



1 STEP FORWARD, 2 STEPS BACK







Before Budget | After Budget | *Estimated

is expected to reach 4,500MW by 2024 while domestic demand will only grow to 2,000MW (page 10-11). Tax incentives for electric public transport would reduce Nepal's growing petroleum import bill, and improve air quality.

"Our policies contradict our climate targets, but more importantly they make no sense even from an economic point of view," says climate activist Shilshila Acharya. At COP26 in 2021 in Glasgow, Nepal's prime minister committed to achieving net zero by 2045 and increasing the sales of private electric vehicles to 25% by 2025 and 90% by 2030. Electric public transport would be 20% by 2025 and 60% by 2030.

The biggest letdown are the disincentives to switch to electric buses. MPs on Wednesday accused the government of dragging its feet on letting Sajha Yatayat put up charging stations for its 40 new electric buses.

Reducing taxes on e-microbuses will have a multiplier effect on the



Outsource your

19 YEARS

Sonia Awale

f there is one thing Nepal's annual budget is consistent about, it is being inconsistent. In 2020, the government reduced or removed most taxes on electric vehicles. The next government re-imposed taxes for electric SUVs while cheaper vehicles were taxed less. This year Finance Minister Prakash Mahat raised taxes on smaller EVs and electric vans while inexplicably reducing the tax on luxury SUVs.

This discourages car buyers from switching to clean energy at a time when Nepal is set to have year-round electricity surplus. The decision also undermines Nepal's own decarbonisation commitments.

More diesel and petrol vehicles also means worse air pollution, affecting public health.

Customs and excise tax on electric cars between 50-100KW has increased by 5% and 10%, meaning they now have to pay 15% customs tax and 10% excise duty, the latter of which was not applicable before. Vehicles in this bracket include electric public utility vans, battery-operated microbuses and smaller e-cars which were gaining popularity across Nepal. "This is a blatant disregard for the country's environment policies," says environmentalist Bhushan Tuladhar. "To add insult to injury, they have slashed the tax on bigger vehicles. This is suspicious, especially as it does nothing for government revenue even if that was the reasoning."

Customs and excise for 100-200KW EVs is down from 30% to 20%. Similarly, customs duty for 200-300KW EVs has gone down from 45% to 40% while excise remains the same at 45%. Customs for EVs in the 300KW or above bracket is set at 60-80% against 60% previously, with excise maintained at 60%. EVs with 100KW motors will now be at least 20% more expensive.

'It is deliberate sabotage,' wrote atmospheric scientist Arnico Panday, now with the RSP, the fourth largest party in Parliament, on Twitter. 'The present leadership does not care about clean air, health, people, domestic energy, new technology or the country's future, & probably got bribed by dealers of polluting vehicles in segments with popular EVs.'

The government has changed the tax rates for EVs five times in two years, disrupting the market and raising suspicions that the rates are adjusted by powerful lobbies from among car importers. Especially egregious is the increase in the tax of electric micro-buses which had started becoming a popular form of public transport. Nepal's generation capacity





NEW

RI EANS



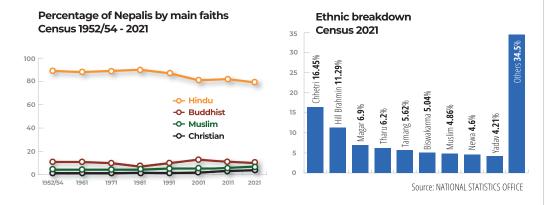
GOPEN RAI

economy, benefiting small time entrepreneurs. The government could use a part of the Rs4 billion already collected as pollution tax to immediately invest in 200 electric buses by subsidising the capital cost for battery-powered buses.

Says Tuladhar: "If you must tax something, increase the pollution tax, which is less than 1% of all the taxes we pay, and then divert the fund for clean alternatives."



Editorial



Census or consensus?

epal's National Statistics Office finally published details about Nepal's languages, religion and ethnicity last week. It had previously released the national report of the 12th National Population and Housing Census in March without including data on these three social demographic parameters.

The new data increases the total number of ethnic communities to 142, the total mother tongues spoken to 124, and major religions number 10, similar to the 2011 census.

There are now 17 more ethnic groups compared to data from the 2011 census. Twelve foreign languages from the previous census were removed, and 13 new languages added to the list of mother tongues spoken in Nepal. Only the number of major religions remains unchanged.

The first modern census in 1952 recorded languages and religions for the first time in Nepal. A breakdown of the country's ethnic communities was first recorded only in the 1991 census.

Interestingly, the total number of ethnic communities in Nepal has increased in each consecutive census since 1991 because of better record-keeping and greater awareness. Every census since has been doing a better job showing Nepal's ethnic heterogeneity.

But while the latest national census represents the ethnic and linguistic diversity of Nepalis, this diversity is reflected nowhere in the corridors of power.

Nepal's founding king, Prithvi Narayan Shah, described the country he had unified as "a garden of many ethnicities and castes" and leaders since then have extolled Nepal's "unity in diversity". But political and sociocultural representation and wealth is heavily skewed in favour of men from dominant caste groups.

The representation of minority communities in Nepal's legislature, government and civil service is only determined by a constitutionally mandated reservation system that has a quota system for women, indigenous people and Dalits.

While affirmative action has meant better representation than before of marginalised groups, men in the highest rungs of power seem to believe that women and minorities are not qualified for direct elections or civil service positions. Indeed, indigenous and Dalit representation in politics, society and in the workforce (including the media) is tokenism at best.

This was reflected in local and federal elections last year when major parties snubbed women and minorities in direct elections, and most were elected to fill quotas under the proportional representation system.

Marginalised communities continue to be excluded and persecuted, are victims of political and social violence while the men in power scramble to sweep such injustices under the rug. An emblematic case is the killing of Nabaraj BK and five of his friends in Rukum West three years ago because villagers discovered that he was going to elope with a 'higher' caste girl. Three years later, the perpetrators are still at large because of political protection.

Meanwhile, even as new languages are identified, Nepali consistently has the largest number of speakers by virtue of being the official language. There has been a small growth in the percentage speaking Nepal Bhasa, but it is a small increase. In fact, Nepal is at risk of completely losing some of its indigenous languages, with as many as 23 of them having less than 1,000 speakers in 2021.

More than 81% of respondents in the census said they were Hindu, followed by

Buddhists, Muslims, Kirat and Christians. Despite deep anxiety among Hinduright groups in Nepal and India about proselytisation, the proportion of Christians has increased only slightly to 1.76% and Muslims to 3.1%.

Parties lobbying against secularism have long

speculated that there is a conspiracy to undercount the proportion of Christians in Nepal to lessen the chances of a national backlash. There is also a possibility that Christians tell enumerators they are Hindu just to be safe.

Whatever the case, there are other hints of data discrepancy. In 2011, more than 61,000 people did not state their religion, but the 2021 census shows that not a single person refused to divulge their religion. And there were zero cases of respondents choosing 'Other' as an option for religion. This is highly improbable.

