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NEW SPOTLIGHT

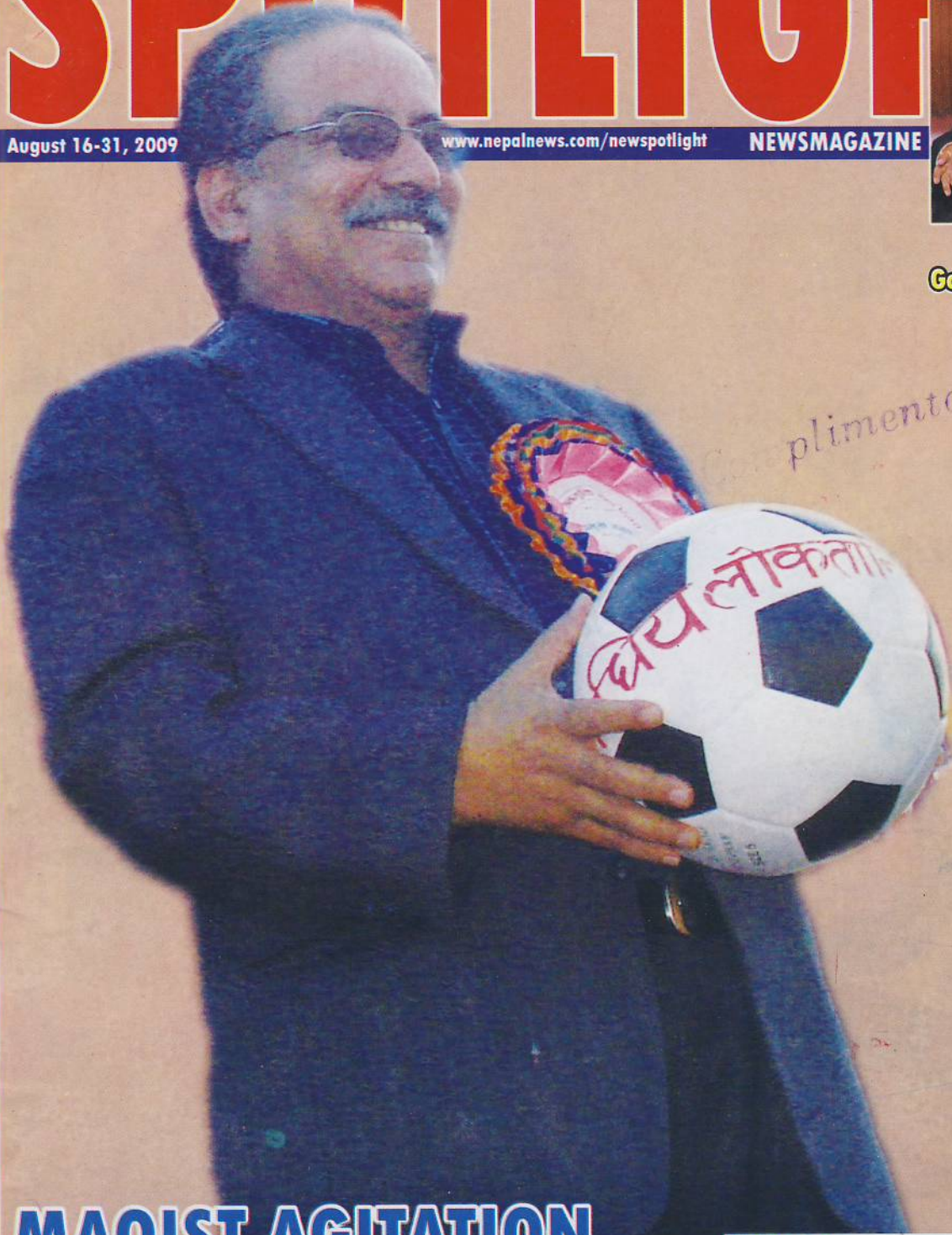
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NEWSMAGAZINE



INTERVIEW :
Govinda Raj Joshi



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MAOIST AGITATION

What Goal?

INSIDE

Prachanda in London
Economy: Banking Venture
Social Inclusion

Nepal..... NRS. 50.00
India..... IRS. 35.00
Bhutan..... NU 35.00
Other SAARC Nations..... US\$ 1.00
Asean Countris..... 1.00
Japan..... 1.00
Europe..... US\$ 2.00
USA/Canada..... US\$ 2.00
China/Korea/Hongkong..... US\$ 2.00
ME/Israel..... US\$ 1.00
Austre..... New Zealand..... US\$ 2.00
Kathmandu DAO
Regd. No. 148/063/064

अब... १* रु. १ मै बचत खाता



नेपाल इन्भेस्टमेन्ट बैंक बढी भन्दा बढी नागरिकहरूमा बैंकिङ्ग सेवाको पहिलो अनुभव एवं बानी बस्न सक्ने गठनाका लागि सजीव प्रस्तुत गर्दछ... **मात्र रु.१ मा**
“**आफ्नै बचत खाता**”
सम्पूर्ण अन्तराष्ट्रिय स्तरको सेवा सुविधा सहित ।



जीवनका पहिला पलहरू देखि नै बचतको बढी सुदक्षित भविष्यको सम्पत्ती



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WIGG in Youth

Since the CA Rules and Regulations made it clear that the constitution will incorporate the recommendations of thematic committees, it is necessary to start public discussions on the suggestions and recommendations given by thematic committees. Following the series of amendments of the CA Calendar of Operation, the number of days allocated for public discussions has been reduced. In this scenario, the solution is interactions arranged by non-governmental organizations at grass root levels.

To start the discussions, Women in Good Governance (WIGG), in collaboration with Consortium of Constitutional Experts (CONCOE), organized a one day interaction program on the preliminary stages of constitution drafting and on a concept paper submitted by the Committee for Determining Structure of Constitutional Bodies from gender and youth perspective at Padma Kanya Campus on 4th August.

The program was inaugurated by minister of Culture, Constituent Assembly Dr Miniendra Rijal. WIGG member Kamala Dhungel stressed the need for public discussions of drafted papers. "We will organize this kind of program nation wide," said Dhungel.

ADB Scales Up Assistance

The Asian Development Bank (ADB) has increased its grant allocation to Nepal to help the country meet its development needs. The allocation, a blend of concessional loans and grants, will increase to \$538 million in 2009-2010, from \$258 million during 2007-2008.

"This scaling up of ADB's assistance to Nepal testifies to ADB's strong commitment to Nepal's development and poverty reduction efforts," said ADB Vice President of Operations, Zhao Xiaoyu. He added that sustaining this level of assistance will largely depend on Nepal's performance in the areas of macroeconomic management, governance and portfolio management.

The Vice President also signed a grant agreement with the Government



Minister Dr. Rijal (Right) Discussing with WIGG

of Nepal for ADB's emergency support for the country. The \$25.6 million Emergency Flood Damage Rehabilitation Project will help restore economic activity in eastern and far western Nepal, areas that were devastated by last year's monsoon floods.

Competition Awards

Along with four organizations from Nepal, twenty-one civil society organizations from South Asian were awarded grants from an \$840,000 pool funded by the South Asia Region Development Marketplace (DM). The winners received up to \$40,000 each to implement their proposals for improving nutrition in their respective countries.

"Under nutrition is one of the most challenging issues facing South Asia," said Isabel Guerrero, World Bank's Vice President, South Asia Region, at the awards ceremony in Dhaka. "Poor nutrition robs a child of a chance to succeed and live a healthy, productive life. And yet, an investment in nutrition is one of the social policy interventions that has the highest impact for each dollar spent, in improving this child's future."

Equal Access Nepal was recognized for its proposal to enhance

birth weight and survival of infants, and **MaxPro Pvt. Ltd.** won for its idea to develop a community based distribution network for iodized salt. Another winning innovation from Nepal was the **Helen Keller International Inc.** proposal to reduce malnutrition in children under two years old.

"We believe that by integrating health and agriculture we can lead to better nutrition outcomes. This event has given us a platform to learn about how behavior changes when you combine household food security and essential nutrition action," said Pooja Pandey Rana of Helen Keller International Inc.

The competition drew nearly 1000 applications from Afghanistan, Bangladesh, Maldives, India, Nepal, Pakistan, and Sri Lanka. Through a vigorous assessment process by international development experts, the applicants were narrowed down to 60 finalists.

The South Asia Regional Development Marketplace was sponsored by UNICEF, World Food Programme, PepsiCo, the Micronutrient Initiative (MI), GTZ (Germany), and the Global Alliance for Improved Nutrition (GAIN). ■

Constitution-Making : Time is of the Essence

BY SHRISH RANABHAT

A successful outcome in Nepal's constitution-making process (CMP) requires a serious and sincere focus on producing the final document and adopting it. In a situation of post-conflict transition and a regime change, the CMP must properly be organized and such a process must be given adequate attention and resources. Nepal government, therefore, must give top priority to the CMP not only for its potential for conflict resolution, but also for the prevention as well as for the maintenance of stable peace.

The constitutional process is often facilitated by the establishment of interim arrangements. Even though we have an interim constitutional framework that adequately distribute political space to enable all parties to participate and debate contentious constitutional issues, it still lacks the essential characteristics such as clarification of basic legal rules, provisions for society to move forward with a minimum of disorder, and sufficient changes from the prior system to clearly demarcate a break from the past.

There are plenty of examples of interim arrangements that provided some degree of stability during the period of the CMP. One good example – applicable to Nepal – can be South Africa. South Africa enacted a formal interim constitution that set out a series of constitutional principles to guide the process. The South Africans themselves determined the structure of the CMP with minimal input from the international community. South African parties had negotiated an interim constitution which set out the basic ground rules for the process of adopting a permanent constitution and provided for the basic functioning of a "Government of National Unity" throughout the CMP. Once the constituent assembly (CA) began to undertake the CMP, South African adopted a comprehensive program of public participation that included public debates, consultations at the village level, radio broadcasts of public education material, and large numbers of public submissions.

Contrary to South Africa, Nepali political parties have been engaged with

'power tussle' since the beginning of the CA. The priority has been shifted from drafting a constitution to 'remain' in power 'as long as possible' and 'by any means applicable'. The CMP has been sidelined. The date set by the CA to draft a constitution is just around the corner. In fact, the CA's events calendar has already been amended for the fifth time. Anarchy is prevailing. Foreign influence on political leaders, specifically Indian, is overwhelming. Public participation on the CMP has been given a least priority by not giving a more open and extended opportunities for people and civil society in general to challenge, debate, and influence the process. Immensely neglected by the political parties and the CA are the basic principles such as tolerance, pluralism, human rights, the rule of law, and gender, religious, and ethnic equality that govern both the process of constitution making and draft the ultimate document.

Constitution making is a deliberative process, and especially when integrating the public participation model, needs to be given adequate time. It is a mistake to attempt to short-circuit this process. Rather than drafting the constitution behind closed doors by a small number of elites, it is necessary to engage the broader public to the CMP. It can serve to empower a broader range of groups, including women and emerging civil society groups providing an opportunity for them to impact on the constitutional processes as well as on the political process. The constitutional process can provide a forum for national dialogue and education regarding issues and decisions that are vital to the future direction of the country.

It is very important to acknowledge that in a country like ours, where majority population is still illiterate and poverty and unemployment are growing, the challenge of conducting these processes are difficult. It is fair to assess that an attempt for the task of popular consultation in Nepal seems to have failed as the process was poorly organized and the Nepal government tried to rush the process. There was a low turn out of people and the CA members, who were assigned for

consultation, often ignored to visit places. As a result, Nepal is unable to effectively absorb and synthesize the results of the popular contribution in the development of the draft constitution.

