

Shikhar Travel Trip Insurance

We provide the most comprehensive and affordable travel policy to suit your needs

We cover

- Medical and Emergency Expenses
- Personal Accident
- Personal Liability
- Loss/Delay of Checked Baggage
- Loss of Passport

Protect Yourself & Travel with Peace of Mind

Shikhar Insurance

Everest Bank Complex (1st & 2nd Floor), P.O. Box: 11133, Naya Baneshwor, Kathmandu, Nepal, Phone: 4784514, 4784515, Fax: 4784513

Times

nepalnews.com

Weekly Internet Poll # 255

Q. How do you evaluate the security situation since 1 February?

Better 43.1%

Worse 37.2%

The same 17.6%

Don't know 2.1%

Total votes:541

Weekly Internet Poll # 256. To vote go to: www.nepaltimes.com

Q. How confident are you that the new budget will help Nepal make an economic turnaround?

Available in a range of models & colors

Dia Safe

FIRE-PROOF FILING CABINETS & SAFE

Protect your Valuables at Home & Office

HOME FURNISHERS

223, Tripurapath, 3/34 Tripureswor (way to Thapathali), Nepal.
Ph: 4254601, 4252240, Fax: 977-1-4261918

absolute bloody mary

only at

absolute

7070 BARBERS CHURCH FOUNTAIN DRIVE 5 MINUTE
COCKTAILS WICKEDTAILS ENTREES SUNDOWNERS LOUNGING

3 CONFERENCE HALLS
3 MEETING ROOMS

OVER 1000
SUCCESSFUL
CONFERENCES
AND COUNTING...

Godavari

Village Resort
Kathmandu - Nepal

E-mail: gyasalevi@mail.com.np
Contact: 5560675/5560775

Poorer and poorer



KUMAR SHRESTHA

KIRAN NEPAL

It is simple arithmetic: if a country's GDP growth is less than its population growth rate then its citizens are getting poorer. Nepal's population is growing at 2.24 percent a year, GDP growth this year will fall to 2.1 percent.

If the inflation rate, which has climbed from 1.7 percent last year to nearly 6 percent this year, is counted it means sharp erosion in purchasing power. Add to that

the drop in investment, fall in tourism, plummeting agricultural and industrial production and it is clear that Nepal is getting poorer by the day.

Finance Minister Madhukar Rana, who is preparing the budget for presentation next week, has an unenviable task of paying for more with less.

Remittances from Nepali workers abroad, which served as a parachute for Nepal's economy, only grew by 3.7 percent this year (compared to 4 percent last year)

even though the number of workers went up and money transfer became more streamlined. Nepalis aren't sending their money home and political instability has spurred capital flight.

Tourism revenue is down 33 percent this year, third country exports have fallen by 20 percent and there is a severe shortage of Indian currency to pay for imports. The Rastra Bank chartered a 757 recently to air-freight IRs 4 billion worth of cash

WALKING THE PLANK: A woman crosses a dilapidated bridge linking Libang to the rest of Rolpa last week, the bridge symbolises the state of Nepal's economy--ravaged by conflict and starved of budget.

from Bombay that it traded for US dollars. Private banks are awash in cash, but they have Rs 3 billion invested in unproductive sectors like housing and consumer lending.

Continued p4

Now clear skin
with a
natural glow

Dabur

Vatika

Honey & Saffron

Discover the magic of honey and saffron. Together for the first time in a soap, these exotic ingredients will give you clear, naturally glowing skin you'd love to flaunt.



Published by Himalmedia Pvt Ltd, Chief Editor: Kunda Dixit
Desk Editor: Abha Eli Phoboo, Aarti Basnyat
Design: Kiran Maharjan Web: Bhushan Shilpakar
Advertising: Sunaina Shah advertising@himalmedia.com
Subscription: Pushparaj Sharma, subscription@himalmedia.com
Sanchaya Kosh Building, Block A-4th Floor, Lalitpur
GPO Box 7251, Kathmandu, Nepal
Tel: 01-5543333-6, Fax: 01-5521013
Printed at Jagadamba Press, Hatiban: 01-5547018



LET A THOUSAND RADIOS BLOOM

Of all the ridiculous decisions that have been taken lately, the one that gets the prize for sheer idiocy is the continued ban on news by FM stations.

It was news on FM that chronicled the barbarity of the Maoists, their intimidation and blockades. Now, the only news on FM is positive news about the Maoists: through their own clandestine transmitters.

But what makes that move even more foolish are the repeated assertions by members of the cabinet that no FM station in the world is allowed to broadcast news. But this falsehood has been repeated so often that the regime now seems to believe its own lies.

Take it from us: news is broadcast over FM stations in most countries in the world. Thailand and the Philippines have vibrant community radio networks, all of Latin America listens to FM news, South Africa's rural radio broadcasts studio discussions that have been agents of social change.

True, our giant neighbours don't allow it. China for obvious reasons and India because despite being the world's largest democracy and having a rambunctious press, successive governments there have realised the power of radio. Lately our ministers (who otherwise never tire of India-bashing) have started saying that since India doesn't allow news on FM, we shouldn't either. So, if the Indians eat gobar we should too?

Nepal's community radio stations have now courageously started defying the government's order with creative forms of protest like reading news through loud speakers in town squares. This week three Kathmandu FM stations simultaneously broadcast a studio discussion conducted by noted radio host, Kiran Pokhrel of *Aja ka Kura*, on why the ban on news is unconstitutional.

As far as freedom of press is concerned, we have one of the most liberal constitutions in the world. And a Supreme Court ruling in 2001 has set a precedence by declaring the electromagnetic spectrum public property, giving radio the same rights to free expression reserved for print media. The present ban on news is also anti-constitutional because the emergency is over and it is being enforced on the basis of a simple letter from the ministry.

There are other reasons why the ban is absurd. The print media is allowed to get away with extremely critical content. Private tv stations are broadcasting news unfettered, Indian news channels are back on cable. And despite the blocking of two popular websites last week, the Internet is totally free.

Why is it that the government is scared of simple old-fashioned radio? The only reason is its accessibility and reach. Our rulers are scared community radio stations will empower the people who will then demand their rights.

And if that is true, it only exposes this regime's extreme sense of insecurity.



No sermons, please

Foreign meddling impedes Nepal's democratic development

Having squandered the people's trust through their corrupt and unaccountable behaviour, the unrepentant leaders of the major parties have been making a beeline to New Delhi to grovel at the feet of their mentors.

Why are they seeking the trust of Indian leaders instead of trying to figure out why the Nepali people aren't trusting them? Upon return to Kathmandu,

GUEST COLUMN
Bihari K Shrestha



Girija Prasad Koirala jubilantly announced to the Nepali people that he and his seven party alliance had the full backing of the Indian leaders. Talk about shooting oneself in the foot.

It should have been perfectly clear to Koirala and his ilk that India has always looked at Nepal through the prism of its national interest. And New Delhi has always extracted its pound of flesh. Pakistan's bifurcation, helping Sri Lanka's Tamil rebels, New Delhi has a history of meddling in the neighbourhood. And various independent authors have cited over the years that India's ultimate aim in Nepal is

'Bhutanisation'.

(See: Martin Hoftun *et al* in *Democracy and Social Change in Nepal*, 1999). It may be worse, senior Indian diplomats have even hinted publicly about the 'S' word: Sikkimisation.

While we may have ourselves to blame for our own disunity, the southern neighbour since British India days has often used political fissures in Kathmandu to further its geopolitical interest. There was 1951, 1961, 1990 and now there are the Nepali Maoists who still enjoy freedom of movement in India. Recent reports of senior Maoist leaders being escorted around Delhi to meet Indian (and Nepali) politicians suggest that the Indian government's hand may be in much deeper than previously thought.

The present crisis should have been a time for serious introspection for the parties. The vast multitudes that converged spontaneously on Ratna Park to topple the Panchayat regime in 1990 have now become bystanders, watching in amusement the tantrums of the seven-party alliance. It is only a few hundred people they now can put together (at considerable material cost) for their

street shows.

The people's trust in the parties can be restored only on three conditions: the parties should get rid of their corrupt leaders, make their finances transparent, and establish intra-party democracy. Can they do it? Will they? In sheer exasperation, a previous chief election commissioner had once publicly asked what good would a free and fair election do if the contest were to be held between two smugglers nominated by their respective parties.

The need to address these issues was becoming increasingly compelling because of people withholding support to the parties. But the opportunity seems to have been scuppered at the hands of foreign powers, particularly America, Britain and Europe. What is particularly hypocritical is that they are all following India's lead, the same India that is very much at home with the Bhutani autocracy and the Burmese junta.

One particular foreign envoy has even questioned the legality of the RCCC, apparently oblivious to the fact that his own 'Iraq war' has been pronounced illegal by none other than the United Nations.

Such meddling by self-styled kingmakers sends wrong signals to the parties which should be in self-cleansing mode. They may think that they don't need to reform and democratise from within. These do-gooder diplomats should know that democracy is much more than voting or sending corrupt politicians to power. ●

Our 3Ms

The Maoists, monarchists and mainstreamers are just arguing about different versions of modernity

Ever since October Fourth, Girija Prasad Koirala has been consistently critical of 'constructive' monarchy. But February First seems to have made the octogenarian leader of Nepali Congress even more vituperative. A life-long votary of constitutional monarchy, Koirala has begun to hit out at active monarchy with

the ferocity of a jilted lover. Recently he went a step further and even questioned the very relevance of monarchy in Nepal.

Koirala describes the ongoing political agitation in Nepal as a struggle between "the forces of modernity and the forces of feudalism". But the characterisation of monarchy as an institution of feudalism appears to be a little far-fetched. If anything, the palace has been remarkably successful in reinventing the anachronistic legacy of feudal-lord (*bhu-pati*) as a modern and dynamic institution of post-modern monarchy.

King Gyanendra's pronouncements on contemporary politics have a ring of practiced felicity. He uses all the right words: good governance, fight against corruption, war on terror, globalisation, privatisation, liberalisation and even meaningful democracy. In comparison, the

leaders of the seven-party alliance sound antiquated as they restrict themselves to talk of restoration of parliament. The contestation in the country isn't between modernity and feudalism but between different versions of modernity.

Maoist modernity is based on the idea of the dictatorship of the proletariat. Viewed from Rolpa, from behind the rose-tinted glasses of Maoist commissars, the monarchy isn't a feudal institution but an instrument of American imperialism and Indian expansionism.

In the aftermath of the Narayanhiti Massacre, Baburam Bhattarai even claimed that the insurgents had developed a strategic alliance with the royal palace. The statement was quite plausible because both the left and right extremists were engaged in weakening the nation's democratic roots. Actually an understanding between the Maoists and mainstream parties may be what we need but is extremely unlikely.

For the monarchy, modernity means institutionalisation of newer ways to perpetuate its monopoly on state power. That's not a feudal concept at all. Our monarchy isn't bothered by noblesse oblige and other traces of feudalism any more. It draws its strength from the divine right theory which implies that whatever the monarch does is right. This belief is in

tune with American exceptionalism in world politics.

Religion and race are twin pillars of autocratic modernity. This is the version of modernity that seems to have enchanted palace loyalists. Figures that seem to have stepped straight out of sepia-toned snapshots of 1960s argue that modernity is the will of the ruler. The king himself has defined a 21st century monarch as someone who doesn't only hear and see but also speaks. The ambition not only to reign but rule as well isn't regressive. In fact, it's quite forward-looking—a monarch as a saviour against marauding Maoists is an attractive proposition for inherently insecure middle-class Nepalis.

In their competing descriptions of modernity, the seven-party alliance is the haziest. Nobody can question the importance of establishing the people's sovereignty but very few are willing to believe its feasibility in the present context of competitive militarisation of government and insurgency.

Despite its drawbacks, the monarchy is an institution that the people of Nepal have lived with for over two centuries. There is no confusion about the alternative being offered by the Maoists either: in their scheme of things, power flows from the barrel of an SLR. But what do the seven-party alliance have to offer

when they couldn't stick to their simple 18-point program of action in the past? This question vexes every bystander watching protest marches of party loyalists pass by city streets in Kathmandu. What is the main purpose of their agitation? If it's merely pressure tactic, as the king understands it to be, there is no reason for common people to risk themselves in a contest between competitive claimants to Singha Darbar.