The census office had earlier said it was not possible to have a breakdown of religion and ethnicity because of 'confusion' among respondents who said they were from unlisted ethnicities or faiths. There was also speculation that the bureau was not issuing data deemed to be sensitive. So, the question arises: why was it suddenly possible to make the data public? Shristi Karki

ONLINE PACKAGES



NEPALI TIMES STUDIO

Swiss Ambassador Elisabeth von Capeller has been in Nepal for over a decade and in that time has seen the country undergo significant political and socio-economic change in real-time. Von Capeller is finishing her tenure in Nepal and spoke to Nepali Times Studio about her experience here and Switzerland's changing focus in Nepal's development over the decades. Interview on page 12



Ravi Lal Pantha returned from Korea to work diligently to run a thriving dairy business in rural Nepal, supporting job creation and income generation for hundreds of families in surrounding districts. Watch video and read story on page 10. Subscribe to our YouTube channel for more original multimedia content

NEPAL-INDIA POWER DEAL

Big Brother bullying little brother ('Nepal-India power play', Ramesh Kumar, npage 10-11). It is business as usua Aleksandr Verkovsyn

Basically, it's all in India's terms. Should always have alternatives and can't rely on just one country. Sameer Kirat

ALPS

We can feel the climate change here in Deumadi ('In high places', Kunda Dixit, #1164). It is really bad. Akku Chowdhury

STATE OF THE STATE

Most environmental problems like plastic, air pollution could be mitigated at least by appropriate interventions ('Political environment', Editorial, #1164). But where are the politicians and government officials when needed? David Seddon

URBAN CLIMATE ACTION

The government must stop the destruction of the hills and forests around Kathmandu instead of preaching to the people about climate change ('Nepali cities must champion climate action' Rastraraj Bhandari and Simone Weichenrieder, nepalitimes. com). Hills that used to be covered with green forests now bear yellow scars, and the tops are covered with concrete monasteries, retreats and resorts. The hills and forests should be protected as national parks by the federal government or they will all be bulldozed in the name of development

Kamal Ratna Tuladhar

NOT FDI FRIENDLY

We aren't able to attract foreign investment because our government officials have no vision and they lack the knowledge and understanding required ('Alternative investments to attract FDI', Siddhant Raj Pandey, nepalitimes.com)

Tharka-Sen Vice Prez Nrna-icc

TWO CRIMES

A very insightful comparative study on Maina Sunuwar and Resham Chaudhary ('Comparing Maina Sunwar and Resham Chaudhary cases', Aastha Dahal, nepalitimes.com). This is worth a read.

Prakash Rimal



A mother celebrates pride by Durga Rana Maga

Among those of the LGBTQIA+ community gathered to celebrate Pride Month around Phewa Lake in Pokhara this week, was Sukundhara Sunar, draped in a rainbow banner. Sukundhara herself does not belong to the queer community, but came to the Pride Parade to support her son, Aveen Gahatraj.

ß Most reached and shared on Facebook

Cycling to COP28

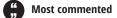
by Shristi Karki Bhutanese filmmaker-environmentalist Jamyang Jamtsho Wangchuk is taking water from Thorthomi glacial lake in Bhutan and ice from the South Col on Mt Everest to COP28 in Dubai to draw attention to the climate crisis and its impact on the Himalaya. Read his profile at nepalitimes.com





Cities must champion climate action

by Rastraraj Bhandari and Simone Weichenrieder Conversation on international climate policy is often dominated by federal governments and international negotiations with representations most often from national leaders. But the decisions urban centres take to combat the crisis today will shape the future. Join the online discussion.



Stairway to heaven

A trek to hauntingly beautiful Tso Rolpa is not just invigorating but also a stark reminder of the climate crisis. A deep serenity envelopes the lake's icy beauty, but there is also a sense of dread about what all this melted ice means. Visit our website for the photo story







Maria_has_a_pen @MariaVesterlun4 In a small mountainous part of the world Pride is also celebrated.



Nepali Times @NepaliTimes Animal lovers in Kathmandu raise awareness about the plight of the animals to mark the National Animal Rights Day on Saturday.



Nepal's social demographic data reflects its diversity, but our sociopolitical make-up is

anything but.

20 YEARS AGO THIS WEEK

Back to square one

Back in 2003 during a ceasefire, Surva Bahadur Thapa of RPP was made prime minister for the fifth time by king Gyanendra while the NC and UML threatened to take to the streets. This was before the peace talks ultimately failed and the Maoist insurgency raged for a few more years and killed another 8,000 Nepalis. King Gyanendra staged a coup

in 2005, consequently paving the way for the 2006 Peace Accord. Excerpts from editorial published 20 years ago this week on issue #148 6-12 June 2003:

Every time history brings us to a fork on the road, our leaders have this extraordinary capacity to take the wrong turn. We then meander all over the place to come back to where we started.

Here we go again. The king, country, parties, and all of us have gone back to October Fourth. Once more we were taken through an excruciating search for a prime minister acceptable to all, or at least one against whom no one has any violent objections. No mean feat, considering that last time the only person who footed the bill was Mr Caretaker



himself, Lokendra Bahadur Chand.

And finally, we have fifthtime premier Surya Bahadur Thapa. If only he had agreed in October maybe we would have been prevented a lot of national heartburn, and not wasted months experimenting with this

and that.

The UML has lost face, and can be expected to pour its fury out on the streets in the coming days. The NC was torn by severe internal criticism of Girija Prasad Koirala's embrace of Madhav Nepal and will be more subdued.

We are back to square one, but not to 4 October 2002. We are back to May 1990, when the first kangresi-communist interim government was formed after the Peoples' Movement. In terms of the evolution of democracy we have returned 13 years to a time when a new polity was being crafted.

From archive material of Nepali Times of the past 20 years, site search: www.nepalitimes.com



We have lift off:

Prime Minister Pushpa Kamal Dahal and industrialist Chandra Dhakal inaugurating Lumbini Cable Car in Butwal on 8 June.

PRADEEP RAJ ONTA/ RSS



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Times 9 - 15 JUNE 2023 #1165

Nepal's Citizenship Amendment

Why it was blocked by the Supreme Court after the government sent it to the president for approval

Shristi Karki

Background

July 2022: Both Houses of Parliament passed an amendment to Nepal's Citizenship Act 2006. Called the Nepal Citizenship (First Amendment) Bill, it was sent to former Nepal President Bidya Devi Bhandari for formal ratification.

August 2022: Bhandari sent the bill back to the Sher Bahadur Deuba-led Lower House with 15 'concerns and suggestions' for review.

September 2022: The bill was once more passed by both Houses of Parliament without any changes, but Sital Niwas allowed its 20 September ratification deadline to lapse. Since the ceremonial head of state did not authenticate the bill, it was rendered null and void. Many saw this deadlock as a result of the power struggle between the opposition UML, which had appointed Bhandari president, and the NC-UML coalition.

September 2022: Parliament was dissolved after completing its fiveyear term.

March 2023: President Bhandari herself completed her tenure and was succeeded by Ram Chandra Poudel.

31 May 2023: President Poudel authenticated the Citizenship



Amendment Bill rejected by his predecessor, following a recommendation by the Council of Ministers.

What is in it?

The amendment clears the way for children of parents who got citizenship by birth to become citizens by descent and paves the way for hundreds of thousands of Nepalis, especially in the Tarai, to finally become Nepali citizens. The bill also allows Non-Resident Nepalis (NRNs), except for those residing within South Asia, to acquire dual citizenship but without the right to vote.

Activists have long said the bill's restrictions on citizenship for children born to single mothers as well as the process of obtaining naturalised citizenship were discriminatory towards women.

The bill allows foreign women married to Nepali men to immediately obtain naturalised citizenship provided the women renounce the citizenship of their country of origin. But there is no similar provision for foreign men married to Nepali women to get Nepali citizenship.

Meanwhile, children born to Nepali mothers born in and residing in Nepal whose fathers are not identified are eligible for Nepali citizenship by descent. However, the woman must make a self-declaration that the father

cannot be identified and she can be imprisoned if the claim turns out to be false.

A Nepali man does not have to mention any details of the mother of their child to get citizenship. A child born to a Nepali man married to a foreign woman can obtain citizenship by descent, but a child born to a Nepali mother and a foreign father will only be eligible for naturalised citizenship provided the state deems it okay.

What now?

President Ram Chandra Poudel's authentication of the Citizenship Amendment Bill on 31 May on the eve of Prime Minister Dahal's official visit to India drew both

outrage and appreciation from across the political spectrum and civil society.

While ŇRNs as well as hundreds of thousands of people mostly in the Tarai deprived of citizenship welcomed the move, some constitutional and political experts were critical of the process by which the president ratified the bill.

"In a parliamentary system, neither the President nor the government has the right or the authority to validate a dormant bill, one passed by an already lapsed House," said constitutional expert Bipin Adhikari. "The ball was not in President Poudel's court."