Even though the CA has a broad democratic representation, the members are unable expressing their views on key constitutional issues. So far, only a few members from bigger political parties show the dominance with widely differed ideas. This problem has been a factor that is distracting the CMP.

Of course, it is important that the role of the international community is essential in many constitution-making exercises. However, their involvement in constitutional processes has not always been without problems. Often, the international communities favor one political party over others. When one party is allowed to dominate the process, a potential for future conflicts arise. Nepal must, therefore, embrace the international communities' help not for short-term political gains but as a neutral resource and guidance for elucidating the pros and cons of particular substantive issues, frequently through comparative analysis of how constitutional issues have been handled in other countries.

Instead of wasting time on gaining short-term political benefits, political parties and the CA members must focus on the CMP. The Constitution Commission should start functioning *pronto*, and develop a draft that synthesizes the results of the popular consultation and the other submissions from various political parties, non-governmental organizations and individuals. The CA should carefully consider and debate every article in the draft proposed by the CC. Time is of the essence.

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PRACHANDA IN LONDON

Out Of Radar

Maoist chairman Prachanda embarked on a mysterious foreign tour a day after the former rebels launched 'a mass movement to topple the foreigners-installed' government

By BHAGIRATH YOGI in London with SUSHIL SHARMA in Kathmandu

August 10, Monday. The Woolwich Town Hall in the South East London was packed to its capacity as hundreds of expatriate Nepalis and some foreigners arrived at the Victorian building to listen to one of the most talked about leaders in the world communist movement.

Indian Marxists now residing in the UK had set up stalls to sell communist literature and leaflets in the entrance leading to the hall. A few British communists—a rare lot in the present day UK—were waiting in the meeting hall to listen to their 'revolutionary leader.' Chairman of the Unified Communist Party of Nepal (Maoist) and former prime minister, Pushpa Kamal Dahal 'Prachanda,' entered the hall; he was greeted by the audience with standing ovation.

When invited to the podium, Prachanda wondered if he was speaking to a general gathering of expat Nepalis or cadres committed to his party. After a video recording of his address to his cadres in a cantonment in west Nepal created uproar a couple of month's back, the Maoist supremo looked cautious. (He said the findings of an internal investigation into the episode will be made public soon.)

The Maoist supremo was critical of the ruling alliance led by CPN (UML) that replaced the Maoist-led government in May this year. Arguing that his party was raising the issue of 'civilian supremacy' over the army after learning from the mistakes made by other parties in the past, Prachanda said he was even warned of a possible 'bloodshed' at Baluwatar (the official

residence of the Prime Minister) if he persisted to sack the then army chief. He did not elaborate.

Prachanda's main message, however, seemed to be directed to his international comrades as well as to his own party supporters. "The 'People's War' raised awareness among masses on issues related to class, region, ethnicity and gender and plays a decisive role towards building a federal democratic republic of Nepal," said Prachanda adding, "the peace process in Nepal had

committed to develop Marxism in the special context of Nepal and in accordance with the realities of the 21st century.

The Real Motive?

Reports suggested that Prachanda was in London to meet his comrades from various communist parties. The Hindustan Times, a leading Indian daily, reported that Prachanda had gone to London to secretly take part in the convention of Revolutionary International Movement (RIM), the global umbrella organisation of radical communists. He was trying to "drum up support to become the chief of international Maoists," the newspaper speculated.

Though local organisers of Prachanda's visit in London refuted reports that he was here to meet officials from RIM, his visit was shrouded in mystery. Even members of Nepali Samaj UK—an organisation said to be close to the Maoists—didn't know where the Maoist chairman was staying. Neither



Even members of Nepali Samaj UK—an organisation said to be close to the Maoists—didn't know where the Maoist chairman was staying. Neither had they any idea what kept the Maoist supremo busy from early morning till late night during his four-day trip to UK.

a dialectical relationship with the armed struggle."

Saying that conflict analysis was the soul of Marxism, the Maoist supremo said revolution in fact was a very complex matter. He said his party was

had they any idea what kept the Maoist supremo busy from early morning till late night during his four-day trip to UK.

Sources said that Prachanda was initially due to visit India. But following hectic behind the scene planning,

arrangements were made at a very short notice to enable him to accept "the long standing invitation of Nepali organisations" based in London. Prachanda heads to former communist states Russia and Byelorussia after the mother country of the parliamentary democracy, UK.

The motive of the visit is not clear yet. But it did coincide with the anti-government agitation of the Maoists to clear way for a "united national government" to be led by the Maoists. It also took place ahead of the prime minister Madhav Kumar Nepal's visit to Nepal's southern neighbour, India, that is believed to hold the key to major political developments in Nepal.

Analysts say that the future of the UML-led coalition will largely hinge on how much the prime minister succeeds in fostering "goodwill" during his Delhi sojourn.

Whether foreign minister Sujata Koirala's "preparatory 5-day visit" at the invitation of her Indian counterpart has made things comfortable is also subject to speculations, said a keen observer of the recent hectic politicking in the two capitals.

In its recent meeting, the central committee of the UCPN (M) decided to strengthen its ties with Revolutionary International Movement (RIM) and Coordination Committee of Maoist Parties and Organizations of South Asia (CCOMPOSA).

Analysts, however, say the London-based RIM is no more than a postal address. It is, however, believed that RIM played an important role in encouraging the Maoists to adopt the people's war strategy. In an interview with Li Onesto, a journalist affiliated with Revolutionary Worker— a mouthpiece of the Revolutionary Communist Party of USA— in 2000, Prachanda said there was consistent international involvement in the final stages of planning the people's war, "first and foremost" with the RIM Committee. "There was important ideological and political exchange. From the RIM Committee, we got the experience of the PCP (Communist Party of Peru), the two-line struggle there, and also the experience in Turkey,



PM Nepal: Behind the scene game

the experience in Iran and the experience in the Philippines. We learned from the experience in Bangladesh and from some experience in Sri Lanka," he told Onesto.

In its report entitled "Nepal's Maoists: Purists or Pragmatists," published in May 2007, International Crisis Group— a think tank—said, "The main difference between Nepal's Maoists and their international allies is over how to put ideology into practice. The CPN (M) has concluded that revolution cannot be achieved by classical strategy and tactics; Prachanda has coined a new mantra: "the repetition of revolution is impossible, only its development is possible." This explains their departure from the established

formulas of Marxism, Leninism and Maoism and justifies their attempt to develop a new approach suited to contemporary Nepal. Most of their international allies see this as revisionism — a harsh charge among communists.

It may be too early to gauge if Prachanda's parleys in London will bear fruit in terms of improved relationship with his foreign comrades. But what seems clear is that at a time when his leadership is facing open challenge from within his own party, especially from the group that believes party should stick to its fundamental ideology, Prachanda may have felt the need to show that he is still at the helms and has not betrayed the cause of revolution. ■



Acting Army Chief General Gurung with COA General Katwal (Right) : Taking over

NEPALI ARMY

Baton Change

Defying all fears Nepali army witnesses a smooth change of guards and maintains the long-standing unity

By A CORRESPONDENT

The Nepali army has got a new boss in Chhatra Man Singh Gurung. The first *janjati* chief of the army staff has replaced the first *commoner* chief Rookmangud Katawal.

If Katawal's ascension to the top three years ago marked a watershed in the history of the Nepali army, his successor Gurung has added another to it.

The winds of change have not spared the traditional institution that has stood the test of the times.

The two watershed events over the past three years took place at a time when one traditional institution after

another fell in the wake of political storms.

The new army chief, Gurung, faces a big challenge in maintaining his institution in tact.

Soft-spoken and gentlemanly, his personality defies the character that has dominated the chair so far.

He lacks the style his immediate predecessor demonstrated in leading the one-hundred thousand armed outfit.

But he is unlikely to lack in substance, as some suspect.

Testing times are ahead for the Nepali army and, of course, its new boss.

The controversial "adjustment" of the Maoist combatants in the Nepali army as demanded by the former rebels will be a major challenge he will have to tackle immediately.

The danger of ethnic trouble is looming. Security situation is threatening to go out of control.

On many occasions, Katawal showed guts to stand up against moves that many feared would have led to a national disaster. Gurung will have to show the same gut.

For all his shortcomings and dubious role under the royalist regime, Katawal is credited to have presided over the army through a very difficult political transition.

The bloodless transition from monarchy to republic would not have been possible without a role of a man who, ironically, was brought up and nurtured by the royalty in the royal palace.

As a senior general, Gurung has been a witness to the dramatic events that did unfold. He knows the odds ahead. The odds are heavy. ■



TFP : Banking on investment

Photo : Sharmini

TRADE FINANCING PACT

Banking In Trade

Nepali banks grab onto the Asian Development Bank's (ADB) global trust by signing trade financing agreements aimed at boosting the country's international trade

By SANJAYA DHAKAL

Following the global recession triggered by the collapse of giant investment banks of the United States last year, the banks around the world lost a huge amount of trust.

In the ensuing scenario, the banks of developing countries like Nepal also suffered as it became difficult for them to forge alliances with international banks that were increasingly averse to any risk-taking.

This, in turn, hurt the prospects of deepening international trade for poorer countries.

With the aim of helping the banks overcome these challenges, ADB has started the trade finance facilitation program (TFFP) and has been signing pacts with banks of various countries in the region.

On August 11, ADB signed trade financing agreements with eight banks in Nepal. The agreements are aimed at promoting international trade in the landlocked South Asian nation and helping Nepali banks forge alliances

with banks overseas.

ADB signed the agreements with Bank of Kathmandu Ltd., Everest Bank Ltd., Himalayan Bank Ltd., Kumari Bank Ltd., Nabil Bank Ltd., Nepal SBI Bank Ltd., Nepal Industrial & Commercial Bank Ltd., and Nepal Investment Bank Ltd. These are ADB's first agreements with Nepali banks.

Boosting trade is critical to helping Nepal overcome the current global crisis that has hurt exports and may slow the growth in remittances this year and in 2010. In the longer run, increased trade should also lead to crucial job creation and reduced poverty," said Barry Hitchcock, ADB's Country Director for Nepal.

The TFFP, expanded to \$1 billion in March, provides guarantees and loans of up to three years to support trade transactions in its developing member countries.

"Exporters and importers in the less-developed parts of Asia have struggled for some time to obtain trade finance because of broad risk aversion,

but this became even more difficult following the onset of the global economic crisis as large international banks refrained from offering such financing in favor of building up their capital base," stated a press release from ADB.

Subsequently, the ADB developed the tool of TFFP to help boost trade in its developing member countries, which it has acknowledged as a key tool for economic growth and poverty reduction.

"We are very pleased to extend the reach of the program to Nepali banks which should benefit from increased partnerships with international banks," said Philip Erquiaga, Director General of ADB's Private Sector Operations Department, which oversees the TFFP. "Such relationships can result in expanded trade finance links and facilitate knowledge and technology transfer."

Nepali bankers are excited about the agreement with ADB.

Prithvi Bahadur Pande, chief of Nepal Investment Bank, said the agreement will act as guarantor for Nepali banks in the global context.

"This is a good move that will help foster Nepali banks in the global arena," said Sashin Joshi, president of Nepal Bankers' Association (NBA).

Ashok Rana, chief of Himalayan Bank, noted favorably the speed with which ADB and the Nepali banks reached the pact.

The TFFP provides guarantees to confirming banks, enhances banks' abilities to offer importers and exporters access to financial services and works in partnership with the private sector to provide capacity, liquidity and stability to the trade finance system.

It offers two main products Credit Guarantee (CG) and Product and Revolving Credit (RCF) Product

Under the CG, ADB provides guarantees to participating regional and international banks against the payment of trade credits issued by approved issuing banks.