In this confusion of contesting versions of modernity the fear that an obscurantist claimant to power may arise isn't as unreal as it may look. As experiences in Iran, Pakistan and Afghanistan have shown, when all else fails people tend to fall back into the embrace of religious extremism. When forces of modernity fight, obscurantists often emerge the winner by default.

Iran's President-elect Mahmoud Ahmadinejad, is said to have been one of the captors of American hostages in 1979. The forces of theocracy are always waiting to sabotage social progress. It may seem hackneyed now but there indeed is no alternative to accommodation between the three contestants to political power.

If nothing, the fear of God and his militant acolytes should force the Maoists, monarchists and mainstreamers rethink their strategy. ●

LETTERS

CASTE ASIDE

Manjushree Thapa (Guest Column, 'Let's talk about caste', #254) needs to get her facts straight before she starts spouting venom all over the place. Shanta Kumar Malla was never the army chief— he was the previous majesty's ADC. Furthermore if she takes the time to look beyond her narrow self-righteous vision on Nepali politics, she might notice that the king's cabinet members who are also his advisers belong to other castes besides Bahuns and Chhetris. Like everyone else even His Majesty is allowed to have friends and this does not equate them to being his advisers. Self-proclaimed intellectuals in Nepal need to stop accusing the palace for everything that has gone wrong in Nepal. They need to seriously look at what they have contributed to this country besides blaming everyone in sight and writing unresearched articles

Siddharth Thapa, Kathmandu

● Manjushree Thapa's 'Let's talk about caste' got me thinking about what should come first: democracy or social inclusion. I guess the answer is both should move ahead simultaneously. Only after that can we create a Nepali society which is more just, democratic, prosperous and free from exploitation. Otherwise nothing can be achieved in the real sense. The two movements complement each other totally: we can't imagine a caste-free and inclusive society in any authoritarian or totalitarian regimes. History of the past 200 years is evidence. Dalits were excluded from state governance, and have been treated worse than animals: at least animals are touchable and allowed to enter houses but dalits are not. The Panchayat abolished untouchability but this was done less for their liberation than to distract them from joining the democratic movement. An authoritarian regime will not be acceptable to dalits even if it starts something positive for their upliftment. It will just be another lollipop. It was in the democracy period of 1990-2003 that the untouchability issue came to the fore and compelled all policy makers, development workers and rulers, to at least think and talk about it. But, as the parties themselves were not inclusive and just talked instead of doing anything in the real sense, we were excluded during this period too. It is revealing that no dalit ever got a cabinet position during the democracy period. Parties can start by being more socially inclusive themselves

from the grassroots to central levels and putting forward concrete policies and programs for the total eradication of untouchability and exclusion in this ongoing democratic struggle.

Dharma Swarnakar, email

SLC NOT-PASS

I would like to thank CK Lal for his column 'How about those who didn't pass?' (#252). He has made a really outstanding point about why it is unfair to lump hundreds of thousands of youth failures every year. One of my friends failed SLC three times just because he failed in English. He was very smart otherwise. He was very good in mathematics and could fix radios, tvs and cameras just like that. When more than 60 percent of the students fail, there is certainly something wrong with the way we teach and carry out this exam. This situation of 62 percent of children 'failing' has to be fixed.

Tara P Dhakal, University of Florida

● I completely disagree with the letter (Nepali Times, #253) to CK Lal's column 'How about those who didn't pass?' Achievers should be rewarded, it's their reward for diligence and brilliance. But no one deserves to be labelled 'failed'. Failed in what? There are so many Nepalis who have to walk hours to go to school, have to help in household chores, have to work. How many of these students pass? SLC is not only about personal commitment, can you compare teachers of schools in remote villages with the ones in cities. What about learning materials? The 'failed' label sticks to children for life causing serious psychological damage and denting the self-esteem of students (and even their families).

Avani Dixit, email

DINESH PYAKHUREL

CK Lal's obituary for Dinesh Chandra Pyakhurel 'Death of an engineer' (#253) was a poignant example of a country in paralysis. Political parties, king and the comrades, what have they to loose? Nothing. They fight and die for what they interpret as truth. At least after death they are respected among their followers. Who are we civil servants to turn to? We are treated like monkeys in a circus. But Lal should give up his clichéd line of blaming all fellow Nepalis for the country's ills. Why blame the people who try to make a decent living, feed the hungry stomach only to survive. The rules are made by the people at the top who earn top salaries. Let's not moralise to people living on meagre government salaries. Why blame me? I also don't care if there is democracy or autocracy in this country as long as people

are provided services and I am paid adequately for doing my job. All I want is food to put on the family table, my life to live and a good night's sleep. How is this being selfish?

S Baskota, email

TOONS

Thanks for that special treat on cartooning in Nepal ('Toontime', #253). They make us laugh, they make us cry, and they pass on vital messages as that mirror society with its bizarre and absurd happenings. And thanks to *Nepali Times* for giving so much space ever since you started publication five years ago, to cartooning and your great talent, Subhas Rai.

Manjul Acharya, Imadol, Lalitpur

WEDDING WOES

I can totally relate to Kapil Tamot's wedding woes ('Pre-monsoon weddings', #253). Being a jeans and t-shirt person myself, one of my fears about going to weddings was having to dress up in the mandatory suit, which my mother specifically insisted upon, on the hope that there would be a prospective bride milling about in the crowd somewhere. Fortunately for me, that expedition proved futile (sorry Mum!). I recently went to a wedding where the buffet was served with spoons, knives and forks. How sad the whole room felt. We knew what we missed—the multi-tasking utensil, without which the food just wasn't the same.

Ranjan Adiga, email

GREEN ROAD

Indeed, the Lamosangu-Jiri road serves as an outstanding model for other mountain roads ('The great green road', # 254) not only for its technically sound and labour-intensive construction methods but also for its role within the complex and somewhat controversial Integrated Hill Development Program. Indeed, some findings from my PhD thesis shall focus on the wider range of impacts: demographical changes (outmigration from Dolakha was reduced), economic strength (mostly the labour-intensive construction contributed to the money-generating power within the area of influence and stimulated further investment there), concentration of rural service centres towards the road, dramatic increase of over 20 percent of forest cover within the Jiri Khola catchment area that is in sharp contrast to other regions where road access accelerated forest destruction, a denser trail-cum-bridge network supplementing the road and intensive settlement growth accompanied by exploding land prices along the road. This demonstrates the

importance of a holistic view in project preparation and evaluation. About 15 years ago, the Lamosangu-Jiri road was heavily criticised by Dr Toni Hagen as an archrival to Dr Ruedi Hoegger, who was one of the initiators of the IHDP and the road project. Today, we can conclude that more positive impacts could be revealed than formerly visible thus a broader view of the interdependence of causes and effects is mandatory. The net construction costs of Rs 250 million was relatively cheap, had it not been for the unforeseen Charnawati Khola disaster due to geological/ geomorphologic and engineering misjudgements that cost an extra Rs 202 million.

Dr Michael Griesbaum, Kathmandu

● Positive articles like Pragya Shrestha's 'The great green road' are greatly appreciated in these troubled times. Although the success story of the Jiri highway is now over 20 years old, the current catastrophic condition earnestly demands all sides, especially journalists to report on news of accomplishment such as this. Even though the road brought tremendous benefit to the people of Dolakha and Ramechhap districts many more people would have benefited had the road been constructed through Dolalghat (from the dusty Dolalghat-Bhumlutar road, all the way up to the Ramechhap border road). All that was needed was a bridge over Sun Kosi. This road would have been shorter, less costly and would have reached the people of three districts instead of the treacherous zigzag up from Lamosangu. Above all, Kathmandu would have had juicy oranges from Pudidhyang years ago. Unfortunately, those in power are above the law in our country, so Panchayat leaders did what best served their own vested interests. Second, with the emergence of 'democracy' in 1990, national interests and nationalism had an even more adverse effect. The escalation of Maoist violence after 2001 dramatically accelerated outmigration. With criminalisation, the scenario for Nepal being able to construct exemplary roads (albeit not completely well thought out) like Jiri is grim.

B Raj Giri, email

CORRECTION

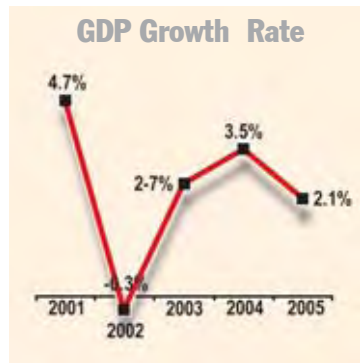
Due to an editing error, 'The great green road' (#254) mistakenly mentioned that the resealing of the Lamosangu-Jiri Highway would be complete by end-July. Only a 16 km portion will be complete in that time.

LX

Almond Delight
with Almond oil, Peach and Cream

LUX
Almond Delight

Brings out the star in you



SOURCE: NEPAL RASTRA BANK, ECONOMIC SURVEY. 2005 STANDS FOR FIRST 11 MONTHS OF NEPALI FISCAL YEAR, ALL FIGURES IN BILLIONS OF RUPEES

Down, down, down

from p1

Revenue is down not just because of the drop in import tariffs but also due to an estimated Rs 3 billion shortfall in tax collection this year. The Deuba government raised VAT by three percent and borrowed Rs 1.4 billion from Nepal Telecom's savings in order to meet rising military and administrative expenditure but that isn't something that can be repeated.

The most dramatic drop is in the development budget which has fallen from Rs 37 billion five years ago to less than Rs 10 billion in the first 11 months of this fiscal year (See chart). More worrying, in the absence of people's representatives in villages and districts, it is difficult to keep track of how the money is spent. It is an open secret in the Finance Ministry and National Planning Commission (NPC) that upto a quarter of the allocation to VDCs finds its way into Maoist hands, and 10 percent from other projects. There is little accountability about the rest.

"We know it is happening but we look away because at least the money goes to the villages and the people participate in development activities," one government official told us.

What has made the squeeze tighter is the suspension of aid after February First, including the Rs 5 billion budgetary

support under the Poverty Reduction Strategy Papers. Many projects, including Rs 800 million worth of VDC grants and Rs 600 million for low-priority projects remain suspended since January.

The donors could come to the rescue but the Europeans and British have suspended new aid until democracy is restored. And instead of reassuring donors, the government has gone out of its way to rebuke them for meddling in its internal affairs. The World Bank is increasingly worried about a rollback in economic reforms and the ADB is so anxious about the ability of this government to implement Melamchi that it is running out of patience. Given the donor mood, the government will find it difficult to get the Germans to bankroll the 40 million Euro cost over-run on the Middle Marsyangdi hydro project.

The government has approached China and the Gulf countries for a fiscal rescue package, sources told us. But Finance Minister Rana who is preparing the 2005-6 budget to be approved by royal ordinance next week is already preparing for the worst. He dashed off a group email to the Rastra Bank governor, chief secretary, and the NPC warning them that he was against a donor-driven economy and Nepal should be prepared to go it alone. For many this harks back to the inward-

looking Panchayat years when the slogan was: 'Domestic market, domestic production.'

Former Finance Minister and NC leader, Ram Sharan Mahat is aghast. He told us, "It's not just the political process that is being rolled back, even the economic reforms of the past 14 years are being dismantled." Former NPC member Yubraj Khatiwada agrees: "At this rate, we will never reap the benefits of economic reforms instituted after the restoration of democracy in 1990."

The government is designing the budget in a three-year development package that corresponds with King Gyanendra's commitment in his royal

proclamation on 1 February to bring democracy back on track in three years. To do this, the government would like to amalgamate development with security so zonal and district-level development projects like bridges, schools, roads, water supply will be implemented jointly by the military. This is how it is done in Afghanistan, and an NPC delegation recently visited Kabul to take a look.

The army has already submitted a proposal for Rs 5 billion at the NPC. The military's argument is that the lack of development is hampering its counterinsurgency operations and it can use service delivery as a hearts-and-minds tool to fight the insurgency. ●



IMF concerned

With just a week to go for the new budget, the International Monetary Fund (IMF) representative in Nepal, Sukhwinder Singh, has expressed his concern about the slow pace of economic reform in Nepal.