Usha Malla Pathak, former



Turkish codeshares

Turkish Airlines has signed codeshare agreements with ITA Airways of Italy, Icelandair and Vietnam Airlines in the past week. The partnership will allow more flexibility for

Tan crocs in Chitwan

Ecologists are surprised that crocodiles and gharials in Chitwan National Park are getting orange skins. Researchers at the Leibniz Institute of Freshwater Ecology and Inland



BYD, too

Cimex, distributors of BYD in Nepal, planted 1,500 trees at Chakhandol Community Forest on World Environment Day. Participants

passengers of all airlines involved. Codeshare means ITA,



Icelandair or Vietnam Airlines flight numbers will be placed on Turkish Airlines' flights on selected destinations for seamless connections on each others' networks. Said Turkish Airlines CEO Bilal Eksi: "With codeshare agreements, more guests will be able to visit destinations, and increase capacity and product variety in future." Heads of ITA, Icelandair and Vietnam Airlines also echoed those sentiments.

Snakebite prevention Rotary Club of Kathmandu Mid-Town Snake bite team has

presented its Nepal Snakebite Prevention project to the Health Minister Mohan Bahadur Basnet. The minister assured the team that the government would provide all the support needed to create awareness to prevent snakebites across the country.

Fisheries and Project Mecistops this week linked this to high levels of iron in some of the rivers and streams in the park. The discolouring, however, is temporary, and the rusty particles could wash off in less iron-rich waters. Gharials are critically endangered freshwater crocodiles with only 200 remaining in Chitwan. Mugger crocodiles are more widespread and inhabit marshes and waterways.

Royal Enfields Royal Enfield has set up its fifth global assembly unit in

Nepal following similar ones in Brazil, Thailand, Colombia and Argentina. The plant in Birganj for complete knock-down (CKD) is in collaboration with Triveni group and the facility has an assembly capacity of 20,000 units per year for the Nepal market. The company headquartered in Tamil Nadu has also launched two new models in Nepal, the Classic 350 at Rs499,000 and the Scram 411 at Rs660,000.



StanChart-Contour

Standard Chartered Bank and Contour, a digital trade finance network, held a blockchain sharing session for Nepal Rastra Bank this week. The program discussed ledger technology, its use cases and ways to help trade finance by removing the inefficiencies of the current system.

IME tree plantation

included Environment Minister Birendra Prasad Mahato and BYD Nepal Ambassador actor Hari Bansa Acharya. Chinese electric vehicle giant BYD is working on improving battery management systems.



Golchha-Indian

Oil tie-up Golchha Group and Indian Oil have agreed to build a lube blending plant for the local production of servo lubricants. The plant will be built by 2024 with a capital investment of Rs600 million.

Xpress T new

Tata has released a safer version of its XPress T taxi in Nepal. The sedan comes with the LocoNav app that tracks the vehicle as well as calculates distance and speed travelled.

this World Environment Day on 5 June with tree plantations in all seven provinces. The Bank held the plantation program at Biratnagar Airport Road, Mirchaiya in Siraha, Lakhedanda in Kathmandu, Pokhara Stadium Complex, Tilottama Community Park in Rupandehi and Birendranagar Chauhan Park in Surkhet.

Bill explained



RATNA SHRESTHA/RSS

Vice President of the Nepal Bar Association, agreed: "The move by the President to authenticate the bill, which was not passed by a new Parliament, is unconstitutional so there is no point debating its merits.²

While some parties are entirely against the bill, others seem to agree with some parts of it while

disagreeing with others-- especially provision allowing foreign women married to Nepali men to obtain naturalised citizenship without any waiting period.

Nationalist groups have said the bill would open the floodgates for Indians to marry Nepalis and settle down in the Tarai. Critics wondered if there was a connection to the timing of the ratification just before Prime Minister Dahal's official visit to India.

Members of Dahal's coalition, including the NC's GaganThapa have publicly criticised the bill. Rabi Lamichhane's RSP has called the bill anti-national.

On Sunday, the Supreme Court acting on a writ petition issued an interim order against the implementation of the amendment bill. Many without citizenship who had reached government offices across the country to get their certificates were once again turned back.

In Parliament on Monday, Prime Minister Dahal deferred decision on the bill to the apex court, whereas the opposition UML leader K P Oli called for a new bill to be tabled in the House for discussion.

The Supreme Court Bar Association on Tuesday put out a statement calling the authentication of the bill unconstitutional.

'It is the opinion of the Bar Association that the honourable president has approved the Citizenship Bill against Nepal's parliamentary system, the Constitution, and the principle of the separation of powers,' wrote Bar Secretary Shyam Kumar Khatri. 💟

Once a Nepali, always Nepali

mal Purja MBE 😋

08 PM - Jun 1, 2023 - 39.7K View

3 Quotes 277 Likes

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ar that Nepal's G hip Bill - this is great news - why? For a nu

ntly around 2.17 million Nepalis live abroad, and they se

me to support their families. 50% of Nepal

nt Nepalis (NRNs) - including Gur

counts for roughly 30% of the

Much of the to-and-fro about the Citizenship Amendment Bill which has been blocked by the Supreme Court after ratification by President, has centred on the fact that the president should not have approved a bill that was passed by a lapsed parliament.

However, many Nepalis are not worried about due process not being followed, but on the contents of the bill: specifically the provision allowing foreign

women married to Nepali men to immediately obtain naturalised citizenship. The rhetoric surrounding this debate has been hypernationalist, anti-Indian, and anti-Madhes.

The opposition UML has been using similar nationalist and populist talking points to criticise the bill, and the RSP, the new party of young professionals which exited the governing coalition joined the fray, calling it 'anti-national".

One notable aspect of the bill that has been overshadowed is the provision for Non-Resident Nepalis (NRNs) to finally obtain dual citizenship. NRNs will however not be allowed to vote, run for

public office or hold civil service jobs, and dual citizenship applies only to overseas Nepalis and not those in South Asia.

NRNs seeking dual citizenship need to present proof that their parent or grandparent is a Nepali citizen. They must present proof of having renounced Nepali citizenship, and must have foreign citizenship.

Those who have not renounced their Nepali citizenship previously cannot use the same identification and must present their old citizenship before they obtain a new Nepali citizenship. NRNs can open bank accounts in Nepal, own and operate businesses and conduct trade, buy land and property, inherit assets, make investments.

The Non-Resident Nepalese Association (NRNA) promptly welcomed the bill's authentication, saying in a statement:

'The bill addresses the long-standing demand for Non-Resident Nepali Citizenship from millions of non-resident Nepalis scattered around the world since 2003. We are confident that this step by the Honourable President will soon give meaning to the NRNA mantra of Once a Nepali, always a Nepali.³

It added that this connects Nepali people worldwide to their homeland and utilise their knowledge, skills, and capital to benefit Nepal.

Although some overseas Nepalis that Nepali Times spoke to said they had no knowledge about the bill, others were overjoyed that they could now invest in Nepal and contribute to the home economy. Former British Army

commando and mountaineer Nimsdai Purja was among those who took to social media to express his appreciation.

'Granting NRN this new legal citizenship... will allow NRNs to practice full economic, social and cultural rights. I believe it is a step in the right direction towards a more positive and prosperous future for the country,' wrote Purja. 'This makes tourism and investment easier ... means that the wealth is distributed from central areas like Kathmandu to less wealthy communities in mountain areas.

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MILKING EVERY OPPORTUNITY

A migrant worker returns to Nepal from Korea to create a thriving dairy business that provides jobs in neighbouring villages

Sahina Shrestha in Gulmi

ocated in the tri-junction of three districts, Palpa, Gulmi and Syangja, the deep and narrow Ridi valley is a popular pilgrimage site because of the sacred saligram fossils found here and the Rishikesh temple.

But despite its religious significance, this is not a part of Nepal where someone would want to start a long-term business. It is far from market towns, and many have migrated to cities or overseas.

However, one migrant worker, Ravi Lal Pantha, has not just returned to Nepal, but has gone back to his district to run a thriving dairy that has created a value chain directly benefiting 120 farmers in adjoining districts.

"If we are industrious and conscientious, we can earn a livelihood in Nepal by doing the same work our parents and grandparents did," says Pantha. "I am a migrant returnee, and if this is what one person can do, imagine if the government encouraged more Nepalis to return and helped them reintegrate."