Likewise, under the RCF, ADB provides loans to issuing banks for on-lending to private sector exporters and importers, many of which are small and medium-sized enterprises (SMEs), and to finance trade-related transactions. ■

MAOIST AGITATION

Let A Hundred Confusions Bloom

The fresh Maoist agitation has raised many questions that remain unanswered. Will it lead to a stable government under the leadership of the Maoists as claimed by the former rebels? Or will it deepen the instability and create unforeseen complications? If the Maoists are not sure, the others are equally confused.

By **SUSHIL SHARMA** with
SAROJ DAHAL

The Maoists have reveled in confusing their rivals ever since they launched a bloody insurgency thirteen years ago.

They continued this game even after entering into the peace process three years ago.

It paid handsome dividends to them.

Initially dubbed terrorists, the former rebels later got recognition as a major political force.

Brushed aside by many as a potential small entity in the constituent assembly elections, the Maoists eventually emerged as the single largest party, winning a clear majority in the direct elections.

Seen by many as an outfit that would enforce its agenda by remaining in power by hook or by crook, the Maoists once again surprised analysts by giving up the seat of power.

Out of power, many thought the former rebels would instantly set the street on fire. Nothing of the sort happened.



Prachanda (Left) PM Madhav Kumar Nepal : Feeding crisis

Photo : Saroj Dahal

Barely had the surprise element gone away when they found themselves back in a comfortable state – the agitation.

Very few, if any, could foresee the outcome of the marathon central committee meeting as far as the future course of action of the party was concerned.

Twenty-four days of meetings ended with a thunder-storm.

The goals and objectives are not clear though.

On the surface of it, the Maoists have revived the “civilian supremacy” slogan vis-à-vis President Ram Baran Yadav’s three-month old move to block the sacking of the army chief, Rookmangud Katawal.

Katawal’s graceful retirement does not seem to matter to them.

The second major slogan is the establishment of the Maoist-led united national government consisting of

“patriotic” forces.

And the third one: “To ensure that the constitution is made on time and peace process brought to a logical conclusion.”

But the Maoists have let doubts about their agenda grow. Top leaders have been flip-flopping on the party’s ultimate objectives.

Some have not ruled out a people’s revolt to capture power and “ensure a people’s constitution.”

Other leaders smell internal and external conspiracies to finish off the “revolutionaries” instigating agitation to ward off the perceived threat.

Speculations also abound that the former rebels are bargaining for a berth in the government, and maybe the top office.

Said second vice chairman Baburam Bhattarai, “the agitation would continue until a UML-led government gives way to a Maoist-led

national dispensation.”

Many inside the party say, this is just rhetoric. “No government change is expected before December,” said a politburo member. According to him, the agitation is intended to mobilize party workers for future exigencies.

The fact that supreme leader Prachanda left for London a day after the agitation was launched could be indicative of a less than optimistic mood within the leadership.

However, the party has started efforts to woo “friendly” factions in other parties for an alliance of “true republicans and patriots.”

General secretary Ram Bahadur Thapa ‘Badal’ is leading the initiative with help of senior leaders Devendra Poudel, Ram Karki and others.

They have held one round of talks with the likes of Narahari Acharya and Pradip Giri of Nepali Congress.

But that the Maoists are themselves



Maoist agitation : What purpose?

Photo : Sharmini

a divided house is less likely to help their cause.

In the central committee meeting, Prachanda did succeed in neutralizing the Mohan Vaidya and the company to scuttle a policy of popular revolt.

However, the Vaidya faction is down but not out. Given his inconsistencies Prachanda may also relent if he thinks the situation will change.

He has not entirely closed the option of revolt, which will inevitably invite severe confrontation with other parties as well as international forces.

It was for no reason that Prime minister Madhav Kumar Nepal warned of dire consequences if the former rebels "crossed the limits."

The warning came ahead of his visit to India where he is hoping to deepen the old friendship and win new friends.

Some suspect that the Maoist agitation is aimed at preventing PM Nepal from winning new favour in Delhi which holds crucial influence in Nepali politics.

There are lurking doubts that the Maoists want to scuttle the constitution making process. The doubters claim that unless former rebels believe the constitution of their liking is ensured they will not allow the statute to be drafted within the stipulated time.

If the current agitation leads to head-on confrontation or sets the stage for such a situation, the Maoists will

perhaps scent a victory.

Many believe they hope to thrive in the resultant chaos and anarchy.

The confusion seems to end there. Based on the protest programmes for the next two months, there seems little to be alarmed by.

Obstructing the parliamentary proceedings and holding rallies and demonstrations are the highlights of the protests. This is noting unusual for an opposition party.

But as they are adept in springing surprises, Maoists may not limit themselves to what they have

announced.

Top leaders do not rule out surprise, either. Said one, "we have kept all options open."

The options vary from toppling the government to bargaining for a good position in a new set up. From setting the stage of a revolt to mobilizing cadres to pressure for "a people's constitution" and then for a thumping majority in the next elections.

According to some analysts, the leadership was also under pressure for indulging in its own interests.

As criticism of Maoist leader's luxurious life style grew, getting the cadres engaged was deemed necessary. Hence the agitation.

Prachanda was himself a target of attack in the central committee meeting. "First Bolero, then Scorpio and then Prado...if this is how a revolution is driven, why should we toil hard?" was a hard-hitting slogan aimed at Prachanda's love for luxurious cars.

Some members even reminded the stylish supreme leader that Mahatma Gandhi led the independence struggle of India wearing a dhoti, not expensive suits.

Insiders say that leaders are not sure whether to regain the government or to establish a people's republic through revolt.

They are a confused lot. Naturally, the rest are confused too. ■



Badal (left) and Prachanda with Pasang (middle) : Combat fatigue Photo : Saroj Dahal



New Apartment: Changing skyline

Photo: Sharmini

URBANISATION New Heights

Urbanisation in Kathmandu rises to new level

By ABHUSHAN GAUTAM

The old and traditional silhouette of ramshackle brick buildings in Kathmandu is transforming at such a rapid pace that people returning after a few years abroad can barely recognize the capital. Owing to the burgeoning land price values and contracting land space, Kathmandu's housing companies are building vertical apartments and office blocks over ten stories high. Growing urbanization, rising incomes and a commendable boom in construction business have further boosted the demand for architects.

In the late seventeenth century Nepali people had a penchant for grand villas and town houses. Much of the credit goes to them for the development of modern and pre-eminent buildings in Kathmandu. It wasn't until the opening of Bishal Bazaar, the first shopping complex in the city, when the drift towards modern buildings

and amenities gripped the valley.

"In our days, Dharahara-the landmark nine-storied tower- was the only architectural foundation that raised everyone's eyebrows. But, these days it's hardly surprising to see tall buildings in our city", opines Bidya Laxmi Shakya, a 98 year old resident of Thamel.

Advertisements and billboards of residential colonies, luxury apartments and state-of-the-art malls flood newspapers, magazines and the streets. Large buildings have not only found a new niche among the modern city dwellers but have kick-started a new revolution in the architecture and construction industry of Nepal.

"Nepal shares a very common story with India. It is quite evident that the system of apartments, shopping arcades and planned modern cities also fuelled the urbanization trend there. And looking at the current pace of development I have no doubt that Kathmandu could turn into one

of the model cities of Nepal in a few decades", says Saroj Neupane, a student at Pulchowk engineering Campus.

The new system has served many desirable ends. The establishment of massive shopping malls like the United World Trade Center (UWTC) in Tripureshwor has opened avenues for the employment of denizens in Kathmandu.

This squares well with the interests of common people who wish to enjoy modern facilities with their normal budgets. These shopping centers are developed not only for shoppers; they also serve entertainment purposes. For instance, Kumari complex now has three theaters under one roof. UWTC has provisions for offices, banquet halls, swimming pools, bowling alleys and restaurants. There are numerous other shopping destinations like these: City Centre Mall, Sherpa Mall, 2 miles- the list is endless.

Similarly, the ease of apartment living and owning houses in residential quarters seems to have caught everybody's imagination. Availability of lands and housing plots in Kathmandu is limited. High rises maximizes the utilities of scarce and fixed resources and make them an available part of our housing options. Furthermore, people find it very difficult to set up their own buildings owing to the sky-rocketing prices of construction materials. The discreet setting of residential homes, well-equipped modern amenities and boundless facilities of the apartments thus allures many families.

"I chose to live in an apartment because I and my spouse have to work and travel daily. Here, it's much more easier and secure to lock up the rooms and leave uninhabited for long periods. Besides, the aesthetic sense of the locality here is very pleasing and we have no shortage of facilities", shares Mrs. Poonam Pandey, an employee at Nabil Bank.

Interior view of City Center Mall, Kamalpokhari

Mass exodus of migrants from outside the valley into rented rooms and the movement of inner city residents to apartments on the outskirts has become an ironic scene now. Looking at the sundry of first- class facilities of apartments and housings, the added cost of buying one is not only worth it but is also seen as a great investment.

However, the real estate sector has also been facing numerous hurdles. The government has remained impervious to their demand of land plots for construction purposes at lower prices and is obstinate about its involvement in this business. ■

'Isolate The Authoritarian Maoists, Form A Strong Democratic Govt'

-GOVINDA RAJ JOSHI

A well known name in Nepali politics, senior Nepali Congress leader, **GOVINDA RAJ JOSHI**, has seen many ups and downs in his political career and is noted for being bold enough to take a tough stand against the Maoists. Joshi, who has led a number of ministries in the past, says that the Maoists can not be trusted unless they show genuine faith in the multi party parliamentary democracy. He is one of the few leaders within and without the Nepali Congress who has been consistent in his stand. While national politics experiences turbulent times and the future remains uncertain, the Congress strongman Joshi spoke to **KESHAB POUDEL** on various issues regarding the current political situation.

Maoist interpretation of civilian supremacy is different from the kind civilian supremacy upheld by democratic parties. The Maoist's slogan of civilian supremacy is a strategy to capture power.

Excerpts:

After the announcement of street agitation and blockade of Legislature Parliament and Constituent Assembly by Maoists, where is Nepali politics heading now?

Maoist agitation is mysterious as it will invite direct confrontation. The Maoists want to establish their own government.

What is the difference between Maoist and other parties?

Nepal's major political parties Nepali Congress, CPN-UML, MJF, TMLP and others feel that the Maoist party is a threat to civilian supremacy. Maoist interpretation of civilian supremacy is different from the kind civilian supremacy upheld by democratic parties. The Maoist's slogan of civilian supremacy is a strategy to capture power.

You said it is just a Maoist strategy to capture power. If that is so, what strategy does the Nepali Congress have to foil such a move?

Our party supported the initiative to pull down the Maoist government. We supported the Nepalese army's move against the Maoists. Our whole strategy is to isolate the Maoist party. If we fail to isolate it, it is always a threat to civilian supremacy. Unity among all political parties is needed to isolate the Maoists.

Don't you think Maoist are now isolated?

Yes, they seem to be isolated. But Maoists are making efforts to play CPN-UML and Nepali Congress against each other. The recent move to form an all party high-level political committee is a ploy. This is a part of a conspiracy to give political space to Maoists. The whole objective of this committee is to change the government.

So the formation of a high level committee will include Maoists in the government?

There is no sense in constituting such a committee except to woo the Maoists and bring them into the government. This is a very tactical move. If Maoists disagree to join the government, the aim is to secure

Maoist support to form the next government. CPN-UML leadership, including prime minister Madhav Kumar Nepal, should know this. If the Maoist party is really sincere about the process, priority should be given to drafting the constitution.

But the high level political committee is a brainchild of your party leader Girija Prasad Koirala.

You cannot say that all the proposals made by Nepali Congress ended with good results. We have seen devastating consequences following some proposals. Signing the twelve point agreement, holding the elections of CA and many agreements with Maoists all produced counterproductive results to the country and our party. There is no reason to believe that this new proposal will be different.

