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NEW SPOTLIGHT

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Opinion:
Dipak Gyawali



Forum:
Barry J. Hitchcock



BoP Crisis

Gripping The Economy

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- Govt: Countdown?
- Focus: CNFN and Child Rights
- IMMIGRATION: Shattered Dreams
- Tourism: Quest for Spanish Food

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Better Nepal-Pak Ties Ahead: Envoy

Ambassador of Pakistan to Nepal Syed Abrar Hussain has expressed his confidence that Pakistan-Nepal relations will continue to grow stronger to the mutual benefits of our two peoples. "System change and governments come and go but Pakistan-Nepal Friendship will always flourish," said ambassador Hussain.

Addressing a gathering of journalists, intellectuals and others at the Embassy premises to observe the Kashmir Solidarity Day on 5th February, ambassador Hussain stressed that Pakistan wants to maintain the regional peace.

"The Indian offer to have Foreign Secretary Level talks as reported by the media is a welcome development. The international community should encourage a process of peace and rapprochement, help promote the peaceful resolution of disputes, and support nuclear stabilization and restraint in South Asia. The world must also pay attention to the root causes of insecurity and instability in South Asia," said ambassador Hussain. "In order to move forward, I strongly believe that Pakistan and India must conduct their relations on the basis of sovereign equality, endeavor to settle the Jammu and Kashmir dispute, and build a more secure and prosperous future for their peoples. If we are able to resolve the Kashmir issues through dialogue, we 'will strengthen our peoples' belief in democracy."

Pakistani ambassador Hussain said, "This year we are celebrating Golden Jubilee of our diplomatic relations that were established in March 1960. We plan to organize a number of events to mark this occasion."

Carter's Open Letter to the People of Nepal

Former U.S. President Jimmy Carter in his open letter to the people of Nepal has hoped that the peace process will be back on track.

"I have followed closely Nepal's progress over the last several years, and I commend you for your continued dedication to sustainable peace and inclusive democracy," he said.

"Based on reports from Carter Center observers throughout Nepal, my colleagues and I are concerned by the current political deadlock and the slow progress in moving the peace process forward. However, I am encouraged by recent efforts to promote dialogue among political leaders, including the High Level Political Mechanism, and hope that these talks will get the process back on track," he added.

Japan's Food Aid

The Government of Japan has agreed to extend a Grant Assistance of six hundred and eighty million yen (¥680,000,000), equivalent to Five hundred Sixty-six million, Four hundred and Forty thousand Nepalese Rupees NRs.566,440,000 to the Government of Nepal for Food Aid (KR) in the Japan's Fiscal Year 2009.

Tatsuo MIZUNO, Ambassador of Japan to Nepal, and Rameshore Prasad Khanal, Secretary of the Ministry of Finance have signed and exchanged the notes on behalf of their respective Governments.

This Assistance is provided with the basic objective of enabling the Government of Nepal to procure rice and supply it to the food deficit districts. The Nepal Food Corporation (NFC) is to distribute it through its national distribution network.

Japan, being a development partner to Nepal, has been providing Food Aid to Nepal for the last several years. Food Aid is one of the oldest schemes of the Government of Japan, and, as of Japan's Fiscal Year 2009, the Government of Japan has extended cumulatively Food Aid to Nepal, worth 8.94 billion Japanese Yen.

Japanese Assistance

The Government of Japan has

decided to extend financial assistance, in Japan's FY 2009, of seventy-three thousand, five hundred and eighty-eight US Dollars (USD 73,588), equivalent to approximately five million, four hundred twelve thousand, three hundred and ninety seven Nepali Rupees (NPR 5,412,397), to Samaj Sewa Sudhar Yuwa Sangh (Committee for Helping the Disabled) for the implementation of the Project for the Construction of a Rehabilitation School for People with Intellectual Disabilities and other Severe Disabilities in Mechinagar Sub-Municipality. This financial assistance is extended under the Grant Assistance for Grassroots Human Security Projects (GGP) scheme of the Government of Japan.



A Grant Contract in this effect was signed and exchanged between Tatsuo MIZUNO, Ambassador of Japan to Nepal, and Dharma Raj Ghimire, President of Samaj Sewa Sudhar Yuwa Sangh, Mechinagar.

NIBL's Branch

Nepal Investment Bank Limited (NIBL) opened its 36th branch in Lazimpat, Kathmandu on February 15. Along with the branch, which will also be the corporate headquarter of the bank, the Corporate, the Credit and Administration and the Loan and Administration departments have also been moved from Durbar marg to Lazimpat.

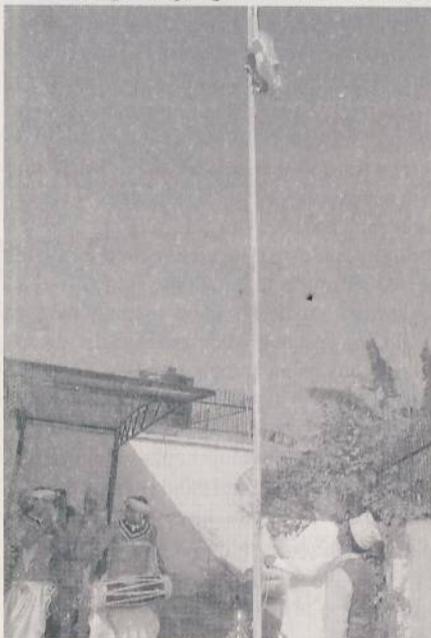
The branch office, with its spacious size provides deposit and credit facility, foreign exchange, retail banking, import, export, letters of credit, guarantees and remittances, locker facility, 365 days service, ATM facility, multiple teller counters, among other updated banking services. The Lazimpat branch will be linked through ABBS (Any Branch Banking Service) to all other 35 branches around the country.

The newly opened branch is in tune with the Bank's policy to expand its branch network and provide exceptional banking services within all major pockets of the country, both inside and outside the Kathmandu valley. In the coming days, the bank plans to extend its access through wider demography, whereby availing the banking facility for all.

Sri Lanka Celebrates National Day

Embassy of Sri Lanka in Kathmandu celebrated Sri Lanka's 62nd National Day in Nepal on 4th February 2010. A flag hoisting ceremony was conducted at the Embassy Premises with the participation of the Sri Lankan community in Nepal under the guidance of H.E. Thosapala Hewage, Ambassador of Sri Lanka in Nepal.

A religious program of all believers



was also held at the Chancery premises to commemorate this important day. An alms giving was organized at the Embassy premises for nearly 20 religious dignitaries of all faiths.

The Embassy organized a reception at Hotel Hyatt Regency, Kathmandu where the Chief Guest was Sujata Koirala, Deputy Prime Minister and Foreign Minister of Nepal. A large number of prominent politicians of Nepal, resident Ambassadors and members of the Diplomatic corps, members of business community and other prominent personalities were

present at this event.

A Cultural troupe was flown to Kathmandu from Sri Lanka with the courtesy of Ministry of Cultural Affairs & National Heritage to perform at this event. Distinguished guests were able to get a glimpse of traditional Sri Lankan dances that added color to the function.

On the 5th of February 2010, Sri Lanka Embassy in Kathmandu also organized a Sri Lankan Traditional Dance Performance at the Russian Cultural Centre. This public performance, opened for all, saw a larger gathering of Nepalese who witnessed the event.

Program For Youth

The British Council and the Association of Youth Organisations in Nepal (AYON) provided certificates to the 200 young Active Citizens at an award ceremony recently.

The 200 young people from Bhaktapur were chosen as Active Citizens in December 2009. They received trainings developed by British Council and AYON in January 2010. The training was focused on areas like leadership, communication, advocacy, citizenship, volunteering, social action project delivery, fund-raising, entrepreneurship, partnership and network building. It was delivered in two phases: *Develop locally and Share Globally*.

Active Citizens provided 41 proposals for doing the Social Action Projects, out of which the British Council selected to grant small funds to 7 different projects.

These youth will now be engaged in working with the Social Action projects in their communities. The projects range



from teaching the kids at schools to waste management. ■

Home Minister Clarified

On The Jamim Shah Murder Case

Home Minister Bhim Rawal appeared before the State Affairs Committee of the legislature parliament to answer the queries over the murder of media magnate Jamim Shah and the concerns over poor security situation in the country.

The committee members criticized the government, the Home Minister in particular, over the failure of police authorities to avert the murder of a prominent figure like Shah in broad daylight in one of the high security areas of the capital.

On the question as to why the



authorities were unable to track down the murderers of Shah, Home Minister Rawal said the government would leave no stone unturned to probe the murder and bring the killers to justice.

He also claimed that police investigators were 'very close' to those involved in the murder, and expressed confidence that they would be nabbed soon.

Speaking at the press conference AIG Madan Khadka, head of Metropolitan Police Office, said one Deepak Shahi alias Babbu plotted the murder at the order of Babloo Srivastava, an Indian mafia don jailed in Lucknow.

Police named Babloo and Bharat Nepali, a Singapore-based former henchman of mafia kingpin Chhota Rajan, were the international links in the high profile murder case.

Shahi had met members of different criminal gangs in Nepal as part of the murder plot. The police didn't furnish any details about him.

One of the two motorcycle-bound gang members, who opened fire at Shah in front of the French Embassy in Lazimpat, has been identified as Mohammad Bakar Saiyad.

Police also informed that Sub-Inspector Prakash Chhettri has been arrested on suspicion of involvement in the murder.

Other Nepali accomplices in the murder have been identified as Sri Krishna Poudel, Raju Lama, Kishore Khadka, Guddu Singh alias Rabin, another person known as Dadu and an unidentified person. None of these suspects have been arrested. ■

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Missing *Mahajans* and *Sahuji* Electricity

– Dipak Gyawali

In any normal economy, a crippling electricity shortage of crisis proportions such as in today's Nepal would also have been a challenging opportunity for the daring risk-takers to expand their market share. It should have produced the entrepreneurial hydro-man eager to meet the consumer demand. Instead, we only see the control-freak hydrocrat stuck in procedural fetishism and ever more alert in issuing increasing power cut schedules, this year as last year, as the year before that all the way back to the 1970s. What is wrong with our political economy?

While there is no magic solution that is easy and instant, the situation *can* be reversed within two years; and what needs to be done is deceptively simple. First, the theft of electricity, galloping in leaps and bounds since Loktantra, has to be curbed. While official figures of loss and leakage (or "unmetered consumption" in Worldbankese) is massaged year after year to hover around 25%, the actual figure in places like Bhaktapur have shot beyond 60%. In parts of the Tarai and violence prone hill districts, meters have not been read in years and the situation is estimated to be heading towards the Bhaktapur standard. Bringing the number down to a justifiable 10% theftless technical loss only is possible, and it has been done successfully at pilot scale in the township of Mugling and other places through community management. Simple institutional tinkering in early 2003, which introduced double accounting with bulk supply separated from retail, has brought down the loss figure to nine percent from over three times that amount. Implemented nation-wide, such a measure would free up electricity equivalent to our largest power plant, the Kali Gandaki, for use by genuine paying consumers. And it does not even need any expensive foreign aid: all that is wanting is just the elusive political will.