Pantha started Gaurav Dudh Dairy Tatha Prasodhan Kendra in 2014, just five months after returning from South Korea. When Pantha was young, his family visited Ridi during festivals. Every time they headed to his maternal grandparents in Palpa, he passed Ridi. People from all three districts performed final rites of their loved ones on the banks of the Kali Gandaki.

Milk and dairy products like ghee and curd are essential for festivals, and birth and death rituals. Pantha noticed milk was scarce in the area and during summer it would go bad. Local farmers reared cattle, but not for commercial purposes.

Pantha saw a business opportunity, and decided to locate his dairy business in Ridi. There was demand, and the local farmers could also sell their milk.

But he soon ran into problems. Going door-to-door with milk in his motorcycle, he could not sell all of his inventory and many people would buy in credit. He did not know how to process milk to make other products, so much of the milk he bought went to waste.

"Initially it was difficult," admits Pantha, who had no prior dairy experience. It was only after his fourth month into the business that he finally sold 20 litres of milk in one day. "I felt like I had won a battle," he says.



Still, his business ran at a loss the first year. "Every day I'd work from 4am to 9pm, making my family also work hard," he recalls.

His friends said he had gone mad after returning from overseas, hinting that he had saved a lot so he could afford to lose money.

It was after he faced difficulty with his eatery business in Kathmandu that Pantha had gone to Korea in 2009 through its Employment Permit Scheme (EPS), looking for a better future. There he earned Rs200,000 every month piloting a ship.

Despite the earnings in Korea, he felt something was missing. "I was saving money, but my children at home were without a guardian and we are treated as second class citizens without much respect," he adds. So, he decided to return to Nepal with his

Tale of a modern day la

Gorkhali troops fought in Malaya in WWII, now Gorkhalis join an army of Nepali migra



Uday Bahadur Baniya

This is the 34th edition of Diaspora

Diaries, a regular series in Nepali Times with stories of Nepalis who

have lived or are working abroad.

tiny silver dots in the sky were

It was only when I was big enough to go to the bazar town,

flying high above my village.

a nine-hour walk away, to buy

salt and other household goods

I remember staring at it in awe,

walking around it, touching the

metal surface with the tips of my

fingers. I did not get on the bus. I

Years later, as a grown-up, I found myself inside an airplane

for the first time flying from

had nowhere to go.

that I saw a bus for the first time.

rowing up in rural Gorkha,

I watched planes overhead

long before I saw cars. Those

Kathmandu to Malaysia. That was nearly 20 years ago, and I got a job in a factory that made files and envelopes of all sizes that were exported to nine countries.

My starting salary allowed me to save Rs7,000 per month, but I had paid over Rs100,000 as recruitment





fees. Working hard, I rose up the ranks to become team leader in charge of 144 fellow migrant workers from different countries, including Nepal.

The work was difficult and required both mental and physical strength. As supervisor, I was responsible if they made mistakes. One wrong move and you could lose a finger in one of those cutting machines with sharp blades. Our thumbs were valued at Rs2 million each, with other fingers much lower. That was the compensation rate if we lost them.

In the first few months after arrival, most fellow workers got homesick and struggled with the physical demands of the job. I oversaw their work, but above me was a CCTV camera that monitored me, and I could not ignore workers taking naps or slacking off.

This was in the mid-2000s and as one of the first Nepalis in my workplace, I had to learn Malay.

Perhaps this is also why I was a good fit for the supervisor post so I could help with translations. Sometimes, I had to translate the boss' scolding or the workers' apologies.

leader igrant untries, t and physical was mistakes. could se cutting les. Our 2 million nuch sensation s after ers got vith the ob. I bove me nonitored e workers f. 000s and in my Malay.

> I often did more than translate, though and tried to lessen the blow of angry words or to humanise the challenges of toiling around the clock, far from home. After all,

our lives oscillated between an angry "balik rumah" (go home) or encouraging "bagus" (well done). We all worked 12 hours a day single-mindedly to provide for our

families back home.

One tough part of my job was handing out coveted overtime slots on Sundays, when the pay for workers was double. We were



savings and work in his home district near his family.

After bearing losses the first year, he went to the district veterinary hospital and livestock service centre, got trained in Pokhara and the Dairy Development Corporation (DDC).

In 2016, he established a dairy processing unit to make and sell ghee, curd, and paneer.

At first, it was difficult to sell even 5kg of paneer because though the residents were largely vegetarian, they were not familiar with the cheese. He started giving away a few kilos of paneer at banquets every time he was invited to a wedding or other functions.

"I told them to pay me what they wanted if people liked it, if not it was on me," he says of his new marketing strategy.

These days he sells the same paneer for Rs850 per kg, and people in Ridi have taken so much to it that even the smallest gathering now has a paneer dish. People who used to sneer at him now request him to train their children in the dairy business.

A steady stream of customers keeps Pantha busy these days from early morning to late night at his shop in Ridi Bazar. On the rare occasion when the shop is closed, customers call him with orders.

Twice a day, his employees collect milk from farmers and farmers groups and bring

STRIKING

in between 800-1,000 litres of milk to the processing centre.

"The farmers now trust me," Pantha says. "Even if someone else approaches them and gives them more money, they stick with me."

He makes his own ghee, paneer, curd, and kulfi for his shop and is now getting into ice cream. He also trains others, not seeing them as competition.

Apart from his processing unit and shop in Ridi, he has expanded to outlets in Gulmi and Palpa. He delivers packaged milk and other products and the shopkeepers get a cut from every item sold.

"I am happy and proud that I have been able to connect farmers with the market," he says. "These days more farmers are going commercial, which is a good thing for the local economy.

One of the highest grossing farmers group with which he conducts business is from Aslewa of Satyawati Rural Municipality, from which he buys Rs1 million worth of milk every month.

Pantha also acts as a mediator between the government and the farmers, helping with training provided by the state. "Real farmers are busy toiling the soil and do not have any idea about paperwork, and the government is too busy to go looking for them, so I do what I can to bring them together," he says. "But the government needs to ensure it benefits actual farmers.'

When Pantha went to Korea, he did so





out of compulsion. "It was not my intention to learn something new and come back home and work," he says. "Things just worked out that way. No matter how much you earn abroad, it is difficult to earn trust and respect. In Nepal, no matter how much or little you earn, people still respect you.'

But the biggest lesson he learned abroad which has helped him in Nepal was the importance of disciplined work. "Hard work can transform not only an individual, but also society and the country," he says.

Pantha wants to continue working well into old age and build a good image for himself. His biggest dream is to help fellow Nepalis gain employment in their own country. He says in poetic Nepali, "Najau aba khadima khusi sanga paisa khojum hamrai pakha, hamrai barima." 🖸

This is the seventh in the series Striking Roots, where we feature the stories of entrepreneurs from across the country. If you know someone whose story needs to be shared, email us as editors@ nepalitimes.com

ahure

igrant workers there





meet big ticket items like paying off loans we borrowed to pay recruitment fees at high interest rates, or when there were family emergencies.

By the end of my nine years there in Malaysia, I was saving Rs65,000 a month. When I was

migrate overseas for work. You work hard either way, in Nepal or abroad, but you can only earn a liveable wage abroad.

I soon bought my own taxi and even though I work long hours, I am glad I don't have to give away most of it to a साहु. I earn more

to send my daughter abroad for her Master's. I take a lot of pride in the fact that a simple driver like me can now send my daughter abroad for higher studies. I cannot think of a better investment for her and our family's future.

Once my children are settled,

there for the money, and the extra payment held a lot of significance to workers. They begged me for overtime hours, but I had to assure them that the rotations would be

balanced. If not this weekend, they would get the hours next weekend.

In Malaysia, my colleagues and I used to pool our resources to send a larger amount home in rotation to

ready to head home, my supervisor told me that he thought of me as an integral part of the team, and handed me an envelope with a cash token of appreciation. He told me that his company's doors were always open for me. But I never went back.

In the last 108 months I spent in Malaysia, I was home in Nepal only for three months, and I needed to devote my time to my family.