Then, why do they need it?

In terms of political philosophy and accepted democratic norms, this kind of committee has no meaning. There are 22 parties in the government and the Maoist are in opposition. If the aim is to control the government, even inviting the opposition to such a committee gives the wrong message. A high level committee may be needed to create consensus in drafting the constitution, but this committee seems to be more political and directed to interfere with the prime minister's power.

If the decisions taken by Nepali Congress in the past have not been favorable to your party and country, don't you own some responsibility for this? If you don't, were you just a helpless spectator?

We did not remain silent spectators. We fought tooth and nail against the decisions.

But you failed to prevent such decisions?

We made strong efforts to prevent it. For instance, out of 31 members in the Central Working Committee of the party, 28 were with us. It is very unfortunate that 3 members were able to override the decision of 28 members.

If the decisions of 28 CWC members does not prevail, who directs the Nepali Congress?

This is because of concentration of power in one individual. We have been talking about the need to have collective leadership to avoid such things in the future. We want a change in leadership and a change in party organizations. Our party's policy is not to join hands with the extreme leftist party like Maoists. It is against

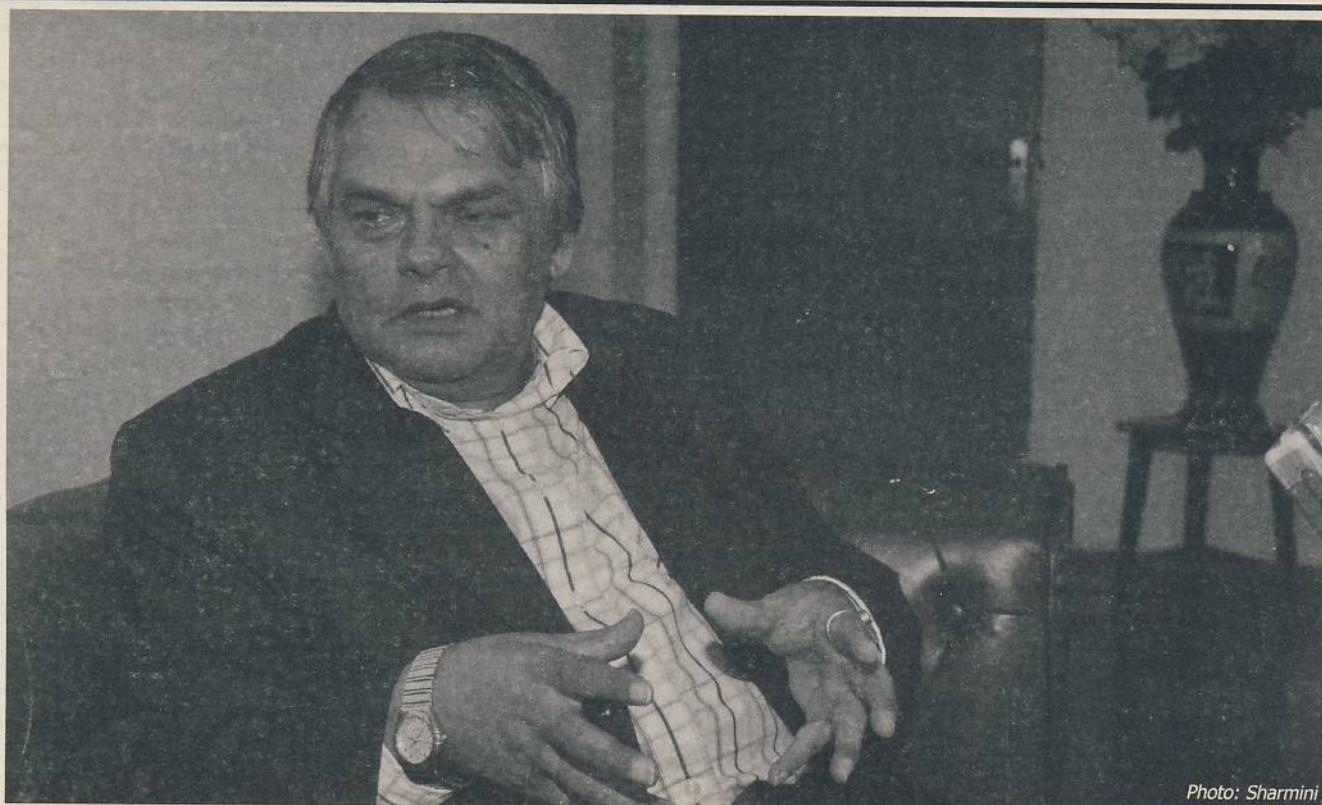


Photo: Sharmini

the spirit of national reconciliation propounded by B.P. Koirala. By undermining B.P.'s policy, we reached the present state.

UCPN-Maoist is the largest party with one third of the seats in CA. How can you draft the constitution in time and bring the politics back on the right track by pushing Maoists into isolation?

It seems very difficult to do it. But given their nature, we cannot correct the Maoists without isolating them. Maoists also know the international situation is not favorable to them. Thus, Maoists are playing Nepali Congress and CPN-UML against themselves to survive.

Members of the international community, including Nepal's two neighbors, have been suggesting the need to bring Maoists to the national mainstream along with major political parties. How can you justify your view on the need to isolate them?

The suggestions are genuine. We also want Maoists in mainstream politics. Instead of creating hurdles, Maoists need to support the constitution making process by expressing complete faith to the democratic ideals. But Maoists are saying that they will not support the constitution making process without forming a national government under their leadership.

Is it possible to draft the constitution without involving the Maoists who have over 230 seats in the CA?

It is impossible to make the constitution without their participation. But, Maoists are not

sincere about the constitution. When they were in the government, they were not sincere. Instead of taking part in the constitution making process, Maoists interfered with the affairs of the Nepal army, particularly with the chief of the army. Maoists wanted to integrate their combatants into the Nepal army. When the army chief declined to obey them, Maoists initiated action against him.

Don't you think isolating Maoists will invite a political clash?

Political clashes are sometimes natural in politics. Politics is not a place for meditation like in a Pashupati (Hindu Temple). It is natural to have competition and clashes but they should be within democratic norms. Clashes between the ruling and opposition party are natural in a democratic system. If Maoists push their agenda threatening bloody confrontation, the government has to deal with it in accordance with law and democratic norms. In case the Maoists declare bloody war, the government has to take all necessary measures to maintain law and order. The government needs to be strong to deal with forces hostile to democratic norms and rule of law. The state has various institutions, including the police and army, to take the necessary steps to maintain harmony and order in society.

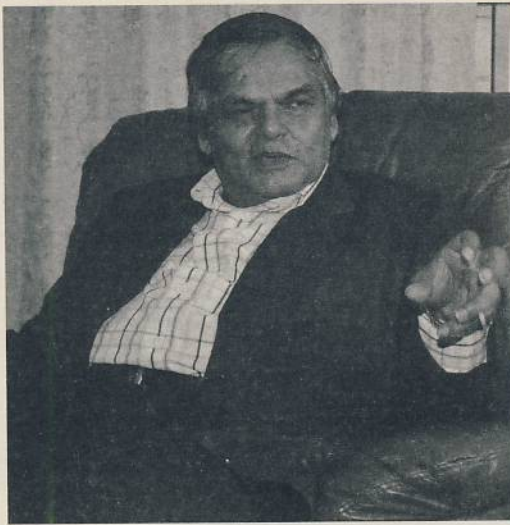
Do you think such persons will come from nowhere?

Definitely. Such persons will come.

Where will they come from?

They will come from Constituent Assembly. Among the 601 members, there are persons with strong willpower. Such persons are in our party and CPN-UML. Time will bring them.

The state has various institutions, including the police and the army, to take the necessary steps to maintain harmony and order in society.



Do you mean Nepal does not have a political leader worthy the name yet?

If the country had the right political leader, we would not have to see this situation. Our experiences have shown that one cannot become a political leader like B.P. Koirala, who was capable of taking all kinds of decisions, overnight. We have had politicians to lead

the government but not the statesman.

What alternatives do political parties like Nepali Congress and CPN-UML have?

They have two alternatives. Either they can surrender to Maoists or they can pressure the party to accept the democratic norms in politics. Maoists are trying to capture power through threat and pressure.

Even King Gyanendra imposed a state of emergency stressing the need to restore law and order but he too failed.

There is a difference between what King Gyanendra said and doing and what I am hinting at. Unlike King Gyanendra's authoritarian ways, the democratic government has an obligation to protect the citizens as well as democracy. I am proposing to maintain order in society by following constitution, law and human rights. One cannot restore law and order just by making statements. People must feel it. You cannot compare it with King Gyanendra's way. He spoke a lot but failed to deliver.

Do you think the international community, particularly Nepal's two neighbors who have major influence in Nepal's politics, will back a strong democratic government?

Prolonged political instability in Nepal is in nobody's interest. If Nepal turns into an anarchical state, nobody will benefit. So far as our two neighbors are concerned, political stability in Nepal is pre-requisite to guarantee their security. Only stable and democratic governments can restore law and order in the country. My understanding is that stability and peace in Nepal is in the interest of India and China. Unstable and chaotic Nepal creates more problems for them.

Who will restore the law and order?

Only democratic governments and democratically elected governments can take strong decisions. I am not in favor of any form of dictatorship whether it is Maoists', army's or anybody else's. What I want is strong and stable democratically elected government to restore law and order. There are lots of people in our party and CPN-UML.

When Nepali Congress and CPN-UML have lost their grounds at the village level as well as in urban areas, and Maoists are gradually improving their stronghold, how is it possible for them to compete with Maoists?

Because of weak policies, CPN-UML and Nepali Congress became weak. If they follow the correct policy, they will recover.

What do you mean by correct policy?

We need to show our commitment to democracy and national reconciliation. The current priority of our party is to get power at any cost even at the cost of party. Our priority must be the country's interest, democracy and people.

There is a rumor that undemocratic government is being made in the name of stability and strong leadership. What do you think about the possibility of such a government being formed?

These are completely baseless rumors. I don't think anyone will support a non-democratic government. What people want is a strong democratically elected government that can provide stable and strong leadership. People want the government to address law and order, garbage problems and health related problems.

Do you think Nepal's two neighbor's, India and China, will support a non-Maoist government?

They will support such a government. Only a stable and democratically elected government can protect their interests. If there is a weak government, both neighbors will suffer. Some might think that destabilization in Nepal is beneficial to them, but unstable and chaotic Nepal will have negative long term implications.

Is this your own personal analysis or have you perceived this in your meetings with officials from both neighbors?

I used to say similar things in formal and informal discussions with friends at various levels from our neighboring countries. They agreed with me.

Do they draw similar conclusions to yours?

They say that they also want stable, strong and democratic government in Nepal. Nobody disagrees with me. The Chinese are very much worried about Nepal's situation. This is because of the weak government in Nepal. Similarly, Indians are also deeply concerned about Nepal's deteriorating situation.

When can Nepal see a strong and stable government? Is it after making a new constitution or before?

Since there is an elected CA, it can give the country a strong government.

But Maoists claim that they are committed to the constitution and their agitation is a strategy to press the government on writing it?

I don't think Maoists are committed to make a democratic constitution. Their actions and roles are hostile to democracy. ■

My understanding is that stability and peace in Nepal is in the interest of India and China. Unstable and chaotic Nepal creates more problems to them.