Second, price – and not TV jingles – has to be made the policeman, higher in the dry season and peak hours but lower in the wet off-peak times, to encourage consumer conservation. An exercise in 2003, which was not pushed through to logical conclusion because of parties fighting each other for the perks of office, showed that the financially weak utility would increase its revenue by billions simply by increasing sales in off-peak times rather than only increasing the tariff. Such a correct pricing scheme would be a powerful incentive to encourage

entrepreneurs to invest in higher priced peak electricity, either by encouraging bigger daily pondage in existing schemes or in new seasonal storage schemes. This measure too does not need any foreign aid or financial outlay.

While these two measures would ameliorate supply shortfall by managing demand, it is the third task – adding new generating capacity – that needs to be initiated immediately if chronic load shedding is to be banished for good within three to five years. Thanks to the political will shown by late Sailaja Acharya almost thirteen years back, some two dozen genuine Nepali companies have sprung up with demonstrated track record and capacity for each to add two to ten Mega Watts within twenty to thirty months. This indigenous ability to mobilize engineering, finance as well as management to add some 60 MW per year is perfectly suited to meeting Nepali demand for electricity rising at that same annual rate. Foreign investors, howsoever financially well-endowed, cannot do that before five or ten years in the best of conditions.

Why is this path of low cost, healthy development with quick return on investments not followed? Why is there the suicidal rush to award licenses for plum sites to prospective Enrons for export and not for Nepali use, and that too ignoring downstream benefits and bypassing the constitutional provision of parliamentary approval? Why is there a reluctance in energy, forest and environment ministries to address the concerns of genuine Nepali developers, to even sign power purchase agreements with them, even while a bizarre license bazaar hands them out by the hundreds to relatives of the well-connected for rife speculation? Why was an "electricity emergency" declared last year with no commensurate sense of urgency or innovative ideas? The answer can be heard in the whistling winds of a political economy run by rent-seeking *Sahujis* (profiteering merchants, mostly within or in cahoots with the government bureaucracy and parties) rather than risk-taking investor *Mahajans* ("great citizens" in Sanskrit and Pali literature).

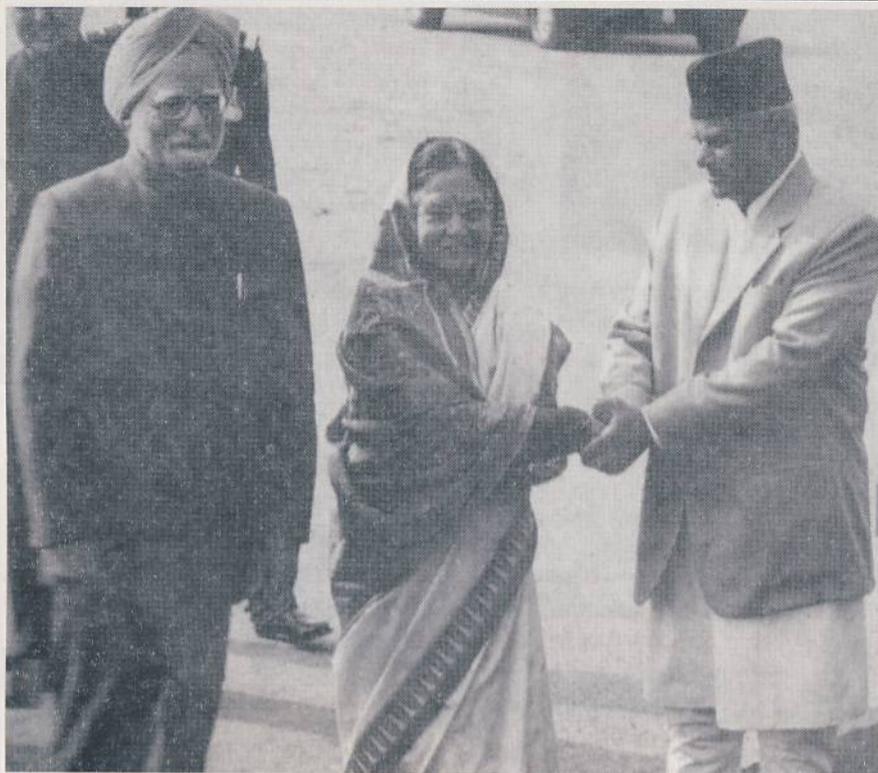
Even as the Age of Aid has entered terminal decline, aspiring political masters, from the communists of "new Nepal" to democratic socialists of yesteryears as well as the rest of the confused lot in between,

have failed to learn the right lessons from the collapse of Arun-3 or the fiasco of Mahakali. Playing the blame game of one-upmanship, they have chosen to measure their success in the size and number of licenses awarded even if they are purely for export and would do nothing to end load shedding in Nepal. Why? Hypnotized by the fallacious hydro-dollar fantasy?

Government power schemes are two to three times more *expensive than private* ones but the government and its finance ministry ironically remain unconcerned and happy. When the construction cost of Kali Gandaki or Middle Marsyangdi doubled, no efforts were made to rein in the mismanagement. Why? Because they can then on-lend even grant-funded projects to the NEA – and ultimately the Nepali Consumer – at ten percent interest. And ten percent of a ten billion project ballooned to twenty billion is twice as much loot to rake in! Unlike an investor that needs good management to assure no cost over-runs and high dividends, Nepal government behaves like a typical *Sahuji* who is assured even higher interest amount with bad management. As far as power sector development is concerned, Nepal government, its monopoly utility and its partner agencies have not been risk-shouldering *Mahajan* investors but risk-free, rent-seeking *Sahujis*.

Does Nepal's power sector have development *Mahajans*? Yes, certainly, but they have been marginalized in community-based groups and among the two-dozen strong set of indigenous hydro developers, both of which, sadly, are seen as competitors by the government machinery. The political parties that should be directing the government to provide support to these groups in this hour of national electricity crisis, do not do so either because their trade unions see these entrepreneurial *Mahajans* as threats to their perks or because their leaderships hope large foreign contracts will earn them the spoils needed to oil the party machine. The current crisis will therefore continue indefinitely until the rent-seeking political economy is displaced by risk-taking investor *Mahajans* currently made to languish in the margins in despair. ■





President Dr. Rambaran Yadav (Right) with Indian President Pratiba Patil
: New beginning

PRESIDENT IN INDIA

New Precedent

He went. He saw. But did he conquer in the all-important capital for Nepali politics is a million-rupee question

By **SUSHIL SHARMA**

Expectedly, president Ram Baran Yadav, on his first foreign outing, received a rousing welcome in Delhi. Not just in terms of style, but in substance as well.

The rituals of red carpet at the Rastrapati Bhavan, working lunch at the Hyderabad House and the grand banquet apart, a series of “meaningful” talks with top Indian functionaries greeted the first commoner head of state of Nepal.

His Indian counterpart, Pratiba Patil, lavished a heap of praise on the Calcutta-educated medical practitioner.

Prime minister, Man Mohan Singh, “got to know the realities” of Nepal’s tricky and fluid politics from the former Nepali Congress leader.

The influential chairperson of the governing UPA, Sonia Gandhi, drove to the Taj palace hotel to see the powerless head of state of the northern neighbor.

Most importantly, perhaps, the most senior cabinet member and veteran Congress leader, finance minister Pranab Mukherjee held a one-to-one tete-a-tete with him without aide from either side.

It was Pranab, who as external affairs and defence minister, saw through Nepal’s journey from monarchy to a republic four years ago.

As republican Nepal travels a tumultuous journey ahead of an increasingly uncertain new constitution by May 28 this year, it is again the veteran wily Bengal politician who is said to hold the key to shaping India’s Nepal policy.

Hence the significance of his

“private” meeting with the man who could find himself in an unenviable role of breaking the political impasse – post May 28.

Not surprisingly, all political leaders including the opposition stalwarts like L.K.Advani and officials including the newly appointed national security advisor, Shiva Shanker Menon, were keen to read the minds of the president.

Each asked if a new constitution could be out within the deadline. And each wondered the consequences of a failure to meet it.

Clearly, the southern neighbor, caught in a fix, is keeping all options open in Nepal. Prominent one being the card of a presidential rule backed by the army.

It was not for nothing that the president had been rolled a red carpet – just 100 days before the constitution deadline.

The invitation was there immediately after the president’s inauguration. But the date was finalized one and half years later during the external affairs minister S.M. Krishna’s sojourn in Kathmandu last month.

As president Yadav landed in the Indian capital, Delhi had a totally new team dealing with its external and security relations with Nepal.

External affairs minister, S.M. Krishna, Foreign secretary Nirupama Rao, national security advisor, Shiva Shankar Menon.

But one man remains unchanged, notwithstanding the change in his portfolio. Finance minister Pranab Mukherjee.

He is believed to be the key figure on decisions on Nepal. As the UPA government no longer depends on the CPI (Marxist) for its survival, he does not have take into considerations their interests today.

Prakash Karats and Sitaram Yechuries becoming irrelevant today, Pranab will now feel free to take a fresh review of the 12-point agreement that Delhi brokered between the Nepali Maoists and the mainstream parliamentary parties.

His “private” meeting with the Nepali Maoists’ nemesis, at the Taj, could be a message to the former occupants of secret Noida shelters who, Delhi feels, “betrayed” their once-patrons. ■



Nepali Students in UK: Hard time

IMMIGRATION

Shattered Dreams

The new immigration rules announced by the British government have shattered dreams of tens of thousands of overseas students now studying in the UK

By BHAGIRATH YOGI in Kathmandu

Ramesh Sapkota, a student from Dhading, was full of tears while boarding return flight to Kathmandu aboard Gulf Air in the evening of February 8. “While coming to UK more than four months ago, I was full of enthusiasm and dreams. But, now my dreams have been shattered,” said Sapkota, with his eyes full of tears.

Sapkota had arrived in London in late September last year to study hospitality and tourism at a private college. He attended the college twice a week and rest of the time wandered in the streets of South-East London looking for part-time jobs. Though he had paid the fee for one full year, he needed at least 400 pounds per month to pay for his accommodation, food and travel. “Some of my friends felt lucky to find odd jobs though they were being paid below the minimum wage. But I was not among them,” said Sapkota adding, “Since my family can’t afford sending

me over Rs 50,000 every month, I finally decided to call it a day and return home.”

Dozens of Nepali students like Sapkota have already returned home after tasting the bitter reality of London life. For those who are still bracing the London cold, life is going to be much more difficult in the days ahead— as a result of the new immigration rules imposed by the British government.

Tougher Rules

On February 10, British Home Secretary Alan Johnson announced that foreign students from outside Europe wanting to come to the UK to study will be required to meet stricter entry criteria. “The new regulations will ensure that students studying below degree level have a limited ability to work in the UK, and that their dependants cannot work here at all,” said minister Johnson adding, “It will be even harder for bogus students, whose only aim is to work in the UK, to come into the country.”

The new rules stipulate that

overseas students, who are studying below degree level, will be allowed to work for just ten hours per week (down from 20 hours per week earlier) during the term time. Their dependants, too, will not be allowed to work. The aspiring students will also have to demonstrate that their English skills is just below GCSE level (high school graduates) in the UK.