Singh said economic reforms had slowed down even before the February First move and was worried about the lack of progress in banks realising non-performing assets. Singh told the *BBC Nepali Service* in an interview aired on Tuesday night that if economic reforms were reactivated the IMF could resume the transfer of the promised \$70 million tranche in aid to the Poverty Reduction Growth Fund (PRGF). If this happened, he said, Nepal may find it easier to convince other donors who are on 'wait-and-watch' mode to resume aid.

The comments came as economists warned that Nepal is suffering not just a rollback of democracy but also a rollback of the liberal economic policies instituted since 1990. Singh said the conflict had affected the economy considerably. "Nepal's economic growth rate was going well during the first and second halves of the 1990s but the growth rate started going down after 2001."

Mixing development with security

The government wants to win hearts and minds with this budget but donors are not likely to foot the bill

ANALYSIS by
NAVIN SINGH KHADKA

For technocrats at the Finance Ministry, pencilling the next week's budget is turning out to be very different than all earlier experiences.

This time, they will not have to bend over backwards to downplay or even conceal security expenses. The government wants a counter-insurgency operation budget. This means not just increased budget to be spent on security but also development expenditure that it uses as a hearts-and-minds operation.

"Expenditures on security are an investment for peace, better revenue generation, better development delivery," Finance Minister Madhukar Shamsher Rana told a pre-budget local donor's forum on 7 June in Kathmandu.

This level of clarity is keeping the budget's designers scratching their heads trying to balance various priorities. But because there isn't enough money to pay

for development, let alone security, there is just no way Rana can balance this budget without camouflaging some security expenses.

The trouble with military budgets is that once you give in, it never goes down. The recently-dissolved High Level Public Expenditure Commission found that security expenses including defence and the police accounted for almost 17 percent of the total expenditure in the 2003-4 budget, up from barely nine percent in 1997-98.

"It is an alarming situation," says economist Bishwamber Pyakurel, who headed the commission, "such a rise in security expenses cannot be sustainable, especially when your income targets are not met." During the current fiscal year, the government's aim was to increase revenue growth by 18 percent. But latest figures show it has gone up by only 12 percent.

The Royal Nepali Army is all set to revive its Integrated Security Development Program (ISDP) which it did in a half-

hearted way in 2001-2 in Gorkha and some other districts. The idea is to move in after clearing the Maoists with health, education, roads and schools to win over the locals.

"We are preparing the budget in such a way that we can take both ideas together as was conceptualised in the ISDP," said one Finance Ministry source.

But this costs money, and the question is where will it come from: from the military budget or the development budget? Since the development budget is 80 percent donor-driven, they are sure to take a dim view of such item transfers.

Juggling the two roles will not be easy. The Deuba government had brought in what it called the 'peace budget' under a scheme that went by the acronym PCBPP (Participatory Community Based People's Projects). The idea was to increase development spending by giving grants to village non-governmental bodies. Finance Minister Bharat Mohan Adhikari had then said, "We want to use this budget as a confidence

building measure to build trust with the Maoists."

It didn't work. Even when community-based organisations well out of the government's network implemented the projects it was difficult to carry out project activities in Maoist areas. With the ISDP, the army thinks it will be the one to spearhead development into the countryside.

A recent publication by the Asian Development Bank (ADB) has expressed concern about the quality of spending. The Quarterly Economic Update of the bank states, "While the government spent more than Rs 6.3 billion for the education sector in the first half of 2005, many schools in rural Nepal remained closed for large parts of the year due to Maoist threats. Government investments in the sector are unlikely to yield optimal results." The report predicted that the investment rate would fall to about 18 percent due to sluggish public and private investment in the conflict

situation.

"That is an interpretation of a high conflict scenario," said an economist on the ADB publication. "If that is true, the situation is really getting out of hand."

The real question for the royal regime is how far the donors will go along with Rana's idea of military spending as investment. Bilateral donors, especially the Europeans, don't like it one bit. Multilaterals whose loans are down by 84 percent will also be reluctant. A top Finance Ministry official admitted to us: "Certainly, the development budget depends on what the donors give us."

Some officials have claimed that they would mobilise 'internal resources'. But with the revenue targets unmet, exports, investment and tourism down, it is unclear where that will come from. In the last few years internal borrowing has grown in direct violation of the Nepal Rastra Bank Act which caps such borrowing to only five percent of the budget. ●

Cosmic spreads wings

Cosmic Air has been unrelenting in its expansion, adding two new sectors to its route map this week: Banaras and Kolkata. It will begin flying to Kolkata from 8 July and to Banaras from 9 July. With the addition of the fourth Fokker 100 jet in May last year, Cosmic has continually increased its flight frequency, adding new sectors and pushing the competition further. Cosmic hopes to cash in on the inadequate seats on the two Indian sectors after Indian Airlines pulled out of Banaras and Royal Nepal discontinued Kolkata. It will fly three times a week to Kolkata on Mondays, Wednesdays and Fridays and to Banaras on Tuesdays, Thursdays and Saturdays. A special introductory fare of buy-one-get-one-free is offered on the two routes. Cosmic Air is also awaiting the approval from CAAN to operate two extra domestic routes—Bhadrapur and Pokhara— using its jets. Tests were conducted two months ago.

Meanwhile, another private airline, Air Nepal says it plans to brings its first leased 757 from Thailand later this month and commence flights to Dubai and Bangkok.

Lucky deposits



When Everest Bank Limited opened its 16th branch in Pokhara, it introduced a deposit campaign for one month offering various additional benefits and freebies to its customers, which also entailed a lottery for depositors. Bhim Bahadur Thapa of Pokhara won the first prize, a refrigerator sponsored by Saleways Departmental Store. Other two depositors won a DVD system and three depositors won a radio and CD system. Likewise, 25 lucky depositors received gift vouchers from Saleways Departmental Stores in Pokhara.

Swift is here

Suzuki Swift is finally ready and on offer to clients. It took the company five years to come up with this model, which has taken a lot of inputs from Suzuki's two-wheeler counterparts. The Swift has a robust, muscular look, is spacious, refined, user-friendly and a whole lot more enjoyable to drive than most in the compact-car category. Suzuki Swift is a hatchback feature packed contemporary car with an engine capacity of 1298 cc, 600 rpm power and multipoint injection fuel distribution. Arun International Traders, sole distributors of Suzuki vehicles in Nepal, is launching the model here.



In clear conscience

Krishna Pahadi's incarceration and release has lessons for the business community

Krishna Pahadi was thrown into jail on 9 February and released on Monday (see before and after pictures, below). The state never explained why he remained behind bars for so long. Amnesty International called Pahadi a prisoner of conscience. More than 20,000 Irish children had mailed Free-Pahadi appeals to the government. Those who have worked with Pahadi since 1989

STRICTLY BUSINESS
Ashutosh Tiwari



say he lives abstemiously, has long been critical of the excesses of both the army and the Maoists and believes in Thoreau-like acts of civil disobedience to push for peace and restoration of human rights. The drama of Pahadi's illegal detention should have been of interest to the Nepali business community.

His arbitrary arrest provided a window into the conflicting decision-making mechanism of the government. On one hand, it asserts constitutional prerogatives to legitimise its scope of governance in the name of the people in these troubled times. On the other hand, by not following the due process of law after arresting and detaining some of those very people in whose name it governs, it makes its distaste for legal niceties clear. It is the government's arbitrary interpretation of the law to suit its own convenience that Nepali businesses must find dangerous.

Still, they can tell themselves today Pahadi has been released, and it's really a distant concern

whether or not he was jailed illegally. But tomorrow, some of them might be summoned to the Police Headquarters to be told that their business licenses are being revoked or that company registrations are being cancelled or that they have to cough up steep fines for displeasing the powers-that-be. Such a scenario is easy to imagine because the nightmarish consequence about keeping quiet when the government routinely bases its decisions on coercion and whims is that it feels bolder to strike anyone anywhere at anytime. Ultimately, what such a government does is reward those close to it, while making all other



businesses fall far short of potential. The invisible hand mutates into the visibly grabbing hand, binding all to inaction.

Pahadi's arrest was also a signal that the government had its priorities muddled. When activists are jailed, journalists' work lives are curtailed and scholars are not allowed to travel abroad, all that the government succeeds in doing is in attracting negative publicity. In today's 24/7 media where all the news that's

fit to search appears on Google, the long-term costs of incurring bad publicity far outweigh the short-term benefits from jailing people like Pahadi.

In recent years, rising global consumer activism has narrowed the distance between human rights concerns and hard-nosed business considerations. Ten years ago, for example, the bottom almost fell out of Nepal's carpet industry due to child labour issues. Today, unless garment companies enforce worker-friendly compliance procedures, they can't sell clothes to international buyers. Businesses are increasingly being asked to



MIN BAJRACHARYA

either help mitigate human rights violations in countries where they work or risk investors' wrath.

In such a changed context for doing good business, let Pahadi's case be a catalyst for Nepali businesses to come together. Let his walking out as a free man be symbolic of the environment in which Nepali businesses really thrive—without governmental arbitrariness and harmful worldwide publicity for Nepal. ●

Privatising privatisation

Privatisation is too important to be left to public officials

Privatisation is not necessarily a neo-liberal priority. It is a process to limit the power of the government and kickstart the economy and wean it away from parasitic parastatals.

Privatisation is not an economic strategy but a political decision, and it needs an open and liberal economic policy. Recent delays in Nepal's privatisation push has confirmed that a government without a popular mandate can't steer privatisation. The reason is that

ECONOMY, STUPID
Bhola Chalise



such a drastic transfer of

wealth and ownership requires ethical support of citizens and needs a certain expert understanding of the economics of the process.

The government itself admits that the cumulative operational losses of its public enterprises has crossed Rs 4.86 billion a year and this does not include unfounded contingent liability which can run into a few more billions.

Look at the wasted money: the government has spent more than a billion

rupees just to settle the dues to staff and bank loans of the now-closed Birganj Sugar Factory. If that money had been used on the Karnali Highway, it would have been completed by now.

There are two formidable challenges to privatisation anywhere, and this is true for Nepal as well: it needs an open and liberal economic policy setting and a responsible preserve of all actors in society – political opposition, free and fair media and a non-corrupt judiciary.

In the absence of the above, the only option left for Nepal is to privatise the privatisation program itself. It is time to challenge the accepted wisdom of international bureaucrats among our multilateral lenders who would oppose such a move.

Governments in the past two years have not even been able to decide on privatisation of a small turpentine factory in western Nepal that has antiquated Soviet-era machines. The staff have been paid off, the factory has been closed but privatisation is stuck. The reason is anticipatory angst over the possibility of being hauled over the coals by the zealous sleuths at the CIAA or

the over-zealous ones at the RCCC.

Basically, in the case of the turpentine plant, no one from the Ministry of Finance was technically capable of convincing the Privatisation Committee that current assets do not have a fixed value. What is the use of evaluating current assets if its value is changed during handover of the fixed asset? That is why, in any sane country, the current assets are transferred to the party as agreed between the government and the party at the time of the handover. Not here. And to cut a long story short (which includes complaints to the CIAA by the general manager) lack of technical expertise meant a deadlock in the privatisation process. If this is what happens to a tiny plant, imagine the fate that awaits bigger enterprises on the block.

Take another story: the Lumbini Sugar Factory. Established 18 years ago with Chinese help and cane crushing capacity of 1,000 tons a day. It made some profits when there were no private sugar producers but went under when sugar price was deregulated and other players entered the field. Presently, the government loses Rs 80 million a year keeping Lumbini afloat.

Don't the officials know that the factory is virtually closed anyway, farmers have been selling their cane to private factories. Do they ever ask themselves if it is justifiable to lose Rs 80 million of tax payers' money a year to protect the jobs of 800 employees?

If the politicians can't bell the cat, let the private sector step in. Contract out the privatisation program to a team of private professionals. It may appear too radical in the present political climate, but that is the only way to rescue Nepal's moribund economic devolution. Donors who have been approached with this idea say it is unrealistic. Oh yeah? Now, why would that be?

