



VIEWPOINT:
Dr. Tilak Rawal



INTERVIEW:
Dominic O'Neill



PERSPECTIVE:
Purushottam Ghimire

New

SPOTLIGHT

Feb.22- March 07, 2013

FORTNIGHTLY

US\$ 2.00
 US\$ 2.00
 US\$ 2.00
 ME/Israel.....
 Australia/New Zealand.....
 China/Korea/Hongkong.....
 Europe.....
 USA/Canada.....
 China/Korea/Hongkong.....
 US\$ 1.00
 US\$ 1.00
 US\$ 1.00
 Other SAARC Nations.....
 Asean Countries.....
 Japan.....
 NRs. 75.00
 IRs. 75.00
 NU. 75.00
 Nepal.....
 India.....
 Bhutan.....



GLUED TO STREETS

DAO Kathmandu Regd. No. 148/11/063/64

Your **Dream Home**, Not a Dream **Anymore**



NIBL HOME LOAN @ 10.5%* Interest p.a.

SMS | home to 7755 or Contact your nearest NIBL Branch

For more Information:

Retail Bank: 4228229, 4242530, EXT 304/324

www.nibl.com.np



नेपाल इन्भेस्टमेन्ट बैंक लि.

NEPAL INVESTMENT BANK LTD.

Truly a Nepali Bank



*condition apply



From The Editor

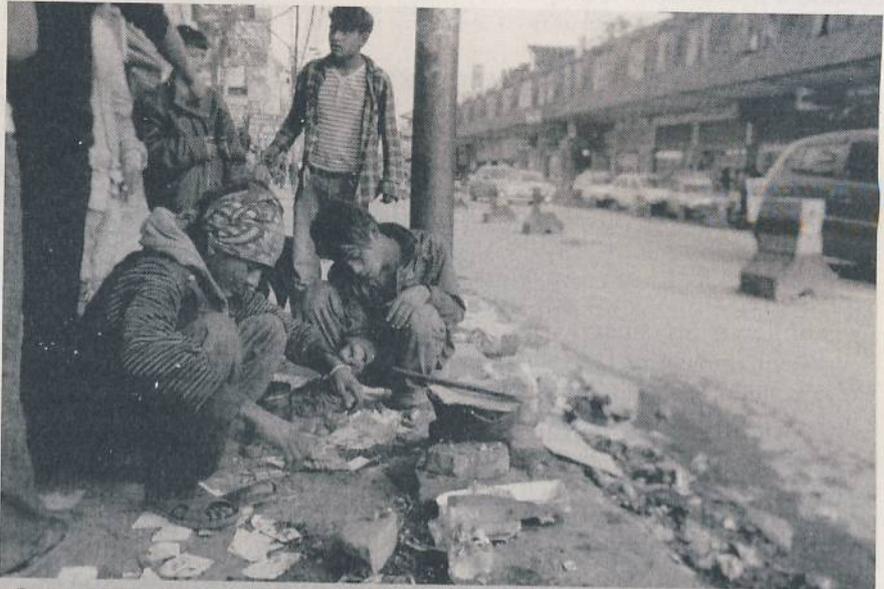
Nepal's sixty-two years of experiences have shown political insatiability as an all-time feature irrespective of the political system and the constitution. In the process of modernization and liberalization, Nepal has already lost six constitutions and three political systems. Given the present political trends, it seems that the present constitution is also at stake. Be it an absolute monarchy, constitutional monarchy or republican order, regimes have faced the same situations and wiped out by the prolonged instability. One of the unfortunate parts of this saga is the failure of the civil society, political leaders and intellectuals to understand this reality. From generation to generation, we have been trapped in the same political situation. The recent political drama to go for a caretaker government under the sitting chief justice will also invite a similar situation. Nepal can manage its political instability if the political leaders vow not to repeat mistakes. We have decided to analyze the ongoing political scenario from alternative perspectives. The issue's cover story features the abuse of street children. We have looked into the role of the institutions involved in protecting the children.

Keshab

Keshab Poudel
Editor

NEW SPOTLIGHT FORTNIGHTLY

Vol.: 06 No.-17 Feb. 22 -2013 (Falgun 11, 2069)



Cover Story: Woes Of Street Kids

17



POLITICS : Odd Allies

7



ENCOUNTER: Dr. Sergey Vilichkin

15

NEWSNOTES

2

BUSINESS BRIEF

3

VIEWPOINT : Dr. Tilak Rawal 4

ELECTIONS : Dream Or Reality? 5

COMMENTARY: Yubaraj Ghimire 6

MACRO ECONOMY: Problems Galore 8

ARTICLE : Sudhindra Sharma 9

SIXTY THREE YEARS OF DEMOCRACY: Erratic Elections 11

INTERVIEW : Dominic O'Neill 12

ENERGY : Bikash Thapa 14

BOOK REVIEW : Dhruvahari Adhikary 16

MICRO FINANCE COMPANIES: Hard Times 19

BOOKWORM: Bipin Adhikari 20

FACE TO FACE: Pratap Kumar Pathak 21

DELHI DIARY: Abijit Sharma 22

PERSPECTIVE: Purushottam Ghimire 23

TOURISM : Danny Garcia 254

TRENDS: Aditi Aryal/Bidushi Adhikari 26

ENTERTAINMENT 27

HEALTH: Buddha Basnyat, Md 28

Editor and Publisher : Keshab Poudel, **Senior Editor:** Alok Tumbahangphey, **Senior Correspondent:** Saroj Dahal, **Correspondent:** Uma Kanta Khanal, (Jhapa) Abijit Sharma (New Delhi),
Reporter: Debesh Adhikari, Niraj Aryal
Marketing Manager : Madan Raj Poudel, Tel: 9841320517, Nabin Kumar Maharjan Tel: 9841291404, **Photographer :** Sandesh Manandhar
Cover Design/Layout : Hari Krishna Bastakoti, 9841456791
Editorial Office : Tel: 977-1-4430250 E-mail: spotlightnepal@gmail.com, P.O.Box: 7256
Office : Kathmandu, Nepal
Printers : Pioneer Offset Printers (P) Ltd., Dhapasi, Kathmandu. Ph: 4363624
 Kathmandu DAO Regd. No. 148/11/063/64, Central Region Postal Regd. No. 36/067/068
 US Library of Congress Catalogue No. 91-905060, ISSN : 2091-0711 (Print), ISSN: 2091-0754 (Online)

Japan's Assistance for two Grass-roots Projects

The Government of Japan has extended financial assistance totaling US\$125,632 equivalent to approximately NRs. 10,716,409.6 to Shree Deurali Lower Secondary School and Saptari Community Development Center, Nepal (SCDC) to support their projects respectively. Shree Deurali Lower Secondary School will implement the Project for Construction of School Building for Basic Education for Shree Deurali Lower Secondary School in Parbat, and SCDC will implement the project for the construction of a school building for Early Child Development at three VDCs in the Saptari District. This financial assistance is extended under the Grant Assistance for Grassroots Human Security Projects (GGP) scheme of the Government of Japan in Japan's FY 2012.

The Grant Contract relating to these projects was signed and exchanged between Kunio TAKAHASHI, Ambassador of Japan to Nepal, and the representatives of the above two organizations.

Japanese Aid To Improve Diabetic Services

The government of Japan has decided to extend a financial assistance of NRs. 3,718,397.6 to the Nepal Diabetes Society in the Kathmandu District. This financial assistance is extended under the Grant Assistance for Grass-root Human Security Projects (GGP) scheme of the Government of Japan in Japan's Fiscal year 2012.

Nepal Diabetes Society will implement the Project for the improvement of the Diabetic medical service provision for urban poor.

Diabetes mellitus is a metabolic disorder and a common chronic disease in many countries. In Nepal, it is said that more than 400,000 people suffer from this disease.

Ambassador of Japan to Nepal Kunio TAKAHASHI expressed his belief that the project will contribute to supporting the health of urban poor people. He is also confident that this grant will play a significant role in further strengthening the cordial and friendly relationship

SCDC is a non-governmental organization based in Rajbiraj Municipality, Saptari District. Since its establishment in 1997, this



organization has been working for community development in rural areas in the Saptari District through poverty alleviation and educational improvement in collaboration with different stakeholders such as UNICEF and District Development Committee Saptari. Based on the schools' and the communities' ardent request, SCDC will utilize the grant amount of USD 95,713 to construct ECD buildings at three schools; a single-story building with two classrooms at Majhau School at Boriya VDC and Buddeshowari School at Naktiraypur VDC, and a single-story building with one classroom at Janata School at Arnaha VDC.

between Japan and Nepal. Israel Embassy Sees Off Volunteers

The Embassy of Israel bid farewell to 50 Israeli volunteers working in Nepal through Tevel b'tzedek, an Israeli NGO, on 12 February 2013.

Thanking the volunteers for their unselfish work here in Nepal, Israeli Ambassador to Nepal, Hanan Goder-



Goldberger said, "this magnificent activity is a symbol of the friendship between Nepalese and Israelis that are working together on the development and community project". Each volunteer was

presented with a Certificate and a Token of Appreciation.

Council Brings 24 UK Varsities To Exhibition

The British Council organized the 'Education UK Exhibition' from 9th -10th February, 2013 from 11:00 to 17:00 hours at the Everest Hotel, Kathmandu, to fill up the gap between the UK Universities and students of Nepal.

With a view to promote UK education and increasing the understanding of the UK's expertise in education, the event was organized in an exclusive way where students and parents got a chance to meet the representatives from twenty four different UK institutions. The event was the biggest opportunity for face to face discussions and interaction among the alumni, students, aspirants, parents, career advisers, agents, representatives and people from all walks of life looking to broaden their educational horizons in a modern and professional way. The growing demand for overseas education is becoming more apparent as many Nepalese students pursue higher/further education and those who already have qualifications want to upgrade or update them, states a press release issued by the British Council.

Brendan McShary, County Director British Council Nepal said, "At this year's Education UK exhibition, we have some 24 top British universities participating. They are here to talk directly with prospective students from Nepal who wish to further their education and careers: ".■

कल इण्डिया...

मात्र रु. २.९० प्रति मिनेट

साथै कतार, साउदी अरेबिया, यू.ए.इ., बह्राइन र कुवैतमा फोन गर्दा अब मात्र रु. १२ प्रति मिनेट ।

फोन गर्ने तरिका:

१४२४+कन्ट्रिकोड+फोन नं.

थप जानकारीको लागि:

नोटिसबोर्ड नं. १६१८ ०७०७ १११११ मा डायल गरी सुन्न सक्नु हुनेछ ।

उल्लेखित महशुल दरमा नेपाल सरकारको नियमानुसार लाग्ने कर समावेश गरिएको छैन ।



नेपाल टेलिकम

“Kathmandu-Hetauda Tunnel Highway In Four Years”

KUSH KUMAR JOSHI

Former President, Federation of Nepalese Chambers of Commerce and Industry [FNCCI]

You have worked for a long time as the president of FNCCI. After you left the role, have the economic issues increased or decreased?

I'm still in the Federation. The only difference between then and now is the political change. Strikes and Bandhas were announced daily. Labor strikes had also raised a lot of problems. Those problems still persist, but are less severe. Political problems are still ongoing. For industrialists, there are many of the previous issues like taxes and load-shedding. But the labor issues of that time were solved by the agreement signed in my last hours as the president on Chaitra 10th. That time we signed the 12-point agreement which included clauses like “No-Work-No-Pay”, “Hire and Fire” and “Social Security Fund” establishment.

Like other organizations of the nation, don't you think the work of the Federation has suffered in the recent time?

Yes, I can also feel that to a certain extent. The organizations associated with the federation should continue doing their jobs and that has not been happening. The current focus has been in attracting foreign investments. I believe before trying to attract foreign investment, the main focus should be on increasing domestic investment.

What are your thoughts?

Our identity is business. We haven't come from any political background. We talk for the overall welfare of the federation, if someone talks about the individual issues then that might be the case of personal dealing. After entering the federation, no one should raise personal issues. If that happens, then there will be a conflict of interest. It shouldn't happen. After becoming the president, everyone should keep aside his business and take the problems of overall federation. I didn't look after my business after becoming the president. If I had, my business would have prospered a lot.

Kumari Bank Holds 12th AGM

The 12th Annual General Meeting (AGM) of Kumari Bank Limited, held on 7th February, 2013 at Rastriya Sabha Griha, approved 7 percent cash dividends to its shareholders as proposed by the Board of Directors. In addition, the meeting unanimously elected Dr. Shova Kanta Dhakal and Rasendra Bahadur Malla as the directors from the general shareholders. Recently, Noor Pratap J.B. Rana has been positioned as the chairman of the bank. In the past, he had shouldered the chairmanship of the bank for a long time.

While talking about the overall progress of the bank, Rana stated that the bank has been able to increase its deposit



portfolio by 29 percent totaling Rs. 21.98 billion and loan portfolio by 21 percent totaling Rs. 18.10 billion in the Fiscal Year 2068/69. The net profit increased by 9.66 percent compared to last FY. The data till end of Poush in the current FY reveals that the bank was able to collect 23 billion deposits and sanction 19 billion loan which is a growth by 17% and 15% compared to the figures of same period last FY.

Shah New EEC Head

Binayak Shah was elected the president of the European Economic Chamber of Trade, Commerce and Industry (EEC) Nepal. He has a long experience of working in the promotion of trade relations with Europe, and has held various positions in the chamber. He was the general secretary of EEC-N.

Established in 2005, the EEC Nepal has been actively working to enhance and facilitate Nepal-EU socio economic ties. Shah replaces former president Dibya Mani Rajbhandari. Shah, one of the early founders of Nepal German Chamber of Commerce, is known for his expertise in the trade sector.

A strong 69 member General Assembly elected Shah as a president following its founder president Rajbhandari decided to leave the position.

“EU being our one of the largest trading block is in a unique position to help promote in mutual beneficial manner in various economic sectors such as energy, tourism and other industrial activities in Nepal,” said Shah. “It is true that the EU has invested a lot in development activities of Nepal, now, it is pertinent that efforts are to be made for the development of people centric and social oriented economic activities.”

Auto Registration Up

The registration of vehicles increased by some 23.63 percent in the first half (mid-July to mid-Jan) of the current fiscal year compared to the same period a year ago. The growth has been attributed to an increased demand, supported by easy financing facilities and growth in sales of two-wheelers outside the Bagmati Zone.

Department officials attributed the growth to easy financing services from bank and financial institutions and falling interest rates. “Registration of new vehicles and revenue collection both have increased this year,” said Chandra Prasad Phuyal, director at the department.

Domestic automobile dealers, however, say sales have not been as anticipated compared to the registration numbers. Auto registration increased due to the import of vehicles that were ordered last year, they said.

Due to new emission standards, vehicles import had slowed down until September last year. “We have experienced a nominal growth in sales,” said Saurav Jyoti, president of Nepal Automobile Dealers Association. He said the number of registered vehicles looked huge, as implementation of new emission standards—Euro III—from this year delayed delivery of imported vehicles.



Rising Asia

By DR. TILAK RAWAL



Asia's growth potentiality and the way some countries in Asia are growing at a commendable pace, facing bravely both natural and man-made crises from time to time, made many to believe that the region would not take too long to emerge as a global economic power. Of late, observers are being more specific in telling that Asia will be above US and Europe economically in about two decades. Recently, a very senior official of IMF observed that Asia will continue to grow and it has become a matter of common knowledge that it will surpass G7 nations by 2030 to become the biggest force of the world economy. Countries in Asia have to show interest in managing global economic situation, observed the official. To corroborate this assertion, it would be appropriate to delve a bit into the recent performance of some notable economies in Asia that have also shown considerable resilience to crises.