With my savings, I bought some property in Gorkha which quadrupled in value, and allowed me to invest in my children's education. My daughter finished her undergrad degree in journalism and my son, whom I met for the first time when he was already four, is finishing high school.

A neighbour in my village had called me at work in Malaysia to inform me about the birth of my son. I spent 300 ringgit to celebrate with my colleagues in Penang.

After returning to Nepal, I was first a driver for senior politicians. But it was impossible to be a good provider at a driver's salary.

It is no wonder that Nepalis

than Rs100,000 a month.

When I was working for politicians as a driver, I realised why power is so important in Nepal. My wife was almost killed when she was hit by a truck. The owner refused to pay, and the hospital bills racked up. It was only after a threatening call from my politician boss that the perpetrators agreed to pay the medical bills.

Nepalis like me without power or networks are deprived of what is rightfully ours. Foreign employment can provide us with resources that open up avenues. When my wife fell ill with cancer, it was the land and taxi that I bought with overseas earnings that gave me the collateral to borrow money to ensure she got the care she needed.

My brother who is working abroad also insisted on chipping in for my wife's cancer care. Without resources, even the most willing informal networks are unable to help during times of crises.

My wife is now cancer-free and is back to her old self. I will use the same collateral to get loans

my wife and I long to go back to our village in Gorkha. I spent a few months there during the pandemic and got a glimpse of how comfortable rural life is. My customers there include elderly widows in their 80s and 90s from lahure families who have to go to the bank to receive their pension.

It's a three-hour drive and they want me to stop twice en route so they can enjoy homemade alcohol and boiled eggs that they carry from home. In the village, you know all your customers and they know you personally. The earnings might be lower, but we do not have to pay rent or buy expensive food like in Kathmandu. But most of all, at home there is peace of mind.

My struggles began over 35 years ago when I escaped to Kathmandu with my cousin, enticed by the possibility of earning enough to be able to afford to eat rice every day.

I now long to go back where I started and enjoy life at a slower pace, after decades of hard work. 💟

Translated from a conversation with the author. Entries can be sent to editors@nepalitimes.com

About Town

GETAWAY

E-VENTS



Harsha Gujral

8

Experience an evening full of laughter with Kanpur-based standup comedian Harsh Gurjal, who is performing in Nepal for the first time. *9 June, 5pm onwards, Pragya Pratisthan,*

Kamaladi

Art Exhibition Attend artist Amshad Sunuwar's exhibition Ambiguity Within the Rote Loop this

Ambiguity Within the Rote Loop this weekend. 9 June, 4.30pm onwards, Dalai-la art space,

Thamel



Otaku Parva The latest iteration of the vibrant Otaku Parva will include cosplay contests, PUBG tournaments, band performances, and other cool pop culture events. *10 June, 10am onwards, Big Chair Resort, Butwal*

Drag show This Pride month, take friends along to the biggest drag show in Nepal. 16 June, 5pm onwards, Hard Rock Café, Darbar marg, 980196771



Boudha Farmers market Think global and shop local at the Saturday



MUSIC

Sabin Rai

Sabin Rai and the Pharaoh, also featuring Youngniti Band and DJ Nana, will be in Birganj singing songs composed throughout their career. 9 June, 7pm onwards, World of Wonders, Bypass Road, Birgunj



Samir Shrestha

Listen to Samir Shrestha and the Crescents perform live this week. Wangden Sherpa and Prajina KC will open the show. 10 June, Tickets: Rs1000, Club Platinum, Darbar marg

Monkey temple

Get some good food and drinks with friends and Catch Monkey Temple live at Last Friday Bar and Grill. 9 June, 5pm onwards, Ticket: Rs1000-1500, Lazimpat



Kanta Dab Dab Kanta Dab Dab will launch their second album Manusaka, and perform a new song during their concert this week. *14 June, 7pm onwards, Moksh, Jhamsikhel*

Ko:Kaa Join Ayush Tiwari, Reuben Thapa, Shishir Lama, Rahul Sayami, and Sudhansu Acharya from the band Ko Kaa as they play tunes from their upcoming album. 9 June, 8pm onwards, Passes: Rs300, Tito's Pub, Thamel



Barahi Jungle Lodge

Stay in the individual or two-in-one private villas perfect for travellers, or get a guest room at this eco-jungle lodge. Revel in the beauty of the surrounding Chitwan National Park.

Megauli, Chitwan (01) 4429820

Kathmandu Guest House Kathmandu Guest House is the place for trekkers to rejuvenate. The buildings offer hospitable, comfortable accommodation and the hotel has serene gardens and is a short walk away from Kathmandu Darbar Square. *Thamel (01) 4700632*



Dhulikhel Mountain Resort

Dhulikhel Mountain Resort is the perfect getaway, from the blend of bungalows with Newa influences to views of majestic mountain ranges from the rooms. It also offers body massage and spa services, evening cultural dance programs, and appetising multi-cuisine food.

Dhulikhel (01) 4420774

Sapana Village Resort

Wake up to witness elephants lumber through the forests, and stay amongst rich Tharu and Chepang culture in the heart of Sauraha. *Sauraha, Chitwan (56) 580308*

Namo Buddha Resort The traditional Newa style resort is perched on a hilltop with an amazing view of the Himalaya each morning. The peaceful, tranquil environment is also perfect for short hikes. Namo Buddha, Phulbari, 9851106802

WEEKEND WEATHER



Monsoon approaching

The southwest monsoon actually enters Nepal from the east because it is the Bay of Bengal arm that curls around over northeast India. A vortex is moving northwest to enter Bangladesh and Cyclone Biparjoy is also loitering in the Arabian Sea (see map). Moisture infusion will mean there will be daily convection rain from the weekend on, however the Bay of Bengal monsoon is behind schedule and its ETA is around 20 June in Kathmandu Valley.



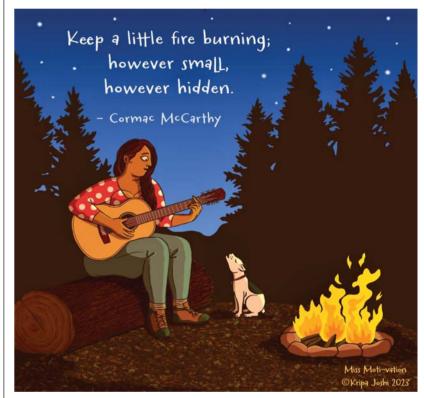
OUR PICK

Lizzie Morrison and her nine-year-old deaf son Frankie, accompanied by her opinionated, chain-smoking mother Nell have been relocating for a long time. All this time, Frankie has been corresponding with his father Davey, a merchant seaman working on HMS Accra, through Glasgow post office box. One day, Frankie finds out that the ship will soon be arriving at the docks of the Scottish town of Greenock where the family has newly relocated and writes to his father asking him to come visit him--only Lizzie has been writing the letters pretending to be Davey. The turn of events prompts Lizzie to hire a stranger to pose as Frankie's dad for a day. The critcally acclaimed 2004 British drama stars Emily Mortimer, Gerard Butler, Jack McElhone, and Sharon Small.