Is it more realistic to leave privatisation to a government that lacks political will, the moral fortitude and the technical expertise to see it through?

Let's amend the Privatisation Act 1994 which was passed at a time when we had an accountable and democratic government responsible to the people and a system of checks and balances in parliament. The existing Privatisation Committee should be reshuffled assigning the Chief Secretary as chairman. The Office of Privatisation should not be top-heavy and be manned by at most five people, a chief who is technically familiar with the process and good working relation with policy-makers and professionals including a transaction manager. ●

Dr Bhola Chalise served as secretary to HMG's Ministry of Industry for many years and is now a liberal economist.



ALOK TUMBAHANGPHEY in POKHARA

So the monsoon is here and you are stuck in Pokhara. The mountains are invisible, the flights are cancelled and the road is blocked by landslide. Not to worry. There’s more to do in Pokhara than just boating on Phewa, mountain viewing and muddying yourself in rice

planting festivals. Pokhara has become a town of museums. At last count there were five museums. Affordable, interesting and educational, you get to learn about the kingdom’s ethnic diversity, history and adventure. Next time you are in Pokhara, stick around and check them out.

Museum town

Next time you are stuck in Pokhara, stick around and visit its museums

Gurkha Memorial Museum Recently re-located right next to the British Gurkha Camp, the Gurkha Memorial Museum finally has a place of its own, albeit incomplete. There could be no better place for the memory of those brave soldiers who died so others could live. Kathmandu was too distant from the ancestral homes of the warriors of the two world wars, so the museum was moved here in 2001 (See: ‘Gurkha memorabilia’, #35) when the British Gurkha Camp donated some land. The building is incomplete because money ran out but the ground floor is ready to showcase memorabilia from the beginning of Gurkha history. Battle scenes from the world wars, regimental displays, medals and honours received by the Gurkhas, even a replica of the Queen’s Truncheon awarded to the Sirmoor Gurkha Battalion for their service in the relief of Delhi during the Indian Mutiny in 1857 will be on display after the museum’s soft opening on 9 July. Upon completion, the museum will boast a gallery with regimental displays, along with detailed citations of the 13 Victoria Cross winners, a theatre,

library with books and reference materials on Gurkhas unavailable elsewhere and even a café for visitors. And it won’t be just British Gurkhas since the independence of India also gave birth to the Indian Gurkhas and the Singapore Police, formed by ex-servicemen. They too will have space to exhibit their displays. British museum expert Guy Wilson who gave advice on other technical aspects. The trust is in need of funds as only 40 percent of the work is complete even though there have been generous donations from the older generation of Gurkhas. Khagisara Pun, wife of Rifleman Khara Pun of 2/1 Gurkha Rifles, who was a POW in Singapore in World War II gave Rs 100,000 as soon as she heard the museum was in need of money. “There is greater bondage between the older generation because of the shared experiences,” says Major Yam Bahadur Gurung chairman of the museum trust. This altruistic quality is what made Gurkhas real heroes. Opening hours: Everyday except Saturdays. Entrance charge: Tourists Rs 50, SAARC Rs 20, Nepalis Rs 10, Children Rs 5.

The Annapurna Natural History Museum Located inside the Prithibi Narayan Campus and popularly known as the ‘butterfly museum’, this museum is famous for its entomological collection. In addition to its amazing butterfly collection of 583 out of the 660 species of butterflies and moths from Nepal and southeast Asia, the museum also has a good collection of stuffed birds, small mammals and insects from the Annapurna region. And for some reason, there is also a doll section with dolls from all over the world. This is the oldest museum in Pokhara and a result of the affection American Peace Corps volunteer late Dorothy Mierow’s had for the place. She started the museum in 1965 for campus students so they could learn more about their own cultural heritage. Today it is run by the Annapurna Conservation Area Project and King Mahendra Trust for Nature Conservation. Opening hours: Sunday-Friday, 9AM-5PM Free entrance.

Helpless and hopeless

Eight months after their uprising, the brave women of Dailekh are fending for themselves

ARUNA UPRETY in DAILEKH

For those living in Kathmandu Valley the rest of the country may as well be on another planet. All they care about is that things are ok inside the Ring Road since

February First. There may be an indefinite banda in Doti, all schools may be closed in Kailali, healthposts in Bajura may be without medicine, there may be a food shortage in Humla. But who cares? The people of western Nepal stopped expecting anything from

Kathmandu long ago. The women in Dailekh defiantly stood up against the Maoists when the rebels stopped them from celebrating Dasain and tried to recruit their children. But when the rebels hunted down six members of a family they thought were ringleaders of the Dullu

resistance, the other villagers fled in panic with nothing but the clothes on their backs. “Now you are under a new government, they told us, you must stop observing all traditional ceremonies, you can’t even perform last rites for the dead they told us,” recalls 65-year-old Sanay. “We had a house, a piece of land and a quiet life but it all feels like a dream now, they took away everything,” says Kancha Budha another 60-year-old farmer. “We have no more tears to shed,” adds 21-year-old Kunti Shahi who fled with her child after her husband was killed. “I was already nine-months pregnant,” recalls Kamala mother of five, “my labour pains began while we were on the trail to Dailekh Bajar. I delivered him right there on the road, my fifth child, he is now seven months old.” The pain of Dailekh’s displaced has not eased with time. The women have empty eyes. Could this be the same country, the Nepal that we used to know? Pradeep Lamsal, a teacher, tells us, “The Maoists wanted me to join their militia. I refused and fled here but they beat up my pregnant wife and she suffered a miscarriage. She is still in shock. I can’t even go to meet her and she’s too weak to walk here.” Even villagers who once used to agree with the Maoists’ goal of liberating the district from the feudal clutches of rulers far away

have been let down. Once more, saviours have turned out to be just another group using the people to propel themselves to power. “They talk a lot about working for us common folks but they do just the opposite,” says Jiba Rokaya, a teacher from Dullu. Kunti Shahi recalls that day in November when revolution turned into resistance: “We were fed up. We had given them food when they asked for it. But when they wanted our children, we couldn’t stand it anymore. One day, they asked to participate in a meeting and we went armed with sticks. They began lecturing us from the roof of a house but we surrounded them and questioned them about all they had done to us. They started preaching their ideology again but one villager became so enraged that he beat them up. We captured and handed them over to the district administration. Since then, they have not returned. Still, we have to be careful. I sent my sons to Nepalganj.” The Dullu uprising was a milestone and a lesson in courage for the rest of the country. But eight months later, few political parties spoke out for the women of Dailekh, the government in Kathmandu didn’t care. The people here have lost their faith in the political parties and the government long ago. ● Some names have been changed to protect the identity of those interviewed.



PAINFUL BEAUTY: Dailekh’s picturesque farm terraces hide the fear and pain of its villagers.

ARUNA UPRETY



ALOK TUMBAHANGPHEY

DECORATIONS: Medals at the Gurkha Museum (opposite), Malayan Butterflies in the Annapurna Regional Museum and (above) clay models of shamans at the Gurung museum.

Regional Museum Pokhara

The Regional Museum in Naya Bajar is a sad waste of government resources but not a waste of time. Built on prime land, the museum could have incorporated more than just life-size models of different ethnic cultures of the region. Models, photographs, objects and artefacts related to the everyday life of different ethnic cultures chiefly Gurung, Thakali and Tharu along with relevant information are displayed. But that's about it. The tour ends abruptly with a life size replica depicting, aptly, a death scene.

Opening hours: Everyday except Tuesdays, 10AM-4.30 PM
Entrance: Tourists Rs10, SAARC Rs 5, Nepalis Rs 2 (cameras extra)

International Mountain Museum

Funded and built by the Nepal Mountaineering Association, the International Mountain Museum is in a class of its own. It is dedicated to mountain dwellers worldwide and offers a glimpse of life in the mountains as well as the history of expeditions.

The Mountain People Gallery consists of models of the lifestyle of different mountain peoples of the world. The Mountain Gallery has fascinating geological facts pertaining to the origin of world mountain systems. The Mountain Activities Gallery has exhibits of actual equipment used for historic

climbs. Pioneer explorers like Ekai Kawaguchi and late Toni Hagen have been given special sections, which they truly deserve. There is even a section on the yeti. ICIMOD has a gallery with conservation as its main theme. The museum is working on a three-dimensional scale model of the entire Himalaya.

Opening hours: Everyday except Saturdays.
Entrance: Tourists Rs300, expats and SAARC Rs100, Nepalis Rs50, students Rs10.

Tamu Ghoibo Museum

You'll have to find your way to this one if you're interested in the detailed life of Gurungs/Tamu people. Established in 1990 by the Tamu Pye Lhu Sangh and located on a ridge overlooking the Seti River in Shakti Ghat, Ranipauwa this small museum offers a detailed description of the different subclasses of the Tamu people. On display are ritual objects of Tamu shamans, models of different ceremonies related to their cultures and prayers in the Tamu language. The gumba/museum also serves as a public meeting place for the community and any rituals they need to conduct.

Opening hours: Monday-Friday, 10AM-5PM.
Entrance charges: Rs 10 for adults, Rs 2 for children below 10, cameras extra Rs 5.

Love is in the air, everywhere at Shangri-la

Monsoon Madness

पानी पानी भयो
मैटै मन पनि.....

3 days/2 nights
Rs. 4999/-
per couple

get back free coupons worth Rs. 5000/-

Facilities

- Airport Pickups
- Lakeside Shuttles
- Welcome Drink
- Swimming
- Inhouse Games
- Inhouse Movies

Shangri-la Village, Gharipatan, Pokhara, Tel: 061-522 122, 523 700
Sales and Marketing: Kathmandu, Tel: 441 2999, 443 5742

SHANGRI-LA
VILLAGE
POKHARA

के तपाईंले आज
अन्नपूर्ण पोष्ट
पढ्नु भयो ?

९/१०/०५
डायमन शम्शेर राणा
वरिष्ठ उपन्यासकार

व्यक्ति अनेक, विचार अनेक, क्षेत्र अनेक तर पत्रिका मात्र एक... अन्नपूर्ण पोष्ट

अन्नपूर्ण पोष्टमा प्रकाशित सामग्री सम्बन्धी विविध प्रश्न लिएर हामी तपाईंको घर आँगनमा आउँदै छौं । तपाईंको सही जवाफले आकर्षक उपहार पाउने छ ।

अन्नपूर्ण पोष्ट
प्रतिनिधित्वमा पुनर्वातावरणको प्रभाव पार्ने
सम्पूर्ण पत्रिका

“Esle janata lai dukkha huna

Foreign Minister Ramesh Nath Pandey has worked under three kings, served as minister six times in various governments and has been in the parliament for 20 years. He spoke to *Nepali Times* about King Gyanendra's persona and says it is not true that Nepal is internationally isolated.



MIN BAJRACHARYA

Nepali Times: How is it different, working with King Gyanendra?
Ramesh Nath Pandey: What I have seen with His Majesty King Gyanendra is great clarity of vision. He is a monarch who knows what he wants to achieve. He talks with conviction, there is no ambiguity, he listens to people and I have seen the people he meets are very impressed with his personality. Both in Doha and Jakarta recently, His Majesty's addresses were very well received, the delivery was forceful and superb. He convinced the international community that his commitment to multiparty democracy is total. You have to look at it this way: the monarch has made this commitment to his people and the international community is standing witness. There should be no question that these commitments will be fulfilled.

Is King Gyanendra a hands-on king?

You know, this is my sixth tenure as minister. I must say, I have never seen cabinet meetings conducted with such efficiency. First of all, they always start punctually, there is no sidetalk, we get down to business and stay focused on the agenda. His Majesty listens very carefully to all shades of opinion and takes copious notes during the discussions. He encourages all the ministers to speak their mind and in fact decisions can be postponed if we can't come to an agreement on things. Sometimes the cabinet meetings go on till 10.30 at night. In earlier governments I often encountered prime ministers who tried to impose their views on the cabinet but His Majesty listens to the ministers and decisions are taken after thorough discussions. And after the cabinet meeting, there are more confidential discussions with just the ministers present.

How about his personality?