Ending speculations that China would grow by less than 6 percent in 2012/2013, Chinese economy began its rebound in the last quarter of 2012 when it grew by 7.9 percent. Chinese

than 5 percent. Further, Indian authorities are confident that once fiscal deficit is shrunk, cycle of investment will restart and high growth will be achievable. It may be noted that fiscal deficit in India, 5.8 percent of gdp, probably the highest in Asia, is largely on account of food, fuel and fertilizer subsidy. Authorities plan to realize savings of up to 60 percent in some cases through better targeting and efficient delivery of subsidy only to the deserving. Another advantage that India has is its young population whose average age will remain 29 even by 2020. This restless, questioning and aspirant young population along with strong domestic demand can help India move up the ladder of economic prosperity in an accelerated manner. Southeast Asia is also growing well, notable being the growth of Indonesia, which grew in excess of 6 percent annually in the last three years, attracting global interest in the resource-rich nation. A rising middle class that is consuming more, its resources and a young population are Indonesia's assets. Domestic consumption which account for more than 50 percent

of the economy, helped the country attract a record \$22.8 billion in foreign direct investment in 2012. Despite some serious concerns related to fuel subsidy, infrastructure problems and its first annual trade deficit

As long as row over islands in South China Sea involving China and some of its neighbors does not develop into a serious conflict, ownership claim by Japan and China over Senkaku/Diaoyu islands in East China Sea does not flare into a war-like situation and taking over the management by China of a strategically important port (Gadara) in Pakistan, much to the dislike of India, does not seriously jeopardize the progressing economic cooperation between these countries (mainly China and India), economics is not likely to take a back seat to anything else in the region and Asia's march towards the top is likely to continue unhindered.

authorities are worried that the excessive liquidity, created as a result of aggressive monetary easing by some countries, may find its way into the country. It is understandable that financial markets are flooded with funds and investors are as usual in search of higher return on their capital. An economic rebound in the World's second largest economy and renminbi's appreciation could easily facilitate large flows into China of speculative hot money, which could stir up inflation and fuel asset bubbles. Weak economies and low interest rate there as a result of quantitative easing, has already led to a large inflow of capital as is evident by the fact that net foreign exchange purchase by Chinese banks from individuals and corporate is on the rise. It has become crystal clear that the crisis of 2008 could not arrest the growth momentum of the Chinese economy for long and investors have continued to repose their confidence in the economy that is poised to perform better, placing greater reliance on domestic demand instead of exports. While continuing to invest more than 40 percent of its annual gdp of \$ 9 trillion, China is expected to be the major investor to the world. Another major economic power of the world, India, slowed down a bit when its impressive growth of 8 to 9 percent achieved during 2004/2010 fell to 5.6 percent in recent times. This rate itself is not at all disappointing when compared with rates of growth of economies all over the world. Only China and Indonesia among the large economies are growing at more

in 2012, this largest economy of Southeast Asia, which showed resilience to the global slowdown, is likely to march ahead in terms of economic prosperity. Thailand that suffered the most during the Asian crisis of 1997 has been moderately affected by the global meltdown of 2008 in that its export of goods and services, accounting for 70 percent of the economy, declined by 2.4 percent in 2009 but it did not lose much time in expanding exports by 7.8 percent in 2010. Thailand is trying to reduce its reliance for exports on traditional markets eg EU, Japan and USA and aims to increase exports to dynamic emerging markets. In 1997, shipments to traditional markets accounted for 50.5 percent of the country's total exports, which fell to 29 percent in 2012. Monitoring the global situation, Thai authorities have succeeded in changing its trade structure. Thailand's current fear is that the interest rates differential between crisis-hit rich countries and Thailand and external perception of risk that is likely to encourages investment on assets in a developing country could lead to massive flows of capital into Thailand, causing the baht to further appreciate. Regulatory protectionism could soon be in place in countries like China and Thailand to check the flow of speculative hot money. Expected to grow by 6 percent in 2013, Thailand is bound to remain a proud constituent of tomorrow's very prosperous Asia. South Korea is already a strong economic powerhouse of global recognition and ailing Japan

under the leadership of newly elected Prime Minister Abe is all set to rejuvenate the deflationary economy adopting different measures including quantitative easing. Malaysia has a strong economy and Vietnam, still a communist state, has progressed a lot economically. With liberal policies in place and some more in the offing, it seems resource rich Myanmar would not take too long to attract both bilateral and multilateral funds in a huge scale. Tiny Himalayan Kingdom, Bhutan, has become a superb example to show to the world how a country can grow economically while keeping its environment and tradition intact. Civil war-devastated Sri-Lanka that pioneered South Asia's economic liberalization some three decades ago has been growing impressively in recent times: 8.3 percent in 2011. This impressive growth is attributed to bold private sector investment and forward thinking macroeconomic policies. As long as row over islands in South China Sea involving China and some of its neighbors does not develop into a serious conflict, ownership claim by Japan and China over Senkaku/Diaoyu islands in East China Sea does not flare into a war-like situation and taking over the management by China of a strategically important port (Gadara) in Pakistan, much to the dislike of India, does not seriously jeopardize the progressing economic cooperation between these countries (mainly China and India), economics is not likely to take a back seat to anything else in the region and Asia's march towards the top is likely to continue unhindered.

Let Nepal not be singled out as a country where democracy and economic liberalization could not bring positive changes to arrest the allround deterioration in the country's condition. Expectedly, positive developments seem to be taking place after the reelection of Prachanda as chairperson of UCPN(Maoist) by the party's general convention held in Hetauda recently. Political leaders should not forget that their tarnished image can improve a bit if they let an unchained election government, be it headed by Chief Justice Regmi or anybody else, come to shape as soon as possible.

Dr. Rawal is a former governor of NRB

ELECTIONS

Dream Or Reality?

At a time when the Election Commission is yet to make arrangements for adequate ballot boxes, four political parties have agreed to hold the elections in less than 90 days

By A CORRESPONDENT

After the retirement of two election commissioners, the Election Commission is now being run by its secretary. Notwithstanding this, the four major political forces have struck a deal to constitute a neutral government and announced the election date.

The ground reality shows several hurdles to cross. There is the need to amend four acts, bring a new Voters' List Act and appoint at least two commissioners to make preparations for the elections. Despite their agreement on the voters,

political parties are yet to agree on the delineation of the constituencies. Another issue to deal with is to set up the election offices in the districts.

The process of publication of voters' list, claim and counter claim as well as management of human resources, and security arrangements are some of the important parts of the elections, which will normally take between 50 and 60 days.

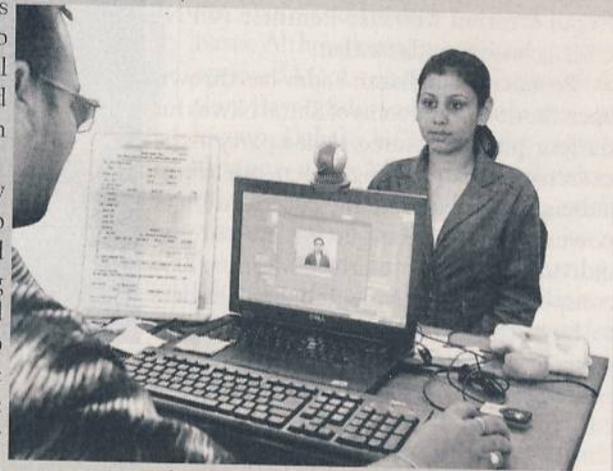
"It is impossible to hold the elections by the end of May," said former chief election commissioner Surya Prasad Shrestha.

Even the officials at the commission remain tight lipped. "Let's wait for the final decision. Only after that, we can say whether there we will be able hold the elections or not," said a senior official at the Election Commission. "Elections are not only about casting votes, they involve so many other things."

Even the people, who are supposed to go to the polls, are less prepared than in normal times. In the recent months, incidents related to violence against women are getting media headlines over the elections. From Nepal's development partners to government of Nepal,

elections have not been under their recent priority.

However, leaders of political parties are confident that the elections can be



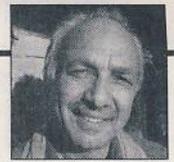
held on the date announced by them.

"It is not impossible if the state is committed to hold the elections," said Khim Lal Devkota, former lawmaker of UCPN-Maoist and member of the task force. "Once the government is constituted, the mood of the country will be directed towards the elections."

Although political leaders seem ready to hold the elections in May, the reality in the ground needs to be taken into account. For political leaders, it took almost nine months to settle the issues related to the government to hold the elections. With the push and pressure building on them from various sides, the four major political parties, in principle, agreed to hold the elections under a government led by sitting chief justice Khil Raj Regmi in May 2013.

Soon after the agreement of the four major political parties, four radical fringe communist parties led by CPN-Maoist, a breakaway faction of UCPN-Maoist, announced a nationwide agitation to protest the decision to form a chief justice-led government, indicating that they will obstruct the process. Unless the elections get the due priority from all, they are unlikely within coming May.

Leaders vs Parties



By YUBARAJ GHIMIRE

Hetaunda convention of the Unified Communist Party of Nepal-Maoists may have been politically significant in many ways for the Party and politics of the nation, but it has posed one biggest threat to the future of democracy in a scale never before. The scale is bigger not only because UCPN-M decided to do away with the cardinal principle of democracy—the separation of powers—but because the other Pro-democracy parties, mainly the Nepali Congress as well as the Communist Party of Nepal-Unified Marxist Leninist (CPN-UML) chose to endorse that.

President Ram Baran Yadav has thrown open the door and rooms of Shital Niwas for the four-party task force. He is a party in the exercise of dismantling independence of judiciary and the principle of separation of powers. He has been putting pressure on individual leaders from the UML, and also conspiring with Individual congress leaders to have the game through. In all these exercises and attempts, democracy, its principles and values have been the biggest casualty.

CPN-UML central committee with an overwhelming majority opposed CJ taking over as the Executive head. So did the Nepali Congress Central committee. Leaders of both these parties, under their constitution, are obliged to follow the rule of the Party. If their respective central committees have authorised their leaders to take a suitable stand on the issue, that stand can not undermine the decision of the central committee which is an apex level decision making body. But that is what Sushil Koirala, Ram Chandra Poudel and Sher Bahadur Deuba in the case of Nepali Congress and Jhlanath Khanal and K P Oli in the case of UML did.

The origin point of the dangerous idea to have CJ as the Prime Minister might have been any where, inside or outside Nepal. UCPN-M in general and its Chairman Prachanda agreed to be the agent of that move. But Prachanda disgraced his delegates when he sought their approval to the move in Hetaunda and they all lent their support in good faith, without realising the implication of such a move. UCPN-M and its splinter group, Communist Party of Nepal-Maoists are not friends any more, although calling them 'bigger foes' would be too early at the moment. But CPN-M leader Mohan Baidya Kiran said publicly that giving CJ the twin charge of judiciary and executive would dismantle the principle of separation of powers and demolish the foundation on which the multi-party political system works. The Party also felt that there was much larger design in the whole exercise and most of

the Nepali actors were 'working like pawns'. What was the compulsion before the top leaders of the NC and UML to go against their central committee? Who were they influenced by? Who did they interact with in between? These are the questions their central committees should be asking these leaders and make them totally accountable. This is the time that the Party must assert, and refuse to be a rubber stamp at the hand of their leaders.

In the current context, President Yadav and Prime Minister Bhattarai have one thing in common that makes them arrogant, in-transparent and un-accountable to the people and the nation: that is absence of representative body that could unseat them from power. In absence of it, the duo chose to defile the only other institution—the judiciary—by alluring executive post to the Chief Justice. A judiciary or its head who falls into such trap so easily would be discredited in the esteem of the people. Unfortunately, even after (and if) Regmi's decline, the Judiciary will continue to remain

a suspect, and the question that would be asked in future is: are judges any better than our politicians?

What is the way out now for corrective measures? It should be left to the conscience of the CJ to decide how he wants to rectify the loss of image of judiciary for his having negotiated with politicians for power even while he was in power. As far as President Yadav is concerned, the punishment suited to him should now be decided as part of the package deal. President conspired to make political parties failure, and the leaders – given their lack of vision and lust for power—chose to get into that trap. The leadership can still make their parties stronger by taking the responsibility for these lapses and pave the way for new leadership. Theirs and President Yadav's departure and a conscientious panacea by CJ would minimise the damage caused to the party system, image of judiciary as well as the systems of checks and balance. ■



PM Bhattarai

Global Coverage



APEX
WORLDWIDE EXPRESS

"THE GLOBE IS IN OUR HAND"



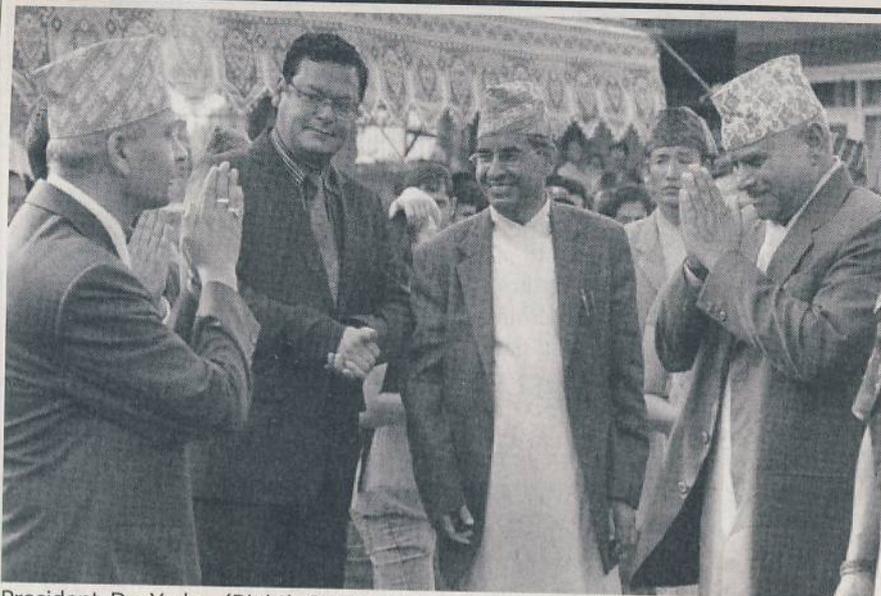
AWE
COURIER & CARGO

Air Express/Courier Service

Air/Sea Cargo

Commercial Shipment

1469, Ramshahpath (Infront of Laxmi Plaza)
Putalisadak, Kathmandu, Nepal.
Tel : 997-01-4212122 / 977-01-4263155
E-mail : info@awecourier.com
Website : www.awecourier.com



President Dr. Yadav (Right) CJ Regmi

File Photo

POLITICS

Odd Allies

Chief justice Khil Raj Regmi's rejection to lead the interim government has something more than meets the eye

By KESHAB POUDEL

RPP-Nepal's president Kamal Thapa was the first to support the agenda proposed by UCPN-Maoist leader Pushpa Kamal Dahal to make chief justice Khil Raj Regmi a caretaker prime minister. The closeness of Thapa, a staunch monarchist and Dahal, a staunch republican, might not come as usual.

The reason behind the changing of sides by Home Minister and deputy prime minister Bijaya Kumar Gachchhadar and Minister for Physical Planning and Transport Hridayesh Tripathy, who opposed the appointment of the chief justice as a caretaker prime minister, is not just their personal like or dislike.

Former King Gyanendra's month long holiday and visit to Parsa, Bara, Rautahat, Sarlahi, Siraha, Dhanusha, Mahottari and Saptari may be more than a mere coincidence.

Nepali Congress leaders Dr. Shekhar Koirala, Narahari Acharya, Gagan Thapa, and CPN-UML's leaders Madhav Kumar Nepal, who reportedly proposed the idea for neutral government, Pradip Nepal, Pradip Gyawali, Shanker Pokharel, have

shown a vehement opposition against chief justice Regmi's nomination by party, and this may not be simply their individual choices.

The support given by dissenters of two main parties CPN-UML and Nepali Congress to the 12-hour long general strike, called by fringe, radical communist parties under the leadership of CPN-Maoist on 19th February, was not without mission. The strike was announced a month ago by CPN-Maoist party opposing the arrest of its cadres in Dailekh in connection with journalist Dekendra Thapa's killing. The case was registered against them with the pressure from leaders of Nepali Congress and CPN-UML.

Despite sharing two different fronts, Thapa and Dahal were in the same boat. Tripathy and Gachchhadar in their reverse modes had the reasons to do so. The political risk taken by Nepali Congress and CPN-UML leaders in their opposition against leadership should not be looked at casually.

Although all these events seem unusual, these are the real reflections of

the nature of ongoing political reality of Nepal where everything will be possible and everything will be impossible in just a matter of seconds. Whether in the making or breaking of alliances between parties or between individuals in the political parties, ideology is not a guide to what will happen.

This much of Nepal's current political reality is easy to understand. But the relations involved are complex to analyze as the alliances are neither based on any ideological pursuits nor on any other fraternities. The alliances are made and broken on some other basis. Although major political parties opposed Maoist chair Dahal's proposal, they have endorsed it after a certain hiccup. Dahal's UCPN-Maoist party's alliance with Madhesi and other ethnic, cast based small parties with whom it has no ideological fraternity is not just motivated by power sharing. Likewise, Nepali Congress's alliance with CPN-UML, radical communist Masal and two rightists, RPI and Rastriya Jansakti Party, too have political reasons. Upendra Yadav's Madhesi Janadhikar Forum Nepal has a joint front with other ethnic parties including the recently constituted party of former CPN-UML leader Ashok Rai.