Whither Bijulee Adda – 3

Arun III, NEA Right Sizing and the IPPs¹ Entry

-SB Pun

Introduction:

If we are to scrutinize NEA over the last one year, much water has flowed down the Bagmati river. At a time when the nation was groaning under load shedding, last year's monsoon besides causing havoc to the nation, put NEA's 92 MW Kulekhani I and II power stations out of action². The 201 MW Arun III project has become a desert mirage to some and to others the Gordian Knot. Whether Arun III is a mirage or a knot, the manna from it has been plentiful for NEA. In fact some affectionately call these innumerable covenants of Arun III, the all curing Vicks 44 formula. NEA underwent a major manpower rationalization surgery, NEA produced its long term investment and corporate plans, NEA is in the process of another commercialization surgery, and NEA drew flak from its consumers for 38 percent tariff increase. From last year also, with the signing of the Power Purchase Agreement (PPA) in March 1994 with Himal Power Limited Company³ for the 60 MW Khimti Project, the 2049 Act for attracting Independent Power Producers (IPPs) in the power sector has become a reality. NEA can no longer bask herself in the sunshine of monopoly.

Arun III – The Gordian Knot:

Now let us take a peep at Arun III where, in the words of a donor, "the country, the NEA and the donors have their heads and hearts". With an estimated investment of over seven hundred million dollars on a single project (*all eggs in one basket concept*) in a country that is rated as one of the poorest in the world, the question of affordability, the impact on the macro economy and the crowding-out effect on other social sectors had boiled very much in the Arun III pot. Hence, the 402 MW Arun III slimmed down to 201 MW and the 192-km hill-route road curtailed to 122 km valley-route road. With lessons learnt from India's Narmada abortion, the Project addressed the issues of direct environmental impact through its Acquisition, Compensation and Rehabilitation Plan (ACRP). The wider and longer term indirect impact issues are addressed by an independent Regional Action Plan (RAP)

At a time when the Project was just girding itself for the last final lap, the NGOs also made a last ferocious attack. NGO's like Alliance for Energy, Arun Concerned Group, Institute for Human Rights, Environment and Development (INHURED) along with INGOs International Rivers Network/USA and

Intermediate Technology Development Group/ UK etc. drummed up their beats both within and outside Nepal. Lawsuits were filed at the Supreme Court for right to information about the Project and the stoppage of the Project until a thorough investigation was done. Happily the Court did not halt the project but did direct NEA to abide by the constitutional right to information. The project has also undergone a series of Public Hearings. This reminds one of a comment by an expatriate environmentalist who had traveled to Tumlingtar for one of those public hearings. When asked how much noise the anti-Arun NGOs made there, he said none at all but added the further away they get from Sankhuwasabha the louder their noises get. One must know that Arun III besides having a very soft loan also has a good amount of grant from the friendly countries to the people of Nepal. And when some Nepalese shout themselves hoarse against it, it is but natural for those countries to take time to ascertain whether something is really wrong.

Corporation owned a training center over two decades ago. This lack of manpower training is primarily responsible for the performance of NEA whether it is in the ledger book keeping, employees' discipline, proper consumer servicing or the nasty accidents that occur now and then. What we need today is trained motivated manpower, proud and not ashamed to be NEA employees. This, I confess, is not an easy task to achieve.

Commercialization: The Attitude

A member from one of the donor agencies is supposed to have commented to the NEA Managing Director that none of the officers he met in NEA were commercially oriented. This, I am afraid, is a true statement. We tend to see ourselves as kindred of the all mighty civil servants of HMG where the Nepalese proverb, "Rajako Kam Kaile Jala Gham" is very apt. But "Raghupati Raghav Rajaram, Jitna Wetan Utana Kam" is also apt. So where do we start from? A pocketful of salaries and perks to the employees first or the other way around of sweat and toil by the

Whether one likes it or not, one of the manna from Arun III for NEA has been manpower rationalization. NEA rationalized its manpower from nine thousand plus employees to eight thousand.

Manpower Rationalization - The Surgery:

Whether one likes it or not, one of the manna from Arun III for NEA has been manpower rationalization. NEA rationalized its manpower from nine thousand plus employees to eight thousand. For a poor country with very little employment opportunities, this was indeed a very painful surgery. Not happy with manpower rationalization, management pundits coined the term NEA *Rightsizing* when actually NEA *Downsizing* was resorted to. This NEA *Rightsizing* was expected to cut away the fat to make NEA, hopefully, lean and fighting fit and not mean and hungry.

If NEA is to continue as the pioneer in the power sector, then we need to look at ourselves inwardly and make an honest self-appraisal. Now let us face it that we, as an institution of 750 officers and over 7000 non-officers, do not even have our own training centre. The Training Centre came into existence only a couple of years back and these are carried out from rented buildings. Nepal Telecommunication

employees for the institution first. This has always been the chicken before or the egg before argument and no one has the answer.

A recent soul searching on NEA commercialization at the Nepal Administration Staff College workshop came up with some interesting findings. One of the main dissatisfaction among the consumers is the high electricity tariff⁴. The consumers are aware that NEA can do no magic to alleviate this burden. But they are acutely aware that, with a little more effort, NEA can provide good regular electricity supply on days other than load shedding days. And, I admit, this is not an excessive demand. The consumers also expect NEA to do something about its high 23 percent losses and especially the rampant direct-hooking theft. The consumers expect prompt new connections, regularity in meter reading, prompt no-light services, sound consumer ledger keeping which, it is hoped, will be addressed by the computerization project and above all to have a good customer relationship by being courteous and friendly to our consumers' problems.

With the IPPs already in the field, NEA can no longer relax in its armchair. Butwal Power Company already sells about 24 Gwh from the 5.1 MW Andhikhola and they will shortly be selling about 72 Gwh from the 12.3 MW Jhimruk. The PPA with Himal Power Company for 350 Gwh from the 60 MW Khimti expects generation to come in early 1998⁵. With the MOUs already signed for the 14 MW 91 Gwh Modi⁶ and 36 MW 245 Gwh Bhote Koshi, when all these IPPs produce power in 2000, NEA will be handing them over 22 percent⁷ of its total revenue collection – 17 percent of it in good hard convertible currency by the Government. Some IPPs have brought in the British concept of access to NEA's existing consumers with NEA simply getting the wheeling charges. This concept will encourage the IPPs to wean away NEA's large consumers. The commercial environment in the power sector is changing fast and, if we are to survive, we got to accommodate ourselves and may be do a little healthy fighting in that environment. And this, I think, is true commercialization.

Independent Power Producers (IPPs) –

Some IPPs have brought in the British concept of access to NEA's existing consumers with NEA simply getting the wheeling charges.

The Entry:

Like the two previous words *rightsizing* and *commercialization*, IPPs in the power sector is a term that is hardly a decade old. Privatization of the efficient public sector undertakings has been very much one of the top agenda of the government. Now let us take a look at what the developed countries like France and Britain did. Both countries had numerous IPPs before the Second World War, probably one IPP for every town. These IPPs confined themselves to the profitable urban areas and never bothered about grid interconnection and rural electrification. Hence, both France and Britain were compelled after the Second World War to nationalize the IPPs and embark on massive transmission line construction and rural electrification schemes. It was only in the late 1980s that the concept of IPPs in the generation sector and the selection by large consumers of IPPs they wish to buy from was introduced in Britain. France, on the other hand, still retains all aspects of generation, transmission and distribution in the public sector⁸. The distribution sector is expected to be privatized in about a decade or so.

So what is the hurry here in Nepal for rushing in the 2049 Act on private sector participation? This is to augment the resources from the IPPs in the power sector so that load shedding will disappear in the

interim period before Arun III gets commissioned in 2002. Himal Power Limited is credited with being the first IPP in Nepal to have concluded the PPA for the 60 MW 350 Gwh Khimti Project with NEA. Though HPL is a local Nepalese private company⁹, the entire negotiation for HPL over the six months was done single handedly by a globe trotting expatriate lawyer whose fees must be enormous. Though NEA was supported by a high ranking indigenous lawyer¹⁰, we were baffled by the complexities of the negotiation. Issues like the sovereign guarantee, letter of credit, escrow account, repatriation in convertible foreign currency, a minimum monthly demand charge, loss of profit compensation, annual escalation, risk sharing, MIGA insurance etc. were not only very unpalatable and Greek to us but made us wonder whether HPL is really a Nepalese or a European company. The Memorandum of Understandings with Power Development Nepal and Bhotekoshi Power Company for the 14 MW 91 Gwh Modi and 36MW 245 Gwh Bhote Koshi hydro electric project have been signed. The

experiences gained from the Khimti negotiation will be useful for the Modi and Bhote Koshi PPAs. But I am tempted to assert here that if NEA is to negotiate the PPAs for the 360 MW 2,400 Gwh West Seti¹¹ or the 140 MW 842 Gwh Kali Gandaki A¹² then I am afraid that we too will be needing dollar guzzling expatriate lawyer. The impact of only a cent difference in the PPA of 842 Gwh Kali Gandaki A means an additional burden of US\$ 8.42 million to the citizens of Nepal, whereas in West Seti an enormous US\$ 24 million.

The concept of attracting IPPs to invest in the power sector for the sorely needed resource is excellent on paper. But, in practice, a paper by the World Bank itself admits that many private power projects in developing countries have not progressed well because of the power purchasers' inability to meet the rigorous requirements of the lending institutions, notably on issues like sovereign guarantee, foreign exchange risks etc. In fact, if the IPPs have the pre-dominance over the Public Utility then there is the likelihood of the IPPs blackmailing or hostaging¹³ the country on issues that they are not happy with. It is primarily because of such hazards that some countries have laws that stipulate that the total generating capacity of the IPPs should not exceed 20 percent of the total generating capacity of the Public Utility.

Conclusion:

With steep tariff hike up, the demand from consumers for better services hiked up accordingly and they wanted a full stop to the regular ritual of tariff increases¹⁴. From last year the IPPs have become a reality and NEA can no longer bask in an era of monopoly. But experiences in other countries indicate that the government should deal cautiously with the IPPs. The process of commercialization or rightsizing of NEA are aimed at building a strong institution. Projects like Arun III and Kali Gandaki A will augment the sorely needed domestic energy requirement and help to strengthen NEA as a strong institution¹⁵. It is in the government's interest to have a strong institution that will negotiate confidently without any inhibition PPAs with any IPPs. It is in the government's interest to have a strong institution that will be able to harness and operate the country's vast water resources in the manner that the government directs. And finally a strong institution is the tool that the government uses to collect the huge revenues¹⁶, pay back the huge loans and fulfill its social obligation of electrifying its 89 percent¹⁷ of the population that have no access to electricity. ■