On a personal level, His Majesty often shows genuine concern and humanity and always has a personal touch. His bottom line is always: “*Esle janata lai dukkha huna hundaina.*” And I have never seen any leader work as hard as he does. He reads a lot, not just newspapers and magazines but books. And he is on the Internet a lot. If I bring him something that I think he should read, usually I find he has already read it. Last year he asked me if I read a particular book on international relations that he had just finished. I hadn't and I quickly ordered it. I have now been on two foreign visits with His

Majesty and when I am summoned to the front of the plane during a flight, I have always noticed that His Majesty has been working, he has files and piles of paper on his desk.

There are critics who say that February First has increased Nepal's international isolation.

From my short time in the government, I can assure you that this is not the case. Not everything that happens gets out. For example, I went to New Delhi to explain our position which was that the threat of terrorism is genuine, the fate of Nepali democracy is at stake and that South Asia was vulnerable to instability in Nepal. I have met all the ambassadors here, some of the countries have understood the ground realities and have concluded agreements, we've had more foreign dignitaries visiting Nepal in the past five months than in the past 15 years. I think the international community has understood that terrorism has grown because of the lapses of the past 15 years, that His Majesty is committed to multiparty democracy and that the future of democracy in Nepal is related to stability in South Asia.

But not all is well in relations with one of our neighbours.

If relations are based on trust and mutual respect and a recognition of sovereignty there are no problems. Take China for instance, it is an all-weather friend and ever since diplomatic relations were established we've never had problems. I am making another visit to China soon. With India, it is important that Nepal's aspirations should not be undermined. February one was decision taken according to the needs of the country and India should recognise that. In fact, we are fighting terrorism whom India itself calls 'terrorists'. Democracy can't be exported. From our side we have nothing but goodwill towards India. We have wasted 50 years because of the Indocentricism of our politics. Economically visible projects were not implemented because the opposition party would always term the party in the government as 'pro-Indian'. I met the Indian foreign minister and I told him let's not waste anymore time. But sometimes it is difficult for us to figure out what India really wants.

Some analysts have found fault with our diplomacy. They say we have not been able to sell the changes in Nepal to the donor community.

HM's Jakarta visit was very successful and productive in restoring Nepal's image. He articulated his political vision and it was seen as the authentic voice of Nepal. The bilateral talks were very productive. Last month's royal visit to Doha gave added stature to Nepal's position and HM's meeting with the Emir of Qatar and others paved the way for two very important agreements to be signed. The visit to UAE was also characterised by special warmth, the entire cabinet was present during His Majesty's audience with the UAE leaders. The visits were triumphs of Nepal's international relations, we have to remember that Nepal is a country with the oldest tradition of foreign relations in South Asia because the rest of the region was a British colony.

How about within the country? There appears to be a political stalemate.

His Majesty has publicly asked the political parties to say that they are against terrorism, corruption and that they will maintain fiscal discipline and work together for early peace so we can have elections. I have



Salutations to
His Majesty King Gyanendra Bir Bikram Shah Dev
 on the auspicious occasion of his
 59th Birthday.

May his guidance always take us in the right direction.



श्री ५ महाराजाधिराज ज्ञानेन्द्र वीर विक्रम शाहदेव सरकारको
 ५९ औं शुभ-जन्मोत्सवको सुखद अवसरमा
 मौसुफ सरकारमा सु-शासन, सु-स्वास्थ्य एवं
 दीर्घायुको लागि हार्दिक मंगलमय
 शुभ-कामना व्यक्त गर्दछौं ।

ई. इच्छाराज तामाङ
 अध्यक्ष

CIVIL HOMES
 CIVIL HOUSING PROJECT
 CIVIL SAVINGS & CREDIT
 Co-operative Ltd. Family

Ravibhavan, Solteemod, Ganeshman Marg, Mathurisdan, Kathmandu
 Tel: 4276048, 4276049, 4276760, 4271918, Fax: 977-1-4276047
 E-mail: csavings@enet.com.np Website: www.civilhomes.com

PROMOTED BY BANKERS AND ENGINEERS



**Happy Birthday,
 Your Majesty**




hundaina''



MIN BAJRACHARYA

talked to the parties before and I am willing to talk to them again. But even while peace and security are restored, there are certain things we can do right away: we can depoliticise the bureaucracy, we can start working on economic development through positioning ourselves as the bridge between the two economic giants, India and China. In several meetings in Jakarta, Singapore and Doha with the business communities there interested in investing in Nepal several of them told us so-and-so ministers in the past wanted so much in bribes. We have to overcome this negative publicity, and do more to attract foreign investors as a way to boost economic activity by paying more attention to economic diplomacy.




Best Of Your
Health Is Our Eternal Wish

❖❖


A Very Happy Birthday and
National Day Felicitations,
Your Majesty !!

❖❖

Bijen Jonchhe
and
Metro Mall Family




We extend our hearty felicitations to
His Majesty King Gyanendra Bir Bikram Shah Dev
on the auspicious occasion of
His Majesty's 59th birthday



हिमालयन बैंक लिमिटेड
Himalayan Bank Limited
(A Joint Venture with Habib Bank Limited - Pakistan)

Heartiest Felicitations
to
HIS MAJESTY KING GYANENDRA BIR BIKRAM SHAH DEV



On the auspicious occasion of
HIS MAJESTY's 59th Birthday.



President Travel & Tours (P) Ltd.
Durbar Marg, Kathmandu, Nepal Tel: 4220245

*Hearty Felicitations & Best Wishes
for a Long, Happy and Prosperous Life to*



**HIS MAJESTY KING
GYANENDRA BIR BIKRAM SHAH DEV**
on the auspicious occasion of His Majesty's

59th Birthday



Dabur
Dabur Nepal Pvt Ltd

Happy Birthday,



Asian Thai Foods Pvt Ltd
Thapathali, Kathmandu
Tel: 4229655, 4229922 Fax: 4229800
Email: contact@rumpum.com



Bajra & Bajracharya Enterprises
Baneshwor, Bijulibazar: 4780687
Lagankhel, Lalitpur: 5524851, 5538131
Balaju: 4365510
E-mail: bajragroup@wlink.com.np



1st Floor, Situ Plaza, Naxal, Kathmandu
Tel: No. 4433058, 4432940
E-mail: deependra@advantage.com.np
www.advantage.com.np



Dwarika's Hotel
P.O. Box 459
Battisputali, Kathmandu, Nepal
Tel: 977 1 4479488
Fax: 977 1 4478378
e-mail: info@dwarikas.com
www.dwarikas.com

A living tribute to the architectural and cultural heritage of Nepal



Everest Herbs Processing (Pvt.) Ltd.
Sinamangle Chowk, Tel: 4464388
E-mail: ehp@info.com.np
www.everestherbs.com.np



Everest Insurance Co. Ltd.

Hattisar, PO Box: 10675, Kathmandu Nepal
Tel: 977 1 4425758, 4444717, 4444718
Fax: 977 1 14444366
Email: evinsco@mos.com.np



JAGADAMBA PRESS
जगदम्बा प्रेस

Jagadamba Family
Hattiban, Lalitpur
Tel: 5547017, 5547018



KEDIA ORGANISATION
399, Ganeshman Singh Path, Kalimati
POBox No. 929, Kathmandu
www.kediaorganisation.com

Le MERIDIEN
KATHMANDU



Rajni Kunj
Gokarna, Thali
Tel: 4451212
Fax: 4450002

nanglo

Nanglo International Pvt Ltd
Kathmandu
Tel: 4241408, 4434554
Email: mangint@ccsl.com.np

NCE

Nepal Commercial Enterprises Pvt Ltd
Pulchowk, Lalitpur
Tel : 5521072, 5524476

SOI
GROUP

Sat-Mé-Shreys Organization of Industries (PI) Ltd.
www.soi-groupnepal.com



Orbit
Int'l Education

Putalisadak, Ktm, Tel: 4430742, 4430677
Fax: 4441275, e-mail: orbit@info.com.np



RASTRIYA BANIJYA BANK
Singhadurbar Plaza, Kathmandu, Nepal, Tel: 4252595, 4268305

Rich Interior (P) Ltd.

Showroom
New Plaza, putali Sadak
Tel: 4-421000, 2004399
Mobile No. 9851025042
E-mail: richint@wlink.com.np



Seti Cigarette Factory Ltd.

Jha 1/69, Mahorajgunj, P.O Box 3071, Kathmandu, Nepal
Tel No: +977 1 4434 707 Fax No: +977 1 4423 316
E- mail: seticig@wlink.com.np,



SHANGRI-LA
KATHMANDU

Lazimpat GPO Box: 655, Kathmandu, Nepal
Tel: 441 2999 Fax: 977 1 4414184
sales@hotelshangrila.com



SHRESTHA INTERNATIONAL TRADING CONCERN
'PACIFIC BUILDING', RAMSHAH PATH,
P.O. BOX: 1011, KATHMANDU, NEPAL
TEL : 4430813, 4430525, 4431525
FAX : 977-1-4430413



TIGER MOUNTAIN GROUP
DHAPASI, KATHMANDU, NEPAL, TEL: 4361500
EMAIL: info@tigermountain.com
WEBSITE: www.tigermountain.com



Water Communication

Advertising Visual Identity Editorial Design
Web Design 3D Environment Production

NECO COMPLEX 4TH FLOOR NEW BANESHWOR P.O. BOX NO. 9958
KATHMANDU NEPAL 977 1 4783696 4780941 watercomm@info.com.np



NAVIN DISTRIBUTORS PVT.LTD.

A.T.COMPLEX, NEW PLAZA, PUTALISADAK, KATHMANDU, NEPAL
TEL: 4441155, 4428196, 4430785
NEW ROAD BRANCH TEL 4226547, 4224473
EMAIL: navin@ktmnepal.wlink.com.np

Your Majesty



लुनकरणदास चौधरी
विनोद चौधरी, बसन्त चौधरी, अरुण चौधरी तथा
चौधरी ग्रुप परिवार

CG CHAUDHARY GROUP
Touching life everyday

Create BATH P. Ltd.
Custom Tiles, Bathrooms & Kitchen Fitting & Fixture

Teku Road, Kathmandu, Nepal
Ph: 4216476, 4230052



New Baneshwor, Kathmandu
Tel: 4783861



EUROGEARS PVT. LTD.
(peugeot Vehicles)

Teku Road, Kathmandu, Nepal
Tel: 4261235, 4261433



A COMPLETE SOLUTION OF SECURITY

EVEREST SECURITY G.S PVT. LTD.
Satdobato, Lalitpur TEL: 5546928,
GPO Box 20866 ktm., Nepal



HOME FURNISHERS

American Standard Showroom

223, Tripurapath, 2/34 Tripureswor (way to Thapathali), Kathmandu, Nepal.
Ph: 4254601, 4262240, Fax: 977-1-4261918, Email: bath@wlink.com.np



लुम्बिनी बैंक लिमिटेड
Lumbini Bank Limited
Durbarmarg Branch
01-4243165/58
Fax: 01-4227590



Marco Polo Travels
Post Box 2769, Kathmandu, Nepal
Tel: 977 1 4247215, 4244484
Fax: 977 9851020783
md_marco@polo.com.np
www.marcopolo.com.np

maxpro

Advertising & Communication

3/f Heritage Plaza, Kamaladi, Kathmandu, Nepal, G.P.O Box: 750
Tel: 4248090, 4232660, 4232661 Tel/Fax: 4268196
Email: maxpro@vianet.com.np URL: maxpro.com.np

Nepal Hima Trade Link Pvt. Ltd.

SONY

Exclusive Sony Show Room

- Kantipath Tel: 4250305
- Lazimpat Tel: 4421522
- Chabahal Tel: 4485673
- New Road Tel: 4423793

At Supermarket

Namaste Supermarket, Pulchowk Tel: 5520026
Gemini Supermarket, Boudha Tel: 4492450

NEPA MARBLE BATH HOUSE
(A House of exclusive Bathware & Marbles)

Maharajgunj, Kathmandu

Phone: 4720345 e-mail: yarchi@mail.com.np



Autorised Dealer



Nepal Insurance Co. Ltd.