Projected as a hard core radical communist, Mohan Vaidya's CPN-Maoist is leading a front with other four radical and revolutionary communists, which had one or the other time broken away from UCPN-Maoist.

Although all these alliances seem to emerge as unusual fronts, these fronts have their own utilities in the course of prolonged political crisis in Nepal. As there are tons of issues of dissensions ranging from federalism to ethnic rights, gender and other agenda of inclusion, these fronts have come out from time to time like what Vaidya's party proved by showing its strength in paralyzing the normal life in the nationwide bandha.

What Next?

Although Regmi's name was reportedly floated by president Dr. Ram Baran Yadav, after getting his consent, UCPN-Maoist hijacked it by announcing this proposal in the Party's General Convention. Finally, it was political parties which put conditions after conditions in their agreement making the president's third move futile.

With the decision of Chief Justice Regmi, the month-long political exercise has crumbled. However, some see this could be a blessing in disguise. As political parties agree on several options, it will help them to think about the elections and form the neutral government.

If plan A does not work, the president needs to go for plan B or appoint a former chief justice or a member of civil society or a former speaker of the legislature. In the last ten months, this is his third political exercise, which has ended in futility. President Dr. Yadav took the first futile exercise just after the dissolution of CA to allow the caretaker prime minister to continue. The second initiation of the president taken after November 22 came to an end following the failure of political parties to nominate a consensus candidate.

President Dr. Yadav's third exercise to bring the chief justice as a caretaker prime minister finally came to an end. "The president must have felt relieved from tireless exercises, but the untiring efforts of the president is really praiseworthy. He should encourage political parties to go for plan B," said a senior Nepali Congress leader.

Political Options

Given the present political situation, President Dr. Ram Baran Yadav has a very limited list of options if the political parties failed to submit the modalities and recommendations for removing the constitutional difficulties. After rejection by sitting chief justice Regmi to lead the government, it is likely that the new election government will be formed now under an independent person, whether from judiciary or civil society.

The current checker played by the leaders of various political parties making and breaking strange alliance and taking puzzling moves are not merely a political nonsense as they represent political reality of Nepal. No one can predict their actions. Congress leader Sushil Koirala is facing stiff challenges from his close relatives Dr. Shekhar Koirala and Sujata Koirala. However, K.P. Oli, a diehard opponent of Jhalntah, is taking his side. They are not persons with unpredictable behavior, but the situation compelled them to act like that. ■

MACRO ECONOMY

Problems Galore

Due to protests and criticisms, the government rolled back the price of LPG cylinders within 24 hours after it announced the price hike.

By DEBESH ADHIKARI

The government has cited the main reason for the rollback as the lack of necessary preparations. The government had hiked the price of cooking gas to NRs. 2100 from NRs.1470. It is reported that some 1,290,000 homes in the country use the LPG cylinders for household purposes.

However, the price hike wasn't really going to affect the household consumers, according to the government. The government was preparing to provide 12 LPG cylinders at a subsidized rate of NRs 1,550 per cylinder to a household per year and four cylinders per student per year as per earlier agreement and bring in dual cylinders.

But the actions were taken without much preparations. As no one should oppose the fact that government should provide the LPG to households at a subsidized rate, but the main fact remains in the commercial use of LPG and other petroleum products that the government has to provide at a subsidized rate incurring losses which even the country cannot afford to.

The total export of Nepal is so miserable that it cannot even finance the import of total petroleum products that are coming through India.

Inflation is another gripping problem that is taking a serious toll on the common people. According to NRB, inflation was at 10.4 percent in the first five months of this fiscal year.

In the fiscal year 68/69, Nepal exported a total of NRs. 74.6 billion and made imports of NRs. 462.7 billion, while petroleum products of some NRs. 92.3 billion alone were imported, according to various media reports.

According to various reports, the overall trade deficit of the first five months of the current fiscal is around NRs 192.52 billion.

The IMF mission urged the government to accelerate the spending in order to thrive in the economic progress.

The IMF made various macroeconomic assessments during the visit by its team which was led by Nepal

Mission Chief Todd Schneider.

"Nepal's trade deficit is rising as imports have risen and exports have declined during the five-month period," said Schneider.

"Due to slow growth of India and the weak agricultural output of the country due to delayed monsoon and under-execution of spending plan of the government has hurt the economy," he said.

The uncertainty related to the budget contributed to significant under-execution of spending plans thus far this fiscal along with other problems, according to the IMF.

"The mission urged the authorities to take steps to accelerate high quality spending, both for poverty alleviation and public capital investment," stated the press release.

Even though late, the IMF encouraged for the full-fledged fiscal budget and recommended to not make the same mistake of budget crisis next time around.

The remittances have become a life-line for the country's economy and according IMF remittance has played a vital role in increasing both micro and macro-economic performance.

"Remittances have only bolstered household incomes, but they are also serving to finance imports of non-durable consumer goods," Schneider said.

The external current account surplus on the other hand has diminished. The main reason has been slow growth of remittance and declining exports.

In the first five months of the current fiscal year current account surplus diminished to NRs 1.64 billion from NRs 24.89 billion in the same period last year.

The IMF mission also called on the government to accelerate spending for poverty alleviation and public capital investment. ■



Finance Minister Pun



Federalism And Public Opinion

By SUDHINDRA SHARMA

The inability of the political parties to forge an understanding on the contents of federalism was one of the main reasons they were unable to formulate a constitution through an elected constituent assembly. As political parties gear up for the next election, they will have to formulate the contents of federalism and seek validation from the public. They may also have to re-formulate or even re-think their ideas of federalism based on the feedback once they begin reaching out to their constituencies.

In the months leading to the demise of the constituent assembly, three positions on federalism emerged in public discourse: support for a loosely-defined federal structure, support for a single-ethnic identity based federal states and support for a unitary state. A few months after the demise of the CA in May 2012, Interdisciplinary Analysts (IDA), a research organization based in Kathmandu, that specializes in public opinion surveys and with whom this author is affiliated with, undertook a nationwide survey, precisely to gauge the public's opinion on this issue. The poll was undertaken over a period of 3 weeks between September 23 and October 13, 2012. A sample size of 1,500 was randomly selected from across 25 districts representing all the development and geographical regions in the country and which were in turn randomly selected from the country's 75 districts. In terms of demographic characteristics such as caste/ethnic make-up, age-groups, male-female ratio, literacy, occupational structure, religious composition, etc. the sample closely matches the census figures. The error margin of the survey is plus or minus 2.5 percent at 95 percent confidence level.

Three questions were asked, one consecutively after the other, to all the respondents to ascertain the support for their preferred system of government. The first question was "Some people have proposed a system of government in Nepal, in which there would be several separate states with a federal government at the top. To what extent would you support this system of government?" The question was framed so as to gauge support for federalism in general. The second question was "Some people have proposed a system of government in

Nepal, in which there would be several separate states, each represented by a single ethnic identity, with a federal government at the top. To what extent would you support this system of government?" This question was constructed with the aim of measuring support for single-ethnic identity based states in a federal set-up. The third question was "Some people have proposed a system of government in Nepal, in which there would be a single centralized government, without states. To what extent would you support this system of government?" The third and last question was formulated to ascertain support for a unitary state or opposition to federalism of any kind. The response to these 3 questions is revealing and is clearly indicative of the preferences of the public in the federalism versus unitary state debate.

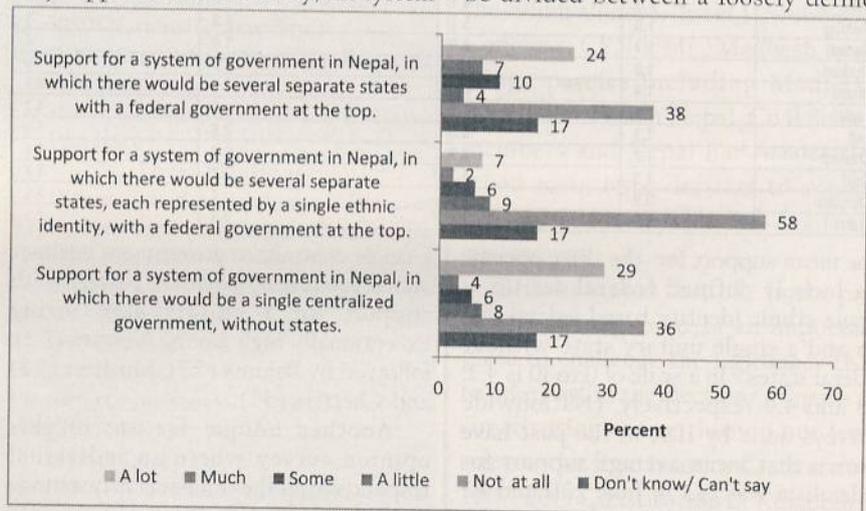
Survey data point to a great deal of opposition among the public to the creation of states based on single-ethnic identity with as high as 58 percent stating that they do not support it at all; those that say they support it are only 9 percent with 7 percent who say they support it a lot and 2 percent who say they support it much. Clearly, the system

a more detailed investigation.

The support for a federal government with several states i.e., loosely defined federal state, is fairly high with 31 percent stating their support with 24 percent supporting it a lot and 7 percent supporting it much. However, opposition to such a federal state is also substantial with 42 percent stating their opposition to it - with 38 percent saying they have no support for such a state and 4 percent saying they have only a little support for it.

Likewise, support to a single unitary form of government without states is also substantial with 33 percent stating their support with 29 percent supporting it a lot and 4 percent supporting it much. However, as in the earlier case, the opposition to such a unitary state is also substantial - 44 percent are opposed to a unitary state with 36 percent saying they have no support for such a state and 8 percent saying they have only a little support for it.

What the public opinion data indicates is that while single-ethnic identity based states is equivocally rejected by the public irrespective of their caste-ethnic backgrounds (as will be illustrated later) the public seems to be divided between a loosely defined



of government that has the least support among the public between the three options is a federal structure where each of the states are created on the basis of single-ethnic identity.

However, when it comes to two other choices - the support for federal state in general and the support to a unitary state without federalism - the public's preference is less clear cut and warrants

federal structure and a unitary state without federalism. This further begs the question: who are those that support federalism and who are those that oppose it?

Since much of agitation-movements that have occurred in Nepal after 2006 have been according to identities that have caste-ethnic underpinnings, a disaggregation of the data along caste-ethnic lines offers clue as to the

supporters and opponents of a federal state and a unitary state.

The table below converts the data into numbers, derives the mean support for the three options in a scale of 0 to 10 and dis-aggregates the mean support among top 20 caste-ethnic groups in the country.

Proportion of population according to the 2011 census Support to a system of government in Nepal, in which there would be several separate states with a federal government at the top.

Support to a system of government in Nepal, in which there would be several separate states, each represented by a single ethnic identity, with a federal government at the top. Support to system of government in Nepal, in which there would be a single centralized government, without states.

National Mean

| | Proportion of population according to the 2011 census | Support to a system of government in Nepal, in which there would be several separate states with a federal government at the top. | Support to a system of government in Nepal, in which there would be several separate states, each represented by a single ethnic identity, with a federal government at the top. | Support to system of government in Nepal, in which there would be a single centralized government, without states. |
|---------------|---|---|--|--|
| National Mean | | 4.2 | 1.8 | 4.4 |
| Chhetri | 16.6 | 3.6 | 1.1 | 5.1 |
| Bahun | 12.1 | 3.1 | 1.1 | 5.7 |
| Magar | 7.1 | 4.9 | 1.4 | 3.7 |
| Tharu | 6.7 | 4.9 | 2.4 | 2.5 |
| Tamang | 5.9 | 4.1 | 2.3 | 4.9 |
| Newar | 4.9 | 2.3 | 0.9 | 7.2 |
| Kami | 4.8 | 4.4 | 2 | 3.3 |
| Muslim | 4.3 | 3.1 | 1 | 5.3 |
| Yadav | 3.9 | 4.9 | 2.1 | 3.8 |
| Rai | 2.3 | 4.1 | 2.8 | 4.3 |
| Gurung | 1.9 | 5.7 | 2.3 | 3 |
| Damai | 1.7 | 4.9 | 1.8 | 4 |
| Thakuri | 1.6 | 4.3 | 0 | 5 |
| Limbu | 1.4 | 6.1 | 4 | 3.7 |
| Sarki | 1.4 | 5 | 1 | 4.7 |
| Teli | 1.3 | 6.8 | 2.8 | 1.9 |
| Chamar | 1.2 | 3.9 | 1.7 | 2.5 |
| Koiri | 1.1 | 5.2 | 2.1 | 3.7 |
| Sanyasi | 0.8 | 6 | 1 | 3.9 |
| Kumi | 0.8 | 5 | 1.9 | 2.5 |

The mean support for the three options - a loosely defined federal set-up, a single-ethnic identity based federal set-up and a single unitary state without federal states - in a scale of 0 to 10 is 4.2, 1.8 and 4.4 respectively. (Nationwide surveys done by IDA in the past have shown that mean average support for federalism was 4.1 in June 2011 and 4.1 in April 2012 and vouches for the reliability of scientific public opinion surveys). The data once again reveals that while the support for single-ethnic identity based federal state is extremely low, the support for a loosely-defined federal state is higher at 4.2 in a scale of 0 to 10. Nevertheless, it is still slightly lower than support for a unitary state, which stands at 4.4. However, more revealing than the national averages

across these three options is how Nepal's various caste-ethnic groups tend position themselves.

Caste-ethnic dis-aggregated figures for a loosely-defined federal structure reveals a clear pattern. The average support for a federal structure is relatively high among hill janajati groups (6.1 among Limbus, 5.7 among Gurungs, 4.9 among Magars), Tarai-Madhesi ethnic groups (6.7 among Tharus) and among Madhesi castes (6.8 for Teli, 5.2 for Koiri, 5 for Kurmi, 4.9 for Yadavs).

The average support for a single-ethnic identity based state is low for all groups irrespective of their caste-ethnicity. It registers a low support even among hill and among Tarai-Madhesi ethnic groups, not to mention the Madhesi castes.

Caste-ethnicity dis-aggregated figures for support to a unitary state i.e.,

a single centralized government without states, too reveals a distinct pattern with support for a unitary state being exceptionally high among Newars (7.2), followed by Bahuns (5.7), Muslims (5.3) and Chhettris (5.1).

Another unique feature of this opinion survey where an individual responds to all the three sets of questions is the high degree of inverse correlationship in responses. What this means is that if a particular person gives a high mean rating for federalism, this individual tends to give a low mean rating for a unitary state and vice versa.

High degree of inverse correlationship across the three different responses among individuals, however, should not be construed to mean that there are no variations across communities. In fact

communities are divided in their opinion with regard to the support for federalism or opposition to it though this is more marked among some communities (for instance among the Rais, the Tamangs, and Sarkis) than among others. To take the example of Rais, while the mean average support for a federal state is 4.1, the mean average support for a unitary state is 4.3, which means that while some individuals in the Rai community tend to support a federal state, others tend to support a unitary state.

Chettri and Bahun orientation on this issue is of utmost importance for two reasons. First these two communities clearly constitute the two largest communities in Nepal - while Chettris make up 16.6 percent of the population, Bahuns make up 12.1 percent of the total population according to the 2011 census. Second, these caste groups constitute the youngest identity movements being formed as recently as 3-4 years back and happen to be rapidly expanding their organizational structures and activities across the country.

The CA was dissolved due to the inability of political parties to reach an understanding on federalism, a phenomenon that was made more complex by the identity movements espousing their own variants of the federal state or their opposition to federalism altogether in the days leading to the demise of the CA. This issue could continue to polarize parties and people in the days to come. The obvious dilemma facing the political parties is losing hill janajati, Tarai-Madhesi janajati and Madhesi votes if they abandon federalism or losing Chettri and Bahun votes if they favour a strong federal state. On the face of it, striking a compromise appears to be untenable.

Political opinion polls, however, do suggest a way out for overcoming the dilemma. When asked what they anticipate with the implementation of federalism, though negative associations such as "Nepali state will disintegrate", "Nepal will be weakened", "various caste-ethnic groups will begin fighting against one another" predominate - and this is something that the political parties will have to work upon seriously; the positive associations point to what the people really expect from federalism - "more and stronger development at the local level", "not having to go to Kathmandu for small things" and "employment opportunities for all living in the state".

The author is a sociologist and can be contacted at sudhindrarajsharma@gmail.com

SIXTY THREE YEARS OF DEMOCRACY

Erratic Elections

In the sixty-three years of democracy, Nepalese people have already changed three political systems and five constitutions. The people have not always got the opportunity to choose their representatives from periodical elections

By KESHAB POUDEL

Unlike in the past when the National Democratic Day used to be celebrated with mass gatherings of the people from all walks of life in the open space, Nepal celebrated the 63rd Democracy Day in an auditorium of the City Hall, which could seat only a crowd of 800 people.