Johnson’s announcement came less than two weeks after the British government’s decision to stop receiving visa applications from Nepal, Bangladesh and north India. British authorities said the decision was taken amid unprecedented surge in the number of applicants from South Asia. Nepalese students protested against the decision in Kathmandu and said they were concerned if thousands of pounds they had already paid to various UK colleges will be repatriated.

‘Bolt from the Blue’

Sandesh Duwadi, a student from Syuchatar, Kathmandu, who is studying at the London Thames College— promoted by Nepalese investors—had high hopes to get a part-time job amid reports that there has been marginal improvement in the British economy. However, cold water has been thrown on the aspirations of thousands of students like Duwadi with the new announcement. “Even if I get a part-time job, I can barely meet my costs by working ten-hours-a-week. It seems we now have got little option left than to return to our homeland,” he added.

Students were especially angry with the new immigration rules that will be enforced from the first week of March— only a few weeks ahead of the general elections due in the UK. “When its economy was fledgling, UK opened its doors for overseas students by allowing us to show our bank statement for just one day. Now that we are here, it has changed the rules mid-way. It’s a great betrayal,” said Sandeep Rai, another Nepali student.

Students like Rai are likely to follow Ramesh Sapkota who is already in Nepal after losing hundreds of thousands of rupees in the UK chasing his dream.

(Names of some of the students in this report have been changed upon their request.—Ed.)



PM Nepal (Left) and Khanal : Politics in the making

GOVERNMENT

Shaky Grounds

Ten months after it came into being the Madhav Kumar Nepal-led government is still unsure of its future

By SAROJ DAHAL

In the latest inconclusive meeting of the high level political mechanism, Maoist chairman Prachanda formally proposed to change the government as a way to end the present deadlock

-The Nepali Congress did not agree, but was not opposed to a change of guards dissatisfied as it is over the "UMLisation" of the government machinery.

-The UML politburo threw its weight behind the party leader Madhav Nepal-led government, but many in the central committee are nursing the idea of a new "national government".

Ten months into its existence, the government still stands on shaky grounds.

In a bid to climb up to a firm ground, prime minister Madhav Kumar Nepal sought to get the HLPM to agree on the issue of the integration of Maoist combatants. In vain.

Prachanda shot back at the PM, "you first clear the way for us to lead a new government and we will discuss the other issues."

Disappointed and angry, Prime Minister left the meeting to attend a literacy programme in the capital.

Clearly, with the main opposition adamant on its position, the political stalemate appears unlikely to end without some movements in the game of making and breaking the government.

Less than 100 days remain for the making a new constitution. The target is impossible to meet without the

engagement of the Maoists – the largest party in the constituent assembly.

Although major parties including the Maoists are preparing for an extension of the deadline, they are also wary of the unforeseen consequences. Hence the pressure and urgency to draft the statute on time.

This will require the major non-Maoist parties to be flexible on the main opposition demand for a new government.

Senior Nepalese Congress leader, Krishna Prasad Sitaula, rules out the immediate change of government as demanded by the Maoists.

But the prime minister's camp has begun to ominous signs ahead.

Said sources close to the prime minister, key external powers are getting disillusioned over their failure to get some things done through the present government.

Especially, the security concerns of the neighbouring countries are said to have forced them to change their outlook towards the new government.

This was reflected in no uncertain terms during their recent visit of home minister Bhim Rawal to Delhi and Beijing, according to sources.

However, with no viable alternative to him in sight yet, Madhav Kumar Nepal can look forward to the extension of his innings at Singh Durbar – though on a daily wage basis ■

NEW SPOTLIGHT

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BOP CRISIS

Reigning In Or

Petering Out?

The curious case of sudden macro-economic imbalance is getting curiouser. The crisis in Balance of Payment (BoP), if one believes the words of the Finance Minister, is petering out. Because? The finance minister believes that the control in gold import has done the trick. However, the majority of economists and analysts are of the opinion that without addressing the fundamental issue of growing trade imbalance – Nepal’s total exports declined by one-fifth while its total imports spiraled by one-third in the first five months of the current fiscal year – the BoP crisis cannot be addressed, at least not in the long term.

By SANJAYADHAKAL

In the immediate aftermath of government imposing restrictions on the import of gold, the ballooning Balance of Payment deficit has started to reverse. Is it a flash in the pan? The Finance Minister doesn't believe so.

“We believe that this whole BoP problem was triggered by gold import and that has now been checked,” said FM Surendra Pandey.

Pandey said that the BoP loss, which had been increasing since last few months to reach to astounding Rs 20 billion in the first four months of the current fiscal year, has now ‘stabilized’ and is ‘on the retreat.’

The BoP crisis, which threatened to envelop the entire economy in a serious macro-economic crisis – something that has not even happened during the

period of violent conflict – coincided with unprecedented rise in the import of gold.

The Finance Minister informed that compared to the total gold import worth Rs 13 billion last year, the first four months of this year saw the import spiral to Rs 35 billion.

The sudden increase in the gold import – which many say has to do with

the profit margin the traders can gain from by re-exporting it to India – meant that the precious foreign exchange earned from meager exports and remittance had to be used to buy the gold.

“The rise in gold import itself shows where the root of the BoP loss lies. Once we checked the gold import, the BoP has shown signs of recovery,” said the minister.

Serious Crisis

The difference between the foreign exchange a country earns from exports, tourism and remittance and the foreign exchange it spends on imports is, in simple terms, the Balance of Payment.

In the past several years including during the period of violence, the BoP was in favor of Nepal.

But, according to the Nepal Rastra Bank (NRB), in the first five months of 2009/10, the overall BoP recorded a deficit of Rs. 19.60 billion compared to a surplus of Rs. 22.77 billion in the corresponding period of the previous year.

The current account also registered a deficit of Rs. 19.64 billion in the first five months of 2009/10 as against a surplus of Rs. 10.74 billion in the corresponding period last year. The increase in the trade deficit of goods by 52.8 percent has resulted in the current account deficit.

“Similarly, while grants declined by 25.7 percent in the first five months of 2009/10, workers’ remittances went up only by 10.4 percent compared to its significant growth of 65.8 percent in the corresponding period last year,” the NRB report added.

The trend of decreasing in growth of remittance income has also send shivers down the spine of Finance Ministry and NRB officials.

“The inward remittance remained the only solid pillar of Nepali economy in the last one decade. Despite the retreating trend in all other aspects of economy, the remittance helped to hold the economy together. But now as a fallout of global recession, there are signs that remittance income could stagnate or even decline, which can have severe repercussions to the economy,” said one official.



NRB : Grim economy

Positive Signs

Amid the gloomy economic picture, which even forced the government to write an SOS letter to the International Monetary Fund (IMF), the Finance Minister claims he has some good news.

“The growth rate of remittance has also started taking an upward turn. It has reached to 18 percent in recent days,” he said.

Another problem of dwindling foreign exchange reserve is also causing a severe headache to the officials.

The NRB’s latest report stated that gross foreign exchange reserves stood at Rs. 245.94 billion in mid-December 2009, a decline of 12.2 percent compared to that of mid-July 2009. However, these reserves went up by 10.8 percent in the corresponding period of the preceding year. In US dollar terms, gross foreign exchange reserves decreased by 7.9 percent to US\$ 3.30 billion in mid December 2009. During the same period last year, such reserves had decreased by 1.8 percent.

The current level of reserves is sufficient for financing merchandise imports of 8.2 months and merchandise and service imports of 7.0 months. Earlier, the total forex reserves used to be sufficient to finance merchandise and service imports of over 11 months.

However, according to the Finance Minister, this problem, too, is showing signs of recovery.

“Earlier, the dollar earned by remittance was being used to import

gold. But now with the control in gold import, the dollar is coming into the banking system,” he said.

He said that compared to weekly three to four million dollars coming into the banking system a few weeks ago, these days around one million dollars are being handed over by the bank to the central bank.

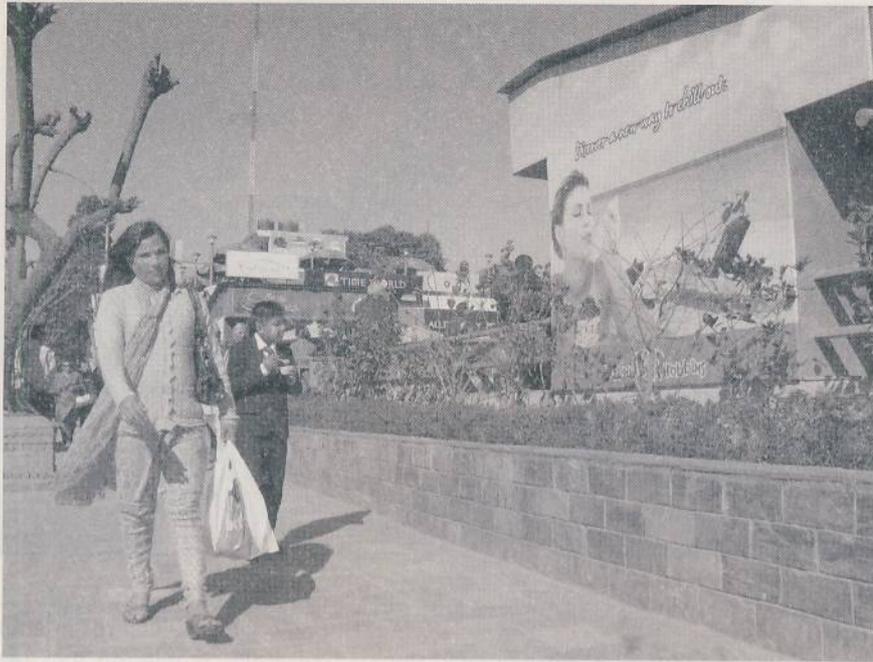
The Root Problem

The economic crisis of the day has gone long into the making. At the root lies the continued expansion of trade deficit and gradual decline of exports, agree most economists.

The latest NRB report provides a chilling reading about the fast depleting exports of Nepal – a cause for long term concern.

The report states that in the first five months of 2009/10, total exports declined by 18.7 percent compared to a growth of 28.3 percent in the corresponding period of 2008/09. Of the total exports, exports to India declined by 12.3 percent as against a growth of 6.4 percent in the same period last year. Exports to other countries went down by 27.4 percent as against a substantial growth of 77.8 percent in the corresponding period last year.

Exports to India fell considerably arising from the decline in the exports of readymade garments, zinc sheet, marble slab, thread and pulses among others. Likewise, exports to other countries decreased due mainly to the decline in the export of pulses, woolen carpets,



Empty Market: Recession in daily life

readymade garments, silverware and jewelleryes and tanned skin.

On the other hand, total imports grew by 32.8 percent compared to a growth of 34.9 percent in the

corresponding period last year. Imports from India went up by 31.6 percent in the review period compared to a growth of 18.5 percent in the corresponding period last year. However, imports from

other countries grew by 34.3 percent compared to a sharp growth of 61.1 percent in the corresponding period last year.

Growth in the import of M.S. billet, vehicles and spare parts, M.S. wire and rods, electrical equipment and other machinery and parts, among others, from India and gold, telecommunication equipment and parts, spare parts of aircraft, computer and parts and medical equipment and tools, among others, from other countries were responsible for the rise in the total imports in the first five months of 2009/10.