NIC Building, Kamaladi, Kathmandu, Nepal.

Tel: 4221353, 4245565, 4245568

E-mail: nic@wlink.com.np

Webpage: <http://www.nepalinsurance.com>



SAGTANI EXIM (P) LTD.

a member of Sagtani Group

Post Box: No. 2763, Khichapokhari, New Road, Kathmandu, Nepal.
Ph. No: + 977 1 4240244 ; 4216247, Fax No: + 977 1 4225229
Email: sagtani@mos.com.np



- Samjhana Audio Video (P) Ltd.
- Samjhana Emporium
(Exclusive Sarees, Surawai Kurtha Showroom)
- Samjhana Stores (Shirts & Suits)

PO Box: 19521 Sukrapath, Indra Chowk,
Kathmandu, Nepal
Tel: 4265422 E-mail: info@sav.com.np
www.sav.com.np

STATE of the ART
ScanPro

Pulchowk, Lalitpur

5548861, 5552335, 5551123

Sulux Centre

Meera Home, Khichapokhari, Kathmandu, Nepal
P.O. Box: 3659, Tel: 4222539, Fax: 977-1-4248868
E-mail: sulux@ntc.net.np



Thai Airways International Public Company Limited.



Pardi, Lake Side, Pokhara
Tel: 061 52853, 524553, 525153
Email: tibetres@cnet.wlink.com.np
www.tibetresort.com.np



New Baneshwor, Kathmandu
Tel: 4479483 Fax: 4476373
Email: wva@enet.com.np



Jawalakhel, Lalitpur
Tel: 5523050 Fax: 5526318



Durbar Marg, Kathmandu
Tel: 4248999, 4240520 Fax: 4227781
Email: hrd_director@yakandyeti.com.np

*We extend our hearty felicitations to
His Majesty King Gyanendra Bir Bikram Shah Dev*



On His 59th Birthday.



नेशनल लाइफ एण्ड जनरल इन्स्योरेन्स कं. लि.
NATIONAL LIFE & GENERAL INSURANCE CO. LTD

Head Office: 'NLG' Bldg, Kathmandu Ph: 4412625, 4416556, 4418113 Fax: 977-1-4416427
Life Division: Kantipath, Kathmandu Ph: 4224607, 4227003, 4226451 Fax: 977-1-4232806



MIN BAJRACHARYA

Hearty Felicitations & Best Wishes
for a Long, Happy and Prosperous Life to



HIS MAJESTY KING GYANENDRA BIR BIKRAM SHAH DEV

on the auspicious occasion of His Majesty's

59th Birthday

Chairman: Padma Jyoti • Vice Chairman: Dr. Roop Jyoti



Jyoti Group, Jyoti Bhawan, Kantipath, Kathmandu



*Hearty Felicitations
and*

*Best wishes for a long,
happy and glorious life to*

**His Majesty The King
Gyanendra Bir Bikram Shah Dev**



Lotus Holdings Pvt. Ltd.

Open your mind; the possibilities are limitless...

“For god’s sake, please stop the aid!”

The Kenyan economics expert James Shikwati, 35, says that aid to Africa does more harm than good. The avid proponent of globalisation spoke with *Der Spiegel* about the disastrous effects of western development policy in Africa, corrupt rulers and the tendency to overstate the AIDS problem.

Der Spiegel: Mr Shikwati, the G8 summit at Gleneagles is about to beef up development aid for Africa...
Shikwati: ... for God’s sake, please just stop.

Stop? The industrialised nations of the west want to eliminate hunger and poverty.
Such intentions have been damaging our continent for the past 40 years. If the industrial nations really want to help the Africans, they should finally terminate this awful aid. The countries that have collected the most development aid are also the ones that are in the worst shape. Despite the billions that have poured into Africa, the continent remains poor.

Do you have an explanation for this paradox?
Huge bureaucracies are financed (with the aid money), corruption and complacency are promoted, Africans are taught to be beggars and not to be independent. In addition, development aid weakens the local markets everywhere and dampens the spirit of entrepreneurship that we so desperately need. As absurd as it may sound: Development aid is one of the reasons for Africa’s problems. If the west were to cancel these payments, normal Africans wouldn’t even notice. Only the functionaries would be hard hit. Which is why they maintain that the world would stop turning without this development aid.

Even in a country like Kenya, people are starving to death each year. Someone has got to help them.
But it has to be the Kenyans themselves. When there’s a drought in a region of Kenya, our corrupt politicians reflexively cry out for more help. This call then reaches the United Nations World Food Program—which is a massive agency of apparatchiks who are in the absurd situation of, on the one hand, being dedicated to the fight against hunger while, on the other hand, being faced with unemployment were hunger actually eliminated. It’s only natural that they willingly accept the plea for more help. And it’s not uncommon that they demand a little more money than the respective African government originally requested. They then forward that request to their headquarters and before long, several thousands tons of corn are shipped to Africa ...

... corn that predominantly comes from highly-subsidised European and American farmers...
... and at some point, this corn ends up in the harbour of Mombasa. A portion of the corn often goes directly into the hands of unscrupulous politicians who then pass it on to their own tribe to boost their next election campaign. Another portion of the shipment ends up on the black market where the corn is dumped at extremely low prices. Local farmers may as well put down their hoes right away—no one can compete with the UN’s World Food Program. And because the farmers go under in the face of this pressure, Kenya would have no reserves to draw on if there actually were a famine next year. It’s a simple but fatal cycle.

If the World Food Program didn’t do anything, the people would starve.
I don’t think so. In such a case, the Kenyans, for a change, would be forced to initiate trade relations with Uganda or Tanzania, and buy their food there. This type of trade is vital for Africa. It would force us to improve our own infrastructure, while making national borders—drawn by the Europeans by the way—more permeable. It would also force us to establish laws favouring market economy.

Would Africa actually be able to solve these problems on its own?
Of course. Hunger should not be a problem in most of the countries south of the Sahara. In addition, there are vast natural resources: oil, gold, diamonds. Africa is always only portrayed as a continent of suffering but most figures are vastly exaggerated. In the industrial nations, there’s a sense that Africa would go under



without development aid. But believe me, Africa existed before you Europeans came along. And we didn’t do all that poorly either.

But AIDS didn’t exist at that time.
If one were to believe all the horrifying reports, then all Kenyans should actually be dead by now. But now, tests are being carried out everywhere and it turns out that the figures were vastly exaggerated. It’s not three million Kenyans that are infected. All of a sudden, it’s only about one million. Malaria is just as much of a problem but people rarely talk about that.

And why’s that?
AIDS is big business, maybe Africa’s biggest business. There’s nothing else that can generate as much aid money as shocking figures on AIDS. AIDS is a political disease here and we should be very skeptical.

The Americans and Europeans have frozen funds previously pledged to Kenya. The country is too corrupt, they say.
I am afraid, though, that the money will still be transferred before long. After all, it has to go somewhere. Unfortunately, the Europeans’ devastating urge to do good can no longer be countered with reason. It makes no sense whatsoever that directly after the new Kenyan government was elected—a leadership change that ended the dictatorship of Daniel arap Moi—the faucets were suddenly opened and streams of money poured into the country.

Such aid is usually earmarked for a specific objective, though.
That doesn’t change anything. Millions of dollars earmarked for the fight against AIDS are still stashed away in Kenyan bank accounts and have not been spent. Our politicians were overwhelmed with money, and they try to siphon off as much as possible. The late tyrant of the Central African Republic, Jean Bedel Bokassa, cynically summed it up by saying, “The French government pays for everything in our country. We ask the French for money. We get it and then we waste it.”

Following World War II, Germany only managed to get back on its feet because the Americans poured money into the country through the Marshall Plan. Wouldn’t that qualify as successful development aid?
In Germany’s case, only the destroyed infrastructure had to be repaired. Despite the economic crisis of the Weimar Republic, Germany was a highly- industrialised country before the war. The damages created by the tsunami in Thailand can also be fixed with a little money and some reconstruction aid. Africa, however, must take the first steps into modernity on its own. There must be a change in mentality. We have to stop perceiving ourselves as beggars. These days, Africans only perceive themselves as victims. On the other hand, no one can really picture an African as a businessman. In order to change the current situation, it would be helpful if the aid organisations were to pull out.

If they did that, many jobs would be immediately lost ...
... jobs that were created artificially in the first place and that distort reality. Jobs with foreign aid organisations are, of course, quite popular, and they can be very selective in choosing the best people. When an aid organisation needs a driver, dozens apply for the job. And because it’s unacceptable that the aid worker’s chauffeur only speaks his own tribal language, an applicant is needed who also speaks English fluently—and, ideally, one who is also well mannered. So you end up with some African biochemist driving an aid worker around, distributing European food and forcing local farmers out of their jobs. That’s just crazy!

Interview by Thilo Thielke, translated from German by Patrick Kessler.

Attack on Ayodhya
NEW DELHI—A suicide attempt to storm one of the world’s most disputed religious sites, Ayodhya in northern Uttar Pradesh state, maybe just what the doctor ordered for both India’s secular, Congress party-led ruling coalition as well as the fractious, right-wing, opposition groups led by the pro-Hindu, Bharatiya Janata Party (BJP).
On Wednesday, 24 hours after police shot dead all the members of a heavily armed, six-man squad as they attempted to storm the heavily barricaded makeshift temple that stands on the site, authorities were reluctant to speculate on the identity of the attackers. Immediate suspicion, based on style of operation, fell on the Pakistan-based Laskhar-e-Toiba (Soldiers of God—LeT), a militant group that is committed to ending Indian rule in the Muslim-majority territory of Kashmir. A similar ‘fedayeen’ attack carried out by a suspected LeT suicide squad on India’s ornate parliament building in December 2001 brought India and Pakistan, both nuclear-armed countries, to the brink of a full-scale war the following year. Tuesday’s attack was considered serious enough for Prime Minister Manmohan Singh to make a statement carried on television condemning it as an attempt “aimed at destabilising our society and polity” and vowing to never compromise with terrorism”. Singh’s government ordered police alerts across the country to prevent possible outbreaks of communal violence and took care to “request all political leaders to help in maintaining public peace and communal harmony”.
During its years in power, the BJP found itself unable to build the temple to Ram there because of court orders banning construction on the site and also because the party ran a minority government and depended on support from coalition partners in the National Democratic Alliance (NDA) that were opposed to the temple-building agenda. Tuesday’s attack immediately brought rapprochement between the BJP and hardline organisations that support it. It also resulted in quick consultations among top communist leaders who decided to patch up its differences with Singh’s government and prevent the BJP from gaining any political mileage out of it. “We will not, at any cost, allow the BJP to bring the Ayodhya back on the political centre-stage,” said AB Bardhan, leader of the Communist Party of India (CPI), the second largest communist party after the CPI-M. Bardhan said it was also important not to allow the incident to affect the Indo-Pakistan peace initiative. (IPS)

Asian highway
BANGKOK—Asian governments will soon have a new symbol to illustrate their increasing spirit of regional cooperation: a network of highways that link 32 countries spanning Japan at one end and Turkey on the other. An important milestone on the ‘Silk Route of the Modern Age’, was crossed on Monday when the Intergovernmental Agreement on the Asian Highway Network came into force. First opened for signature in April 2004, the agreement has already been signed by 27 countries while some key members, including Japan, China, South Korea, Vietnam, Burma, Sri Lanka and Cambodia, have also ratified it. Developed by the Bangkok-based, Economic and Social Commission for Asia and the Pacific (ESCAP), a United Nations agency, the 141,000 km long road is expected to greatly enhance intra-regional trade and facilitate tourism.
“It was made possible because many countries are collaborating more closely,” said Barry Cable, director of ESCAP’s Transport and Tourism Division, at a ceremony marking the coming into force of the agreement. “This is not just a transport agreement but a desire by member countries to work towards globalisation for all,” Cable added. When fully operational, this trans-continental stretch of roads will link Asian capitals, connect industrial and agriculture centres, join major seaports to river ports and connect major container terminals to depots, according to the ESCAP study, *Asian Highway Handbook*. An estimated \$ 26 billion has already been invested to upgrade to international standards the roads that will be part of the network, according to ESCAP. However, there is still a shortfall of \$ 18 billion. Furthermore, 16 percent of the roads that are integral to the highway still fall below minimum standards, Cable said. “The roads have to be broadened to the new standards. The objective is to use existing roadways.
Cable described the fact that many neighbouring countries have not been able to make use of the new link so far as a “missed opportunity” simply because “it is not as extensive as it should be”. The roadblocks to easy movement of people and goods across national boundaries were many and ranged from open warfare to frustrating red tape. (IPS)

Out of control



KANAK MANI DIXIT

Editorial in *Deshantar*, 3 July

देशान्तर साप्ताहिक

Even after Prachanda issued an order not to kill unarmed people, his army has killed 24 unarmed civilians and abducted hundreds of students. This proves either that his cadre aren't listening to him or that he is simply lying through his teeth.