February 18 was an historic day that ended 104 years of Rana rule and established the first democratic government. This was the day when late King Tribhuwan returned from his exile in India with the Delhi Compromise. Holding the elections for the Constituent Assembly was one of the important components of the Delhi Deal.

Although president prime minister Baburam Bhattarai, key product of political change brought about by the 12-point agreement signed in New Delhi in 2005, was present at the program, there was neither any enthusiasm nor a real commitment to promote the democratic culture. In the crowded room, they spoke about the need to strengthen democracy without expressing how democracy and people's rights would essentially be restored.

"The people need to be aware about their rights. We have already sacrificed lives to arrive at the present state of openness and democracy," said president Dr. Ram Baran Yadav. "After drafting the new constitution, we will institutionalize democracy."

Election is the heart of democracy. However, the president, prime minister and leaders of political parties are far from being able to guarantee the people's right to vote, without which, speeches calling for strengthening democracy sound just like a mockery. The people have supported the political parties to choose their representatives through elections. However, this is the right people are yet to enjoy in a periodic basis like

the citizens of its neighbor, India, can enjoy. After elections to the parliament of 1998, the people have waited for ten long years to cast the vote for Constituent Assembly. Due to the lack of the provision to periodic elections, even after almost five years, no signs of elections were in the horizon.

Elections in Nepal

Elections Under Parliamentary System

1. 1959
2. 1991
3. 1994
4. 1998
5. 2008 (Constituent Assembly)

Elections Under Panchayat, including indirect elections for Rastriya Panchayat (National Council)

6. 2023 (Direct for graduate and class organizations)
7. 2028 (direct for graduate and other class organizations and indirect for others)
8. 2032 (Nomination and Consensus)
9. 1980 (National Referendum)
10. 1981 (Direct elections for Rastriya Panchayat)
11. 1986 (Direct elections for Rastriya Panchayat)

Local Elections

Direct Local elections of District Panchayat, Nagar (Municipality) and Gaun (Village) Panchayat, Panchayat

12. 1948 (Direct)
13. 1965 (Direct)
14. 1970 (Direct)
15. 1976 (Consensus)
16. 1982 (Direct)
17. 1987 (Direct)
18. 1993 (Direct under Multiparty system)
19. 1998 (Direct under Multi-party system)
20. 2005 (Boycotted by Major parties)

For the past sixty years, an intense political instability has been a regular character of Nepali politics. Although Nepal faced over half a dozen of bloody insurgencies, the ten years of Maoist insurgency brought a casualty of over 15,000 dead and thousands injured, and

a major loss in property between 1996 and 2010. The insurgency of 1950 restored King Tribhuwan by overthrowing Rana rule. However, the Maoist insurgency concluded by wiping out monarchy in 2008.

Despite all kinds of deals, Nepal is yet to have a state of political stability. Looking at the current political trend, it seems that the forces of instability remain strong, having a capability to rock any political system and constitution.

"We cannot accept the deal made by four political parties. We will pull them out from streets," said Pampha Bhushal, spokesperson of CPN-Maoist. "An overwhelming number of people have supported our position."

The latest example is the alliance of four fringe radical parties against the four major parties. Led by CPN-Maoist, a breakaway faction of UCPN-Maoist, the street of Kathmandu was completely paralyzed due to the general strike called by them opposing the agreement made by four political parties to recommend a CJ-led caretaker election government.

Along with the radical communists in the fringe, a dozen smaller parties in the ruling alliance, dissenters of Nepali Congress, CPN-UML, Madhesh based fringe parties including Madheshi Janadhikar Forum Nepal, Civil Society members and Nepal Bar Association stood against the decision to appoint sitting chief justice to lead the government.

This indicated that like in the past streets are regarded as an important place to challenge the legitimacy than to take part in the elections. Nepal's all constitutions were thrown out from streets: the first Interim Constitution 2007, 2015 Constitution of Kingdom of Nepal, 2019 Constitution of Nepal, Constitution of Kingdom of Nepal 1990 and Interim Constitution 2006.

In the name of democracy, Nepal has experimented five constitutions and three political systems in the last sixty two years, what is not guaranteed is the right to take part in the periodic elections to elect the representatives. ■

“Our Development Assistance Is Being Utilised Well In Nepal”

DOMINIC O'NEILL

At a time when Nepal is in a desperate need of resources to implement the development projects related to basic needs of the people of Nepal, DFID, UK's aid agency, has been offering all its support, DOMINIC O' NEILL, Head of DFID Nepal, Kathmandu, spoke to NEW SPOTLIGHT on various issues. Excerpts:

How do you view DFID's support to Nepal?

In 2010, the UK Government prioritised Nepal, during the last strategic aid review, as one of 26 priority countries for UK development assistance. This means that DFID will be scaling up UK development assistance to Nepal from £60m to £100m per annum as of the 1st April 2013. As well as being an important sign of the strength of the Nepal / UK bilateral relationship that we will ensure that this leads to more development results and visible improvements to the lives of the poorest people in Nepal.

As one of the largest development partners of Nepal, what is your impression about the utilization of DFID's support to Nepal?

We are satisfied that our development assistance is being utilised well in Nepal. Undoubtedly there are challenges and frustrations as Nepal is a complex country with on-going political issues to be resolved and massive diversity in geography, ethnicity, wealth, and resources. We currently deliver one third of our bilateral development assistance through the Government of Nepal. This includes programmes such as the Nepal Peace Trust Fund, the sector support to Health and Education and the Local Governance and Community Development Programme. We have expressed concerns that utilization in

some of these sectors has been lower this year due to the limited budget in 12/13 and we hope that will be resolved for 13/14 to ensure we can meet our disbursement targets and development results.

What do you also deliver ?

We also deliver development assistance through internationally contracted partners, in the same manner that other development partners like USAID do. We find this is effective when Government has limited capacity to deliver that cannot be strengthened quickly, but we always work hand in hand with Government partners and 100% of our projects and programmes receive approval from the Government of Nepal before they commence. In the future, we expect more of our programmes will be disbursed through Government's own systems but this will be determined by the strength of Nepal's public financial management and accountability systems which are currently hampered by the political situation.

As Nepal has been passing through a prolonged political instability with frequent change in the officials, how do you see the implications in the projects?

The rapid changeover of staff has serious consequences not just for our joint programmes with Government but for Government's own programmes. You cannot expect to change senior staff every few months and not to see an impact. As in any government, senior staff like Secretaries and Joint - Secretaries need time to learn about a sector and to deliver reforms, improvements and results. With regular changeovers, the knowledge and momentum is lost. This is not just about senior staff in Kathmandu, I visited Humla recently where there have been four LDOs in 18 months. It

is impossible for an LDO to make a difference in a hard to reach place like Humla if they are only in place for a matter of weeks.

What are the priority areas of DFID in Nepal?

DFID agreed its current Operational Plan with the Government of Nepal in 2010 and it has four priority areas: Inclusive Wealth Creation, Governance and Security, Service Delivery and Climate Change and Disaster Resilience.

As Nepal is one of the most vulnerable countries facing the challenges of climate change, how do you assess the programme supported by DFID?

We have seen that the impacts of climate change on communities are already evident in Nepal. Vulnerable and poor people, many of them women, are struggling to adapt to the effects of changing climate. By 2015, our programmes will increase climate resilience of 3 million poor people and 200,000 people will have access to clean energy. Activities supported by our programmes will be identified by communities and include work in agriculture, water, energy, forestry and disaster risk reduction.

DFID is one of the major development partners providing support to deal with climate change related issue. How do you see your assistance?

DFID is supporting Nepal Government's initiatives on Climate Change both nationally and internationally. We have committed £45m to help Nepal address the impacts of climate change and improve livelihoods of poor people through forest management. This is part of UK Government's £2.9bn of global climate funding commitment. The UK is also committed to support Nepal in

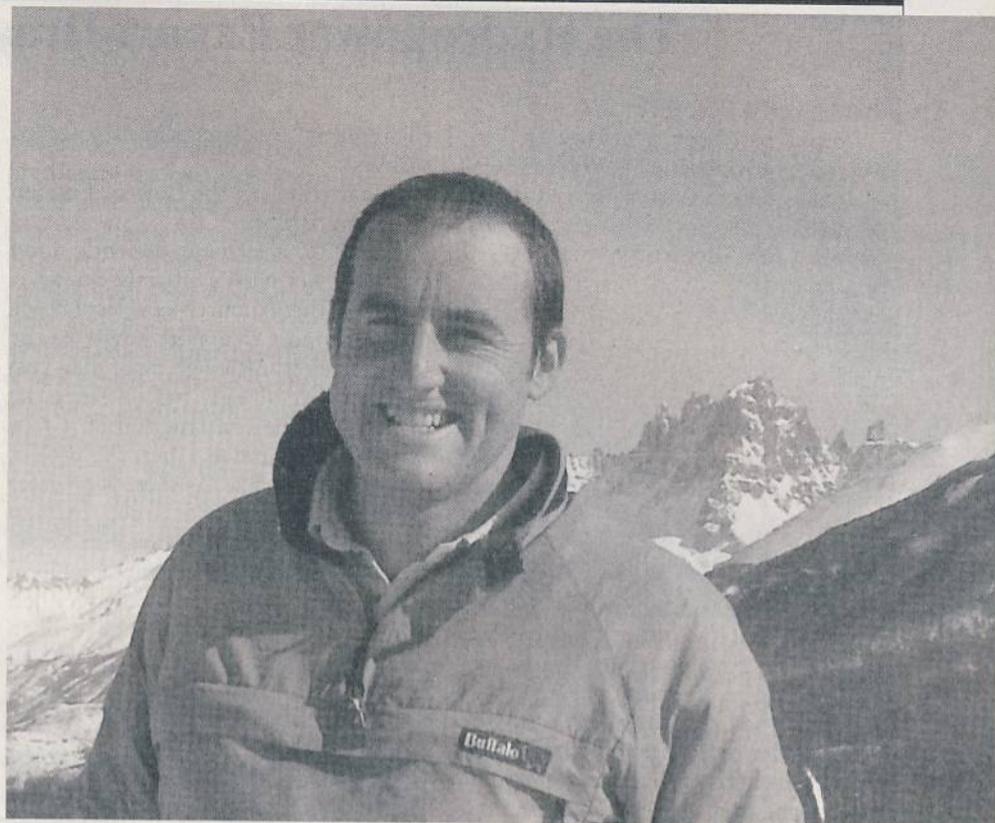
international climate negotiations to achieve the ambitious, equitable, legally binding global deal.

Disaster Risk Reduction is one of the major priority projects of Nepal, how has DFID been supporting Nepal?

In 2011, DFID launched a major initiative to increase Nepal's resilience to earthquakes and other natural disasters. We are strengthening government systems for disaster management and response, supporting community based disaster risk reduction activities and improving preparedness for a large scale emergency response. We are also funding the reconstruction of school buildings damaged during an earthquake in 2011 and designing a hospital retrofitting programme. We work through UNDP, the British Red Cross, Oxfam, Save the Children, Practical Action and Action Aid and the ICRC. All our support is closely coordinated with the government-led Nepal Risk Reduction Consortium.

DFID has been supporting Nepal in governance and security sector for long time. What is your impression about the project?

Improving the rule of law and security, reducing corruption and improving efficiency in the delivery of basic services is essential if Nepal is going to be able to achieve development and alleviate poverty. Since 2006, DFID Nepal has invested almost £20 million to support Nepal's peace process, which helped to build and maintain the cantonments, supported the 2008 CA elections, and rebuilt over 95 police posts. Our 'good governance' programmes have been supporting action to transform institutions to make them more inclusive and accountable. We have also helped to set up more than 1000 women paralegal groups to tackle violence against women and girls. We are now looking to scale-up our work on security and justice even more through a new integrated justice sector programme so that poor and vulnerable people, including women and girls, have greater access to justice.



How are DFID's experiences in implementing the projects in the absence of local bodies like VDCs and DDCs?

There is no substitute for local elections and Nepal has no elected local government since 2002, this is now a major obstacle to good governance and effective development in Nepal. We continue to advocate for local elections at the earliest possible opportunity.

In the meantime, we have been helping poor citizens to secure a greater choice and control over their development outcomes. To date, 34,720 ward citizen forums (WCFs) - an inclusive 25 member group - with 97.5% coverage in the country have been formed through our support to the national local governance programme. Almost 2 out of 3 projects funded by local governments are prioritized by WCFs. This is an excellent indicator of local government responsiveness that will be enhanced further by having locally elected bodies.

Thanks to the contribution of Nepal's development partners like DFID, Nepal has made quite a good

progress in MDGs. Given Nepal's current political situation, how do you see the possibility to sustain the achievement?

While Nepal's development partners, NGOs and private sector have made important contributions to Nepal's progress on the MDGs, most of the resources and expertise have been provided by the Government of Nepal itself and this is where the main credit should rest. Since the end of the conflict, successive governments have shown their commitment to health and education needs of poor Nepalis by increasing budgets for health, education and clean water. The political situation now threatens future progress. For example, the ordinance health budget this year is 38% lower in real terms than three years ago. We have urged the Government to find a way to prevent a collapse in development outcomes as a result of the limited the budget. In addition, there is an increasingly urgent need for Nepal to tackle gender inequality and violence against women, without which further progress cannot be made. ■

The Hydropower Export Dream

By **BIKASH THAPA**



Nepal has been working to lure foreign investment in the hydropower sector since 1991. With a hope to attract private investment in generation and export of hydropower, Nepal implemented the Hydropower Development Policy in 1990. The policy stipulates that the private sector will be given a preferential treatment. After the demise of Arun III, the private sector came to invest in the Khimti and Bhotekosi projects. Under the policy, the government provided almost all preferential treatments and facilities to 96 MW projects. Along with tax deduction, the government also constructed transmission lines and Nepal Electricity Authority was asked to pay the royalty. Even the Power Purchasing Agreement (PPA) was signed to pay in US dollars with the provision for repatriation in dollars. Due to these attractive packages, the investment from the United States and Norway came to Nepal. Although the state has got 96 MW power during the summer season, it has a direct effect on the overall transaction of Nepal Electricity Authority. Due to the PPA's high price, NEA has been annually losing Rs.4 billion. Last year, NEA's total loss reached to Rs. 30 billion. As NEA failed to invest in the power sector, it was also unable to invest in the generation side to meet the growing demand. Therefore, Nepal is compelled to face the current load shedding. However, the facility given to Khimti and Bhotekosi has not been given to other private sector projects. This is the reason no foreign investor comes to Nepal to invest in the middle scale hydro power plants.

The Tenth Five Year Plan has the target to generate 314 MW. According to the target, the public sector is supposed to construct 30 MW Chameliya and 70 MW Middle Marsyangdi and private sector was given a huge responsibility to generate 214 MW. Contrary to the expectation, the public sector has failed to generate even a single unit and the private sector generated only 37 MW. Out of this, the contribution of Chilime is 22 MW. One of the interesting things is that NEA has 51 percent shares in Chilime. Hoping to attract the foreign investment, the public sector did not invest in the power sector. Because of disadvantageous

environment, even foreign investors failed to invest.

What restricts the flow of Foreign Direct Investment

The PPA agreement depends upon the wishes of NEA's officials. So far as export market is concerned, Nepal needs Indian support to export power to the Indian market. Although more than two decades have already passed since the planning of the construction of Cross Border Transmission Lines, the project is yet to materialize. As there is no cross border transmission line, foreign investors are hesitant to invest in Nepal. The investors who want to invest for local consumption have no easy way either. Private sector promoters have been complaining that it takes years to sign PPA for even 1 MW project, because of under-the-table dealings for PPA. Due



Kulekhani

to NEA's deteriorating financial status and political appointment at NEA's board, domestic investors have to spend a lot of time to do the PPA. The price for PPA for run-off the river up to 25 MW project is fixed. The project above 25 MW is done on 'negotiable' terms. The term negotiable is subject to interpretation. Even the PPA over 25 MW project depends upon the personal likes and dislikes of NEA's officials. There is also a reason for them to hesitate in signing the PPA on run-of-the river project as they generate less power in dry session when the demand of power goes high.

