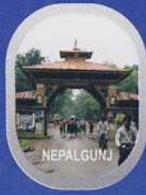
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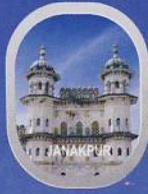
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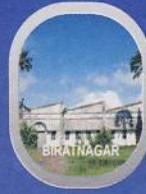
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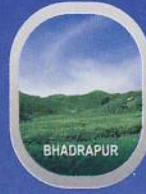
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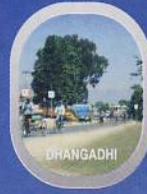
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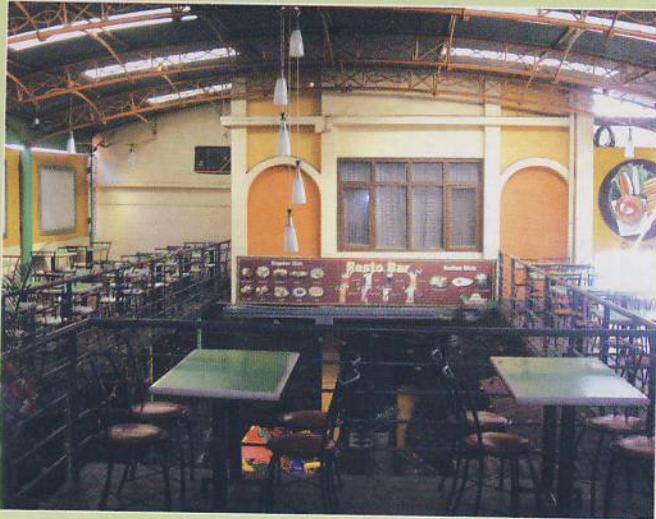
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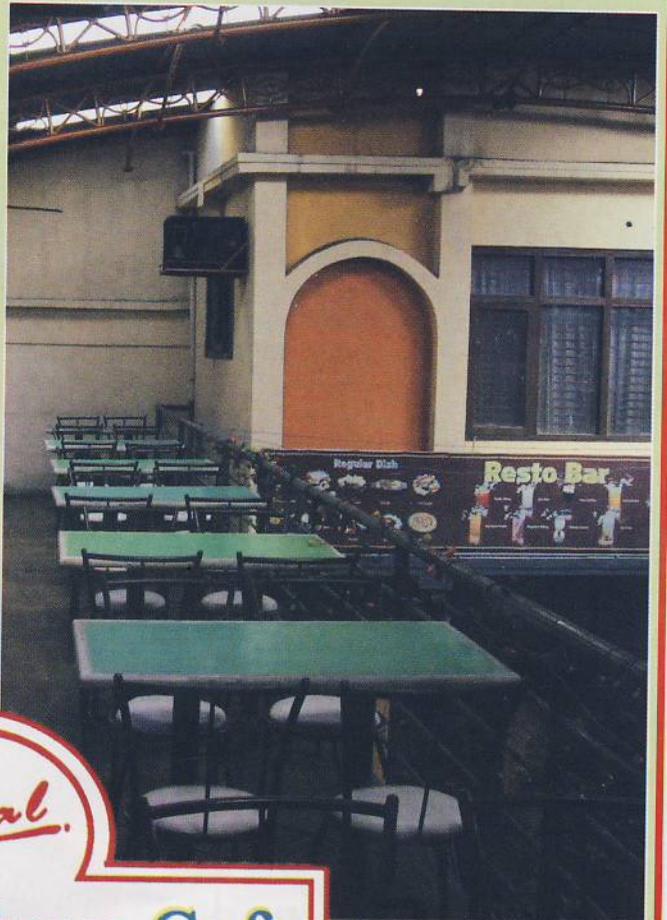


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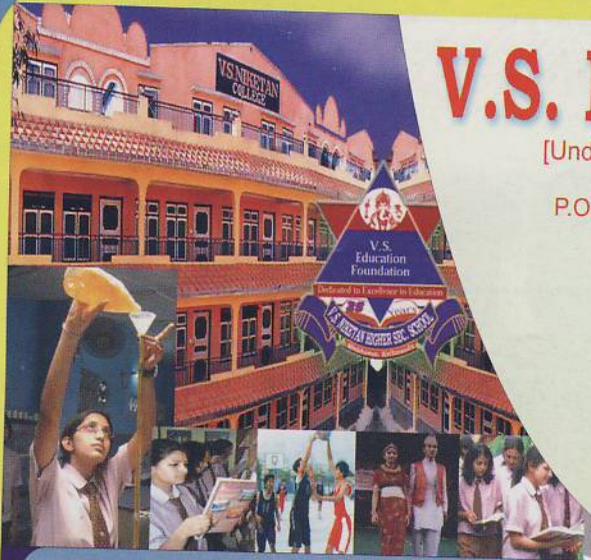
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