Prachanda issued the instruction after the bus bomb in Madi that killed 40 people which recieved sharp condemnation. But the Maoists have since not spared even infants in their latest shooting spree. How should peace loving Nepalis perceive Prachanda's followers? How can Prachanda's status in his organisation be understood and how should the party itself be taken?

After the latest incidents, should the people think of the Maoists as a leaderless force with no party policy and directives? Or should we regard them as a terrorist group? More importantly, when there are some who do not obey the party leader's instructions, shouldn't actions be taken against them? Having seen all these, why should the people take Prachanda as the supreme commander of this killer group?

With the blood of thousands of people, in the last 10 years on their hands and destruction of public property, the Maoists have left the people no choice but to call them terrorists just like the king's government has. That is the only conclusion Nepalis can draw. If Prachanda still wishes to assert that his organisation is a political party, he should provide compensation to the families of civilians his blind followers killed, take action against those who defied his instructions and once again apologise in public but this time, like he means it. Prachanda and Company needs to understand this: they cannot always rule with the gun. To rule, one needs to win the hearts of the people.

Peace and security

Editorial in *Dristi*, 28 June

दृष्टि

While the government is blowing it's trumpet about dramatic improvements in the country's peace and security situation since 1 February, the Maoist have stepped up ruthless attacks across the country and even coordinated attacks in India.

Recent Maoist attacks in Khotang, Bardiya, Bhojpur, Ghartichap, Sinduli, Siraha, Arghakhanchi and other places show the hollowness of the government's claims.

After February First and the sidelining of the centrist parties, palace extremism and Maoist extremism have intensified. This polarisation between republicanism and royalism is leading to a prolongation of war. The brutality of the killings like Madi and Kailali makes us wonder whether the two warring sides are just out to defame each other by massacring civilians.

If, as is being publicised, it is indeed true that the Nepali Maoists ganged up with the Indian Maoists to carry out a joint attack in India then things can only grow worse. For India, which has been patiently waiting for a premise to intervene in Nepal, the Bihar incident can become a strong motivation. The current government, rather than trying to find out the truth behind the Maoist involvement in the recent attack in India seems to be busy assessing this incident as a pleasant opportunity to convince India to resume the supply of military hardware that had been stalled following the royal takeover.

Should it indeed be established that the Bihar incident was a joint-operation of Indian and Nepali Maoists then, more than the Maoists, it will affect the ruling class of Nepal. Despots everywhere keep making the same mistake of using war as a protective shield.

Suicide behind bars

Editorial in *Kantipur*, 29 June

कान्तिपुर

With three detainees committing suicide in military detention within three months, serious questions are being raised over the idea of using army barracks as detention centres. The possibility of torture in custody can't be ruled out. In the first place, detention of civilians in military custody is illegal. Even the law brought in to tame the Maoists does not allow the use of barracks as detention centres. Section 9 of the Terrorist and Disruptive Activities (Control and Punishment) Ordinance 2061 says that the places of detention should be humane although military detention centres are anything but. It is the duty of the state to respect and protect the basic human rights of detainees. Nobody has the right to go beyond the limits that prevailing humanitarian laws envisage. The government cannot deem itself above the law even when it comes to dealing with those involved in Maoist violence.

First, the army must stop keeping civilians in custody. It is solely for the civil administration and the police to enforce arrests and detentions. In the meantime, authorities should refrain from preventing detainees from meeting their family members, doctors and legal advisers. Lack of transparency in terms of arrests and treatment of detainees only feeds suspicion toward the integrity of the state.

The Royal Nepali Army (RNA) has carried out internal investigation on some cases of human rights abuses and a few perpetrators have had action taken against them. But because of undercover detentions enforced by the RNA, it has not been able to improve its image. It has been carrying out joint security operations, which certainly is a daunting task. Notably, to contain any internal conflict, the army needs support and cooperation from the people in general just as it needs well-trained and skilled troops. It is imperative for security agencies to win the people's trust. To do so, they need to clean up their act—be lawful, humane and transparent. The RNA must immediately launch an internal probe to answer the questions surfacing about the increasing suicides in its custody. Also, it should not forget that these cases are directly related to its credibility. An independent and legal investigation appears to be a must, particularly in the backdrop of recent incidents in military detention as well as the increasing concerns raised by human rights groups. (*Nepalnews.com Translation*)

Back to the village

Nepal Samacharpatra, 1 July

नेपाल समाचारपत्र

TAMGHAS—There is new hustle and bustle these days in Gulmi as political party representatives who had fled their home district start to return. The seven-party alliance, especially the NC, UML and NC-D have been rebuilding

their networks in the villages here. UML district leader Kamal Shrestha says the people have always believed in democracy but the party leaders had been afraid of going back to their constituencies. “We may have made some mistakes but the February First move has reinvigorated the people's trust in a democratic polity,” he says. Party leaders say the Maoists have not tried to stop the return of party workers and even the villagers admit that the power of the rebels has waned. Intellectuals here are critical of the government which they say is using the insurgency as an excuse to crush democracy.

Bardiya battle

Rajdhani, 1 July

राजधानी

RAJAPUR—Not one of the homes in this village in Bardiya is intact. They have large holes and shrapnel scars, the result of aerial attacks by army helicopters during a fierce all-night battle two weeks ago. The Maoists attacked the base camp of an army unit guarding the Royal Bardiya National Park. One officer was killed, 27 wounded and at least 11 Maoist bodies were found. Villagers say the Maoists carted away more dead and wounded in tractors. The Maoists had filled a fire truck they had looted last month and exploded it by ramming at the base's gates. But the army fired a rocket launcher at the truck and destroyed it. “There were bullets exploding on the walls,I spent the whole night under the bed,” says one woman. The Maoists entered people's homes to escape the army's counterattack, while helicopters dropped bombs on the houses. Prithibi Raj Malla got hit in his leg, but has no money to seek treatment.

Anti-media

DR Pant in *Kantipur*, 1 July

कान्तिपुर

Everyday journalists in the far west of Nepal are being menaced by Maoists. Reporters who covered the slaughter of the six wives and relatives of policemen including a year-old baby last month in Kailali have been threatened with death. A week before, reporter Bikram Giri had been released after being abducted for a week. His crime was that he went to Kalapani on a reporting assignment. A dozen journalists from this region have been forced to flee their towns because of Maoists threats. Other journalists are caught in the middle. The Maoists put pressure on them for not filing their statements, while the state regards all reporters as Maoist sympathisers. Two reporters from Achham can't go home because one was threatened by the Maoists and the other by the army. A reporter from Bajura was beaten mercilessly by soldiers. The situation has grown much worse since February First. Khem Bhandari of Kanchanpur was tortured by security forces, in Dadeldhura, this columnist himself was jailed for two months, Binod Thapa in Achham has been threatened. Across the



Seven parties:

“The itinerary is like this...first day informal meeting...second day discussions...third day give speeches here and there...fourth day we go around the city...fifth day...”

Speech: Revolution empowerment program

समय

Samaya, 7 July

QUOTE OF THE WEEK



I've become much stronger in my ideals.

NC leader Narhari Acharya after his release from a six-month long detention since 1 February, in *Kantipur*, 5 July.

far west, journalists have had to file stories secretly and are constantly under surveillance. Only six newspapers in Mahendranagar still survive but barely because of the administration’s pressures.

Black sheep

Jana Aastha, 29 June

आस्था

The government is trying to find out which leaders of the major political parties are willing to take part in local elections. A circular distributed to its entire network with registration number 147 by Police Headquarters has asked all units to find out about leaders willing to contest in municipal elections. The letter reads, ‘Within three days, please send the details of the voters in each area and the political leaders who will contest in the polls.’ But the parties have so far remained determined not to take part in polls. Despite the fact that the parties have made their mindset clear about elections, the government is making such covert moves to see if there are any black sheep in the parties. This is likely to polarise the parties and the government even further.

Peace Secretariat

Annapurna Post, 4 July

अन्नपूर्णपोष्ट

The Peace Secretariat which was set up to restart the peace process is looking for a new role now. The Secretariat was supposed to support the High-level Peace Committee (HPC) and its Consultation and Cooperation Sub-committee, but was left with no work after both committees were dissolved following the 1 February royal move. “You can’t expect the desired results as only the secretariat exists now,” said secretary Bidhyadhar Mallik, “nonetheless, it’s active internally.”

The HPC headed by Sher Bahadur Deuba was made up of the chiefs of four political parties sharing the cabinet and a member of the cabinet while the Consultation and Cooperation Sub-committee was made up of senior members of the cabinet and leaders from different political parties. The government then had assigned the Secretariat to hold peace talks and cooperate with the government in implementing the outcome of the peace talks and institutionalising the peace process. Collection, study and analysis of materials related to conflict management, formulation of peace talks action plan, working for effective implementation of government decisions in connection with the peace process and maintaining communication and relations with foreign agencies to drive the peace process were its responsibilities.

Mallik says the Secretariat is still collecting data on damaged and demolished development infrastructures due to the conflict. “The concerned ministries have been asked to furnish details of the damage,” he added, “in addition to which, we have begun developing the Secretariat as a documentation

centre for conflict management and peace.” The Secretariat has a workforce of 21 staff.

UML convention

Kantipur, 3 July

कान्तिपुर

CPN (UML) cadres have suggested the party leadership go for a decisive agitation without being trapped in what they call “talks ploy of the royal palace”. That was the conclusion of the district and zonal committees of the party. The UML is preparing for its central committee meet beginning 10 July. The meeting will discuss this issue and hopefully, reach a conclusion. The leadership of the party had asked lower-level committees to suggest ways to re-strengthen party organisation and the party’s vision for the resolution of the February First crisis. UML cadres suggested that ideology, not the individuals, be the basis of restructuring the organisation. Secretary of the Central Secretariat, Amrit Kumar Bohara said, “There has been no suggestion from the committees for changes in the leadership or for a special general convention but we have stressed that the working style of the leadership should be rearranged in order to make the party more dynamic and active.” Some UML leaders including Bam Deb Gautam have demanded an overhaul of the leadership.

BB in trouble

Kantipur, 3 July

कान्तिपुर

Mohan Bikram Singh, general secretary of CPN (Unity Centre) has quoted Baburam Bhattarai as saying he and his supporters are at risk of being killed. At a secret meeting with party workers in Kathmandu on Saturday, Singh said that Bhattarai told him during meetings in New Delhi that he was worried about himself and his followers’ security. “They are not safe,” Singh said. Bhattarai told Singh that even through he had been sent by the party to cultivate diplomatic relations with India he had not been



SAMIR/SAMAYA

reinstated to his earlier position. Bhattarai parted ways with Singh, his political guru, in 1991 and joined the Unity Centre. The meetings between the two communist leaders, who have been sharply critical of each other, comes at a time when both are in minority within their respective parties. Singh and Bhattarai are said to have met four times in New Delhi. The Maoist leader said that the party took action against him and Dinanath Sharma for contacting Singh.

Madi’s young citizens



CHILDREN AGAINST VIOLENCE: School children from Harinagar with the Red Cross flag at the Madi bus bombing site. Amrit Gayak, a student and his friend, (below) who helped the wounded in Madi.