The Kali Gandaki 400 MW KOBAN project is one good example of how NEA's monopoly in PPA is discouraging investors. Two prestigious companies of the United States of America and India conducted Feasibility Studies and prepared the Detailed Project Report (DPR) and Environment Impact Assessment (EIA) for the Ministry of Science, Technology and Environment. The application for PPA was filed in the

NEA six months ago. However, the NEA has yet to show any interest on their proposal. At a time when Nepal is in a desperate need of power, the generation of 400 MW power in the national grid will be less than sufficient. But, NEA has already said that it is unwilling to sign PPA for anything not more than 200 MW. As NEA is itself unable to invest in the construction sector, it is discouraging private investment. It indicates the monopoly of NEA in the power sector and is discouraging the private investment. As per the NEA's request, the company also applied for 200 MW PPA, but the NEA rejected this again. This power is equivalent to power of Kulekhani storage project as it generates a firm energy in 8 hours. Because of NEA's adamant attitude, the investment is yet to come. The prestigious company of Norway has a similar story. With an aim to export power to India, it completed DPR of 650 MW Tamakosi III. As it failed to negotiate the PPA with Indian Power Trading Company, the project is now uncertain. As it is a peaking project, the price of power is expensive comparative to other run off the river projects. Another hurdle for foreign investment in Nepal is the lack of cross border transmission lines to import or export electricity with India. The failure of SN power has already sent a wrong message in the world and it will hurt Nepal's credibility in the long run. Due to uncertainties, SN Power has already cut its employees. Nepal has bitter experiences in West Seti. The company has waited sixteen years to sign PPA with India. Finally, the company ran away from. Nobody knows whether it is unwillingness of India to buy Nepal's hydro power or lack of infrastructure. Nepal's dream to be rich by exporting power to India seems to be no more than a dream.

The unsettled matter over the price of storage and peaking energy is another important aspect. NEA's reluctance on PPA is serious matter to study. At a time when the country has been passing through a severe power crisis, why is NEA not showing any interest to sign the PPA with the private promoters is also an important question. The investment in power sector will depend upon the PPA with the NEA.

Thapa can be reached at jalsarokar.bikash@gmail.com

“Nepal-Russia Ties Promising”

DR. SERGEY VILICHKIN

As Russia recently celebrated the Diplomat's Day, Russian Ambassador to Nepal Dr. SERGEY VASILIEVICH VELICHKIN spoke on various issues related to Russia's role and Nepal-Russia relations. Excerpts:

How do you see Nepal Russia relations now?

Russia's relations with Nepal, which mark their 57th anniversary this July, are established, being remarkable for their mutual understanding and trust, broad coincidence of views and positions on a great number of global and regional issues. Hence, I have no doubt that Russia and Nepal's interactions in the world affairs will continue to grow with Nepal emerging successfully from the ongoing difficult historic transition to strengthen its active and independent role in shaping new, more just and cooperative world. It needs to be stated honestly that currently quite a number of aspects of the prevailing international situations are a matter of utter concern to us and the world situation is indeed fraught with danger of destabilization, which, of course, runs counter to our interests.

At a time when Russia celebrated the Diplomat's day, what is its importance in your context?

If one tries to summarize the prevailing international situation, probably one obvious conclusion will be that the world is passing through an unprecedented historical transition, accompanied by geo-political transformation, emergence of a new balance of forces and attending turbulences in economy, politics as well as international relations as a whole. Against this background, Russia has been pursuing a responsible foreign policy aimed at securing its national interests, initiating collective endeavors in the international arena for strengthening security and stability, bringing about the settlement of ongoing conflicts though seeking reasonable compromise.

What is the current foreign policy of Russia?

After his reelection as the head of state on May 2012, president Putin issued decree on measures to implement the foreign policy course of the Russian Federation. It defines as the basis of our activities the time tested principles of

pragmatic, open, multi-vector character, predictability and persistent thought without sliding down into confrontational advancement of national interests. Under the prevailing conditions of the evolvement of a multipolar system of international relations, which is characterized by the emergence of new power centers and the transfer of economic might followed by political influence as well to the Asia-Pacific region, we facilitated making the evolving world architecture just and sustainable, being based on the cooperation of major integration amalgamations.

How do you see the possibilities of expansion of the relations?

There are a lot of possibilities to expand our relations in several sectors. Along with government to government level, there is also the need to have more interactions between both private sector and civil society. We have every reason now to think and act in terms of to reinventing our bilateral relations. In addition to that mutual understanding which underlines our interactions in world forum. But unfortunately, inertia of post is still there and it is very difficult for technical and logistic reasons to work on some projects which have already been initiated in the last couple of years.

How do you see the state of trade relations?

We are finally approaching the practical stage our dialogue in developing Nepal's hydro power though joint ventures, probably joint ventures with the private sector. There are four possibilities we have been discussing so far. I expect, in a month, we may agree in principle meeting with all established joint meeting groups, including in the energy sector which has been initiated by the government of two sides. However, it includes the representatives of business communities from both the countries. We expect that this joint meeting might lay down the basis for specific discussion on explicit turn on country. This meeting will be held in March in Kathmandu.

What about other areas?

Another discussion, which is gradually moving on is the result of graduation in the field of culture. The agreement has already been signed



between the two countries in the last summer. The two sides are now finalizing the details, including the exchange of visits. As both the countries are rich in culture, both the countries can share a lot. However, it is still in the discussion stage. It is in the promising stage. We are also discussing the agenda of numbers of visits to both the countries. We continue interactions in major international issues. Our relations are remarkable for mutual support like when Nepal was elected as a member of UN body late last year. It was the recognition of Nepal's successful foreign policy. Nepal's election to the United Nation's body enhances Nepal's image as a peaceful country. Russia supported Nepal's membership. This development illustrates growing interactions between Nepal and Russia. Despite these agreed areas, we have been also discussing several other areas.

How do you see the possibility of high level delegation visiting from Russia?

I would say there is nothing impossible in relations between two friendly nations. But at the same time such visits are normally held after several stages of interactions at various levels. This is also the culmination of several interactions at different levels and accumulation of some positive possibilities which might be expedited or promoted. Since I have a notion that we are just now in a stage to expand our bilateral level relations, let's work for that and then we will see the time when such visits might take place.

For full interview visit
www.spotlightnepal.com

Three-In-One Publication

By DHRUBAHARI ADHIKARY



"Everything there is in the world exists to be put in a book."

St'e'phane Mallarme', French poet, c.1880

The quote above indicates that knowledge and wisdom not collected in a book is likely to be wasted. Sooner it is done the better. Hemang Dixit, professionally a medical man with expertise to cure children, is undoubtedly one of those few Nepalis who understood the French poet's message fairly early. Or else he would not have written these many books—with the present title, *teen kitap*, being his latest contribution. The list of the books, both technical and non-technical— he has authored thus far is printed in the present publication, and it shows his first book was published in late 1960s. The fact that he is a prolific writer is also substantiated by the numerous topical newspaper articles he has written in preceding years. After all, Dixit belongs to the noble family of Mani Acharyas.

"Teen kitap" (or three books) is an anthology of three Nepali language books printed a hundred years ago. Two of them, *Shishubodhini* part 1, and *Sisubodhini* part 2, came out in 1911, and "*Gorkhavyakaranbodh*" in 1913. The first two booklets were apparently aimed at children being introduced to Nepali letters while the third one, spreading over 190 pages, is a book of Nepali (the language was sometimes called *Gorkhali*) grammar. The author of grammar book is *Biswamoni Dikshitacharyya*; the first of the other two was written by *Khecharmani*, and second book is credited to *Pundit Lekhnath Paudyal* who later became one of three great literary figures of Nepal; *Laxmiprasad Devkota* and *Balakrishna Sama* being the other two. The first of the two first books appears to have been designed to teach young boys (and girls if any in those days) single Nepali letters, not combined or conjugated letters and words. In fact, those letters were kept for *Shishubodhini* part 2. The importance of these books for Nepali language and literature has been succinctly explained, in Nepali, in the

foreword written by *Sarat Chandra Wasti*, an eminent journalist, whose authoritative knowledge of Nepali language and grammar is widely recognised.



What, incidentally, prompted *Biswamoni* to write a grammar book exactly a hundred years ago? *Hemang Dixit* has offered the context: that Nepal's first college, *Tri-Chandra*, was seeking affiliation with *Calcutta University*. Nepali language was not yet recognized by that university and authorities there ostensibly complained that the language did not have a grammar or a dictionary. It was at that time when "...*Biswamoni* was motivated and pushed by *Ram Mani* to produce *Gorkhavyakaranbodh*." A related point needs to be understood here, as is mentioned in the foreword by *Kamalmani Dixit*, that first Nepali grammar, ironically in English, was written by *J A Ayton* almost a hundred years before. Similarly, when the references to dictionaries are made, *Ralph Lilley Turner's* "*Dictionary of Nepali Language*" (1931 AD) is invariably cited. And he has acknowledged, in the preface, the contributions made by "...my friend

Pandit Dharanidhar Sharma Koirala, B. A. B. T., of the Government High School, *Darjeeling*..." A detailed description about this contribution can be found in the book on *Koirala* himself by late professor/scholar *Jagannath Sharma Tripathi*.

"Teen Kitap", if fact, has its fourth dimension in the form of accompanying write-ups of *Dr Hemang Dixit* himself. These consist of information, supportive arguments often with compelling evidence. The Gurkha connection in the gradual and steady development of Nepali language can be a case in point. Examples of grammar book and dictionary are there, but these alone are not the factors that establish how the British connections helped popularise Nepali language among the Gurkhas coming from diverse ethnic groups. It is in this background *Dixit* says, "It is totally wrong to say that the Nepali language was thrust on the various tribes or the indigenous peoples of Nepal." The writer also alludes to the history when first efforts were made to translate the Bible into Nepali language.

What might have encouraged *Dr Dixit* to travel to the far-away land of a language? The answer can be found on the page where pays tributes to his parents. He has dedicated the book also to his grandchildren as he wants them "to know their roots".

NEW SPOTLIGHT

Available at the following stands

1. Bhatbhateni Supermarket: Bhatbhateni
2. Bhatbhateni Store: Maharajgunj
3. Mandala Book Point: Kantipath, Ph: 4227711
4. Vajra Book Store, Jyatha Ph.:4220562
6. Book Paradise, Jamal
7. Namaste Supermarket, Narayani Complex Pulchowk
8. Namaste Supermarket, Maharajgunj (Opposite to American Embassy)
9. Himalayan Book, Bagbazar.
10. Bhaktapur Stationery, Nyatapaul
11. Utsav Books and Stationers, Putalisada Telephone:4220882

Woes Of Street Kids

Although a large number of national and international organisations spend huge amounts of resources in the name of street children, their plight remains pathetic. According to recent estimates, more than 1,500 children are living in inhuman conditions on the streets of Kathmandu. Will anybody actually care?

By HANNEKE VAGENENDE

It is 8 in the morning on a Sunday. Slowly but surely, Kathmandu is recovering from a cold and rainy night. Taxi drivers are cleaning their cars and eagerly waiting for customers. Boys and girls in uniforms are heading to schools with sleepy faces. Street dogs are busy running from one side to another, looking for yesterday's leftovers. Though quite early, the sun is already burning bright to cause a blinding effect.

A small boy pops up from behind a neatly parked row of taxis. He approaches a tourist and begs for some biscuits.

"Don't give him biscuits," a shopkeeper shouts. His store is located right next to The Garden Of Dreams. "He will sell them and buy glue with the money!"

The young chap runs back to the other side of the street, wakes his friends, and returns to let his soaked blanket dry in the sun. For these kids, another challenging day on the street has begun.

Vulnerable

No one seems to know the exact number of these children living in the streets of Kathmandu. Several NGO's estimate the number to be between 1,500 and 2,000. According to the Child Workers in Nepal (CWIN), a children's rights organization, there are many reasons why kids end up on the streets. Poverty and family violence rank as the lead causes behind the migration from the countryside to the streets of

Kathmandu. Peer influence is also an element, which cannot be underestimated.

"Sometimes the street children go back home to convince their friends to come along with them to the city," says CWIN spokesman Tarak Dhital. He indicates the vulnerabilities these children have to face each day, more than any other child. "They are exposed to drugs, alcohol and sexual abuse. It's quite easy for pedophiles to approach these youngsters because no one cares for them anyway. Sometimes these men hire them as guides and pay them. So the kids are happy. But of course, they have a hidden agenda. It is very hard to get these men convicted because often the child does not know who he's dealing with or it has become too attached to his abuser."

The remarkable fact is that nearly all of the street children are boys. "Only 3 or 4% are girls," says Dhital. What could be the reason?

"In the Nepali society, there is a perception that girls are harmless and will not get involved in crimes. That is why, people rather bring girls to their homes. Girls are also more employed in child labor such as the carpet trade. So it is less likely they end up on the streets," explains Juju Kaji, founder of Heart Beat.

With his NGO, which, unlike many others, gets no funding, he tries to raise

awareness among the young ones of the consequences of a life on the street and educates them through projects such as the mobile School on Wheels. Heart Beat is in direct contact with at least 350 street children.

Addicted

Now it is noon. The sun has reached its highest point. The group of fifteen street boys is getting hungry, but there is no money and no food. A 10-year-old opens a bag. A dozen half-empty glue tubes fall on the pavement. He squeezes the last bit of one of the tubes into a plastic sack he found on the street. Visibly enjoying it, he inhales the glue fumes. Almost 95 per cent of all Nepali street children are addicted to glue. "It makes us feel less hungry, but also a bit psychopathic. If I feel like seeing a beautiful woman, I can actually see her after sniffing some glue," 17-year old Anub says, smiling. He has his name tattooed on the knuckles of his hand. It gives him identity. Anub is a homeless orphan. "My mother died when I was six. Five years later, the same happened to my father. My sister is in prison because she was falsely accused in a drug matter. It was a setup. When she gets out, I want to live with her," he declares his plan.

In the meantime, the 10-year old appears to be given the effect he was looking for. Stoned and sleepy, he lays himself to rest with his friends, holding each other and in lack of hygiene

surrounded by flies.

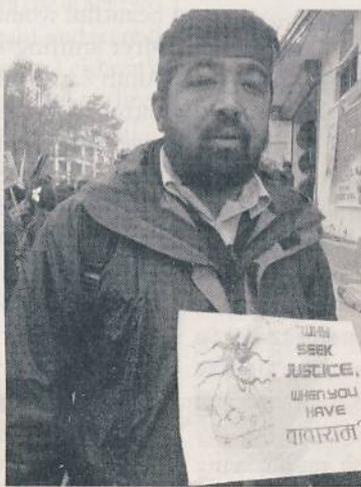
These boys could go to shelters to get fed and cleaned, but they don't want to. "They have become used to the freedom on the streets. There is no one to control them," explains Juju Kaji. Tarak Dhital calls the phenomenon "street addiction".

Change of mind

First things first. Kathmandu will not be free of street children before there is a change of mentality in the Nepali society, thinks Kaji. "Street children are the way they are because society treats them like that. They get accused of everything because they are powerless. It's easy for the shopkeeper to accuse the small boy of selling the biscuits again. But he might be hungry as well, no? They do not only use the money to buy glue. They need proper food as well, like dal bhat. Hungry people are angry people."

Due to his commitment, Kaji sees what street children give back to society. "Street children are the beauty of the city and the heroes for our environment. They collect dirt like plastic and sell it again to a collection center. The community is polluting the environment and the kids save it, in a way. Of course, these boys are dirty! They do the work the average Nepali would not want to do."

Kaji also brings to mind that only money is not a problem solver. "Some NGOs treat these children as a project. Money alone does not work. Both heart and mind are needed. Accept them as a friend and become one of them. A lot of organizations just make reports in their office, so the output is very little", he states. Questioning him if he is alluding to CWIN, he cannot provide an answer. Heart Beat has several campaigns, such as Tea for Free. By giving away tea for free, Kaji and his team of volunteers try to raise young street boys. He got criticized for that in the past. "People blamed me because I was not solving the problem. But if you don't connect with them, you cannot solve anything," he claims.



Juju Kaji



Two street boys preparing lunch

Solution?

Both CWIN and Heart Beat are pleading for more cooperation between NGOs and the government. Kaji is quite critical of the government's policy. "There is no policy. They think it is not a problem. Maybe if there would be more street children, they would focus more on them. The government should give these children identity. Some of them don't even know their own name. They should build a system in a way that people want to offer jobs to these kids. Because who trusts them now? The government is able to create jobs. Maintaining the roads, for example. There is so much work here! If they are willing, many things are possible!" he proclaims.

Dhital is a bit more optimistic but admits there is room for improvement.

"The policy is not worse than before," he states, "even in the constitution, street children are mentioned. But the government has no practical programs on how to deal with them."