- 1 This article was published 15 years ago in NEA's bi-yearly magazine, *Vidhyut – Bhadra 2051* (August, 1994). Unlike the previous 'Whither...' articles, the content is slightly edited and with the benefit of hindsight footnotes added.
- 2 On Shrawan 4, 2050 (July 19, 1993) heavy cloudburst in the Tistung/Paling area washed away Kulekhani One's penstock pipe across the Jurikhet stream at BL 10. Rainfall recorded that day at Palung was an astronomical 540 mm in 24 hrs – nearly 2 feet of rain!
- 3 Actually, this first Khimti PPA (at 5.20 US Cents per unit), though signed in the presence of the representatives from ADB, IFC and NORAD, was thrown out of the window by the principal lenders, IFC and the private sector window of ADB. The lenders' headquarters found the PPA rate abysmally low – unable to back their debts!
- 4 NEA's tariff in 1993 was only Rs. 2.54 per unit despite Arun III's hefty 61% increase covenant in 1992.
- 5 Khimti was commissioned later in July 2000, as the first PPA was scrapped by the lenders.
- 6 The Chaudhary Group-led Power Development Nepal IPP for Modi failed to materialize. NEA, with South Korean funds, commissioned Modi in October 2000.
- 7 The writer's 22% figure for 2000 proved to be very under-estimated. The IPPs in 2006 actually took away about 37% of NEA's total revenue and Indian import that year accounted for 10% of the total revenue.
- 8 An employee of EdF, the French electric utility that is not too keen on privatization, told this writer then 'If consumers get good reliable electricity supply at reasonable rates, they are least bothered who runs the electric supply, public or private! Nepal, however, suffered from high tariffs and bad load shedding.'
- 9 Though registered as a local Nepalese company, the government, in an overt attempt to attract private investment, pampered it with all kinds of privileges. In fact, the then policy makers now openly admit that the 2049 Electricity Act was essentially a Norwegian-driven act for Khimti.
- 10 Dhruba Bar Singh Thapa, former attorney-general who later became a member of Election Commission. NEA's attorney, Thapa, at every negotiation complained Khimti IPP was NOT a local Nepalese company registered under the Nepal Company Act as it was accorded special privileges. The writer now does not hesitate to call Khimti an upper caste thread wearing company!
- 11 As of that date, West Seti's license had not been handed to Snowy Mountain Engineering Corporation, an Australian company.
- 12 During GP Koirala's first premiership, Energy Initiative, an American developer, submitted an application to develop the 144 MW Kali Gandaki A. Though Electricity Development Centre (EDC) was keen to hand it over, both NEA and ADB worked hard to fight off this IPP attempt. While the World Bank worked on Arun III, ADB had its eyes fixed on Kali Gandaki A.
- 13 This was demonstrated by the American Bhotekoshi developer, Panda Energy, which claimed from NEA the payment for energy generated over its 36 MW approved capacity as it had an unauthorized installed capacity of 45 MW. Panda lobbied at the American Senate and had Nepal's garment export quota to USA struck off. This triggered the Nepal Garment Association to pressure the Nepal government to force NEA to pay for unauthorized generated energy by Bhotekoshi.
- 14 The last tariff increase of 7%, raising it to Rs. 6.50 per unit, was permitted by Electricity Tariff Fixation Commission in 2001. NEA's un-audited loss for 2007/08 was about Rs. 1.32 arab.
- 15 Average annual energy of the two projects 2,557 Gwh (Arun III – 1,715 Gwh and Kali Gandaki – 842 Gwh). While Arun III's firm annual energy is a high 1,558 Gwh, the 402 MW's average annual energy is 2,891 Gwh.
- 16 In 2007/08 an un-audited annual revenue of Rs. 16.06 arab with long term loans totaling Rs. 52.8 arab and annual interest on this loan at Rs. 2.4 arab.
- 17 In 2001, 60% of the Nepalese had no access to electricity.

“The government is very positive”

- SUK BAHADUR GURUNG

SUK BAHADUR GURUNG retired from the British Army in 1984 and started a business. Now he heads a group of companies that supply manpower to global markets. Pioneer Overseas Services, Pioneer Travel and Tour, OZE Student Consultancy and Elite Gorkha Technical Training Institute keep him busy in work. As the economic recession hits the overseas market, Gurung talks to the **NEW SPOTLIGHT** about the various issues and challenges facing manpower companies.

Excerpts:

How has the global economic recession affected the manpower demand overseas?

In early 2009, the demand of Nepalese manpower suddenly fell in countries like Malaysia, United Arab Emirates and Qatar. These are large markets which absorb more than half of all Nepalese working abroad. Gradually, the markets of UAE and Qatar are now recovering. Malaysia is also expected to follow suit.

How about other markets?

In other countries like Kuwait, Saudi Arabia and Bahrain, the demand of Nepalese workers is still higher. Nepalese workers do not have to face any problems in South Korea and Israel also. The market is recovering fast all over the world. I don't think Nepal will face any problem in this sector for another thirty years.

How many countries are officially recognized destinations for Nepalese workers?

The government has chosen 101 countries around the world where it sends Nepalese workers.

Are there new markets now?

Japan and Poland are new countries which are seeking Nepalese workers. After more than ten years of my efforts, Poland agreed to recruit Nepalese workers.

What is the government response like?

The government is very positive. It is supporting us as we do our business. Minister of Transport and Labor, Mohammad Aftab Alam, has already told us that he can do his best to uplift this business. This is a good beginning.

How many Nepalese are working abroad?

There are almost 1.5 million Nepalese presently working in foreign countries.

Malaysia alone has half a million Nepali workers.

In terms of income, which countries are the best?

Japan, Israel and Korea are the best countries in terms of monthly income. Poland is going to be another good destination for Nepalese workers. The average income of Nepalese workers in Gulf countries is around US\$300 a month.

What is the state of manpower industries?

Frankly speaking, the situation is not very satisfactory. Although we have been helping the government to find jobs for Nepalese in countries overseas, thereby helping to increase the remittances, we are treated just as middleman. A manpower company needs to deposit Rs.3 million to get registered but the government does not give us due respect and honor.

News of Nepalese workers cheated by manpower companies is quite common to see and hear these days. Don't you think these incidents minimize your contribution?

It is very unfortunate that the government and the society in general failed to distinguish between the good and the bad people. A few individuals and companies might have been involved in unscrupulous deals, but it is unjust to blame all the companies as defaulters. We have invested a huge amount of money, supporting various industries like travel, airlines and insurances. We are also business people like travel agents, hotel agents and other firms paying annual taxes to the government. Thus, we want dignity and honor.

If manpower companies have been doing their business honestly, then who are to blame for tarnishing of their image?

In the last few years, the number of education consultancies has increased and unregistered individual agents are also taking advantage of the deteriorating law and order situation. Many education consultancies are illegally sending Nepalese youth abroad for work in the name of education. We have reports that some education consultancies are sending workers abroad. The individual agents are



cheating people. When something goes wrong, manpower agencies are blamed. Registered manpower agencies are following rules. There are laws to punish wrongdoings. I don't think any registered manpower company can engage in malpractices.

What do you want in society?

We want honor and recognition for the contribution made by us. We are supporting the government and the society by offering jobs for the unemployed. I'm not claiming that everything we do is good. I can claim, however, that an overwhelming number of manpower companies have been doing honest work.

As a retired British Gorkha soldier, how do you look at the decision of the British government to provide permanent residency to people like you?

It is a very positive decision. The British government recognizes the role played by Gorkhas. All retired Gorkhas are happy about the decision. It provides our children to get better education in the UK. Since the UK has very good social security system, people like me will also benefit.

Some people argue that Nepal will lose huge amounts of money in terms of remittances from Britain. What do you say on this?

I don't agree with this argument. Not all retired Gorkhas will leave Nepal since our families and relatives are living here. For persons like me, I prefer to live in Nepal since I am running five companies here. I do not get similar kind of status in the UK. Of course, I have already applied for permanent residency, but I want to work in Nepal. For my children, it helps to acquire high quality education and job opportunities. ■

Status of Conflict Induced Migration in Nepal

BY PADMA PRASAD KHATIWADA¹

The post 1995's migration trend in Nepal is the dichotomy of voluntary and forceful migration which partially credits to the ten years long armed movement of Communist Party of Nepal- Maoist (hereafter Maoist) initiated in 1996. Internal Displacement Monitoring Centre reports that Maoist's armed movement results displacement of 50,000 to 70,000 people. In light of increasing number of Internally Displaced People (IDP), there is an urging need to explore on current situation of the conflict-induced migrants. Specifically, it has become important to identify the present situation of the conflict-induced displaced persons in terms of living condition, employment and education and to examine the factors contributing to exclusion and inclusion in both origin and destination migrants. In this regard, I have conducted a field based research study in 15 districts of Nepal under research fellowship award of Social Inclusion Research Fund. The article highlights on some important finding of the research.

Armed Movement and Nature of Displacement

In the past, the internal displacement had been observed in Nepal due to development, economic or natural disasters. Since 1996, the armed conflict between the state government and the Maoist fighting "People's War" evolved as a prime cause of internal displacement in Nepal. After the peace talks between the conflicting parties and the signing of a comprehensive peace agreement (CPA) in 2006, the armed conflict ended but it gives birth to the social group innumerable displaced populace.

Specifically, the populaces aged below 35 were the most displaced age group in the conflict period. There were two reasons for highest displacement of this aged populace - Firstly, this aged populace had high risk of being forcefully recruited in Maoist group; and Secondly, this populace group had high risk of being suspected spies by Government forces. The displacement of whole family was also observable in the conflict period and such tendency

was generally high in the household who members were associated with political parties other than Maoist.

In the conflict period, the flow of IDPs was generally from rural to urban area. The reason was the high intensity of Maoist armed movement in the rural areas. As Maoist armed movement got intensified and started to spread the beyond rural areas, the destinations of displaced became higher status areas. Sequentially, the displaced from village and remote area moved to district headquarter; the displaced from district headquarter moved to small town of nearby district; and the displaced of small towns moved to market center like Kathamandu, Pokhara and others. Some displaced even leaved aboard specifically due to the employment opportunity. However, the migration of young populace to aboard is brain drain for the underdeveloped country like Nepal.

The displacement of whole family has high threat of settlement problem. Specifically, such displaced families are facing the problem to obtain minimum basic need like food and shelter. The quality of the shelters often leaves many families vulnerable and unprotected from the harsh winter months and monsoon seasons. Their children are not able to attain regular schooling. The working age household members are not able to get employment because of limited employment opportunities in urban. Further, such families are always in the state of mental trauma of being reside in other's land and the social structure also discriminate them as migrants which brutally cursed the overall development of such family. This process nurtures to create a separate social excluded group of IDPs.

In the household where only male member has displaced, women are compelled to carry out the whole burden of the family including childcare, household chores and agricultural work. So the workload of women has significantly increased in the rural household since the conflict period. Further, women and other members of such household are always in the state of mental trauma of being attacked by

Maoist or Government Force. Likewise, women also fear on how to undertake a n y catastrophic in absence of the male counterpart.



The nature of displacement during the conflict period of Nepal exhibits immense flow of displaced peoples from rural to the urban areas. Their current status is vulnerable in term of living condition. Beside, the relative of displaced residing in the place of origin also has their own grievance.

Social Structure after Displacement

The immense flow of IDPs from rural to urban area during conflict period of Nepal leads to divergent society in the urban. The communities of urban area have discriminatory behaviour toward IDPs. They do not consider IDPs as original residence. Such discrimination compounded as the original populace of urban are prosperous and IDPs are poor which consequently placed the IDPs in separate social group leading to divided society. Many of the IDPs in the studied districts feel discriminatory behaviour by people of destination. IDPs were treated by the local people in a suspicious manner as if they are not the citizens of the same place. The discriminations faced by IDPs in place of origin as well as destination are related to: poor security; social and cultural discrimination; inadequate food, poor shelter, limited health care; limited access to education for children; a lack of identification document and gender-based violence.

Specifically, the identity becomes an issue of concern when people are forcefully displaced which has also been observed in conflict induced IDPs of Nepal. They were not allowed to vote in the constitutional assemble election which clearly signifies that the state structure has made their identity void.

Such state practice is discriminatory by nature. A common feeling among the IDPs and the members of their families is to identify as IDPs just with expectation of support by the government or any agencies.

The observed discrimination and exclusionary practices against the IDPs is different than traditionally nurtured caste based discrimination prevailed in Nepal. The social exclusion and discrimination has always been an obstacle for the inclusive development which is also prime cause of conflict. So government needs duly recognize the new form of discrimination prevailed in the country for inclusive development.