MISS MOTI-VATION

KRIPA JOSHI



आगलागी हुन नदिन चनाखो बनौं

खाना पकाइसकेपछि आगो, ग्याँस चुलो, स्टोभ वा

Boudha Farmer's market. Buy fresh local harvest, baked goods, meals, and support small businesses. *Saturdays, 8am-5pm, Utpala Cafe, Boudha, 9810700763*

DINING



Turkish Kebabs Head to Turkish Kebabs and Pizza Hub to try some authentic Turkish cuisine. Order the kebabs, or try Turkish street food dhurum. *Ekantakuna (01) 5439733*



DanRan Restaurant

Enjoy a Japanese meal at DanRan restaurant. Don't miss out on the soft tofu, pork cutlets and don varieties offered. *Jhamsikhel Road (01) 5521027*

Bricks Café

Try out the wood-fired pizza that Bricks Café is known for, and enjoy a variety of other cuisine in warm and pleasant surroundings. *Kupondole, 9801179333*

Hermann Helmers

Relish in a wide range of pastries, cookies, biscuits and cakes and other baked goods that Hermann serves. *Jhamsikhel Road (01) 5424900*



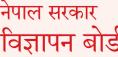
Tukche Thakali Kitchen Having a hard time deciding what to make for lunch? Head to Tukche and get a taste of Thakali food made from the Nepali staple dal bhat. *Darbar North Gate (01) 4412462*

हिटर निभाऔं ।

- सिलिन्डरको रेगुलेटर, पाइप वा चुलोबाट ग्याँस लिक भए/नभएको यकिन गरौं।
- ग्याँसको गन्ध आए बेवास्ता नगरौं।
- 🕟 सलाई, लाइटर बालबालिकाले भेट्टाउने ठाउँमा नराखौं ।
- दाउरा बालेर खाना पकाइसकेपछि पानी छ्यापेर आगो निभाऔं।
- चुरोट, तमाखु, चिलिम, सुल्पा नखाऔं । खाएमा आगो राम्ररी निभाओं ।
- बिजुलीका तार, प्लग, स्वीच वा वायरिङ ठीक अवस्थामा भए/नभएको जाँच गरौं।
- घरबस्ती नजिकै पोखरी, ट्याङ्की वा अरू कुनै तरिकाले पानीको जोहो गरिराखौं।

आगलागीजन्य विपद्बाट बच्न चनाखो बनौं।







History on canvas

Depicting through painting the unification of Kathmandu Valley before Prithvi Narayan Shah

Shaguni Singh Sakya

Contrary to popular belief, Nepal as a nation with different boundaries was founded way before the unification by Prithvi Narayan Shah. From the time of the Gopal dynasty before the birth of Buddha and after, Nepal has seen many dynastic rulers including Kirat, Licchavi, Verma, Thakuri, and Malla, each with their significant contributions to nation-building.

Much of history before the Shah dynasty is not known, and aside from the Shahs, the Malla era is perhaps the best recorded. But even then, not much is known of its rulers before Pratap Malla.

Historians credit Jayasthiti Malla with establishing the dynasty with the unification of Kathmandu Valley. However, research of the early Malla period is scant, and the king whose deeds left a lasting legacy on Nepal's culture is not given due recognition.

Now, artist Shreejan

The young queen was married to a prince from Banaras, but he too died, after which Devala Devi married her son Jagat Singh to the widowed queen, and thus became part of the Bhaktapur royal family.

Nayak Devi later gave birth to Rajala Devi, and became a full claimant to the throne.

With a son who was prince consort and an infant granddaughter who was heir apparent, the future of Bhaktapur was fragile. Nepal with its many small warring kingdoms was in constant strife.

Then in 1349, Kathmandu faced the first Muslim invasion by Shamsuddin Ilyas, the Sultan of Bengal. The valley was looted, temples and monuments were plundered, including Swayambhu and Pashupati. The invasion lasted seven days and the only temple spared was Changunarayan because the invaders could not locate it.

Amidst all this, Devala Devi was looking for someone to lead and bring stability to her kingdom. She brought Jayasthiti Malla to Bhaktapur after being impressed by his dynamic personality. main backdrop and was drawn from historical evidence of its ornamentation by Licchavi and Thakuri kings before the Mallas. King Shivadeva III (11th century CE) was the first to cover the roof in gold. But Shamsuddin Ilyas in 1349 stripped off all the gold, so the roof is shown bare. The doorway is given its silver adornment assuming it was renovated as per Vamsavali III, which states that the temple was repaired and a ceremony was performed in April-May 1360.

Most noble Mallas had wives from the Tarai, so the women wear jewelry and clothing of Mithila style. The men's attire had Rajasthani influence as the Thakuri dynasty before the Mallas were Rajputs. The musicians also wear Rajasthani dress, and the puja utensils have both Hindu and Buddhist influences of Kathmandu.

The reign of Jayasthiti Malla saw stability and strength after a long period of chaos. The Malla dynasty, which had begun with King Ari Malla in the 1200s, was firmly established under him.

He was king of Kathmandu Valley and its environs from 1382-1395 CE, and the three cities remained united until the reign of his grandson Yaksha Malla (1482).

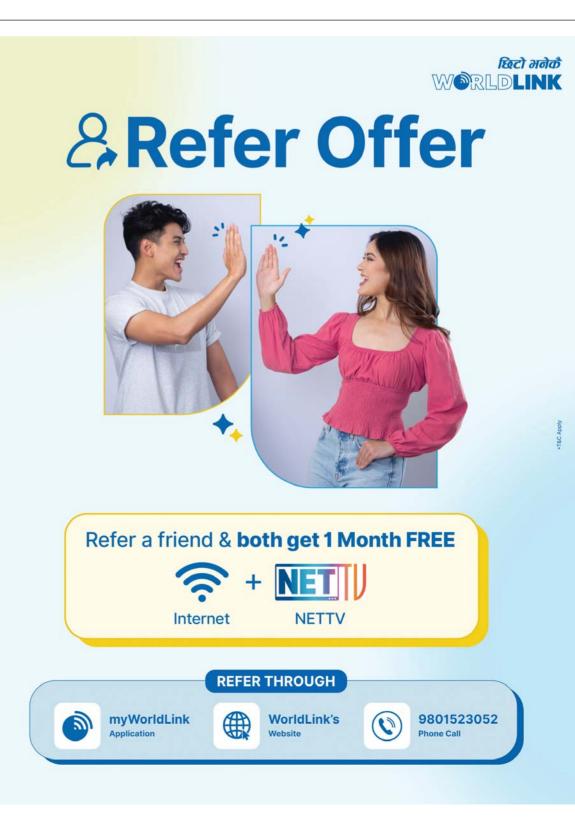
The three kingdoms were in constant strife until Prithvi Narayan Shah conglomerated a greater Nepal in 1768.

Jayasthiti Malla is also credited with the earliest constitution and codifying the law – the Jayasthiti Paddati. This compilation of traditional laws was seen as the source for Mulki Ain in the 19th century. His Gopal Raj Vamshawali is considered

the first historical evidence of the Nepali state.

He instituted a job-based caste system to bring order and economic stability which is still practiced by the indigenous Newa people. A builder of temples and a promoter of art, literature and music, the nation owes much to Jayasthiti Malla. This painting is an attempt to capture an important event in his life and in Nepal's history.

Shaguni Singh Sakya is the Director of KGH Group and Museum of Nepali Arts (MoNA) in Kathmandu. where Shreejan Rajbhandari's painting will soon be on display.



Rajbhandari's painting is an artistic tribute to a king who established the longest reigning dynasty which is still integral to Nepal's identity today.

This painting (pictured) by Rajbhandari is based on research by historian Dilli Raman Regmi and the event is noted in Gopal Raj Vamsavali, a 14th-century hand-written manuscript. Jayasthiti Malla was a man of noble but obscure lineage who came from Simraongadh, Tirhut in present-day Tarai. His rise to power indicates the strong historical ties between Kathmandu Valley and the southern plains at the time.

When the Muslim sultanate of Bengal invaded Tirhut, King Harshinga Deva of Simraongadh died while trying to escape. His queen Devala Devi, who had ties with the Bhaktapur royalty, fled along with her son Jagat Singh and took refuge at the Bhaktapur palace under the protection of King Rudra Malla. But Rudra Malla died shortly after without a male heir and his infant daughter Nayak Devi was declared heir to the throne. Devala Devi then betrothed her eight-year-old granddaughter to Jayasthiti Malla in 1354. This union led to Jayasthiti Malla declaring himself the king consort after the death of Devala Devi. Eventually, he defeated the Raja of Patan, Jayarajuna and took control of the city. A stone inscription (1392) at Kumbeswor temple in Patan shows his sovereign status in the city.

The painting portrays the Tilapatra Daan puja that took place in Pashupati to celebrate the union of Kathmandu with Patan and Bhaktapur (1375). It took much effort for Jayasthiti Malla to convince Jayarasimha in Kathmandu to join the union. This unification of the three kingdoms was a watershed moment in history.