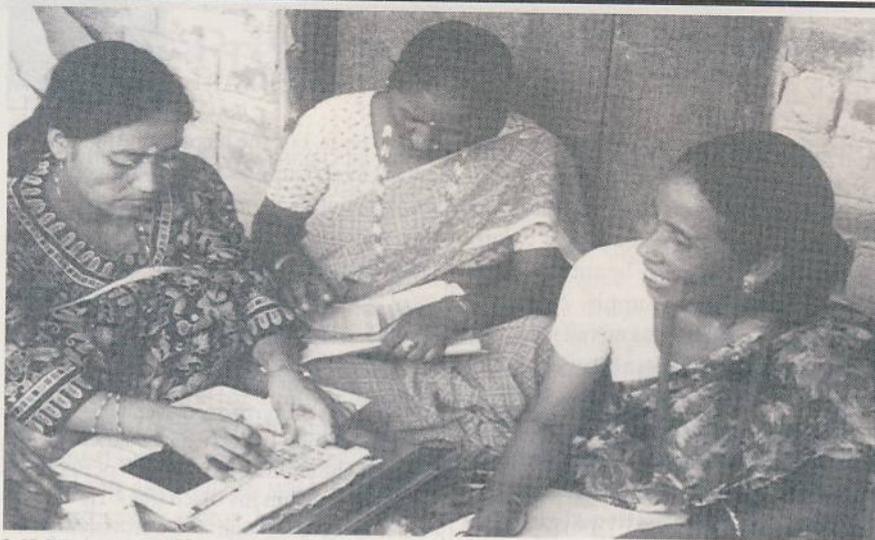
Spokesman of the Ministry of Women, Children and Social Welfare Upendra Adhikary understands the frustration among these NGOs. "We are still in the process of

making Kathmandu free of street children. But money is an issue. We need more support from our finance minister. Right now, there is not enough budget for these children. We are formulating new directives. They will be completed in a few months. After that, we will search for more donors. Maybe the United Nations is interested as well. We have not talked with them yet."

Adhikary supports the idea of more teamwork between the public and private sector. But what about handling the roots of the problem, like poverty? "That is our main priority, it is high on the agenda," he defends himself. "Listen, in our latest policy, we have included everything that benefits children on the street. If we talk about the policy perspectives, we are good enough. But when it comes to implementing them, we are not as good as we want to be. Everything is ready, we just have wait until there is a parliament," Adhikary declares.

Also waiting are the fifteen boys near the Garden of Dreams. It is late afternoon and two of them are making lunch. They were able to buy some rice with the 50 rupees they collected. Some kids are losing their patience and get into a small fight over a package of cookies they found. Anub interferes and tries to calm the boys down. "There is not enough rice for all of us, but we will share what we have. I try not to worry about what we will have for dinner. We are good in adjusting ourselves," he smiles.

Vagenend is an intern from Belgium



MICRO FINANCE COMPANIES

Hard Times

By DEBESH ADHIKARI

Known for his revolutionary work in Bangladesh, Nobel laureate and chairman of Yunus Center of Bangladesh, Muhammad Yunus recently highlighted the importance of micro finance for the advancement of rural poor people in the convention of the Confederation of Nepalese Industries (CNI).

In Nepal, only 15 percent people have access to banking services within a distance of 30 minutes while another 17 percent have been getting financial services from cooperatives for that distance, according to Gokul Pyakural, an expert at Micro-Enterprise Development Program (MEDEP).

In a country like Nepal, where the people living in the rural areas don't have access to technology and banking services, the role of micro finance is even more important for the development of the nation. But the government is not giving proper attention to many of the problems of micro finance companies. Although the government has repeatedly been supporting micro finance, the lack of proper rules and regulations has hindered the overall progress of micro finance in Nepal.

MFIs (Micro Finance Institutions) have been doing a lot of government work, from raising social awareness to alleviating poverty. MFIs have contributed a lot for the overall gain of the nation.

But, these companies in Nepal are facing hard times due to the lack of

specific and favorable rules. DEPROSC-Nepal (Development Project Services Center), an NGO working for the rural people, having transformed many lives of rural people, is among the many facing difficulties due to lack of clear government regulations.

Taxation is hindering a lot of progress of these companies that are working for the benefit of the rural poor.

It is reported that approximately 1.8 million people of the rural areas have got direct benefits due to the hard work of micro finance organizations of the nation.

DEPROSC-Nepal, however, is not alone in the midst of difficulties.

"There are many issues in the Micro Finance Institutions which are deterring the progress of work of Micro Finance companies," said Shankar Man Shrestha, Chief Executive Officer of Rural Microfinance Development Centre.

Micro Finance started in the country in the 2030s decade. After 2046, this sector saw a rapid growth. "Although the MFIs are providing major services to the rural people, they are going through serious troubles like unionism among the employees of MFIs, political interference, loan investment amounts, among others. Although the role of Nepal Rastra Bank for the development of MFIs has been positive but it should reconsider the rule to give loan up to 60 thousands on guarantees and increase it to 4-5 lakhs," said Dr. Harihar Dev Pant, coordinator, Micro Finance Summit,

which was held recently in Kathmandu.

"Micro Finance Institutions should identify their concrete problems first and then only make efforts towards the solution of the problems. The problem might be inside, so first that should be solved before pointing fingers at others," said Governor Yubaraj Khatiwada at the Micro Finance Summit.

"Despite the problems, the micro finance institutions should venture into the new communities and serve the masses of people there," he added. "If we are not certain about your problems, we cannot be able to recommend to the policy makers about what sort of policy frameworks should be introduced."

He also highlighted that there might be problems in micro finance institutions, regulators, government, clients and donor agencies, but none the less, the micro finance should keep on serving the general public instead of complaining about the problem. "There is problem everywhere," he said, "Despite the problem the micro finance institutions should venture into the new communities and serve the mass people there."

He also identified the need to incorporate micro finance development bank, nongovernmental organizations,



Governor Yubaraj Khatiwada

cooperatives and other donor agencies under the same roof as they have been working separately under the name of micro finance institutions.

Despite all the issues, micro finance development in Nepal is faster than in other South Asian countries. The experts of micro finance said that the sector had done best in Nepal as compared to the development of micro finance in other South Asian countries.

Still, a lots of work remains when the number of people that are in need of financial support are analyzed. The government, MFIs and all the concerned authorities should go hand-in-hand to push the nation towards a better future.

Captain Thomas Smith's Nepal Years

By BIPIN ADHIKARI



Thomas Smith's *Narrative of a Five Year's Residence at Nepal* [London: Colburn and Co, 1852] brings all the excitement of the story of Nepal in the first half of the nineteenth century. The book is divided into two volumes. The narrative is one of the best accounts of the intrusion of the British army into the pristine glory of Nepal. Written by a young officer, who was based in Kathmandu as assistant political resident from 1841 to 1845, the book is also based on his personal experience in Nepal.

In the preface of the book, the author flags the necessity of writing the book on two grounds. The "friendly character of the relations which exist between England and Nepal" and the position "which Nepal already holds in Anglo-Indian history" created this imperative. He emphasizes that the story of Nepal to be given in the book should look complete, and "nothing should be omitted which can throw light on its characteristics and history." The idea was to prepare a reference work on Nepal. Several other works have been written in reference to Nepal; but the Author of the present one confidently believes that no complete account of the kingdom, and all that relates to it, has been published until now.

Captain Smith starts his narrative with personal adventure of an overland trip from England to India via France, Italy and Egypt. Following this exciting journey, he writes about the topography of Nepal, the animals available in this country with some narratives of sport in the forest, the inhabitants of Nepal, especially the military tribes, Nepal's manners, customs and laws, and a short history of the country.

In the background of these narratives, the author explains the passion of the Goorkhas for "territorial aggrandizement," the "aggressive conduct" of their international border security officers, the tedious and unfriendly discussions carried on between them and the East India Company with reference to some disputed lands and the subsequent declaration of the Anglo-Nepalese War (1814-15) by the British side. There are stirring details of the war continued at different fronts in different chapters. There is detailed account of the termination of first campaign which resulted in Gurhwal being restored to its King, and the superintendence of the affairs of all the western chiefs being

vested in General David Ochterlony. After two costly and unsuccessful attempts to seize the Nalapani fort by direct attack, the British changed their approach and sought to force the garrison to surrender by cutting off the fort's external water supply. Nepal had started to lose. There was no full stop. This follows negotiation of peace between warring sides.

The post war Nepal remained nice to the British. Captain Smith appreciates that Nepal did not furnish any fresh ground for quarrel in the next twenty-two years. "The treaties were respected, and the internal condition of the Kingdom was peaceable." It is in this environment that the Nepalese mission to England led by General Jung Bahadur, who had recently emerged as the new General in Kathmandu, was planned. He was able to show his power and clout as a visiting dignitary. The British people were impressed, but were not clear about the objective of the visit as such.

Smith notes: "Nepal certainly had got herself into bad odour with the government of India by her unfriendly intrigues with the government of Lahore and Gwalior, during the period of [British] hostilities with these states." He says: "The Nepalese, however, situated as they are between two nations, both far too formidable to be resisted, may feel their position awkward and embarrassing; and the late mission may have originated in a desire to ascertain the power, resources, and the Indian policy of the most formidable of them."

The book gives a special focus on General David Ochterlony, who led Britain to victory. On the outbreak of the war he was given the command of one of four converging columns, and subsequently he was promoted to the command of the main force in its advance on Kathmandu, and outmaneuvering the Gookhas by a flank march at the Kourea Ghat Pass, bringing the war to a successful conclusion and obtaining the signature of the Treaty of Sugauli (1816). The author, who was a Captain at the time of writing this book, has a fascinating note for him: "A history of Nepal, without a special biography of Ochterlony, would be like 'Hamlet' without the prince of Denmark." Obviously, what Thomas Smith means is not the history of

Nepal *per se*, but the history of Anglo Nepal War. Ochterlony was not only "the conqueror of Nepal, after all other Generals had failed, but was one of the finest, best, and bravest soldiers the Indian army ever had to boast."

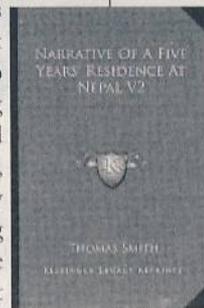
The Appendix of the book contains the memorial of David Ochterlony to the Court of Directors of the East India Company. At one place, Ochterlony notes: "Every male throughout the territory of Nepal is liable to be called upon to serve as a soldier for one year, at the expiration of which period he is entitled to claim his discharge." He further notes that even though such a provision exists, the government does not need more people in the military service.

Captain Smith has devoted a full Chapter to the Sirmoor Battalion - the regiment being raised by the East India Company in 1815 for the first time. Four battalions were formed from the disbanded Nepalese troops (after the hills had fallen under the British yoke). The battalion was formed at Nahan, now in Himanchal Pradesh. This was the

first Goorkha unit in the service of the East India Company to see action, during the 3rd Mahratta War in 1817. During the Indian Mutiny of 1857, the Sirmoor Battalion was one of the Indian regiments that remained loyal to Britain.

Talking about the laws of Nepal, and the way in which they are administered, Smith refers to what he was told by a Guru named Rugnauth Pundit - that those seeking for learning should go to Benares - those seeking for justice should go to Nepal, or rather Goorkha, which is fifty miles farther north of Kathmandu. "My own impression, although I did not tell the learned priest so, was - "you might seek it, possibly find it, but it would be a very dangerous experiment." Smith pointed out that the laws for political offences as they existed in Nepal depend entirely upon the strength or weakness of the party they are enforced against, and the guilt or innocence depends upon the faction in power.

There are some very interesting information in the book of Captain Smith. Writing about the domestic cattle of Nepal, he declares that the milk of Nepalese cows "is not surpassed for sweetness or richness by any in the world", "the Rapti abounds with fish of all kinds," and the bees in the valley provide excellent honey. They should be of great interest to the native readers.



“Prepare Locals To Cope With Disasters”

PRATAP KUMAR PATHAK

Having worked for a long time in the disaster sector of Nepal, PRATAP KUMAR PATHAK, secretary at the Ministry of Irrigation, knows what has gone right and wrong. He spoke to NEW SPOTLIGHT on various issues regarding the overall scenario. Excerpts:

Although Nepal has been facing the natural disasters for long, it has yet to be able to reduce the damage and devastation from disasters. Given your long association with the work in the disaster sector, how do you look at the overall Disaster Risk Reduction Strategy of Nepal?

One of the weaknesses of disaster management in Nepal is that it is yet to reach to the community level. Nepal's present institutional set up to deal with disasters is very much centralized. This is the reason the awareness of the Disaster Risk Management is very nominal at the community level. This approach needs to change to reduce the casualty and damage from disasters at the community level.

How do you view the focus of disaster in Nepal?

When we talk about disaster, our focus will be in relief and rescue. Preparedness and planning part is given a low priority. Our capacity in managing post-disaster management, including the rehabilitation side, is poor. Although our relief and rescue part is very strong,

What do you suggest to make it more effective?

We need to go for decentralized disaster management approach to make Disaster Risk Management (DRM) and Disaster Risk Reduction (DRR) more effective. We have to teach people at the community level on how to prepare to face the disasters. For instance, we can use early warning system to reduce the effect of disaster and save human lives. In some areas, the NGOs and INGOs have been launching the early warning system programs. There is the need to make the local level institutions more effective and capable to carry out the disaster related activities in a coordinated manner. The nature of Nepal's disasters is very much similar to the water induced disasters, that have been creating major havoc in the country and outside. Landslides or floods, they

are related to water. Thus, there are more casualties during the rainy session. Of course, Nepal is very much vulnerable to earthquake; the damage done by water is much higher. Similarly, fire and other manmade disasters have also regularly occurred in Nepal. Thus, Nepal needs a smaller institution at the center and bigger institutions at the local or community levels. There is the need to decentralize the authority to the local institutions.

Other important aspect that is lacking is an integrated working model. There are several governmental and non-governmental and International non government organizations looking at the disaster related issues. Apart from that, there are several other international organizations actively supporting Nepal. What is lacking is effective coordination among them. There is the need of coordination from center to district levels.

How do you look at the risks in the absence of coordination?

If the institutions related to disasters are scattered in various ministries, this will create more of a trouble at the time of disasters.

What is the role of Water Induced Department?

The department is confined now to prevention issue as prevention and preparedness are two major components of any disaster. If there is a national institution to deal with disaster, the department will also be part of technical and expert unit of such an institution. There is no way other than to go for integrating programs.

How do you evaluate the current Nepal's disaster strategy?

Rationally, we have been following the rescue and relief. Instead of prevention, our approach focuses on rescue and relief. Our institutions dealing with disaster are created according to the model of rescue and relief. There is the need of a decentralized capacity to prepare beginning from the community. I don't think central institutions are created to conduct preparedness. Their role is to support the efforts of the community at disaster preparedness. We need to empower District Development Committee, Municipalities, Village Development



Committees, NGOs and CBOs to enhance preparedness capabilities. We need to increase knowledge and technique and technology. There is also the need to enhance the technical capability of local institutions. Government and INGOs have been launching preparedness programs through their one local partner. This is taking place at the health and school sectors. It is not enough. They must be carried out integrated manner.

What is the present stage of preparedness now?

At present, the District Level Natural Disaster Rescue relief Committee conducts the meeting of various stake holders before the onset of rainy season to avoid the catastrophe. This is all about the preparedness now. However, the preparedness function will complete after the end of monsoon. It is now a seasonal work. There is the need to have an institution with legal backing. This institution can also mobilize the resources when there is a massive disaster in the country.

How do you look at the resources available in the disaster sector?

The resource is based on intensity of disaster. In 2008 when there was a flood in Kosi, Nepal got a lot of resources. In 2009, there were many incidents of water logging, so there was a plenty of investment. The situation was similar in 2009 and 2010. After 2010, the resources have gradually declined. We need to have a standard benchmark of budget at the central level and district level to deal with possible disasters.

For full interview visit
www.spotlightnepal.com



Coarse Correction

By **ABIJIT SHARMA**

One of India's top universities' moves to 'Americanise' its 3-year graduate course faces flak for lack of adequate homework

Come next session, and you will be able to witness a newly reformed 'Americanized' Delhi University (DU)!

But with the 2013 session just months away, the academia is now skeptical about the University's decision to bring about a major change in its curriculum.

Roll back to December last year; the Delhi University took a giant step by deciding to upgrade its three year course to a four year course structure. This signaled a radical step on the part of the university, which has been following a three year course pattern since a very long time. The new structure does, however, allow students to graduate after two years with a 'diploma' degree and after three years with a 'general' degree. But, the honors degree would only be available after completion of four years. The University had

argued that the aim of the whole change was to make its system more flexible.