Resettlement and Rehabilitation

The state has prime responsibility in term of resettlement and rehabilitation of IDPs, reunion with the family members and compensation of the lost properties. The rehabilitation programmes for IDPs is a challenging task for the Government of Nepal as it does not have authentic database on IDPs except than the few studies conducted by donors and NGOs so the rehabilitation programmes have faced formidable challenges. The government seems to lack proper planning and direction in dealing with the issue of IDPs. The government organs are not well coordinated with local development partners in term of implementing rehabilitation program. Some of the government program initiate on rehabilitation and

compensation are ad-hoc and haphazard by nature, with not vision of long term planning. The majority of IDPs have tried to support themselves through their own means and with the help of their extended families. These rehabilitation mechanism appear to be near exhaustion

Social Support

The situation of IDPs is deteriorating day by day but there are limited resources on humanitarian support for IDPs. They have limited access to basic needs such as food, shelter, education, health and sanitation and there is dire need for psycho-social support to them. The emergency humanitarian assistance with particular reference to women and children has become an urgent need because the women and children are more risky in term of exposing to prostitution and trafficking. The attention also needs to shift to assimilation of IDPs with the community of destination for which the social campaign needs to be enhanced. There should immense media campaign against the discriminatory practices against IDPs.

State Recognition

The state should recognize IDPs as its citizen and the legal provision that barred the IDPs' right to vote should be made void. Likewise, the government should revise all the legal provision favouring the discrimination of IDPs.

Conclusion

Despite the fact that Nepal has been listed among the countries currently

experiencing most serious internal displacement, there are limited targeted assistances to address the most immediate humanitarian needs of the displaced populations. The basic needs of health, nutrition and shelter should be firstly addressed in the conditions of massive population displacement as observed during conflict period of Nepal. Apart from being a humanitarian problem, the internal displacement also persist a human rights problem so the government also need to initiate specific measures to protect the physical safety and human rights of those displaced. Further, the government needs to initiate proper measure to address the issues of diverse society evolved after immense flow of IDPs.

Despite such an increase in number of IDPs, Government of Nepal is not able to set-up proper mechanism to monitor, evaluate and document the conflict induced displacement. Some attempts have been made by local NGOs in the recent days but such attempts are not pervasive to sketch the overall tendency of conflict induced migration in Nepal. The Government of Nepal has to conduct an authentic survey to assess the vulnerability of IDPs in term of different indicators such as access to shelter, food, drinking water, sanitation, medicine, security, social inclusion and care. This will also assist the government to design more realistic plan and policy. ■

1 Mr. Khatriwada is a research fellow of Social Inclusion Research Fund (SIRF) for 2006. This article is based on the research study supported by SIRF.

Desperate Plights of Conflict Induced Internally Displaced Peoples of Nepal

BY MOHAN DAS MANANDHAR
ROJAN BAJRACHARYA¹

The movement of peoples - migration - is a usual process for the human development and prosperity. However, such movement will have negative impact if the movement is forceful which depart the migrant from access to the resources available in the place of origin causing exclusion from state's mainstream structure. The forceful migrations which can be caused by allied reasons viz. - natural calamities, conflict and others - give birth to Internally Displaced People (IDP) and this process will give birth to socially excluded groups of IDPs in the society and state. So the state policy should encompass the issues of IDP.

In this regard, Nepal also has

formidable challenges to resettle and rehabilitate the increasing numbers of IDPs caused by the decade long armed conflict of Nepal Communist Party - Maoist and subsequent armed revolution of various small factions specifically in Terai. The armed movements of Maoist and others small factions were against the traditional exclusionary state structure but it gave birth to innumerable IDPs whose issues need to be addressed by state with proper policy measures otherwise the IDPs group itself will evolve as exclusionary



group in the country.

Stylish Fact of Conflict induced IDPs: There is no comprehensive and reliable data on the displaced population

in Nepal. The study conducted by Human Rights without Frontiers estimates that 100,000 to 150,000 people could have been displaced in Nepal in the Maoist armed movement period. But, Community Study and Welfare Center, an NGO advocating the rights of IDPs in Nepal, estimates high figure of between 350,000 to 400,000 being displaced from their homes in the Maoist armed movement period. The displacement of Phade (Hill Peoples) from Terai is also alarming during Madheshi movement. So, the Global IDP Project of the Norwegian Refugee Council positioned Nepal among the worst affected countries of internal displacements

Specifically, the peoples displaced from rural to urban area during Maoist armed movement period. SNV/INF (Netherlands Development Organisation/ International Nepal Fellowship) research highlights that there is displacement of peoples due to pressure and violence from both sides – Maoist well as Government's army. The majority of IDPs includes: the political leaders and stakeholder whose political ideology is different than Maoist; the poor civilian who became target of Government's Army or Maoist's operation; and the individuals who were suspected spies of Maoist by Government's Army. On the other hand, Madheshi movement was against traditionally nurtured domination of Hill peoples to Terai Madheshi so the peoples displaced during this period were Phade (Hill Peoples) from Terai plain to Hill region. The internal displacement still continues though in lesser degree as the political stability has not been maintained yet in the country.

Current Status of Conflict induced

IDPs: Despite the alarming facts of increasing IDPs day by day, Government of Nepal has overlooked and neglected them. United Nations Secretary-General on the Human Rights of Internally Displaced Persons has continuously alarmed on the deteriorating situation of IDPs in Nepal. Likewise, the researchers of Social Inclusion Research Fund who have conducted studies on IDPs highlight on the grievance and deprivation of IDPs of Armed Maoist movement and Madhesh movement. Tulsī Panthee finds that the IDPs in Rupandehi, Kapilvastu and Nawalparashi districts face psychological tortured of leaving their place of origin so they lags in term of overall development

despite they gain economic prosperity after displacing to market centric districts. Likewise, Rom Bahadur Thapa Maga finds that IDPs of Kathmandu are compelled to live in slum area and there is extreme violation on IDP's right to return home, get back the deceased properties and get compensation of the damaged properties. Similarly, Janga Bir Rana Magar highlights that IDPs of Madhesh movement feel fear to participate in any socio political activities which is an instinct human right of an individual. Further, Padma Prasad Khatiwada argues that IDPs are severely overlooked by the government. Even though the government brought out some policy measure for IDPs and some NGOs are working for the rehabilitation, resettlement and reintegration of IDPs, the implementation of such measure is weak so the problem of IDPs remain unsolved and the

The study conducted by Human Rights without Frontiers estimates that 100,000 to 150,000 people could have been displaced in Nepal in the Maoist armed movement period.

attempted are unsuccessful.

Policy Measure for Conflict induced

IDPs: Nepal is member of United Nation (UN) and a party to all important UN international treaties so Government of Nepal is obliged to solve all the problems faced by IDPs according to the UN's Guiding Principles on Internally Displaced Persons 1998. In this regard, Government of Nepal has brought out National Policy on Internally Displaced Person in March 2006 which aims to guarantee the fundamental rights and duties of the displaced person or family. The policy has provisioned Central Steering Committee under the chairmanship of Council Minister to guide, coordinate and monitor the formulation and operation of various programs for delivering relief to families and individuals displaced by the conflict. Further the policy has provisioned Program Coordination Committee under the chairmanship of Chief Secretary to effectively implement and coordinate programs targeted at internally displaced persons or families. After the 2006's political transformation, Ministry of Peace and Reconstruction has been set-up for resettlement and rehabilitation of conflict induced victims which also includes IDPs.

The budget line disbursement of this Ministry has been categorized as first Priority (P1) group by National Planning Commission so the resettlement and rehabilitation of IDPs is main concern of government. The foreign grants of donor agencies contribute approximately 55 percent of the Ministry's program budget. Further, the program of local NGOs and INGOs supplement the government measures.

However, it is has been observed that there is lack of trust in Maoist in resettlement process. Prior to 2006's peace settlement with Maoist, the government only considered IDPs not associated with Maoist as eligible for assistance so Maoist fears that the IDPs associated with Maoist will still be discriminated in this line. Further, IDPs are not well informed on government assistance by government itself or via local NGOs so the IDPs

remain in deprived status also due to the uncoordinated delivery mechanism. Likewise, IDPs has to follow complex legal procedure to get legitimate status of displaced which completely barred them from receiving assistance.

Conclusion: Nepal has formidable challenges of resettlement and rehabilitation of IDPs. Government, INGOs and NGOs have brought out many program and policy measures to address the issues of IDPs. But the attempts seem marginally successful because there is no proper implementation of these plans and policies due to weak coordination and supervision in assistance delivery. So, government needs to improve its assistance delivery mechanism. Government also needs to develop trust in Maoist on eligibility of IDPs associated with Maoist for government assistance. Further, government also needs to revise the complex legal procedure of legitimizing displaced status so the IDPs receive timely delivery of assistance. Government needs to address these desperate plights of IDPs otherwise they will evolve as socially excluded groups which can be a cause of further conflict situation. ■

¹ Mr Manandhar is associated with Social Inclusion Research Fund and Mr. Bajracharya is a freelancer.

“Women are denied their basic and fundamental rights”

-SAPANA MALLA PRADHAN

Constituent Assembly (CA) member **SAPANA MALLA PRADHAN**, who is also a member in the Constitutional Committee of CA, is a well-known female lawyer and activist. Malla has been raising the issue of discrimination against women in the court, in the house and on the street. She is noted for playing her part in empowering women and promoting their inclusion in decision making. Pradhan spoke to **NEW SPOTLIGHT** on the issues of social inclusion in the present day context. Excerpts:

Have you noticed any changes in the process of social inclusion of women of late?

We have still a long way to go. Of course, you can see some changes. But a large number of women are still excluded in cultural, social, religious and other ways. Women are denied their basic and fundamental rights. For example, they are discriminated in terms of reproductive rights.

How does exclusion work?

By denying equal rights in property and other economic activities, the process of exclusion begins. It starts from households when women's opinions are **NOT** considered important for major decisions. Culturally, women are the victims of all kinds of physical and psychological violence.

Why are women excluded?

Because of our physical appearances and certain inherent biological characteristics, we are excluded from society and denied our basic equal rights. Our physical features and the patriarchal culture are responsible for the current forms of discrimination.

How serious is the problem?

Although more than fifty percent of the total population is comprised of women, women are not only deprived of power and opportunities but they are among poorest in the communities. From property rights to education, women have a long way to go.

Do you see a remedy?

There are certain legal remedies for this but they are not enough. After promulgation of the Act on Violence Against Women, equal parental property

rights and some issues have brought about change in women's societal status, but women are still excluded in large areas.

Nepal is in the process of constitution making. As a woman activist and lawyer, how do you plan to contribute in making this constitution gender friendly?

It is the duty of all CA members to write a gender-friendly constitution. This is an historic opportunity for us to start a new chapter in history by ending all forms of discrimination against women. Our experiences have shown that only through the process of inclusion of women can we bring changes in the society. Women's right to equality in all sectors and their participation will bring tangible changes.

What role are you playing to guarantee an inclusive constitution?

Individually, I have been playing the biggest role possible in all the activities of the Assembly, including in the formulation of CA regulations, working regulations and so on. You need to play an effective role from the very early stage of constitution making to make the document inclusive.

Have you noticed any changes in the perceptions of CA members on issues of women and inclusion?

Being a female member, I have bitter experiences. I have not found that the CA has left behind the values of a patriarchal society. A majority of male members still undermine our role. My experience is that the CA is guided by feudalistic and patriarchic thinking. The whole process is still exclusion-oriented rather than being inclusive.

Which women are excluded in terms of geography?

Women living in the Terai are facing more discrimination than their sisters elsewhere. However, the discrimination against women is similar in its forms in the region. Despite the legal provisions that guarantee equal property rights to women, many women are still denied property even in urban areas. There is a rampant prevalence of feudalistic culture that denies basic rights to women.

In the last few years, important legislations have been passed by the



parliament. How do you see their impact?

Of course, we have made some progress in terms of announcements. So far as their implementation is concerned, we are far off the mark. Although the Legislature Parliament has passed resolutions to provide women with 33 per cent representations in all sectors, the minimum has yet to be met even in the CA and the legislature parliament. Despite several amendments to the interim constitution, gender friendly words are not included in the constitution. In rural areas, from the hills to Terai, you can see all kinds of discriminations against women.