Himal Khabarpatrika, 30 June-15 July

हिमाल

It was a shocking sight, especially for the young school children of Harinagar, to see so many dead bodies lying around everywhere after the Madi bus bombing last month. But their instinct to help fellow Nepalis galvanised them into action to help as many survivors as possible. This was the day when the country saw the bloodiest attack by Maoist militants on innocent civilians. But while the country watched in shock and dismay, a group of 25 students from Madi bravely provided immediate relief to survivors.

“We managed to control the bleeding of many people by bandaging them,” says Amrit Gayak, a grade eight student who also works with the Junior Red Cross Circle. The students lifted the injured passengers and put them in tractors and oxcarts and dispatched them to the nearest health centre. Others were engaged in securing the area by placing ropes to avoid any more risk to the survivors and to prevent them from losing their money, jewellery and other belongings. “We carried our Red Cross flag and suppressed our emotions in order to help them,” says Amrit. “We managed not to show any weakness to the wounded people,” adds another student Hari Krishna Lamichhane.

At first, the students became afraid when they saw guns and ammo clips lying on the ground but later they handed over all these to the five RNA soldiers who survived. Encouraged by the brave children, adult villagers also joined in to provide help. Bishnu Maya Poudel, a 55-year-old resident, helped the injured children even though her son and daughter-in-law were lying on the ground after the explosion. Fortunately, both had survived. Her daughter-in-law, Bhuwanshanti had fainted after she found herself under the heap of bodies. But when she regained consciousness, she collected herself and began tending to an injured child and her sister-in-law. She had searched for her brother but found him dead. Such voluntary and brave spirit displayed by the local residents of Madi was so overwhelming that it led to the ICRC calling them ‘model citizens’. While the Maoists displayed inhumanity and terrorism, the Madi villagers spread compassion and humanity.

Programme Coordinator

IUCN Nepal

Our mission

“To influence, encourage & assist societies throughout the world to conserve the integrity & diversity of nature & to ensure that any use of natural resources is equitable & ecologically sustainable.”

Created in 1948, IUCN - The World Conservation Union brings together 82 States, 111 government agencies, 800 plus NGOs, and some 10,000 scientists and experts from 181 countries in a unique worldwide partnership. IUCN's mission is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

IUCN is the world's largest environmental knowledge network and has helped over 75 countries to prepare and implement national conservation and biodiversity strategies.

IUCN is a multicultural, multilingual organization with 1000 staff located in 62 countries. Its headquarters are in Gland, Switzerland.

IUCN Asia Regional currently has 445 staff members working in its offices in 9 countries (Bangladesh, Cambodia, China, Lao PDR, Nepal, Pakistan, Sri Lanka, Thailand and Vietnam). The IUCN Asia Regional Office is located in Bangkok, Thailand.



REPORTING RESPONSIBILITIES: The Programme Coordinator will report to the IUCN Nepal Country Representative (CR) on all programme and administrative matters, and to the Regional Programme Coordinator, Asia on all programme coordination matters.

RESPONSIBILITIES: Under the guidance of the IUCN Nepal Country Representative, and working in close collaboration with all technical staff, the Programme Coordinator, will coordinate the IUCN Nepal Programme at the country level to ensure effective and timely development, planning, delivery, monitoring, and evaluation of an integrated and coherent programme for IUCN Nepal.

The main responsibilities are:
i) Programme and Project Planning, Monitoring and Reporting
ii) Programme and Project Development
iii) Capacity Development in Planning, Monitoring/Evaluation and Reporting

DUTY STATION: The position of Programme Coordinator IUCN Nepal will be based in IUCN Nepal Country Office in Kathmandu.

DURATION: The initial contract will be for a period of 2 years with long term prospects for the right candidate.

QUALIFICATIONS AND SKILLS REQUIRED:
The successful candidates will have:

- An advanced degree in natural resources management or relevant field of study with adequate experience.
- At least 5 to 7 years of experience and competence in management and coordination at a senior level; experience in project implementation and execution and a track record of securing timely outputs of high quality.
- An understanding of technical and institutional complexities in the Asia Region (and particularly in Nepal) and proven ability to work with international teams.
- Pertinent technical background and appropriate managerial skills.
- Excellent communication, writing and presentation skills in English.
- Proficient in the use of MS Office (Word, Excel and Powerpoint)
- Fluency in spoken English is essential. Knowledge of Nepali will be an added advantage.

Interested candidates should send their applications and CV along with the names of two referees by 5 August 2005 to: Human Resources Unit, IUCN - The World Conservation Union, Asia Regional Office, # 63 Sukhumvit 39, 10110-Bangkok, Thailand. Tel: +662 662 4061; Fax: +662 662 4389; email: iucn@iucn.org. url: <http://www.iucn.org>

IUCN IS AN EQUAL OPPORTUNITIES EMPLOYER

“Keep us out of it”

Nima Dorje Lama was lucky he survived, others never made it out alive



ALOK TUMBAHANGPHEY



HEMELCOMING: Father Ram Bahadur welcomes Nima Dorje Lama after his release (left) and Nima with his release order.

ALOK TUMBAHANGPHEY
in KABHRE

Nima Dorje Lama was in bed when a security patrol banged on his door in Ryale of Kabhre district on the night of 4 November 2003.

Thinking they could be Maoists, he didn't go to open the door right away. When he did, the soldiers arrested him on suspicion of being a Maoist. They found a pressure cooker in his kitchen and some wires. That was all the evidence they needed.

Lama, 38, was taken to a security camp in Malpi and Rosi Khola and then to Singha Nath Gan in Bhaktapur. He was stripped naked and beaten mercilessly. He was ordered to admit that he had a role in the murder of the Ryale VDC Chairman Krishna Prasad Sapkota three years ago. "They put a gun to my head, stood me before a hole in the ground and told me to admit that I had committed Sapkota's

murder," he recalls. Both his ankles were severely injured as a result of the torture and Nima Dorje was taken to the Birendra Sainik Hospital in Chhauni where he spent 45 days recuperating.

Nima Dorje was lucky he survived to tell the tale. He was lucky his father was a former pradhan pancha of Ryale and the head lama of the village monastery, he was lucky his community rallied behind him and moved his case to the Supreme Court. Not many innocents detained on suspicion of being Maoist in Nepal these days are so lucky. Nima Dorje was finally released two weeks ago after the Supreme Court found him not guilty.

Dorje's father Ram Bahadur Lama approached the Tamang Ghedung, an organisation that looks after the welfare of the Tamang community, which contacted the International Committee of the Red Cross (ICRC). It was able to get Nima's messages to his family. After he returned from hospital to the army barrack he was

kept in isolation until 2 March 2004 and then secretly transferred to Central Bhadracol Jail. But his family members had no idea of his whereabouts.

"Even the CDO said he didn't know where my son was being kept," says Ram Bahadur. The ICRC looked for Nima in Nakkhu and Dilli Bajar and finally found him in Bhadracol where he was able to meet his father and family members—his wife and three children.

The Tamang Ghedung with the help of Amnesty International took Nima's case to the courts and he was released due to lack of evidence. "I was innocent. They tortured me to the point where I was contemplating suicide," says a subdued Nima Dorje, "financial compensation is meaningless, they have to admit they made a mistake and apologise."

Nima Dorje once worked in the army as a porter in the RNA's lowest rung but quit in 1999 to open a shop in his village. Till the murder of its VDC chairman, Ryale hadn't

seen any rebel activity. A majority of the villagers in this dairy-farming region are Tamangs and most are either employed in Kathmandu or working in India. The only sign of any rebellion here is graffiti painted on the walls of the local health centre. It now looks like non-Tamang residents who had an axe to grind against Ram Bahadur told the army that Nima was a Maoist.

Nima Dorje says he owes his survival in solitary confinement to his faith, he spent his time reading and helping renovate a gumba inside the prison. Ram Bahadur used to travel from Ryale to Central Jail twice a week with food for his son and these visits kept Nima's morale up.

For someone who suffered injustice at the hands of the very force he once served, there is in Nima Dorje a surprising lack of bitterness. He also disagrees with the Maoist's path of violence and says: "Both sides are wrong, they should solve this without violence and keep ordinary people like us out of it." ●

A tortured past and torturous future

The UN is sending a special envoy to report on the rise in torture cases in Nepal's conflict

NARESH NEWAR

Pun Kumar still shakes with fear as he recalls the night that the Maoist rebels tortured and left him for dead in Kailali when he refused to pay Rs100,000 and join them.

They dragged him out of his home and beat him senseless. They clobbered the soles of his feet with heavy sticks and brutally pounded him all over his body with the butt of their guns.

"When he came to us, he was in a shocking state, he is lucky to have survived," says Arjun Shrestha, a doctor at the Centre for Victims of Torture (CVICT) in Kathmandu. Over the past nine years of conflict, non-combatants have endured extreme torture which, if the victims survived, has left many crippled and mentally unstable.

The torturers are from both the security forces and the Maoists, the victims are mostly civilians. Activists and lawyers say the most widely used forms of torture are beatings, electric

shocks, hooded or blindfolded for long periods, crushing bones by rolling rocks on victim's thighs. Other extreme forms of torture like gouging eyes, cutting off body parts and dismemberment are common, and often precede death.

The sketches of torture methods displayed on the walls of CVICT office are a shocking reminder of what Nepalis are capable of doing to other Nepalis. Since 1996, the centre has treated over 20,000 torture victims, over 3,000 alone in 2004. So far, only 107 of the victims have registered their cases at the courts for compensation. Only 19 were able to win the cases filed through CVICT. Even so, most haven't received compensation. "So few would have the courage to go to court to find justice. They are just too traumatised and fearful of being tortured," explains Debendra Ale at CVICT.

"They said I would be buried alive if I revealed anything," said a former detainee on condition of anonymity who was released after two years in army detention in

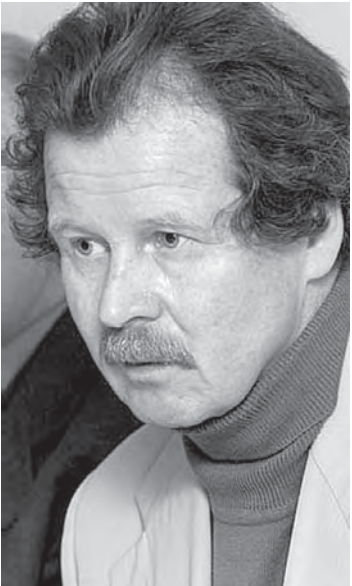
Kathmandu. He was tortured severely and asked to reveal the whereabouts of Maoist leaders. He was just an ordinary villager working in a small grocery in the capital, but had helped an ex-Maoist woman go to hospital for treatment after she herself was tortured. Activists say while the Maoists have systematically used torture to terrorise people and stifle dissent, the state should have been acting with much more responsibility.

"Many are even afraid to go to doctors and mention torture while undergoing medical checkups, the victims are threatened not to reveal any information," says advocate Mandira Sharma of Advocacy Forum which with CVICT has been speaking out on the issue. According to an ongoing custody monitoring in 10 districts, all individuals detained under the Terrorist and Disruptive Activities Act (TADA) have been tortured.

The 2002 TADA gave special powers to security forces to arrest anyone without any warrant if

suspected of being Maoists or a supporter. The human rights group INSEC says there were nearly 3,430 arrests in 2002, the highest ever recorded over the nine-year period since 1996. A joint study by CVICT and National Human Rights Commission showed that most of those detained end up being tortured despite constitutional guarantee and ratification of several international human rights treaties. The report was recently submitted to Manfred Nowak, the special rapporteur on torture of the UN Commission on Human Rights who is scheduled to visit Nepal in September.

"The special rapporteur takes the initiative of approaching governments with a view to carrying out visits to countries on which he has received information indicating the existence of a significant incidence of torture," explains David Johnson, senior human rights adviser of Office of the UN Commissioner for Human Rights. Nowak's fact-finding trip is a wake-up call to Nepal's warring



FACT FINDER: UN Special Rapporteur on torture, Manfred Nowak, is visiting Nepal in September.

sides that they were being watched, say activists.

Activists want an independent body to investigate torture cases and say the government should repeal or revise laws that undermine constitutionally guaranteed protections against human rights violations, such as the Public Security Act, the Public Offence and Punishment Act, the Anti-State Crimes and Penalties Act and TADA. ●