The decision which was received with mixed reviews has now started to come under critical scrutiny, thanks to the varsity's under-preparedness.

One of the first arguments put forward by teachers and faculties alike is that a major change such as this one, should not have taken in haste. The University passed the regulation only in December last year, just six months before the commencement of the new session. A major problem would be to design a new course for the new structure. While the university has been running on the three year model for quite some time now, a year extra would mean addition of large

amount of materials. Teachers argue that enhancing course material requires years of research. Moreover, the larger problem lies in the fact that with the new session just four months away now, the university has still not discussed with its staffs as to what changes are to be introduced. "We were quite taken aback when the decision was taken in such a hurry," says a faculty from one of the Colleges. "What's even more surprising is that we are still not clear as to what alteration has been done".

The varsity had also invited criticisms



Students at Delhi University

from teacher earlier when it shifted to semester system. "We were clueless then on how our course had to be taught. Its no different again." says another professor recalling the change in semester system.

Some have however completely slammed the DU for changing the 10+2+3 pattern. "The decision was taken by the HRD Minister and the Prime Minister merely to 'Americanize' and increase private enterprises' role in our public university" says a member of a Leftist student group. HRD Minister, Kapil Sibal, credited with bringing major changes in the education sector, had earlier argued that the new format had been introduced to keep in times with

the western form of education. But it is just a mere disguise to invite private involvement many say, as the step was taken to create uniform model for credit transfer to private foreign institutions. "The pattern which we have been following now had been recommended by the Education Commission of 1964-66 and has been followed since then without any glitch. Why change that now?" complains one student cum political activist. It has been alleged that HRD minister has treated the university as an experimentation ground and swayed decision to favour the interest of the few.

If the teacher's bewilderment and the Leftist groups' anger were not enough, the student's dilemma added to the trouble. The new students who are to enroll in the university from the upcoming session are perplexed as to what to expect and how to plan their studies. "For years now, I have seen seniors plan their study for a three year structure. It's completely different now", says one Grade-12 student ready to apply for DU next year. What's more, there has been no information or orientation of any sort for students in schools who are to apply in the coming years. The varsity argues that the new pattern provides more choice as students are given the liberty to choose courses from more than one stream (which was unavailable till now). But rather than more choices, it has been viewed as a forced choice due to an extra added year. Although under the new system, students may have access to research and more practical knowledge, the incomplete roadmap fails to explain what level of research will be involved and how practical the new knowledge is going to be.

As for now, confusion seems to surround the air around Delhi University. Although the University should be applauded for upgrading its age old system, it is arguable if the decision should have taken place in such a hurry and preparation! ■



Nepal's Experience And Expectations In Rio+20 And Beyond

By PURUSHOTTAM GHIMIRE

1. RIO+20 preparation and process

Nepal prepared its Position Paper on RIO+20 following the guidance note issued by the UNCSO bureau. It was developed through a rigorous brainstorming exercise with representatives of wide range of stakeholders. National Planning Commission being the nodal agency led the process and prepared background documents including the "Nepal Status Paper" outlining the review of the progress, assessment of the issues and way forward on sustainable development submitted to United Nations' Rio+20 secretariat. This document was based on feedback collected from the key stakeholder and a number of background reports prepared including the "Mountain Environment and Climate Change in Nepal" the country report prepared for the international conference of Mountain Countries on Climate Change. The "Kathmandu call for Action" issued by the Conference was also referred. All the above review reports were also developed through intensive consultation with a wide ranging stakeholders hence it represented the outcome of discussions and deliberations with representatives from civil society, government and non-governmental organisations, communities, parliamentarians, experts, journalist and students. The NPC received valuable feedback and inputs from its technical partner ICIMOD. The draft position paper was shared at the national expert group meeting to ensure that all the three dimensions of sustainable development – economic, social and environmental were adequately addressed and the two themes and 7 key issues of the Rio+20 were appropriately covered.

Nepal in its position paper had stated that the country's top priority was eradicating poverty, reducing inequality, making growth inclusive,

creating new jobs and promoting sustainable production and consumption habits, while combating climate change impacts. We reaffirmed that poverty eradication and the protection and improvement of the environment are overriding priorities for sustainable development of Nepal and to achieve the sustainability goals, joint efforts from all government, international, regional and local organizations and civil society groups are needed. The formulation of policy



framework, plan of actions, institutional setup for implementation, standard monitoring and evaluation arrangement for effective implementation and arrangement of high level coordination mechanism at the centre and also at district level indicates Nepal's commitment to the agenda of sustainable development. Moreover, for a least developed country, Nepal with weak economy, expensive technology and high cost due to land lockedness related difficulties and mountainous geographic conditions, the task is more challenging.

Green Economy for Sustainable Development and Poverty Eradication

The theme of Green Economy was found very appealing for Nepal especially to address the growing effects of climate change, confronting the challenges of providing basic needs like food, fuel, shelter, health care, and providing employment for growing population maintaining human rights,

gender equity and environment justice. Therefore Nepal's position paper argued that Green economy based sustainable development is important but its framework needs to be tailor-made to suit Nepal's typical mountainous and land locked situation and for that reason, GE must conserve country's vital ecosystems must be preserved. Nepal is suffering from degradation of its agricultural land, forests, water supplies and biodiversity, and alteration of natural weather cycles due to climate change. We need an economy that provides incentives for low-carbon growth strategies and options and enhances and restores the natural environment, while also providing new "green" livelihoods, jobs and enterprising opportunities. For the country like Nepal with rich natural resources, ecosystem goods and services based economy can present both opportunities and challenges. Sustainable use of

natural resources by maintaining balance between consumption and conservation is challenging but Nepal's example of community forestry has proved that it is possible.

Green Growth Pathways for Nepal

Although the term Green Economy itself is not clear as to what it means for a country like Nepal, but given our agriculture and natural resources-based national economy, it makes sense to move towards green economic or green growth pathways. Nepal since its very beginning of the development planning process was in a sort of the green growth path with more than 60 percent of the population dependent on agriculture, 40 percent of land covered by forest and 35 percent of GDP coming from agriculture. There are others sectors which can be promoted towards green growth such as tourism.

Nepal has opportunity to promote green enterprises since Nepal has the comparative advantages in that most of the economic activities are biomass-based that is suitable for women and

excluded groups. The most successful Nepali environment friendly programs such as protected area management, community forestry, buffer zone management, farmer-managed irrigation and integrated watershed management, nature based tourism, environment friendly farming, etc. need to be strengthened, expanded and improved to make them more inclusive, integrated and enterprising. These are the major elements of green economy.

Nepal's agriculture, forestry, water, energy, infrastructure and mountain sectors provide scope to develop vibrant green enterprises due to its comparative advantages. But they lack comparative advantages. These sectors are potential for ventures that are suitable for women, socially disadvantaged groups and the rural poor communities. Statistics also indicated that these sectors are major employer of the currently employed people. The recent development of massive inflow of remittance money adds another comparative or complimentary advantage to Nepal's green sector. It also reinforces the fact that Nepal's economy is highly based on green sectors. To develop ownership feeling and increase local support in conservation and sustainable utilisation of resources, Nepal has adopted participatory and community-based approaches. Community based forest, biodiversity, energy and water management approaches are not only effective for greening mountain environments but also provide a base for promoting green economy. Good practices like community forestry, buffer zone management and organic farming can improve both livelihoods and mountain environments in Nepal. Similarly, the strategy of energy development plan focuses on public-private partnership for developing hydropower, renewable energy and distribution system, particularly climate change-friendly development. In some districts local communities have been using income of community forestry for solar electrification and other alternative energy programs. Under the policy of green economy, the community based resource management initiatives need to be strengthened, expanded and improved to make them more inclusive,

integrated and sustainable so that large rural population would be benefited. Further, existing policies also need to be harmonized to integrate the objectives of food security, forest and water conservation, and climate change.

Key Sectors of Future Sustainable Development

It is important that future sustainable development of Nepal should help eradicate poverty, contribute in meeting the MDGs, ensure food security, sound water management, universal access to modern energy services, and sustainable cities. For Nepal sustainable development and management of mountain ecosystems holds special significance since Nepal is largely a mountainous country. Improving community level resilience and disaster preparedness, as well as enhancing public health, human resource development and sustained, inclusive and equitable growth that generates employment will be paramount. Seven key areas identified for addressing sustainable development and poverty eradication Nepal are: green and better jobs, clean energy, sustainable cities, food security and sustainable agriculture, clean water, sustainable Mountain ecosystem and disaster readiness. Nepal's framework of actions are developed and implemented based on the Rio principles and is people-centred and inclusive, providing opportunities and benefits for all citizens.

Nepal's reflections on the Rio+20 outcome document and beyond

Nepal's main expectation from Rio+20 was a renewed commitment of Member States for preserving the Rio principles and fostering implementable consensus for fulfilling the implementation gaps in the Rio declaration and other associated commitments, and addressing new and emerging challenges in a fair and equitable manner based on the principle of common but differentiated responsibilities (CBDR), which was adapted in RIO+20 outcome documents. However, Nepal being the coordinator of 49 members least developed country (LDC) and also one of the lead mountain countries Nepal also had high expectations in terms of stronger

commitment for the LDC and Mountain agenda. Many of our suggestions and stands were built through intensive national, regional and global discussions which Nepal either facilitated or took lead in positioning them. For example the LDC agenda was well advocated and articulated by Nepal in the UN conference of LDCs in 2011 whose output was agreement on the Istanbul Plan of Action (IPA) for LDCs. The IPA has been endorsed by the Rio+20 outcome document. Similarly, Nepal working closely with Peru and Switzerland supported by ICIMOD, SDC, and Mountain Partnership intensively prepared the submissions on Mountains and submitted a common text as a contribution to the Zero draft of the Rio+20 Outcome document. Nepal took the lead in mobilizing the support of key member countries' support at the UN level and was actively supported by Peru and Switzerland that culminated into organizing a side event on Mountain issues in New York and the Mountain Pavilion in Rio de Janeiro on the sideline of the Rio+20 conference. The Rio+20 delegates accepted Nepal's position both on LDC and Mountain agenda during the series of dialogue process and negotiation processes.

Now that both the agenda have been approved by the global community, Nepal wants to fully implement the relevant programmes included in the outcome document by devising suitable implementation mechanism and assured financial resources in order to move on sustainable development pathways with the help of our development partners. Nepal is fully committed to work with its development partners including ICIMOD in implementing the Rio+20 declaration since Nepal as a nation has not only contributed to its inclusion in the global policy but also because Nepal believes that the RIO+20 outcome document can help Nepal take advantage of its comparative advantages such as rich endowment of water, forest, energy, biodiversity and human resources keeping in mind the principal of common but differential responsibility and respected capacity (CBDR) agreed by various UN conventions.

Ghimire is a Joint Secretary and focal person of UNDESA and ICIMOD; National Planning Commission Secretariat.



How This Bar Stands Out

By DANNY GARCIA

With the night life thriving through the busy, rickshaw infested, streets of Thamel, there are many cafes, bars, and clubs to escape the madness that roam the streets. Places like Purple Haze, Fire Club, and Full Moon all provide music and somewhere to drink and unwind from the day. One bar stands out from all the others. Entering the small narrow corridors of Sam's Bar, you are brought into a whole new world of rock and roll. Personal quotes and philosophies are written all across the walls, only to walk up the stairs to find that the entire bar is covered with them. Songs by The Pixies, Joy Division, and Red Hot Chili Peppers ooze out of the top terrace and onto the unsuspecting people on the street. This is the bar where the spirits of Jim Morrison, Kurt Cobain, Jimi Hendrix and many other artists still live on.

In December of 1990, Verena, also known as V, met her future husband by the name of Sam. After their encounter in Nepal, Sam's and Verena's relationship began to blossom; V would visit Sam in Nepal and Sam would go to Austria to see her. This traveling dance between the two lovers, led Verena to live in Nepal for a year and soak in the language and culture. Finally, V settled on the idea of living with Sam in Nepal. She believed that it was easier for her to adapt to the Nepali way of life than it would be for Sam to adapt in Austria. So in the year of 1996, Verena became a permanent resident in Nepal.

It was hard for V to find a job around Kathmandu at first. At the time, the only occupations that really provided any work in Nepal was being a doctor or engineer; fields that V absolutely no experience in what so ever. Luckily, Verena decided that she would try and open up a pub somewhere around the Thamel area, so with the love and support of her recently wedded husband, they went off looking for locations that were for sale. The path was a bit difficult for them, as plans and deals fell through with every landowner that they spoke with. Prices that were previously negotiated

would be changed or landowners would say that it's no longer for sale. No one really understood the concept of opening up a place that served alcohol without food. The image that fell behind pubs and bars was that they brought in a lot of bad noise and trouble from people, who were looking to get drunk and fight with anyone they could get their hands on. Even Thamel in the 90's was seen as an evil place by the conservative type, where only the lowest of the low go to steal and drink.

By a stroke of luck, Sam was finally able to find a place. The landlord didn't

that the only person they should be talking to is the owner of the bar. With Sam's support, Verena was able to get everything she needed together so that she can finally open up her pub. She painted the walls in a simple red and yellow color, calling it her "Nepali color".

Verena was able to get the bar up and running in 1997 and as an ode to her loving husband the place was named Sam's Pub. With a deep love and appreciation for music, V provided Thamel with a new place, where people can go to learn a thing or two about great music. After around two months of the

bar being successfully open, V decided to turn Saturdays into a reggae music night. Her reasoning behind this decision was that since Saturday was a holiday for the locals, she wanted to provide them with music that she knew they would like. Even with the one night of the week dedicated to a specific genre, Sam's Bar manages to play music that the typical rock fanatic can appreciate. Like any good host, V scans the audience to see what the mood is for the night and

what hasn't been played. She throws in artists like Kings of Leon, Pink Floyd, and even Mumford and Sons when the atmosphere for the night has been set. She knows that not every night will be a hit for her regulars and it's a fact that you can't please everyone, but V still tries her best to make the night with songs that she love.

Looking back at her life, V would have never expected to be where she wound up. "If you told me back in 94' that I was going to open up a bar in Nepal, I would have thought you were crazy," Verena mentions looking back at her experiences. Nonetheless, she doesn't regret a single thing. As her last words for the interview, she says, "Even if I lived in Mexico or wherever, I still wouldn't know how my life would turn out and it's been a great experience. There have been tough times, but that is life."

Garcia is an intern from USA



understand what it was that Verena was doing. Asking her if it was a restaurant, Verena explained that she will only be serving alcohol. Fortunately, after the troubles he had encountered with his last tenants, he was happy to make a deal with her just as long as she kept the business clean and didn't have trouble paying on time. At a first glance, V hated the new place. She envisioned her bar to stretch out far enough to fit maybe twenty seats. Instead, she was stuck with a large outside terrace and an inside area that seemed too small for anything. This didn't stop her from making her vision come true though. Verena made the plan of opening up the once closed wall, making it an arch way that combined the new inside bar with the outside terrace. She ran into more trouble though, when the construction workers refused to take orders from her and asked for the man of the business. Sam shook his head and pointed back at V, saying

Against Capital Punishment

By ADITI ARYAL



Just some days ago, Mohammed Afzal Guru was hanged to death in India. Some months earlier, Ajmal Kasab was hanged as well. Even more brutally an underage Sri Lankan maid was put to death in Saudi Arabia some time back due to the flaws in the judicial system after being tried for so many months. While some 90% of the countries in the world do not choose execution, the remaining nations do continue to kill the criminals. The capital punishment, however, is a debatable act.

If all the people mentioned above were killed for killing others, how can we be taught that killing is wrong? It is no justice to take lives when lives have been lost, it is simply a revenge. Taking lives of even the most brutal criminals is not humane. If we repeat what they do, how can we be any better? How can the judicial system be just by killing for killing? This is vengeance, not justice.

In US alone, it has been found, upon later verifications, that half the people sentenced for life in 60s and 70s were not guilty. The Sri Lankan immigrant to Saudi Arabia was put to death without a lawyer, and she was forced to confess a crime she did not commit as she did not know the language everyone around her was speaking. Similarly, witnesses can be wrong, motives of people filing cases against others can be selfish, and judges could be biased due to several reasons.

Civilized people living in civilized societies do not tolerate brutal crimes; murders and rapes and so on. If this is the notion behind punishing the offenders and putting them to death, how can the civilized societies tolerate killing of someone else too? Moreover, if killing the offender is fair for his crime of killing, why are not rapist raped and domestic violators repeated with their actions?