These statistics speak for themselves. Quite clearly, without building the base for export-oriented industries, the economy cannot be expected to function healthily. The current relief, if they can be termed so, is, at best, short-term balm. The long-term solution requires visionary planning and committed implementation – something that is even more in short supply than those precious greenbacks.

IC Quandary

The swift and gradual decline of exports to India coinciding with ballooning imports from the southern neighbor, which is the largest trading partner of Nepal, has naturally caused a strain in the long-established exchange rate between Indian and Nepalese currency.

Given the huge trade deficit, many economists had been suggesting for long that Nepalese currency needs to be depreciated as its current exchange rate (IRs 100 equivalent to NRs 160) is unrealistic.

Adding fuel to the fire, even some officials blurted out that Nepalese currency could be depreciated leading to a sudden loss in confidence over the Nepalese rupees.

The worst consequences were seen in border areas where overnight IC was in severe shortage with rife black-marketing where people started paying more to get ICs.

“It was foolish for the officials to

make rash remarks on such a serious and sensitive issue,” said an economist.

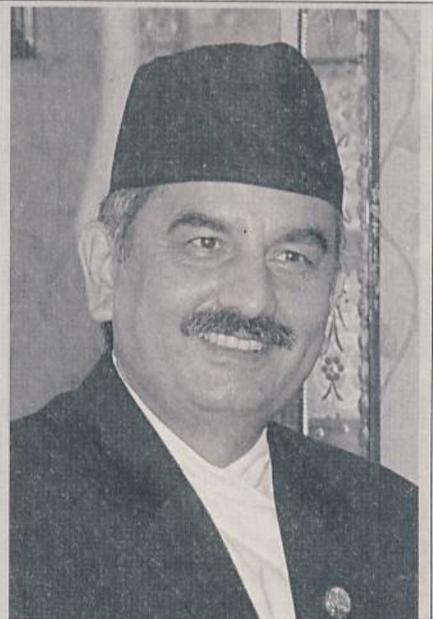
Many economists feel that NC needs to be depreciated marginally. Some even suggest that rate of Rs 170 will be more realistic.

But there are equal number of economists who believe that depreciating Nepalese currency will have far worse consequences than letting it remain what they call as ‘marginally overvalued.’

The Indian currency is fully convertible, which means the NRB has to provide as much Indian currency as demanded by the people and businessmen.

“And we are committed to do that,” says deputy governor of NRB, Krishna Bahadur Manandhar.

“Often we see in media some officials are quoted (as saying the need for depreciating Nepalese currency). But they have, without fail, corrected themselves and said that they have been



Minister Pandey: Crisis maker?

misreported. So this is an issue that is just a rumor,” said Manandhar.

He also rejected reports that there is a shortage of IC. “Perhaps in certain places there is difference between supply and demand, but that is limited to certain area and certain time.” ■

Crisis of Liquidity and Balance of Payment

By RAJENDRA KHETAN

The country's economy is facing some challenges due to the industrial unrest seen over the last six years. Although the facts and figures are yet to come, the economy indicated that the current low level of industrial production is a major reason behind the current economic problems. The last six months' fiscal data show the picture of Nepalese economy with some mixed trends. During the first half of the current fiscal year, Nepal imported goods worth of Rs. 153 billion and we exported goods worth Rs. 25.1 billion. There is a deficit of Rs. 128 billion in balance of payment. However, tourism and remittances contributed Rs.107 billion to close the gap. There is a net Rs.19.60 billion loss in the balance of payment. Nepal imported Rs. 82 billion worth of goods alone from India but exported just Rs. 17 billion worth of goods. Nepal has trade deficit of Rs.67 billion with India. All these data indicated that Nepal is required to increase its export to India. The country needs to diversify trade activities with India including tourism, remittances and others. Despite all these dim indicators, there are also some positive signs. For the first time in the couple of years, Nepal has seen a declining level of inflation. The inflation was lowered from 14.1 percent to 11.3 percent during the five months.

Searching the Product of Competitive Advantage

The fact is that Nepal doesn't have competitive sector and it needs to focus its attention on other comparative sectors. Tourism, agro-based product and hydro power can have comparative advantage. I don't want to say the present economic ups and downs are a crisis. Within coming two to three years, Nepal's economy will show the real face. No one can deny the fact that the outcome has declined and economy has suffered a lot. This industrial unrest will

have long lasting impacts. There are rumors in the society that Nepal has been heading to face major economic crisis and then finally Nepal will turn into a failed state. I don't think Nepal is heading towards a failed state due to the present economic situation. Of course, it may go towards that direction in the future.

Crisis of Two Dimensions

The present crisis is related to the shortage of liquidity. This has two dimensions. The first dimension is related to crisis of liquidity in the banking sector. In the last six months, for example, the banks were able to collect Rs. 40 billion deposits but the banks invested Rs. 75 billion as loans. There is a shortage of Rs.35 billion. This also shows that there is an increase in the demands for cash. On the other hand, Nepal has seen the trade deficit of Rs. 19.6 billion or loss of balance of payment. This situation appears due to the shoot of import and export that has tremendously gone down. The six month's economic performance has shown whether the country can achieve the export target. One of the reasons behind the huge deficit in the balance of payment is due to the over export of gold. The balance of payment loss is 19.60 billion and the import of gold is over 30 billion in the last six months. In this scenario, we can correct our economic situation by deciding which products we need to export and which products to import.

Crisis of Liquidity

So far as the demand of liquidity of over Rs.35 billion is concerned, we can manage it by diversifying the sector. The present crisis is not an economic and financial crisis but a crisis of liquidity and balance of payment. I don't think Nepal's economy will collapse just by looking at these two indicators. As a parliamentarian, I have made my best



efforts to highlight the economic scenario. Despite our over involvement in constitution making, we have moved several proposals. With the initiation of Dr. Prakash Chandra Lohani, Hari Rokka and I, we handed over a public motion to the speaker of Legislature Parliament Subhas Chndra Nembang. If speaker Nembang thinks that this is a matter of public importance, our motion will be put in the coming session of the house.

Although political parties expressed their commitments to stop industrial and labor unrest, they are unable to translate their commitments in reality. Even the industrialists just remain a silent spectator. I think that education, health and industry should be included in the minimum program. As long as political parties failed to show their strong commitment, it is impossible to end the industrial unrest.

The overall economic indicators showed that Nepal's present crisis is related to the crisis of balance of payment and liquidity crisis. We need to concentrate on our efforts in financial management and liquidity.

(Excerpts based on conversation with Industrialist and CA member Rajendra Khetan)

Strongest Year for Development

By *BARRY J. HITCHCOCK*.

For the Asian Development Bank (ADB) in Nepal, 2009 proved to be the strongest year yet in terms of record level of disbursements and contract awards, with the value of assistance surpassing previous years and including significant contributions in the agriculture and natural resources, education, finance, governance, water supply, sanitation and urban development, transport and communication sectors. 2009 proved to be a record year in terms of new initiatives. New projects worth \$347 million (including Technical Assistance and Japan Fund for Poverty Reduction projects) were approved: the highest commitment ever for Nepal!

This scaling up of ADB's assistance testifies to ADB's continuing strong commitment to supporting the efforts of the Government of Nepal in reducing poverty and achieving its development goals. We are all very pleased, especially with the tangible development results on the ground as seen in the successful implementation of ADB-assisted projects.

In terms of portfolio performance, ADB's contract awards and disbursement to Nepal reached record levels of \$232.4 million and \$199.5 million respectively for 2009, with projects at risk declining to their lowest levels at the same time.

This also demonstrates commendable performance by the Government agencies which implemented ADB-financed projects. I would like to take this opportunity to thank the Government of Nepal for its partnership and providing strong ownership for ADB's assistance to the country.

ADB's ongoing portfolio as of 31 December 2009 totals \$1.13 billion comprising 17 loans worth a net \$638 million, 15 investment grants worth \$495 million, and 39 ongoing technical assistance projects, totaling \$38 million.

Now, returning to our ongoing programs and projects in the country let me provide some specifics.

The new investment projects approved in 2009 are as follows.

Emergency Flood Damages Rehabilitation will rehabilitate and restore damage caused by the 2008 monsoon floods in the eastern and far western regions. It will enable people to resume their normal lives by restoring access to livelihoods and basic infrastructure.

Education Sector Cluster Program (subprogram. 3) supports the Government in the implementation of the School Sector Reform program from 2009 onward. The program will cover the period from FY2010 to FY2012, during which the Government will focus on the implementation of basic education restructuring, while model building activities will be initiated for secondary education and technical education and vocational training.

Energy Access and Efficiency Improvement Project I will provide increased access to electricity across the country and promote reliable and energy efficient power supply with increased access and operational efficiency in the project areas.

Air Transport Capacity Enhancement Project will enhance safety and capacity at Tribhuvan International Airport (TIA) in Kathmandu and three remote domestic airports-Lukla, Rara, and Simikot.

Second Small Towns Water Supply and Sanitation Sector Project will develop an efficient, effective, and



accountable urban water supply and sanitation sector by establishing and implementing policies, establishing service standards, and enhancing sector coordination. The project will entail development of safe, accessible, and adequate water supply and sanitation facilities in about 20 small towns. The project will also strengthen governance and capacity for project management and operation.

In addition to the above mentioned projects, we also have a regional project which is the South Asia Tourism Infrastructure Development Project. This Project will develop and improve tourism-related infrastructure in Nepal, India, and Bangladesh. It will focus on improving connectivity to and destination infrastructure and services in key nature and culture based tourism sites on selected high-priority subregional circuits. Infrastructure interventions will include airport upgrading, last mile road connectivity, environmental improvements of destinations, such as water supply, sanitation, and solid waste management; and visitor management infrastructure and services.

I would also like to take this opportunity to talk about ADB's new Country Partnership Strategy for Nepal for 2010-2012. Jointly developed

following intensive consultations with a wide spectrum of stakeholders led by the Government of Nepal, along with civil society, community groups and the private sector, the Country Partnership Strategy will guide ADB's development agenda for Nepal in the next three years.

The thrust of the new strategy is to help Nepal sustain the hard-won gains of the country's peace process by promoting broad-based inclusive economic growth, inclusive social development, governance and capacity building, as well as climate change adaptation and environmental sustainability. We will continue to assist the Government of Nepal to sustain peace through reconstruction and economic development.

These four pillars support improved governance and stronger social and economic growth, which will lead to improved public services and a better standard of living for poor and excluded people. More environment-friendly approaches and help to counter the effect of climate change will ensure that economic growth is sustainable.

CPS objectives will be met by

focusing operations on six priority areas: (i) agriculture and natural resources; (ii) education; (iii) energy; (iv) the finance sector; (v) transport; (vi) municipal infrastructure and services. Strengthening of gender equity, governance, environmental sustainability, regional cooperation and integration, the private sector, along with greater engagement of civil society and NGOs, will support these operations.