Artist Shreejan Rajbhandari has done his best to portray medieval 14th-century Nepal, which is one of few depicting Jayasthiti Malla, and is a significant documentation on canvas of his reign. Jayasthiti Malla is seen performing the puja with his wife, while Jayarasimha looks on with a sense of defeat. The artist relied on influences of the period to paint the contemporary landscape. The Pashupati temple is the

Nation

NEPAL-INDIA POWER PLAY

PM Dahal's electricity trade deal with India will stop third country involvement in Nepal's hydropower

Ramesh Kumar

10

ne of the agreements announced during Prime Minister Pushpa Kamal Dahal's visit to India last week was a long-term electricity trade deal that makes it more difficult for third-country investment and construction of hydropower projects on Nepal's rivers.

Nepal can now reduce its widening trade imbalance with India by exporting surplus electricity in the coming years, Dahal told Parliament on Monday.

The power trade deal with India is an initial agreement and it still needs to be edorsed by cabinets in both countries, but it is a breakthrough," explained Dinesh Kumar Ghimire, secretary at the Ministry of Energy, Hydropower and Irrigation.

Indeed, because it is a preliminary announcement, the details about how Nepal will benefit from the deal is not yet clear. Despite the agreement, India has still not agreed to increase its power import quota from Nepal.

Nepal Electricity Authority had got permission in November 2021 to bid for sale of power in India's Energy Exchange Market. Initially, India only allowed the sale of 39MW in the day-ahead market, but after Sher

Bahadur Deuba's visit to Delhi in April 2022 that threshold was increased to 346MW, and later to 462MW.

The geopolitics of Himalayan waters means that India buys power generated only from six plants that do not have any Chinese involvement, and furthermore the agreement has to be negotiated and renewed every year. NEA has already started the renewal process for the coming year and has asked for the quota to be increased.

Nepal will have surplus electricity as soon as the monsoon sets in this month. As river levels rise, generation capacity will go up to 2,700MW, while total summer demand for power in Nepal is only 1,600MW.

Nepal has not pushed efforts to increase domestic demand aggressively enough by encouraging households to use electric stoves and appliances, incentivise battery-operated vehicles, and push industries to switch from diesel and coal to electricity. This means hundreds of megawatts of precious clean renewable energy will be wasted this monsoon, as in previous rainy seasons.

Nepal had proposed a 25-year long-term deal with India during Prime Minister Dahal's visit, but Indian Prime Minister Narendra Modi only gave verbal assurance to buy 10,000MW of power from Nepal in the next years, with the unspoken caveat that these



will be generated by Indian-built plants.

While in Delhi Dahal also tried to convince the Indian side to buy power from the Upper Tamakosi project which is being built by both Chinese and Indian contractors. But India did not give an immediate response.

Ghimire at the Energy Ministry says the agreement during Dahal's visit has changed the modality of power trade from short-term to a long-term arrangement between the utilities of the two countries to buy electricity in bulk. "Instead of renewing every year, there is now the possibility to have 5, 10 or even 25 year power trade agreements and specify the price by year and month," he explains.

The proposal for a long-term framework agreement now needs to be augmented

by further bilateral negotiations between NEA and India's National Thermal Power Corporation (NTPC) on price, duration and modality.

Dahal told Parliament on return that Nepal now has a guaranteed market to sell its surplus electricity, and would increase investment in power projects in Nepal. However, it is clear to many that the deal only opens Nepal's rivers for Indian companies and not those from other countries.

In fact, reading between the lines of the Indian Ministry of External Affairs communique last week, Nepali experts say the long term purchase will only be from power projects in Nepal that India is involved in. This is the same model in which Indian

Till debt do us part

Internal debt is taking away from capital expenditure and from ordinary Nepalis

lot of the discussion on the new budget has hinged on taxes. But the fact that it allocated more money for debt servicing than for capital expenditure is a much more stark indication of the state of the economy.

The government earmarked s331 billion to pay back domestic and external loans and interests, higher than Rs320 billion set aside for capital expenditure. In essence, this means there will be less money for health, education, or infrastructure. In fact, the government plans to borrow Rs240 billion in internal loans, but will be spending over Rs275.79 billion paying off old debt With falling tax revenue unable to cover expenses, more than a quarter of the budget is now borrowed from outside and within the country. Public debt as a proportion of GDP before the earthquake was 22%, now it has exceeded 42% "We are falling into a domestic debt trap, we have reached a point where we are having to borrow more money to pay our debt," warned former finance minister Yubaraj Khatiwada. "Alternatively, the government's capacity to spend on development is now weaker." According to the Public Debt Management Office, Nepal's total public debt has exceeded Rs2.15 trillion. Of this, domestic debt is Rs1.08 trillion and the other half is foreign loans. In 2015, domestic



This will lead to an increase in the amount earmarked for interest and capital repayment, further diverting resources from development.

In the financial year 2022/23, the government allotted Rs.609 billion for development and Rs.188 billion for the payment of interest on loans. This fiscal year, the development budget has shrun by 23%, while debt repayment increased by a whopping 76%. "Because all of this is costing the government more money, it is raising the debt of the market. Now what this does is create a situation where only a few in the private sector can manage to get loans," says Khatiwada. Foreign loans from donor countries, agencies and multilateral organisations are concessional in nature, meaning they have an affordable interest rate of less than 1%. Many of these loans have a repayment period of up to 40 years. For example, the government has taken a loan of about Rs16 billion from the Japanese government to build the Nagdhunga tunnel. The interest rate of such a loan taken for 40 years is only 0.01% However, internal borrowing is expensive. As soon as the interest rate of loans of banks and financial institutions increases, the government also has to borrow more expensively. According to the Public Debt Management Office, the average interest rate on bonds is 10.30%, up from 5.75% in 2017, primarily due to the lack of investable funds in the financial

system.

"Internal debt is an invisible tax imposed on the common man. As the internal debt increases, the government starts looking for ways to generate income to pay it. As a result, taxes are added to goods and services used by citizens," says former secretary at the Finance Ministry Rameshore Khanal

debt as a proportion of GDP was 8.1% and foreign debt was 14.2%. By the end of December 2022, this ratio increased to 19.9% and 22.7% respectively.

Government housing grants post 2015 earthquakes, implementation of financial mechanisms within the federal system including building of new infrastructure, and the Covid-19 pandemic have been blamed for the increase in public debt. Wanton expenditure by successive ruling parties has also played a hand.

"The expenditure will increase now that the internal bonds taken by the government have matured and the repayment period has started," says Finance Ministry spokesperson Dhaniram Sharma. During the pandemic, the government had requested donors to postpone loan repayment period by a few years. We have now passed that grace period.

On the other hand, the government has started to raise more domestic debt through development bonds since 2018/19.

But in addition to paying off instalments of the old loans, the Finance Ministry is also under pressure to increase salaries, social security allowances and other expenditure obligations. As such, the government has started imposing higher tax rates to increase its income. Nepal is already one of the countries with the highest tax rates in South Asia. Revenue makes up 22% of Nepal's GDP.

More than half of the country's annual budget is being spent on salaries, administrative expenses. social security, subsidies, etc., so the government relies on debt to raise resources for development. Large budget and distributionoriented programs in turn have further increased the internal debt. Experts say loans should be taken only for priority areas and for productive sectors that can repay the amount.

Says economist Pushkar Bajracharya: "Otherwise, taking out loans and spending them indiscriminately will only further burden the future generation of our people." 💟 Ramesh Kumar



state-owned companies build power plants in Bhutan.

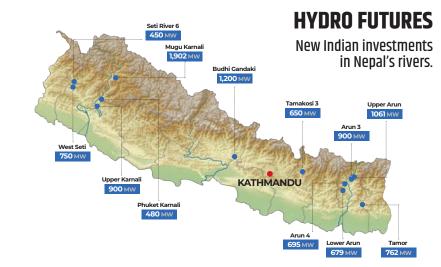
Ghimire assures skeptics that the agreement will benefit both Nepal and India, and says the Indian side has no problems buying power from plants with Nepali investment. But past experience shows that it has always been difficult for NEA to increase India's import quota for Nepal's electricity.

Most affected will be hydropower projects nearing completion which have Chinese investment or are being built by Chinese contractors.