What is required to end this situation?

We need some kinds of legal provisions that can encourage women to come into the mainstream. We have been talking about the need for positive discrimination. For this, women need certain allocations as an oppressed group. They need certain quotas. For too long, women have been excluded culturally and socially. They need special provisions to be included in the mainstream process. From our families to society, women are given the role of child bearing and running households. Through this process, women are excluded from the society. We need social justice also. ■

'Nepal in some ways has done really well'

- SARAH SANYAHUMBI

SARAH SANYAHUMBI is the Head of The Department for International Development (DFID-Nepal). As the director for what is currently the largest bilateral donor in Nepal, Sarah Sanyahumbi talked to SHARMINI about the current development issues facing Nepal at the DFID office in Patan. Excerpts:

What is the current situation of Nepal's development?

Nepal has made really huge strides in development over the past 10 years. The poverty level has gone down from 42 percent to 31 percent. Infant mortality rate has halved and enrollment in education is up to 89 percent in boys and girls which is fantastic. Nepal in some ways has done really well but it still has a long way to go because 31 percent (poverty) is still too high. The number of women dying in childbirth is still too high. In education now that we've got children enrolled we need to focus more on the quality of education and on access in some of the remote area. So the challenges are still very much there.

How has your experience been since taking over directorship of DFID?

Well the day I arrived the PM resigned. So I thought I was coming to a country which was well on the way to peace and was really stable and everybody was talking to each other. People still are talking to each other and I think as long as people are engaging with each other I think there is room for hope that the peace process will move forward. At least it is moving forward. I think Nepal faces a lot of challenges.

What are those challenges?

I didn't know before I came here that Nepal is the poorest country in Asia. I didn't know that if the airports were closed it can take 13 days to walk to the nearest road in some areas. Just getting things like basic services to really

remote areas is a huge challenge. Getting teachers, qualified teachers there and getting them to stay there, same with doctors and nurses, that's what we need but that's a real challenge.

Are there other obstacles Nepal currently faces?

Obviously security is a big issue at the moment. We have a peace process but that doesn't mean that there is a good level of security in all the regions, and we're getting increasingly concerned about our ability to deliver in regions where there is quite a bit of instability. And of course I have to mention climate change as perhaps the biggest threat that I think Nepal is facing in the next decade or so.

What are you working on now to address climate change?

We are supporting the climate change conference at the end of this month. The first two days of that will be a regional conference. The prime minister himself is going to launch it which I think is great because he's really taking a strong interest in climate change. And we hope that will be a forum where countries in the region affected by climate change can get together to discuss the common issues and agree on a common position that they can then take to Copenhagen. The third day is a Nepal focused day where Nepal experts and politicians and technocrats can discuss what the national action plan is and how this country needs to manage it.

What other types of programs are you currently funding?

We plan to spend about 56 million pounds in Nepal this year, and we're funding a number of different areas. We are providing support to the peace process through the Nepal Peace Trust fund. We're supporting constitution writing and trying to make it as inclusive as possible. We're also supporting basic services like health and education. We're giving lots of

support to roads and bridges as well, which is a new thing for me because in most other countries we've moved away from doing infrastructure programs. But here in Nepal it's still very necessary.

And you're supporting economic development as well?

We are doing increasingly more work on what we call inclusive group which is basically about helping the economy, helping small business prosper, helping people get the skills that need, and helping people to get back to work.

For example?

We're helping people with their livelihoods through forestry. Forty percent of Nepal is forest and 40 percent of that forest we are working in through our program. I think that is a really impressive program because its people getting together in small groups and managing the forests themselves. One lady is planting trees for medicinal purposes and she knows now that she won't be able to use those trees for another 10 years so she's planning ahead, which I think is great because its conserving the forest, which for climate change is fantastic, and potentially carbon financing that Nepal will get for planting the forest if that comes through in Copenhagen. But also it's giving people right now a source of income which they otherwise wouldn't have.

You said you are involved in supporting the constitution drafting. Can you explain what you are doing?

We've got two ways of doing that. Through our Enabling State Program, and through RDIF, Rights, Democracy and Inclusion Fund. Through the Enabling State Program we're supporting the Center for Constitutional Dialogue (CCD). That's a drop in center for CA members or anybody else which provides information on how to draft a constitution. It also helps

arrange discussion programs so that CA members can discuss with each other and learn from other experts.

And what about RDIF?

Through RDIF, in partnership with other bilaterals like the Dutch, Swiss and Australian, we have a challenge fund. People come up with a proposal and put in a bid and ask us to support it. Through that we've supported a number of smaller groups who are seeking to have their voices heard, Dalit groups, women's groups, etc, helping them to organize themselves and engage with CAs so those issues are included in the constitution. We're helping Nepali's to have a greater voice so that this constitution is as inclusive as possible.

What do you think of the government's current involvement in development?

I think that there's much that we can welcome in the budget that the government has just announced. They have increasing budgets for health and education and we look forward to working with the government on ensuring that those budgets are as well spent as possible. Also they have an increasing amount of funding set aside for social protection measures. I think the attention the government is giving to these issues is to be commended.

How would development on those issues help with stability in terms of the political situation?

In the political situation in this country I think that we can encourage politicians to talk to each other and to take the most inclusive line possible and I think its good that Nepal has a very inclusive CA, I think its good that Nepal has a very Nepali owned peace process.

Looking ahead, what are your future goals and what kinds of other challenges do you foresee?

Climate change is not going to go away. Climate change is still going to need a lot of our attention and probably a significant amount of funding to help the government implement the national plan of action. Economic growth, getting people to work and helping them to get well paid jobs is I think is



quite a challenge in the global economic climate that we have at the moment but also in the country where there is a lot of instability in a number of regions.

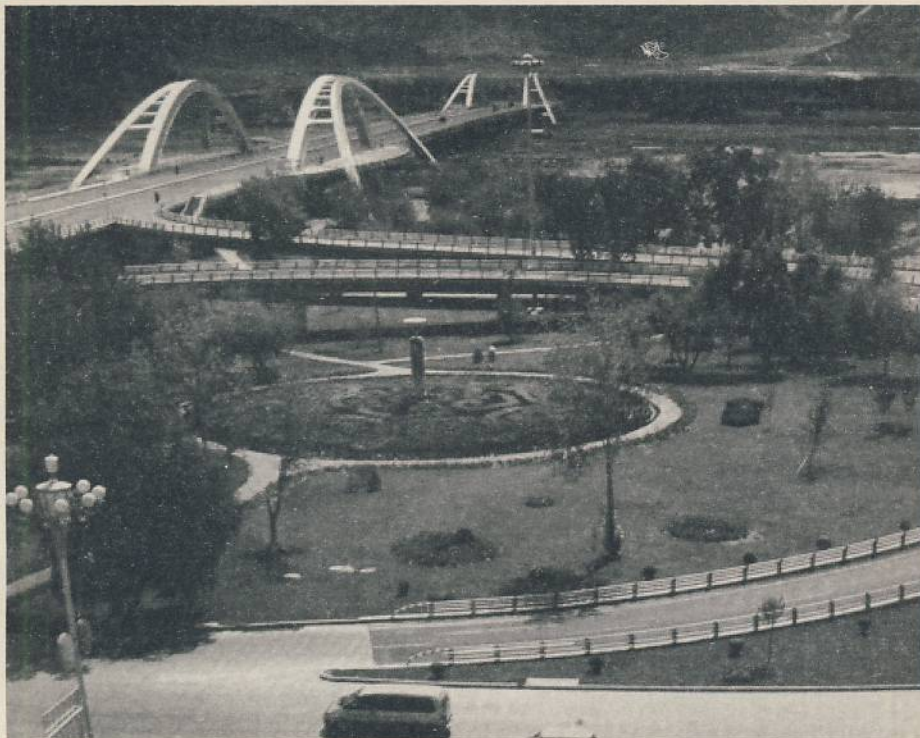
You also support women's groups. What work needs to be done in that area?

The position of women in Nepal is quite shocking. A lot of work needs to be done on gender equality and the position of women in Nepal. You have some really powerful women figures particularly in Kathmandu and in the valley. But the position of women if you go out and you talked to people in the regions and more remote areas they are still very much seen as second class citizens. Girl children go to school after boy children. Women are the last to eat. Anecdotally, there is evidence that violence against women is a major issue

in this country. So I think there's a lot of work to be done to empower women here both economically and also socially.

You've mentioned instability as a major issue. How does that affect development?

There are a number of groups that are causing difficulties for development workers but they're also causing difficulties for the industrialists and private entrepreneurs. In order for the economy here to grow and for people to reap benefits from that you need stability and security in the regions. And in my view we don't have that at the moment and that's quite a difficult issue in terms of the future. The thing that affects us most is this issue about the instability and insecurity concerns in the region because if our staff isn't safe we can't continue. ■



officials and aristocrats. Most of these pictures showed how the serfs were tortured during that time. Some of the pictures at the exhibit showed the difficulties common people had to face in order to lead a normal life.

Other pictures showed the beautiful side of Tibet. These included photographs of various diversified natural sceneries, including mountains, grasslands, as well as different species of animals.

The pictures of New Tibet included those taken after the 1956 reform. These pictures showed the development that has taken place in Tibet after its reform. Compared to the pictures of old Tibet, these pictures were hard to believe. They showed all the changes and developments that have taken place in Tibet. These photographs showed the advancement of Tibet in the sectors of education, transport, communication, business, trade and health.

The wind of change in Tibet has brought positive things along with it. The present day Tibet no longer comprises of ill treated serfs or a tyrant upper class. The people of Tibet now live freely and they are exposed to all sorts of facilities which have benefited them. Even in religious areas, people seem to be living in harmony now. In a place where only stupas stood, now there are churches and mosques as well. The photographs on display stand in testimony to this.

When asked about the response given by the public, Deepak Sarkar, the President of the World Cultural Net, an organizer of the event, said, "We are really happy with the response. This event was the first of its kind. We had never had any exhibition related to China, so the visitors seemed very curious and interested. The response has been very positive."

As a whole, this event showed the development of Tibet and the changes it has been through. Seeing this change does give some hope to a country like ours. Tibet can be seen as an example of development. Hopefully this example will be seen as the light in the end of a long tunnel for Nepal. ■

TIBET

Then and Now

The photo exhibition depicts the changing face of the Tibetan Autonomous Region of China

BY PRADIPTI BHATTA

When it comes to our southern neighbor, India, we tend to take for granted that we know a lot about it. About the northern neighbor, however, we seem to know little.

An exhibition in the City Hall of Kathmandu, held from August 5th to 9th, had some good yarns about Tibet, the autonomous region of our northern neighbor, to tell visitors. The name of the exhibition, 'Tibet of China: Past and Present' spoke it all, as visitors knew what was in store for them there.

The five-day event, which was inaugurated by Chinese Ambassador to Nepal Qui Guohong and Nepali Minister for Information and Communications Shankar Pokharel, gave the guests a taste of the bitter past and the prosperous present of Tibet. The

photographs focused on the history of Tibet, the feudal stardom of old Tibet, the beauty of Tibet and the present day Tibet. The photographs also provided glimpses of the relations between the Central Government of China and the autonomous region in various historical periods and portrayed the administration and management of the Central Government over Tibet.

All 217 photographs on exhibit had a story of their own. Pictures of old Tibet featured historical monuments, statues and other instruments dating thousands of years back. The pictures taken before the Democratic Reform, which took place in 1956, showed the Tibet's poor situation.

These pictures showed the unfortunate life of serfs contrasted with the privileged life of the serf owners, made up of high ranking monks,



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