Let me also highlight some of the unique features which we have introduced for the first time in the CPS for Nepal. Given the importance of climate change and disaster risks for Nepal, adaptation and risk mitigation will be included in ADB's new investments to ensure environmental sustainability. Development projects will be screened using the climate change and disaster risks checklist. A peace filter, developed for the CPS jointly with DFID and the World Bank, will ensure that concerns are addressed within the projects, helping to mitigate the risk of exacerbating social and political tensions. Annual CPS reviews will allow

ADB to revise both the peace filter and climate change and disaster management checklists, based on implementation results to maximize the quality of proposed interventions. The new CPS also promotes Governance Risk Assessment Methodology that is expected to provide a clearer picture of the various vulnerabilities in the program/project which will help the Government and ADB better address them prior to, and during, the implementation phase.

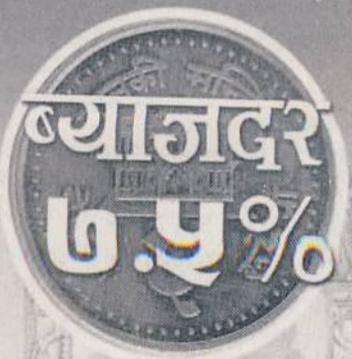
ADB's total indicative assistance for 2010-2012 includes \$671.4 million from the Asian Development Fund, \$45 million from ordinary capital resources, \$92 million for the regional cooperation program, \$15 million in technical assistance grants and \$9.8 million from the Japan Fund for Poverty Reduction. Cofinancing, public-private partnerships, and nonsovereign loans will add to the resources.

Hitchcock, is a country director of Asian Development Bank Nepal. Excerpts of his statement recently delivered to press■

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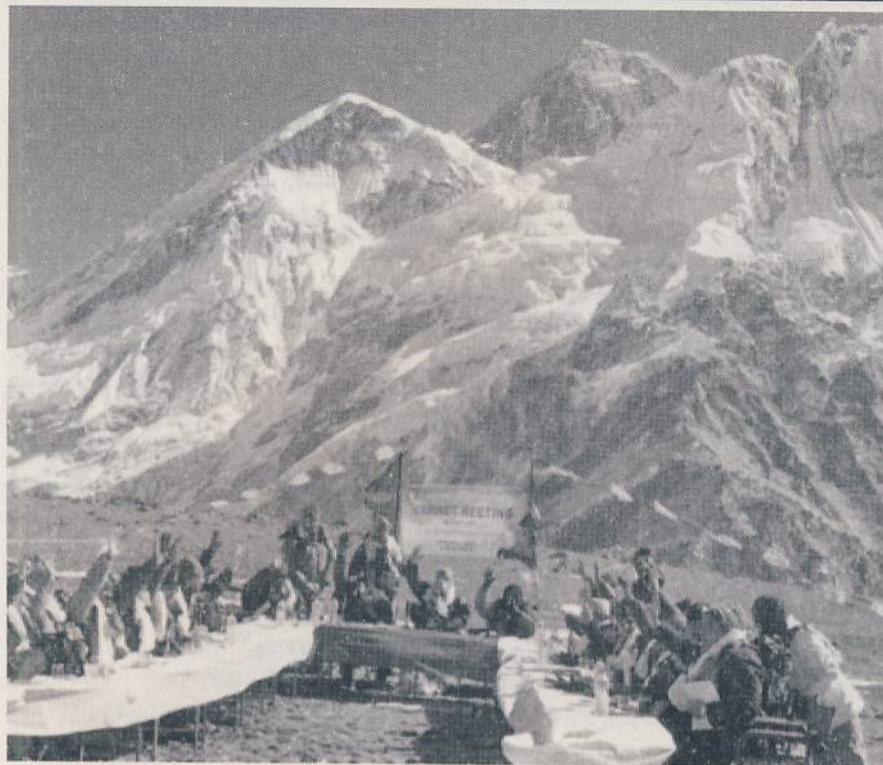
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Nepalis Cabinet : Frozen mountain

Climate Negotiations

Frozen Path

Emerging economies re-embracing the UN process detested by rich ones means rough weather ahead

By **NAVIN SINGH KHADKA**
in London

The new influential club of four fast developing countries mainly driven by China and India continue to surprise international negotiations for a new global climate treaty.

The two Asian giants joined by Brazil and South Africa to form the BASIC grouping had taken aback many when they out of the blue joined hands with the US and came up with the Copenhagen Accord in the deadlocked climate summit last December.

These were the same regional powers that had led developing and least developed nations against rich countries' bid to get rid of the already

existing climate treaty, the Kyoto protocol.

When they emerged with the US having signed a deal outside the UN climate framework, more than 100 countries gave them cold shoulders. The Copenhagen conference therefore simply took note of the controversial accord.

Barely two months since, the BASIC countries are back supporting the UN negotiations again.

A follow-up to Copenhagen they did in Delhi recently stressed on frequent meets under the UN regime in the run up to global climate summit in Mexico.

"When China and India recently sent in letters to the UN climate secretariat

providing information on their (carbon emission) mitigation actions, they referred to several UN conventions and did not refer to the Copenhagen Accord," says Martin Khor, a noted climate negotiation analyst who heads the South Centre.

International climate campaigners too have noticed the shift in the major regional players' position.

"I think India and China have realized they have either been misled or cheated. There is a definite rethink on what the accord is going to achieve – nothing," Raman Mehta of Climate Action Network South Asia told The Hindustan Times.

"They have realised that the UN is the best way to move forward."

The privilege they enjoy under the UN climate regime may have outweighed their delight of having become key players alongside the US in the "new geopolitical order" post Copenhagen.

The Kyoto protocol of the UN climate framework, for instance, exempts even fast developing countries like China and India from mandatory emission reduction.

Whatever the reason, but their yet-again-found love for the UN is already confronted by rich countries, particularly the US.

American media has largely been gunning for the UN climate framework.

"Accept that the 192 nations roped together by the UN will not agree on a meaningful climate treaty this year either," the Newsweek quoted David Victor a climate diplomacy expert of the University of California as saying.

While the stage is set for confrontation over how should negotiations go, spotlights are on disputes surrounding the science itself.

Leaked climate data emails from the East Anglia University, the admittance of a UN body that it wrongly predicted disappearance of Himalayan glaciers by 2035, among other controversies have bolstered climate skeptics.

All this may mean serious climate negotiations could take a back seat, freezing the 30 billion dollars fast fund created in Copenhagen for least developed and developing countries.

While the climate continues to change, wreaking havoc in these very vulnerable countries.

Khadka is a BBC journalist

My Memories

by **GOVINDA RAJ JOSHI**

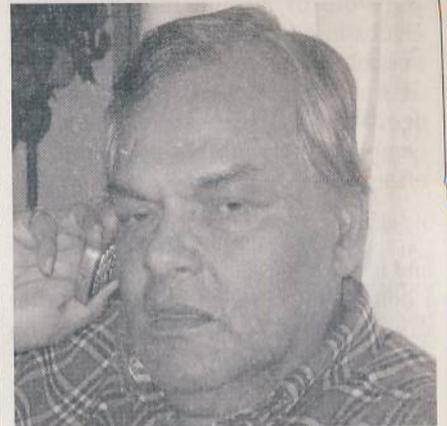
Even if someone reminds them of it, many people simply want to forget the past events. They speak three generations. Many people write their own biography and some even ask to write their biography. No body wants to listen to what other have to say. This is a natural character of human beings. Past are the experiences as well as education. It is also guidance. No one can succeed forgetting his or her past. It is said that history cannot be removed. Don't try to forget the past. If somebody tries to do so, he will ruin. The person who is not honest to the present has to live in painful situation.

Here I am narrating one incident of the past. One day I was watching the kantipur television and there was a broadcasting of personal memoir of Girijababu. I am concentrating on his program when he was elaborating the Dunai incident. He was saying that he asked me to resign following the non-cooperation of security agencies. I was shocked when I heard such lie from leaders like Girijababu. Then, I thought that I have to speak truth and highlight the reality behind the incident.

Dolpa incident was one of the major conspiracies against the democratic system. After becoming prime minister, Girijababu promised to send back his workers to their home till Dashain. On the capacity of home minister, I visited Kalikot, Rolpa, Rukum Salyan, Puthan and Jajarkot. After my visit the ministry of home affairs prepared a plan of action to control maoist movement. The cabinet took the decision to launch an operation against Maoist in six Maoist affected districts. At that time all the decisions were sent to King. At the same time Maoist attacked Dunai, capital of Dolpa but they failed to capture it. Maoist looted 30 million rupees from bank. The King had his plan to visit Dunai next day. However, I visited Dunai cancelling King's visit. Why did King wanted to visit Dolpa? This may be another incident to study. The King is in no mood to launch any offensive against the Maoist. He was soft towards the Maoist. Even Maoists were afraid of with armed police than Nepal Army and

their target was armed police force. Had all the forces supported Nepal Police, Maoist would not have achieved the present success. After the Dunai incident GirijaBabu had an audience with the then king. The King told Girijababu that Nepal police were unable to fight against Maoist. He suggested to remove home minister Govinda Raj Joshi, home secretary Padma Prasad Pokharel and Police chief Achut Krishna Kharel so that he would get the support from Nepal Army. Why did the king suggested GirijaBabu to remove the chief of security agencies is also a matter of study why these three people were targeted when there was a plan to launch massive operation against Maoist. Girijababu compromised with the King regarding this issue and he fired all three of us. Before handing over resignation to him, I told him that this is his wrong decision. I told him that this decision will not benefit him, his party democracy and country. He tried to woo me saying that I will be reappointed as a home minister after Dashain. That day never came. I told him that my resignation will prolong his tenure six more months. Similar things happen. He resigned when Nepal Army did not support him in Holeri incident. One of the objectives behind our removal was to dismiss Girija Babu from priminster.

Maoist agitation was not directed to strengthen people and establishment of multi-party democracy. As long as the leaders of Nepali Congress and CPN-UML do not understand this, Nepal's politics remain uncertain. In the first phase, Nepali Congress was the main target of Maoist movement and the fight seemed to between NC and Maoist. All other forces maintained silent when it was directed against NC. After Dunai attack, Girija Prasad Koirala thought that Nepal Army would support him to fight against Maoist. When Nepal Army did not support in Holeri Girija Prasad Koirala initiated dialogue with Maoist. The dialogue was initiated by Girijababu himself meeting CPN-Maoist leader Prachanda and Dr. Baburam Bhattarai in Delhi in 2001. Both parties agreed to maintain top secrecy. The second round



of negotiations also held in Delhi. I myself and Dr. Shekhar Koirala took part in the meeting. Our team discussed with Dr. Baburam Bhattarai, Krishna Bahadur Mahara and Dev Gurung about 12 hours and various issues. An understanding was made between us on following issue: to put army under parliamentary control, the executive power in cabinet and amendment of certain articles Constitution of Kingdom of Nepal 1990 with acceptable to Maoist. An agreement was made between both the team to change then Deuba's government which we considered was going to be a hurdle to implement our understanding. Although we had decided to do all negotiations in secret, Girijababu told King Gyanendra that he would settle Maoist problems through dialogue. King did not like to see the settlement of Maoist problems through NC. King held the view that Maoist movement was to downsize Nepali Congress.

xxx

During that period, political parties did not have any ideological stand to make alliances. All the political forces were united against Nepali Congress. Maoists were waging war from outside and CPN-UML and other opposition parties blocked the parliament for 57 days. The continued two months long secret negotiations between this writer and Subhas Nemabang helped to end the deadlock. The negotiations were finalized following the meeting between Girijababu and Madhav Kumar Nepal. According to agreement, Nepali Congress leader Girijababu would put vote of no-confidence against Deuba in



Croded Animals: Suffocating in silence

ANIMAL

Call for Rights

Animal activists are pressing CA members to put animal rights to end animal cruelty

By ADITI PANDEY

From crow to cow, dog and horses, Nepalese culture teaches us to worship all kinds of animals. However in practice, one can see rampant violations of animal rights. When it comes to Nepalese respect of animals, there are enough cases of cruelty like animal sacrifice in the name of God, that proves otherwise.