Hanging is just one way of killing which dates back to medieval times. The past however had even more brutal ways of killing like guillotine, suffocating in ash, boiling, burning, and crucifixion and sometimes leaving to elephants. Slowly and gradually killing people for crimes were replaced by other forms of punishments, life imprisonment for example. It was even considered brutal in those times and banished by many emperors and rulers, who thought deciding the fate of other people was not in their hands, criminals or not.

Talking about capital punishments, the harshest form today is stoning to death. This is carried out in many Muslim countries with Sharia laws even to minors and women for reasons like treachery or adultery. Despite it being deemed fair in the eyes of orthodox religious practitioners, this is a worse form of execution.

The main ideas behind putting people to death as part of their punishment for committing certain types of crimes like felony, murder, terrorist attacks, rapes and so on is to avert the risk for the rest of the society to repeat the same actions by threatening them to death. Nonetheless, countless women continue to be raped everyday and threatening terrorists to death apparently has not worked as of yet. Also, how many Afzals and Kasabs do we hear of? Very few. So unless the state can do justice and kill either ALL or NONE of the offenders for the same crime, putting people to death should be stopped. What should be changed and wiped off is the mentality to commit crimes not the criminals. Kill one Kasab or Guru, they will make another thousand of them hungry for revenge. India and also the rest of the world should live by Gandhi's words again, that he could not in all conscience agree to anyone going to the gallows. If God has given life, He should only be the one to decide what to do with it. ■



My Country

By BIDUSHI ADHIKARI

I have a great fascination for the song "My Country, 'Tis of Thee", whose lyrics were written by Samuel Francis Smith. Its opening - "My country, 'tis of thee, Sweet land of liberty, Of thee I sing; Land where my fathers died, Land of the pilgrims' pride, From ev'ry mountainside, Let freedom ring!" - is 'sweetest of all'.

What I find more contextual here, however, is the remark of Thomas Jefferson, an American Founding Father, the principal author of the Declaration of Independence (1776) and the third President of the United States: "I tremble for my country when I reflect that God is just; that his justice cannot sleep forever." My country Nepal is an issue here. Let me write down some of its features.

The smell of steamed momo's along the streets.

The yellow, red, orange lights that colorfully decorate buildings.

The silence lingering in the streets after the sun has set.

The feel of the busy road on a hot day.

The sea of happy faces engaged in their own little worlds.

The loud conversations of the shop keepers across the street.

The swarm of local students in blue streaming out of the public school.

The occasional baah from the cows roaming awkwardly down the paved roads.

Yes, I am going to miss every bit of it. My country Nepal, my hometown, the place where I belong.

A country so different yet so special. I have thought about a million times and I still do. I am young and still have a long, long way to go in life. I have dreams I want to pursue, goals I want to meet, things I want to experience.

I love my country, and yet, I feel like I haven't seen enough, done enough, been exposed to change. My country gave birth to me, shaped the way I think, gave me an identity, let me have a place to call home.

Yet, sometimes, I catch myself thinking about living somewhere else, somewhere far away from home, in a place so unimaginably different.

Right now, I feel like the journey with my country ends here. I wish to not return, but instead, travel to places so different and new, and discover another life. Although I will miss the comfort of my hometown, I think that this age is pushing me to look in another direction, think in another way.

However, when I am old and withered-out, desperately holding onto the small amount of life inside of me, I will look back and remember the place I grew up. I will catch a plane from there and fly straight home. I will brush away the tears that will obstruct my vision as the plane descends down the horizon and the city starts taking shape.

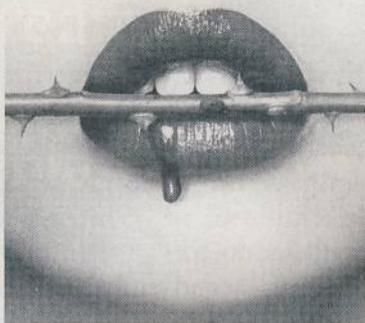
Then, as I step on the soil of my beloved nation, I will feel victory for accomplishing the single cycle of my life and ending just where I had begun. ■

MOVIE REVIEW

Murder 3



The premier production house, Vishesh Films, has the maximum number of film franchisees to its credit. The super success of RAAZ, MURDER and JANNAT spurred the Bhatt — Mahesh and Mukesh — to make hi-concept movies that merged erotica and thrill dexterously. The defining success of MURDER [Anurag Basu; 2004] and MURDER 2 [Mohit Suri; 2011], therefore, has led to monumental expectations from MURDER 3. But unlike the first two parts, which had a high quotient of erotica, the focus is less on erotica, more on emotions in MURDER 3. Yes, you read it right! Vishesh Bhatt, who makes his directorial debut with MURDER 3, reinvents the brand 'Murder', focusing more on the emotional drama. Also, the spotlight is on the two women protagonists this time.



Over the past few years, the Bhatt were often accused of sidetracking the emotional quotient — the USP of their previous movies — in their recent endeavors. The success of their new films notwithstanding, the emotional quotient had descended to an all-time low, the skeptics felt. I am sure, the Bhatt would've taken the criticism on their chin, for MURDER 3 is akin to a resurgence, a new beginning for the Bhatt, who have adapted to the changing times proficiently. In fact, post RAAZ 3, MURDER 2 and JANNAT 2, any other production house would've felt the vacuum, but not the Bhatt. With MURDER 3, they transform themselves into a new persona, rediscover their strengths [emotional quotient], but at the same time, garnish the proceedings with the tried and tested ingredient [erotica] to create a scrumptious dish that's delectable and delightful.

A quick clarification before I proceed further! MURDER 3 is the *official adaptation* of the Spanish thriller THE HIDDEN FACE [LA CARA OCULTA], but the Bhatt are known for their strong ingenious sensibilities when it comes to adapting foreign films for the pan-Indian market. Vishesh, the scion of Vishesh Films, seems to have imbibed this thought. For, as the reels of MURDER 3 unfold, you realize, MURDER 3 may have sourced from the Spanish movie, but Vishesh has Indianized it so damn well. It is *not* a cut and paste job!

A hot-shot fashion and wildlife photographer Vikram [Randeep Hooda] gets into a relationship with a waitress from a lounge, Nisha [Sara Loren]. She moves in with him in his palatial house outside the city. The old world house, made decades ago, is stunning as well as terrifying. It holds a vital secret which Nisha soon unearths: The mysterious disappearance of his former girlfriend Roshni [Aditi Rao Hydari].

(Courtesy: Bollywood Hungama)

MOVIE PREVIEW

Manjari

Genres: Drama, Romance, Social
Producer: Naresh Pandey, Mahesh Chalise

Director: Ganesh Dev Pandey

Cast : Gaurav Pahari, Sujata Koirala

A true event presented in a realistic way, set in Butwal. Arrogant, stubborn, childish, young girl 'Manjari', daughter of powerful businessmen Karna Bdr. Chhetri of Butwal, falls in love with a poor guy 'Ishwor' from slum area. Story focuses unusual chemistry between Manjari and Ishwor and their typical romance interestingly. A twist in between takes the story in a very different direction. Thrill, romance, emotions, ups and downs, humors are the component of their love story.

Zila Gaziabad

Genres: Action

Producer:

Director: Anand Kumar, Vinod Bachchan

Cast : Sanjay Dutt, Arshad Warsi, Vivek Oberoi, Paresh Rawal, Minisha Lamba, Ravi Kissen

The story is based on the true story of the gang war between two powerful rival groups of Gujjar, which took place in the 90s in Ghaziabad. One led by Satbir Gujjar (Vivek Oberoi) and the other led by Mahender Fauji Bainsla Gujjar (Arshad Warsi), with an police officer Pritam Singh (Sanjay Dutt) in between all of this.

A Good Day to Die Hard

Genres: Action, Crime, Thriller

Producer:

Director: John Moore

Cast : Bruce Willis, Jai Courtney, Elizabeth Winstead

John McClane travels to Russia to help out his seemingly wayward son, Jack, only to discover that Jack is a CIA operative working to prevent a nuclear-weapons heist, causing the father and son to team up against underworld forces.

Chhadke

Genres: Action, Thriller

Producer: Madhav Wagle, Narendra Maharjan

Director: Nigam Shrestha

Chhadke is an Action/Thriller Nepali Movie Starring Saugat Malla, Robin Tamang, Namrata Shrestha, Arpan Thapa, Dayahang Rai and Bipin Karki. Chhadke is a film by Nigam Shrestha.

(Courtesy: QFXCINEMAS)



Acupuncture for Pain

By BUDDHA BASNYAT, MD



The treatment of physical pain is big business. You don't have to be an old man with creaky joints to suffer from chronic pain. There are, for example, many young obese individuals even in the poverty-stricken subcontinent who suffer from chronic joint pains brought on lifestyle changes. There are pain clinics, especially in the western world where individual clinics just focus on headache, back ache, leg pain, shoulder pain etc. Acupuncture since time immemorial has been a treatment for pain relief, and many in Nepal as elsewhere will swear by the effectiveness of this form of therapy in relieving pain. If you are one of those who are reaping benefits from this form of therapy, this article is not meant to discourage you from acupuncture. Please continue acupuncture.

Recently (about two to three years ago) as reported in a prestigious journal called (what else?) *Pain*, E. Ernst and colleagues carried out a review of published articles on acupuncture to ascertain if indeed acupuncture alleviated pain and if there were any risks involved. The final conclusion was not clear cut; at best the evidence for the effectiveness of acupuncture for pain is mixed, according to this review.

This study was a "mega" review, a review of reviews, if you will. The reviews covered a range of pain syndromes. Of the 36 reviews rated as good or excellent quality, 13 (36 %) reached a positive or tentatively positive conclusion, 14 (39%) failed to show effectiveness and 9 (25%) were inconclusive. In short the results provided meager evidence that acupuncture is generally effective.

In the 36 % who felt that acupuncture worked for them, there was one factor that may have helped, that is the placebo effect, which is not easy to measure to begin with. This placebo effect could possibly be attributed to a consultation with a sympathetic doctor. Many think that health

professionals in the "alternative" branch of medicine (which includes acupuncture, homeopathy, ayurvedic medicine etc) in general better empathize with patients and treat them with a greater degree of compassion than practitioners of Western medicine. The alternative medicine doctors probably realize more clearly that the internal fear and pain of patients may be decreased with the doctor's voice, words, and smile. Perhaps the value of acupuncture is also attributable to the sympathy of the acupuncturists, rather than to their manipulative skills with needles. By the same token, devising trials to meet the standards of modern scientific medicine using double blind controlled trials to observe the true efficacy of acupuncture may not be practical or possible.

Importantly, at a minimum, because acupuncture primarily deals with needles which potentially can spread diseases, it is crucial to make sure that aseptic precautions with clean needles are practiced. ■

फागुनदेखि बैशाखसम्मको अवधि हावाहुरी बढी
आउने समय हो । आगो बल्दा सुरक्षित ठाउँमा
मात्र बाल्ने, सलाई, लाइटर, मट्टीतेल आदि
ज्वलशील वस्तु केटाकेटीले भेट्ने ठाउँमा नराख्ने ।
केटाकेटीलाई जथाभावी आगो बाल्दा हुनसक्ने
आगलागीका दुर्घटनाहरुबारे सम्झाइबुझाइ
गर्ने र यस्ता कुराहरुबाट सजग रहन
जनचेतना बढाउने कार्यमा
सहयोग गरौं ।



नेपाल सरकार

सूचना तथा सञ्चार मन्त्रालय
सूचना विभाग

Yeti Airlines flies with BAE's Jetstream 41; World's best turboprop plane.



Yeti Airlines operates Jetstream-41 (J-41) the latest in line of turbo prop planes made by British Aerospace (BAE). With over 100 aircrafts built to date, the BAE's J-41 is in active service as a feeder liner in as many as 12 airlines across the world. The best in its class, the BAE's J-41 is also a top-notch aircraft for private corporate travelers. What's more, Yeti Airlines' 7 J-41 aircrafts are ably supported round-the-clock by a certified crew in its own CAAN approved hangar.

At Yeti Airlines, you always come first.

Yeti Airlines operates 7 Jetstream-41 advanced turbo prop aircrafts catering to widest network sectors every day.

KTM-MTN-KTM Daily 5 Flights • KTM-PKR-KTM Daily 8 Flights • KTM-BIR-KTM Daily 7 Flights • KTM-BDP-KTM Daily 3 Flights • KTM-BWA-KTM Daily 2 Flights
KTM-KEP-KTM Daily 2 Flights • KTM-JKR-KTM Daily 2 Flights • KTM-DHI-KTM Daily 1 Flight • KTM-BHR-KTM Daily 1 Flight • KTM-TMI-KTM Daily 1 Flight

Yeti Airlines Domestic Pvt. Ltd. Corporate Office: Tilganga, Kathmandu, Tel: 4465888 Fax: 4465115 Reservations: 4464878 (Hunting Line), Kathmandu Airport: 4493901
Email: reservations@yetiairlines.com, Sky Club: 01-6220940/4465888 (223A18614) Email: skyclub@yetiairlines.com

Bhadrapur: 023-455232 • Biratnagar: 021-536612 • Tumlingtar: 029-575120 • Janakpur: 041-520047 • Bharatpur: 056-523136 • Pokhara: 061-464888 • Bhairahawa: 071-527527 • Nepalgunj: 081-526556 • Dhangadi: 091-523045

www.yetiairlines.com



SPOTLIGHT

NEWS MAGAZINE
Wednesday, February 20, 2013

Home Politics National International News Economy Opinion Interview Tourism Health Review Trends Issue



Youth of Nepal: "We want to be heard"

Activists collected over 500 signatures in favor of decreasing the voting age limit to 16...

Recent News

- Japanese assistance for the project for improvement of Diabetic Medical Service
- The Embassy of Israel bids farewell
- Occupy Baluwater Reaches 50 Days
- Government rolls back LPG price hike
- Chief Justice for PM

Latest Issue



Vol: 06 No. -16 Feb. 08- 2013 (Magh 26, 2069)

Most Viewed In Spotlight

- "UNDP leads the Flagship Area 5 of Nepal"

Log on for Breaking News, Views and Analyses
www.spotlightnepal.com

RIDE THE FUTURE



PGM-FI
PROGRAMMED FUEL INJECTION

GLAMOUR



Technology that keeps me driving
PGM-Fi enhances engine response and reduces knocking and frequent gear change



Technology that keeps me efficient
Real time mileage Indicator displays the actual average mileage for preceding 10 seconds



Technology that keeps me safe
Bank Angle Sensor switches off engine automatically if the bike tips over

Glamour DRS & DSS models are also available.



Nepal General Marketing Pvt. Ltd.
PO Box 133, Jyoti Bhawan
1919, Kantipath, Kathmandu, Nepal
Phone: 01 4248949, 4255565
Fax: 01 4212415, Finance: 01 4261770
www.heromotocorp.com

hero Always use genuine Hero spare parts.
GENUINE PARTS
(Genuine Hero spare parts are available at very competitive prices)

Always use genuine Hero 10W30 engine oil 

ON EVERY PURCHASE Don't forget your FREE HERO HELMET 

For the details please contact your nearest dealers

Kathmandu Valley Kantipath 4225377, 4266517 • Buddhabari 4104540, 4104541 • Kumaripati 5008710, 5008711 • Putalisadak 4435155 • Balaju 4361786 • Balkumari 5006184 • Chabahil 4482395 • Tinkune 4466886 • Gyaneshwor 4428970
• Basundhara 4388930 • Balkhu 9851025890 • Jorpati 4915397 • Swoyambhu 4289737 • Bhaktapur 6613112 • Kalanki 4037058
Outside of Valley Birtamode 543248 • Damak 581463 • Itahari 580066 • Biratnagar 524350 • Biratnagar 535188 • Dharan 526600 • Inaruwa 561498 • Gaur 521109 • Biratchowk 545227 • Malangwa 520505 • Rajbiraj 520442 • Bardibas 550552
• Lalbandi 501628 • Mircharya 9804756126 • Mircharya 550803 • Janakapur 523644 • Jaleswor 521095 • Lahan 560955 • Siraha 520442 • Chandranigahapur 540739 • Birjunj 529667 • Birgunj 522772 • Hetauda 520481 • Hetauda 523224 • Parsa 583199
• Baratpur 526697 • Narayanghat 532567 • Gaidakot 502399 • Kawasoti 541001 • Butwal 437158 • Butwal 546900 • Bhairahawa 524290 • Bhairahawa 523930 • Pokhara 521922 • Pokhara 537333 • Baglung 520174 • Damauli 560477 • Kapilbastu 550160
• Dang 560262 • Nepalgunj 551598 • Surkhet 525196 • Tikapur 560426 • Dangadhi 522484 • Attaria 551244 • Mahendranagar 520745