"Even after the announcement of the longterm power trade agreement, we will still have to get Indian consent on a plant-by-plant basis," says NEA's chief Kuman Ghising. In 2019, India had passed a Conduct of Business Rule (CBR) under which it would only buy power from companies belonging to countries with which it has a bilateral energy trade agreement.

This singled out mainly hydropower companies in Nepal with Chinese investment which are involved in the ongoing construction of projects generating a total of 1,000MW. India's objection is not just to companies which have Chinese investment, but even the involvement of construction contractors from China would put Nepali companies on India's blacklist for electricity import.

^For example, the 456MW Upper Tamakosi project has Nepali investment and is being



built by three big Indian contractors. But India is not buying power from this project because the Chinese company Sino Hydro had got the civil works contract.

"It is humiliating that we have to provide the Indians with details of contracts for every project we are involved in," said one hydropower investor who did not want his name used. "There is no guarantee they will buy power even in projects we build ourselves. This means ultimately Nepal will not be able to build anything on its own rivers without Indian approval."

Other experts point out that while all the discussions have been about electricity, New Delhi's priority is actually to regulate the flow of the tributaries of the Ganges by storing monsoon runoff. With the climate crisis changing the hydrology of Himalayan rivers, India is now eyeing large reservoir projects in Nepal.

Almost two-thirds of the water in the Ganges that flows through some of the most densely-populated regions in the world in the north Indian plains come from rivers of Nepal. And most of that flows down in the four monsoon months between June-September.

One large reservoir project is the Budi Gandaki, and it has been delayed by geopolitical pingpong between India and China. In 2017, Pushpa Kamal Dahal awarded the project to China's CGGC when he was prime minister, but the subsequent Deuba government reversed the decision. In 2018, K P Oli's administration restored the contract, only to have Deuba cancel it again in 2022.

In the current climate, Budi Gandaki would be the kind of project that India would try to prevent the Chinese from building even if it did not want to buy electricity from it because of its water storage capability.

Prime Minister Dahal is in a coalition with Sher Bahadur Deuba of the Nepali Congress (NC). When he became prime minister in 2022, he awarded a series of river projects to Indian companies: the West Seti reservoir project, the 480MW Phukot Karnali and Seti River-6.

A Nepali company signed an agreement with China Construction during the visit to Kathmandu by President Xi Jinping in 2019 to build the 762MW Tamor project in eastern Nepal. But because India will not buy power from the project, the Nepali side has revoked the contract with China Construction and is likely to award it to India's stateowned Satluj Jal Vidyut Nigam, which is involved in projects on the Arun that will generate 2,000MW.

Indian companies are building hydropower projects which will add a combined total of 4,000MW to the grid, three of which were rushed through only in the past year. Three more Indian projects are in the pipeline.







joti Bhawan, antipath, Kathmandu ww.honda.com.np

थप जानकारीका लागि

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Society

Nepali Times: What are some of the lasting impressions of Nepal that you will take back with you? Elisabeth von Capeller: I have seen a country which has changed very fast in recent years, from a closed, rural society to an urban, global society. I have also seen Nepal go through many ups and downs, including being hit by many crises. But it also overcame them, which goes on to show a certain strength of the people. We have also seen the women, they have changed the most. They are so positive, their body language is so different than 10 years ago, and they are much more present in the public sphere and private sectors.

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Ýet there are many more changes Nepal needs to address. Social injustice is still very much prevalent. Also, one thing that worries me is the rapid environmental destruction, and I hope there will be more sensitivity towards nature because Nepal is destroying essentially its wealth, beauty and future potential.

How has the nature of Swiss assistance changed?

We started with technical assistance but during the insurgency, we got involved in service delivery because the state was not present. Also during the insurgency, we came up with a diplomatic instrument to help accomplish the peace accord. After the peace agreement, we helped Nepal with the implementation of the new Constitution. Nowadays, local and provincial levels are carrying out service delivery, and we support them as well as the federal level in the building of the institution. Swiss Ambassador **Elisabeth von Capeller Oswald** has been in Nepal for over a decade and in that time, has seen the country undergo significant political and socioeconomic change in real time. Von Capeller first came to Nepal in 2007 with the Swiss Agency for Development and Cooperation (SDC), and was appointed Ambassador to Nepal in January 2018.

At the end of her stint, von Capeller spoke to Nepali Times Excerpts:

What we have done is always try to adapt our programs to make them relevant to the political as well as economic context. We have had technical solutions to political problems but we also need political solutions to political problems. As you know, development cooperation, even more humanitarian ones, are political. Our concern has always been that we do no harm which is why we always did a good analysis of the political context and reflected on what and how we did our projects.

Many Nepalis are now questioning if federalism can deliver true devolution.

The Constitution is a result of

the peace process and Nepalis should be proud of it. There used to be districts with district offices but they were not working. There was also huge exclusion, and development took place just around Kathmandu, which meant the majority of the population was not included. These are the very reasons why the former model was questioned. And I strongly believe that in the short seven years, federalism is already showing results, especially at the local levels.

But what we have now is a dangerous narrative, a very Kathmandu centric elite-driven discourse. People have forgotten how it was, many of them have never been in districts, they don't GOPEN RA

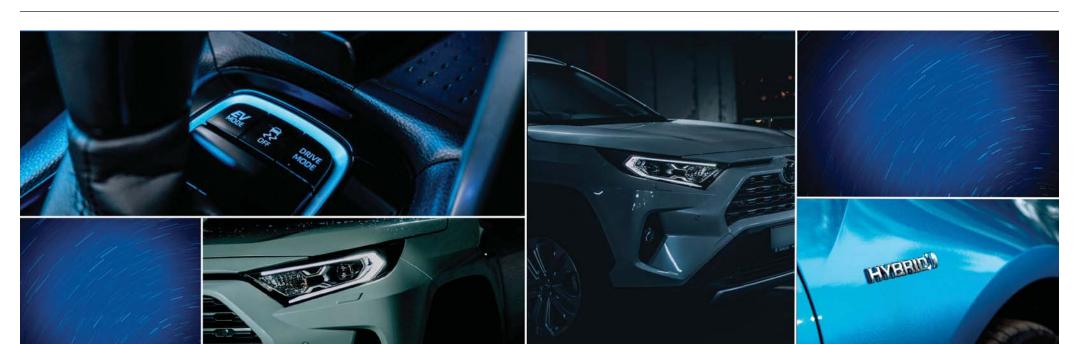
know what service delivery was like over there. I also believe that Nepal has not even started to implement the Constitution-- important laws like the Civil Service Act have not been passed without which the local levels cannot fulfil their mandate. Provincial governments are criticised when they are the victims of the politics at the centre.

Nepal has a good Constitution and there is a reason why the new model was chosen. Please give this model a try, pass the much needed Acts in order for this system to work. And the Constitution is a living document, you can change it, adapt it but this country cannot afford to have a total new change. I recommend people to go to Humla, Rolpa, the Madhes, talk to people there, and see how federalism has changed their lives. We knew from the beginning

that it would be a bumpy road for the next 15 years. We need three cycles of elections at the very least, we have to give it some time. But while certain things can be given more time, important Acts which will allow the mandate given to the local and provincial levels to be fulfilled need to be passed. We blame provinces and say they are unable to do the job, but the truth is they haven't been enabled. I think the media is also very important to bring out a good narrative. It is easy nowadays to bash, but not so easy to construct.

You are leaving the Swiss Foreign Service. Where does the Nepal experience fit in your career? For me Nepal was the height of my career. I have seen where Switzerland could really make a contribution in Nepal, be it in the forest sector, technical and vocational education, building trail and motor bridges, or the peace process. Even now, we are very much engaged in helping Nepal address the Transitional Justice Bill. And I have decided not to go for the next post because I don't want to have something less of what I had here. So I've decided to stop here and look for other sectors where I think I will be useful. But having said that, all the experiences I had here including the wonderful exchanges, the people I met as well as the challenges and chaos, they will accompany me in my next journey. We have a wonderful team. All of this goes on to show that people matter.

Video interview online



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