As Nepal is in the process of constitution making, an animal rights group has made efforts to raise the question pressing CA members to place certain article as an animal rights.

The greatly awaited constitution of Nepal which is currently in the making is believed to have promises of peace and prosperity for the citizens of Nepal. On the contrary, the Animal Welfare Network Nepal argues that the constitution of any country is responsible for not only the humans but all other animals in the country. Therefore the AWNN is putting its effort

to persuade the CA members to include 'protection of animal rights' in the upcoming Nepalese Constitution.

Nepal with its three distinct geographical features is home to a wide range of terrestrial animals, birds and insects. Although the government of Nepal has formed certain laws along with the help of International organizations like the UNESCO to ensure protection of wild animals, there exist loopholes making it possible for poachers to continue killing and exporting.

However, the wild animals seem much more safer in their wildlife reserves than those that freely walk the streets of cities and villages of Nepal. The overpopulated street dogs that as their name suggests live in the streets suffer from much graver danger than wild animals from poachers. Street dogs of Nepal have become accustomed to being beaten or hit by stones just for laying their paw on a human shelter. They are

subject to daily torture, yet there is no law to protect them, help them and find them homes. There is no consequence even if someone kills a street dog.

To our bewilderment, there are other animals that suffer a worse fate than that of the street dogs. These are mostly domestic animals that provide us milk, meat and eggs. Amongst these the chicken, the goat and the buffalo are the most abused. They are first in the 'kill list' of any butcher for their meat is consumed by Nepalese in maximum quantity. Killing for food is acceptable but Nepalese tend to be driven more by social religious reasons. An example would be the 'Gadimaya Mela' where thousands of animals were sacrificed. Despite efforts from many animal welfare organizations the mela took place taking away the lives of millions of animals.

These domestic animals are subject to abuse as they are transported from one place to other. They are stacked on top of each other in mobile vehicles which is the worst example of inhuman act. Their comfort, safety and health is no where in consideration as there is no law in our country that specifies a proper method of animal transport.

As an attempt to help protect these animals the AWNN organized a workshop that aimed to persuade the 601 CA members who were invited to include protection of animals in the constitution. Alas, only 5 members turned up amongst whom only 3 remained till the end. This behavior proves that the members of the CA seem to have other important things to do than to attend a workshop that will help them enhance their knowledge of existing animal abuse in Nepal.

The AWNN is working to make Nepal a healthier place for animals to live in. It has taken the initiative to introduce Nepal to the Universal Declaration of Animal Rights (UDAR). The UDAR is supported by many countries across the world and will be tabled at the UN General Assembly. Nepal should be inspired by such countries like India, Germany, France, Serbia, USA and Argentina that have successfully ensured rights of animals in their constitution. ■

Poverty and Education in Nepal

By **MOHAN DAS MANANDHAR**
ROJAN BAJRACHARYA¹

1. Background

Economic growth and development will have no meaning if poverty continues and people live without having enough food to eat, and basic education and health services for their capacity building. As such, countries have targeted for its reduction. This is reflected in the Millennium Summit of 2000 where 189 countries had agreed to set targets known as the Millennium Development Goals (MDGs). Nepal is aware of the need for poverty reduction, and is striving for its alleviation. Nepal, a low-income country of South Asia, is one of the signatory countries of MDGs.

2. Poverty and Planning in Nepal

The prevalent poverty situation in the country has motivated Government of Nepal to focus on its mitigation - which had been initiated as far back as in 1980 with the start of the country's sixth five-year plan (1980/81 to 1984/85). The Eighth Plan (1992-97), formulated after the restoration of democracy in 1991, continued the tradition of declaring poverty alleviation as one of the major objectives. The Ninth Plan (1997-2002) went one step further by singling out poverty alleviation as the sole development objective. The Ninth Plan has set a quantitative target for poverty reduction. It aims to bring down the incidence of poverty from 42 per cent to 32 by the end of the Plan period i.e., by the year 2002. This target has been set as part of a long-term vision, according to which poverty is to be brought down to just 10 per cent within the next two decades. Apart from the 'income poverty' target, several other indicators representing 'human poverty' such as illiteracy, infant mortality rate, maternal mortality rate, average life expectancy at birth etc., have been identified, and targets have also been set for them. The tenth development plan (2002-07) had been designed as Poverty Reduction Strategy Paper which four main aims - Poverty Reduction, Governance, Social Security and Inclusion. This plan had goal to improve human development indicator as envisaged in ninth plan by giving special preference to suppressed and deprived. The current Interim Three Year Plan is first development strategy of the country after declaration of republic and has milestone goal to develop New Nepal. The plan has been designed in line with political transformation of country so plan has some state structural reformation measures beside poverty reduction and social security strategies.

Unfortunately, the country has moderate

success in poverty reduction with poor human development and high poverty incidence: the country is presently ranked 138 among 177 countries in UNDP's Human Development Report 2006 with 31 percent of the nation's population living below poverty line. Likewise, gender and ethnic exclusion prevailed in the country with the poorest quintiles being mainly from the lower (Dalits) and marginalized ethnic groups. The slow progress in poverty reduction and limited social and gender inclusion is partially responsible for the recently ended armed conflict in the country. So Government has dearth to minimize poverty and deprivation for which delivery of basic education is important.

3. Education and Poverty

Higher levels of educational attainment reduce poverty levels. The access to education leads to higher levels of educational attainment and a more productive and skilled employment; this in turn lead to employment opportunities and resulting greater income.

Higher levels of educational attainment reduce poverty levels. The access to education leads to higher levels of educational attainment and a more productive and skilled employment; this in turn lead to employment opportunities and resulting greater income. The importance of educational attainment for poverty reduction had also been highlighted in the 2007 World Development Report of the World Bank. This relationship is certainly true for Nepal where education attainment is found to be a significant factor in determining poverty levels. For example, the World Bank and DFID study title "Unequal Citizen" used data from Nepal Living Standard Survey 2003/2004 and found that educational attainment of the household's head increase the income level of household. The negative relationship between education and income level is also confirmed by looking at the net enrolment rate (NER) since the NER for the bottom quintile (i.e. poorest 20 percent) of Nepalese households is 39%, for the middle quintile is 61% and for the richest quintile is 77%.

4. Education Policy of Government

The GON is cognizant of the relationship between educational attainment and poverty reduction. GON has introduced several policy measures to improve the education attainment in the country, and in the process increased its financial obligation. Providing school education is increasingly

being taken as a state responsibility. Before 1972, most of the schools were fully managed and financed by the communities except few schools fully financed and managed by the government and few others receiving a small amount of government grants. Public investment was minimal then.

In 1972, government introduced a new Education System Plan. The Plan nationalized all the community schools, and this changed the modality of school financing with an all out responsibility to the government to meet the cost of school education. However, the government belatedly realized it to be a disastrous policy which killed the community initiatives in education development.

In 2001, the Government of Nepal amended the education law allowing the community and private schools to operate. Even the government schools are planned to be handed over to the communities for their management though government will remain the sole financier for the primary education at the community schools. The Government is committed to free primary education which covers grades 1 to 5 and is likely to be extended up to grade 8. In this arrangement, the private sector and other trusts also come into the picture in owning the schools and sharing the cost of school education but they are concentrated in urban sector and contributing to educate middle and high class student.

There is a growing pressure upon the government to make education up to grade IX free and even compulsory. Hence the government's financial obligation in the school education is ever increasing, and the studies show that the government has not been able to meet even the existing level of its commitments to the students and schools. At present, Government allocated 16 percent of its annual budget in education and it is the highest sector of budget allocation. Additional fund can be allocated to school education, if any additional public investment on school education will significantly help reducing the poverty incidence. But, there should be good turnover from educational investment in the form of good skill labor force, increase country's productivity and overall development. Nevertheless, it is well understood that various sectors like health and rural infrastructure also vie for additional state resources for overall development of nation and its peoples.

1. Mr. Manandhar and Mr. Bajracharya are engaged with Social Inclusion Research Fund. The views presented are those of authors' own.

BOOK

On CITES

Dr. Aryal discusses the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and its implications for Nepal and India

By A CORRESPONDENT

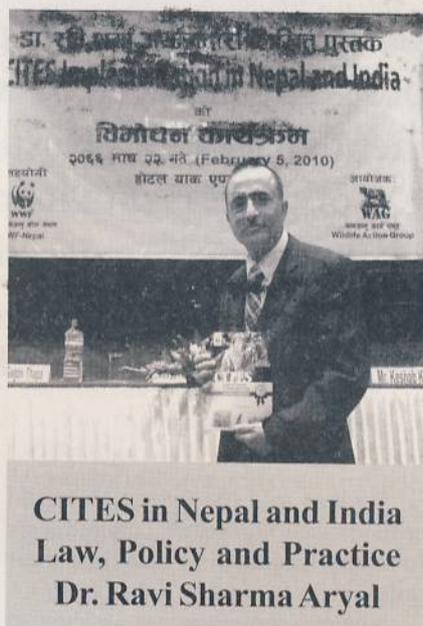
At a time when the number of endangered animals like the Royal Bengal Tiger and the one-horned rhinos are in facing extinction due to over poaching for international illegal trade, the publication of the second edition of Dr. Aryal's book on CITES implementation in Nepal and India is important.

As illegal trade in products from these animals is rising in the east Asian market, including China, the endangered species of tigers and rhinos are at greater risks in India and Nepal. According to an estimate, tiger skins and organs are in high demand in China.

Although every country is talking about the need to curtail this illegal trade, poaching is yet to decline. The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is the only legal mechanism that seeks international cooperation to protect the listed wildlife species from the threats of over exploitation, including trade. Although both Nepal and India are signatories to CITES, these countries have not performed their best to control the illegal trade in wildlife.

Through his book, Dr. Aryal, a young joint secretary of the government, specializing on CITES, outlines the legal and policy level failures, which have resulted in failure to control the illegal trade in flora and fauna causing an irreparable loss to the natural endowments.

"The second edition of this book has been revised and updated with some major important issues on wildlife trade.



The present trend on wildlife poaching has been analyzed and newly introduced government policies added. Similarly, recent photographs on wildlife trade and data analysis on wildlife poaching and trade are better presented with more information," said Ravi Sharma Aryal, Ph.D.

This book has been divided into seven chapters. Chapter I introduces and discusses the concept of endangered species, their importance and international development of wildlife protection campaigns. It also discusses various reasons responsible for the growth of wildlife trade in Nepal and India. This chapter lays down the foundation of the problem by generally looking at the status of endangered species trade in both the countries.

Chapter II is entitled Forests and Wildlife Protection. With a historical

perspective, the author has traced the development of forests and wildlife protection drives. The biological diversity and natural heritage of South Asia were considered as nature's gift and were carefully protected by our ancestors.

Chapter III is about the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Chapter IV, entitled Legal and Policy Overview of CITES in Nepal, attempts to assemble and categories scattered laws and policies of Nepal which have direct and indirect influences in the implementation of CITES.

Chapter V entitled Legal and Policy overview of CITES in India, attempts to explore as to whether there is any specific legislation regulating wildlife trade in India. Chapter VI is about CITES Implementation in Nepal and India-Legislative and Administrative Problems.

Dr. Aryal's book is the first of its kind which is comprehensive as well as well documented. Dr. Aryal has made his efforts to put all the important matters related to the CITES in this edition. Supported by WWF-Nepal, the book concludes with suggestions to plug the loopholes in different legislations and enforcement strategies with a model for better implementation of CITES in both the countries.

"The book, CITES Implementation in Nepal and India, delves into the CITES implementation status in Nepal and India, outlines the legal and policy level shortcomings and recommends measures to tackle them. The model suggested by the author for better implementation of CITES in Nepal and India is an outcome of his years of legal and policy work in this field," writes Anil Manandhar, Country Representative WWF-Nepal. "I believe the book would be helpful for policy makers, enforcement agencies, government officials, researchers, academicians and students."

When the countries in the region have been making efforts to control the illegal trade of wild animals, Dr. Aryal's book will help all individuals and agencies involved in the implementation of CITES. ■

CNFN

Securing Rights For Children

The Child NGO Federation Nepal (CNFN), an umbrella organization of NGOs working for children, has made a positive contribution to more than 10 million school-going children by undertaking an initiative to free schools from frequent strikes and closures. As Nepal has made much progress in the areas of child rights following the signing of the international child rights convention two decades ago, CNFN's success in enlisting support of major political parties, UCPN-Maoist, Nepali Congress, and CPN-UML for its campaign deserves kudos.

By ACORRESPONDENT

Ramesh Limbu, 10, a resident of Damak of Jhapa district, spends most of his time at home. Due to frequent general strikes, called by various political parties, their sister organizations and ethnic groups, schools in the eastern part of Nepal are often shut down.

According to the Regional Education Office of Eastern Nepal, children went to school for fewer than 90 days last year. Children like Limbu abstained more often because of uncertainties about whether the school would open or close on a particular day. A student of class 5, Limbu does not know how many days he will be able to attend school in the coming year.

"At a time when all of us are talking about the need to protect the rights of the children, the frequent general strikes are a sure violation of the basic rights of the children to acquire education," said Prachanda R. Pradhan, Chairperson of Child NGO Federation Nepal (CNFN).

"To prevent this, we have initiated a campaign urging top leaders of political parties to express their commitment not to close the education institutions during the period of general strikes."

Pradhan said the federation would push for securing written commitments from the leaders first and then their cadres.

Signing a commitment paper, entitled "Definite Child Rights, Basis for New Nepal," leaders Girija Prasad Koirala of Nepali Congress, Pushpa Kamal Dahal Prachanda of UCPN-Maoist, Jhalnath Khanal of CPN-UML, Mahanta Thakur of Terai Madhesh Loktantrik Party, Surya Bahadur Thapa and Pashupati Sumsher JBR of RPP, Shyam Sunder Gupta of Nepal Sadbhavana Party, CP Mainali of CPN-ML, Prahlad Budhathoki of National People's Forum and Haricharan Shah of Nepali Janta Dal expressed that they highly respected children's rights to go to school.

Urging all to follow suit, the leaders expressed the commitment that in every general strike or bandh, the school buses will be allowed to ply unhindered and children's right to participate playing and learning will be ensured.

Although it was signed in August 2008, during the National Children's Day, the message signed by the top leaders is yet to be disseminated down

to the grassroots level. Whatever the names of general strikes, school children have been the first victim of such actions so far.

"As an umbrella organization, we want to make tangible contribution in the areas of child rights through this kind of activities," said Ramesh Dhamala, advisor of CNFN. "Of course, it is very difficult to translate these kinds of commitments at the grassroots level; the moral commitment expressed by such tall leaders through their written signatures will have a moral pressure."

CNFN is the common forum for its member organizations where they share information and expertise, collectively lobby the state and legislature for much needed policy change and commit to a principle of harmonious consensus on all issues relating to the pursuit, protection and promotion of the rights of the children.

"Established in 1994, CNFN is the only umbrella organization of NGOs working in the field of child rights and child development in Nepal," said Dhamala. "We have already contributed to bring a number of pro-children legislations and policies."

“Complete Package Must For Children”

-UPENDRA KESHARI NEUPANE

Advocate **UPENDRA KESHARI NEUPANE** has a long experience of working for child rights. Immediate past president of Child NGO Federation-Nepal (CNFN), a common forum of child-related non-governmental organizations in Nepal, advocate Neupane spoke to NEW SPOTLIGHT on various issues of children. Excerpts:

In the Nepalese context, how do you look at child rights?

The history of child rights is just two decades old. Previously, the support and help given to children were part of welfare programs. Following UN's Child Rights Convention in 1989, Nepal immediately endorsed it in 1990. After the ratification of the convention, child rights are regarded as inherent rights of children. Child rights are recognized by the international community to support the growth of responsible children.

Are child rights specifically defined for Nepal?

Present child rights in Nepal are a fusion of international conventions and traditional rights given to children by Nepal. This is the beauty of the existing situation. There is a saying in Nepal that today's children are tomorrow's capable citizens. The international convention aims to make children capable through the protection of their certain inherent rights. The time has come now to evaluate whether the children are able to exercise their rights without any obstruction.

Two decades after Nepal signed the International Child Rights Convention, how is the state of children like?

Frankly speaking, the state of children is yet to improve as desired, but generally the state of children has improved a lot in the last two decades. Nepal has theoretically taken several steps to fulfill its commitment to the international child rights convention by making policies, laws and regulations to protect the rights of the children. These are reasons to be satisfied. So far as the implementation of such laws and policies are concerned, Nepal is still far from its commitment. It is unfortunate that children are yet to be under the priority of the state.

What do you suggest for improving the situation?

As long as the state fails to put child development as its priority and allocates adequate resources, nothing is going to change. The state needs to offer a complete package including nutrition, health, education and other opportunities. All these need to be defined in the package of social security. As long as the state is unable to guarantee the minimum welfare to the children, we cannot say that the state is fulfilling its commitments towards the children. We need to do a big jump here. We have adequate good policies and laws to implement these packages. Of course, there is no need to express dissatisfaction now. However, these policies, laws and regulations need to be implemented honestly and with priority.

Despite all these achievements and progress in child rights sector including the growth of NGOs working in the areas, we still see a lot of children in the street and violation of child rights. How do you look at the situation?

You cannot measure the outcome without knowing how non-governmental organizations are working. Frankly speaking, we have to do some study to know what the status of NGOs in the society is. Whether people see them positively or negatively? There are many negative views about NGOs.

Why did the CNFN come about?

CNFN was set up to establish the values and dignity of the NGOs. Another aim of CNFN is to make corrections in policies and bring all NGOs working in the child development and child rights sector under a single umbrella.

Why do you need do so?

We have seen that many NGOs are not working as per the program-based but policy-based approach. Realizing the need to evaluate existing legal systems on child rights, we came together for common purpose. CNFN is pushing the policies like what is the status of child workers and child labor. What kinds of social security children require and what education policy children need.

How do you look at your two tenures?

I completed two tenures as the president of CNFN. I have made several efforts to bring the change in education policy and child labor. I also made efforts



to enhance the transparency in the expenditure of the resources allocated to the children. We stressed the need for social auditing. There are several NGOs and we have to look at whether these NGOs are following NGOs character or not.

What do you mean by this?

Some NGOs rescue children from street and provide them support. Just giving shelter and support to an orphan is not enough what we need to do is to make children capable. Will he or she integrate in society after the age of 16? Some NGOs bring children from street and enroll them but children come to street again. They are not enough. CNFN was established to launch coordinated approach to bring tangible changes in all these processes.

What role did you play?

I worked in UCEP where we tried to give non-formal education and vocational training. You can find that hundreds of children, who grew up in UCEP, are now integrated in society. I have not seen any NGO which can claim that it has done something concrete. The time has come to change the policy from putting resources into the sand. There is the need to change policies and acts.

What changes has the CNFN brought about?

CNFN has organized a number of nationwide seminars to collect the opinions from various stakeholders about the rights of the children. The federation handed them to the CA. Like in interim constitution, the draft of the new constitution too has included certain specific rights about children. The interim constitution recognizes rights of children as fundamental rights. There is the need to have judicial remedy for children. We are still lobbying for this. ■

“Our Activities are Directed Towards the Wellbeing of Children”

PRACHANDA R. PRADHAN

PRACHANDA R. PRADHAN, chairperson of Child NGO Federation-Nepal (CNFN), is a well known person working in the areas of child rights. Advocate Pradhan has been long involved in the area. Pradhan spoke to New Spotlight on various issues regarding the state of child rights. Excerpts:

What is the status of your initiative to make the schools free from unrest?

Although the country has allocated a huge amount of budget in the education sector, it has little use. Because of frequent strikes and disturbances, many Nepalese send their children for studies abroad. The quality of education is low and there is no competitiveness. Our investment in education is being wasted. Education is a sign of hope. In the name of strikes, all the organizations are targeting education institutions. This is a national loss.

What is your current priority?

We will push for legislations and political consensus that will allow school buses to run unimpeded during political strikes just as ambulances and vehicles carrying tourists are allowed to travel without restrictions.

What do you see for children in terms their rights in the next ten years?

There are two sides of child rights: reality and subjectivity. In subjective terms, we can say that students need schools, hospitals and so on. If we are unable to provide them in reality, there is no sense of such rights. If you cannot open schools, what is the use of talking about children's right to education? Similarly, a health post has no meaning in case it does not provide the basic health facilities to the children.

There are various national and international organizations working in the child rights areas, but then, there are also rumors of misused funds. How do you look at this?

One of the main aims of CNFN is to see to it that all transactions of the NGOs affiliated with it are accountable and transparent. I don't know about others but the NGOs affiliated with us are transparent and accountable so far as maintaining their expenditure is concerned. Children cannot speak about their priority. Thus, those involved in

the areas decide. I used to say t h i s phenomenon as me first, not child first. In this situation, there are reasons to be suspicious.

As an umbrella organization of children, what do you suggest for ending such a situation?

To be a member of CNFN, a child organization must prove that it is accountable to the people and its transactions are transparent. Except for some so-called big child rights organizations, most of the organizations are affiliated with us.

How do you look at the role of CNFN?

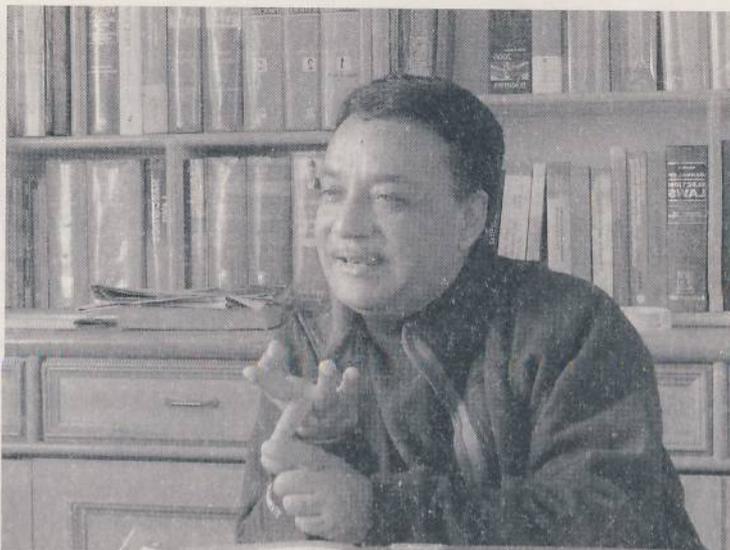
CNFN is an umbrella organization of the child NGOs working in Nepal. Our message and mission are clear. We want to work towards realizing the rights of the children while adhering to all tenets of the international convention on child rights and protections.

Nepal has recently celebrated two decades of signing of International Child Rights Convention by Nepal. As a president of CNFN, what do you say of the present situation?

Nepal has made enormous progress in the areas of protection of children. For the first time, the Interim Constitution recognizes child rights as a fundamental right. Even the draft of Constituent Assembly's Fundamental Rights Committee accepted this and recommended a few more things.

What will be your role as the chairperson?

I see my role as challenging. I want to play the role of a coordinator. We used to see various challenges in the areas and we have made our best efforts to solve them. Everyday, I have to play different roles in the areas of protection of child rights and pursue the difficulties faced by the NGOs working in the areas.



I am walking on the path shown by our founders and former executives who have shown how to achieve our goals.

How many organizations are affiliated with CNFN?

More than two hundred children related non-governmental organizations are affiliated with us. This is a federation or an umbrella organization. CNFN also lobbies for the implementation, regulation and monitoring of policies aimed at protecting and promoting child rights advocacy. It helps to disseminate skills and expertise necessary to a new set of expert human resources to further enhance the capabilities of its member organizations to carry out their individual and collective missions. CNFN functions as the facilitator between national and international organizations working towards similar goals, and helps to identify alternative resources to help with the development of child rights protection and advocacy.

With what belief does the CNFN work?

CNFN believes that children have a right to happiness and innocent sport. Our organization is actively pushing for the adoption and implementation of all international agreements and declarations pertaining to child rights. By encouraging and directly engaging in activities aimed at developing and implementing programs to protect and promote child rights in Nepal, CNFN wants to ensure a stronger presence for itself in the international arena of child rights advocacy and practices. ■

Certain basic things still need change for the better. For instance, children like Subba's fundamental rights to acquire education is not fulfilled. "I want to go to school and I don't want to waste my time lying idle at home," said Subba.

Subba is not the only child faced with the situation. There are millions of children who are compelled to stay back home because of obstructions at schools created by various political parties, their sister organizations and ethnic groups.

"Until we change the situation, claims of achievement that child rights are protected in Nepal sound hollow," said former president and advocate Upendra Keshari Neupane. "As a child rights activist, I feel proud when no one can disturb the rights of children to go to school."

Progress in Child Rights

From child mortality to immunization to health and education, Nepal has made a lot of progress in the child rights sector in the last two decades. The grim reality, however, is that many abandoned children are forced to live in Open Streets as beggars.

Along with the government organizations and international non-governmental organizations, the national level organization like CNFN has also played a very important role in the implementation, regulations and monitoring of policies aimed at protecting and promoting child rights.

Due to the strong efforts made by CNFN, the Interim Constitution recognizes the child rights as a fundamental right. Similarly, it has also organized nationwide workshop to collect public opinions on child rights.

"After conducting nationwide workshop and opinion collection, we handed over the suggestions to the Constituent Assembly asking CA to guarantee child rights through the constitution," said chairperson Pradhan. "I can claim that the new constitution will have rights as well as remedy to the children."

According to the government report, primary school enrolment rose to 84 percent between 2000-2007. The coverage of immunization has also gone up. Child labor and child marriage have drastically declined but there still remains a lot to do to maintain the progress.

Thanks to the efforts made by child rights organizations like CNFN, Nepal has made tremendous achievements in



Street Children: Neglected lot

Photo: Alvaro

the child rights front. The number of school-going children increased enormously but there is still uncertainty over whether children can get education unhindered or not. If CNFN's initiative to make the school violence and disturbance free zone works, Nepal's children will heave a sigh of relief.

Challenges in Future

In just over thirteen years, the CNFN has established itself as an organization dedicated to promote and advocate for the rights of the children. There are challenges as well. The number of orphanages continues to increase. The number of street children grows by the day. Despite the claim by some NGOs that the plight of children is improving, one can see the grim picture of orphaned children living in the streets of the capital. CNFN believes that every

children should be given the right to live in dignity and respect and they must be given proper family attachment and atmosphere.

From advocacy to the protection of the rights of children, CNFN is also trying to make its best efforts to provide basic facilities to children living in orphanages. According to the report of Central Child Welfare Committee, there are 454 child homes with 11,969 children in them.

"CNFN will implement programs designed to promote standard practices about child rights across the society and in the legislature and the media. CNFN will coordinate with international organizations to establish an effective mechanism to monitor and report on the state of child rights practices or hurdles in the promotion of child rights," said Pradhan. ■



Restaurant

Quest for Spanish Food

Although annually more than twenty thousand Spanish tourists visit Nepal, there is no Spanish restaurant in the town

By ALVARO CASTRILLO

For Spanish tourists, they find everything in Nepal. From high mountains to cultural and historical sites, the choices are varied. However, what is lacking is Spanish restaurant which can provide Spanish dish.

Nepal is one of the popular tourist destinations for Spanish tourists. From King of Spain to many commoner Spaniards, Nepal is not unknown to them. This is the reason a large number Spanish tourists visit Nepal. The present Spanish King Juan Carlos I and Queen Sofia, who came to Nepal for honeymoon as crown prince and princess, performed their state visit in 1985.

Despite such long relations between two countries, nobody understands why there is no Spanish Restaurant in Thamel, a prominent tourist centre of Katmandú, which offers widest range of cuisine from across the world. Its streets offer a wide variety of restaurants with specialties from around the world,

mostly Asian, and also French, Italian or Mexican.

"But there is not a Spanish restaurant specifically," said a Spanish tourist hanging around Thamel in search of one.

Spanish cuisine is one of the most appreciated of the planet. Forbes magazine in 2009 amounted to Ferrán Adriá, Catalan chef, as the most influential chefs from around the world; his restaurant *El Bulli* has a waiting list for the next two years. Another internationally renowned Spanish chef is Juan Mari Arzac. He has a collection of spices with around 1600 flavours. However, Thamel restaurants seem unaware of Spanish cuisine. Some of the reasons why the Spanish cuisine has not been permeated in Thamel is that Nepal is outside the area of a historical Spanish influence or cultural limitations to Spanish dishes made with beef.

Ganesh B. Pandey, manager of *Le Bistro* restaurant in Thamel, who in 31 years expanded space from 20 to 250 chairs, gives other reasons. "A concrete Kathmandu and Thamel have many tourists from all over the world and this

requires having a varied menu offering different specialties," he said, adding, "this international public also remains very satisfied with the local cuisine, which in most cases is what they have been seeking."

Mixed menu range for a mixed audience is Pandey's secret of success for a restaurant in Thamel. But in some hotels that Pandey manages in the city, if it is possible to eat a typical dish, it is such as Spanish "Paella".

There are indeed restaurants in Thamel specializing in foreign foods. In Chaksi Bari Marg, just 20 meters from *Le Bistro*, is located the Italian restaurant *La Dolce Vita*. Italian food is part of Mediterranean cuisine. The manager explains that the audiences that flock to this place are mainly from abroad. The main overlap between the Spanish and Italian food is the olive oil used as a basis for preparing the dishes. In fact, olive oil is prized by both the flavour that gives healthy dishes such as their nutritional properties making it a very popular item in many restaurants in the world. In *La Dolce Vita* a random menu costs an average around 500 rupees.

As Nepal is celebrating the year 2011 as the Nepal Tourism Year with ambitious plans to bring a million tourists, opening of a Spanish restaurant in the capital may be important.

The lovers of Spanish cuisine in Thamel have it difficult to eat typical dishes from the Iberian Peninsula, which is furthermore a good opportunity for entrepreneurs who have business possibility still untapped. Bon appétit. ■



Come together with San Miguel

My journey into music and recently into acting, has been one that has been both exciting and fulfilling for me. I know that this journey has been as smooth as it has only because of the trust and support of my friends and listeners – and I am grateful for this.

In my personal as well as professional life I seek smoothness – like *San Miguel*, a drink that reminds me of friendship.

- *Nima Rumba*
Singer/Actor



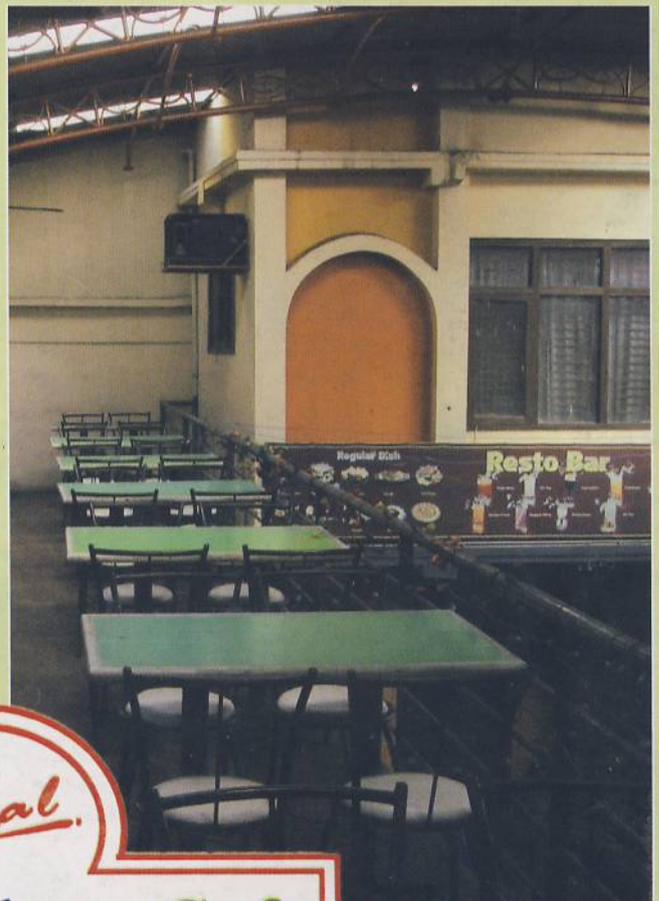
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