



Viewpoint:
Dhruva H. Adhikary

INGOS: Caught Between
New Spotlight's Investigation: Butwal Municipality



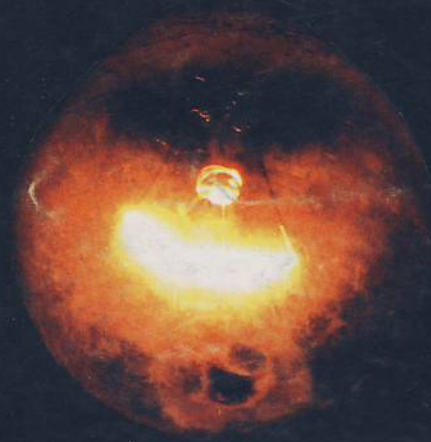
Face to Face:
Elinor Ostrom

NEW SPOTLIGHT

Dec. 17, 2010- 06, Jan, 2011

www.spotlightnepal.com

FORTNIGHTLY



The Dark Power Tussle

Postal Regd. No. 36/067/068, ISSN# 2091-0711
 USA/Canada..... US\$ 2.00
 China/Korea/Hongkong.....US\$ 2.00
 Japan..... US\$ 1.00
 Nepal..... NRs. 30.00
 India..... IRs. 35.00
 Bhutan..... NU 35.00
 Other SARC Nations..... US\$ 1.00
 Asean Countries..... US\$ 1.00



The Banker Awards 2010



नेपाल इन्भेस्टमेण्ट बैंक लि.
NEPAL INVESTMENT BANK LTD.

**With each award,
We thank the true winners.**

Our Clients, Employees, Stakeholders, Partners & Regulators

Winning our 4th Bank of the year award in 7 years could not have been possible without you. We appreciate your commitment and patronage.

With this global recognition of our service, performance and strong financial stability, we pledge to strive further to deliver the next level of banking services and contribute to the prosperity of our nation.

Tel: 4228229, 4242530 www.nibl.com.np

नेपाल इन्भेस्टमेण्ट बैंक लि.
NEPAL INVESTMENT BANK LTD.
Truly a Nepali Bank





From The Editor

Even as the bitterness between the government and the opposition is still fresh - over the brawl in the House three weeks ago - the Maoists have now gone ahead and petitioned the president to call new session of the parliament. They have stated that the House must be summoned immediately in order to sort out the long inconclusive election of prime minister. The summoning of the parliament is a good thing, naturally, and the issue raised by the Maoists also warrants immediate hearing as the country has been subjected to the administration of caretaker government for far too long. But without the minimum consent among the major parties, the House session will not be fruitful. It may only further animosity between the two camps. Having said that, we would like the new House session to resolve the outstanding political disputes and set the course for the constitution making process, which has only six months remaining. That is that with politics. And politics is not the only front we are facing problems. With the onset of winter, the season of darkness, has once again come back to haunt the Nepalis. Worse, in recent times, the situation has been complicated by unnecessary sideshows. Minister for Energy and his Secretary are not in speaking terms. And this has resulted in difficult situation. In a strange move, the Minister shut down the licensing procedure leaving the developers in a limbo. This week, we examine the effects and consequences of the Minister-Secretary tussle in the already ailing power sector.

Keshab

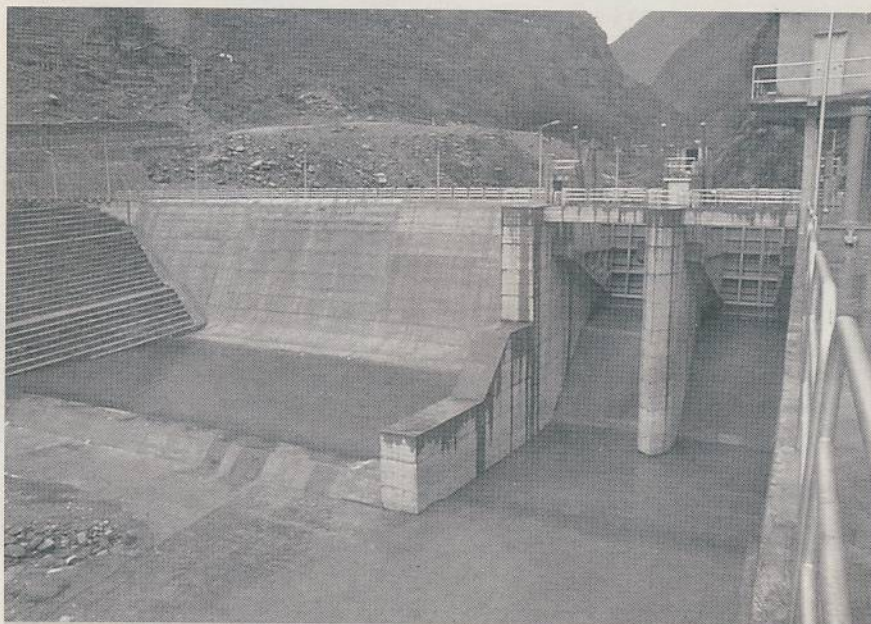
Keshab Poudel
Editor

NOTICE:

Because of Christmas and New Year 2011 coincided with publication dates our next issue will arrive in stand on 7th January 2011

NEW SPOTLIGHT FORTNIGHTLY

Vol.: 04 No.-13 Dec.17-2010 (Poush 02,2067)



Cover Story: LOAD SHEDDING WOES Power Struggle

13



FACE TO FACE: ELINOR OSTROM 16



BUTWAL MUNICIPALITY: Returning Favor 23

NEWSNOTES

2

ECONOMIC BRIEFS

3

NEWS CLIP

4

VIEWPOINT: Dhruba H. Adhikary

5

AMBASSADOR SOOD: Mission Incomplete

6

INTRA-PARTY POLITICS: Live And Locked

7

NEIGHBOURS: The WikiLeaks Message

8

Climate Negotiations: Back On Track?

9

COMMENTARY: Yubaraj Ghimire

10

ENCOUNTER: Chandra Prakash Khanal Baldev

11

STUDENT PROTESTS : Difficult Days Ahead

12

DELHI DIARY: Abijit Sharma

19

SWC VS MOWCS : Small Tussle, Big Trouble

20

NEPAL INVESTMNET BANK : Awarded Again

22

ARTICLE: Pratyush Nath Upreti

27

HEALTH: Buddha Basnyat, MD

28

Editor and Publisher : Keshab Poudel, Senior Correspondent: Saroj Dahal, Correspondent: Uma Kanta Khanal, (Jhapa) Abijit Sharma (New Delhi), Reporter: Yogesh Gyawali, Nitish Dev Bhattarai

Marketing Manager : Madan Raj Poudel, Tel: 9841320517, Nabin Kumar Maharjan Tel: 9841291404, Photographer : Sandesh Manandhar

Cover Design/Layout : Hari Krishna Bastakoti

Editorial Office : Tel: 977-1-4430250 E-mail: spot@mail.com.np, P.O.Box: 7256

Office : Kamal Pokhari, Thir Bom Marg, House No. 559/144 (Opposite to Himlal Hospital)

Printers : Pioneer Offset Printers (P.) Ltd., Dillibazar, Kathmandu. Ph: 4415687

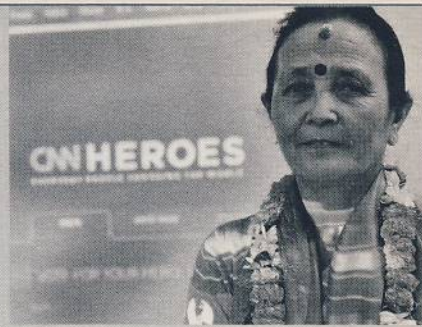
Kathmandu DAO Regd. No. 148/11/063/64, Postal Regd. No. 36/067/068

US Library of Congress Catalogue No. 91-905060, ISSN : 2091-0711 (Print), ISSN: 2091-0754 (Online)

U.S. Envoy Hails Anuradha Koirala

Ambassador Scott DeLisi welcomed CNN Hero of the Year Anuradha Koirala to the U.S. Embassy last week where embassy employees warmly greeted Ms. Koirala. Ambassador DeLisi congratulated Ms. Koirala and the entire staff of Maiti Nepal for winning the award and praised their work rescuing and rehabilitating victims of trafficking.

Ambassador DeLisi noted that the award is a testament to Ms. Koirala's remarkable achievement, but it is also a call to action to the rest of the world that human trafficking must be fought by governments, but also by vigilant communities and dedicated organizations such as Maiti Nepal.



Ambassador DeLisi and Ms. Koirala welcomed the government of Nepal's commitment to combating human trafficking and expressed their hope that the government would move quickly and vigorously to prosecute those who have been arrested for their trafficking activities.

Inaccurate Report

The Indian Embassy Spokesperson has termed recent media reports about Indian Ambassador to Nepal as inaccurate. "We have seen a media article which appeared regarding the alleged unpopularity of the Ambassador of India in Nepal Rakesh Sood. Rakesh Sood is a distinguished officer of the Indian Foreign Service who has served with dedication and commitment as India's Ambassador to Nepal since April 2008. During his tenure, bilateral development cooperation and dialogue between the two countries have progressed substantively."

New Language Requirement For UK Visa

A new English language requirement was introduced on 29 November 2010 for non-European migrants applying for a visa to enter or remain in the UK as the partner or spouse of a British Citizen or person settled in the UK.

Applicants will need to show that they can speak and understand English to a basic level. They will usually meet this requirement by passing an English language test conducted through a UK Border Agency-approved test provider. The list of approved test providers and further guidance is available on the UK Border Agency's website.

It is also possible to meet the English language requirement by having an academic qualification equivalent to a Bachelor's degree in the UK which was taught in English. Applicants will need

to supply the original qualification certificate with their visa application.

Indian Aid For Morang

Ambassador of India Rakesh Sood inaugurated the newly constructed road from Gothegaon, Mirgaulia VDC to Purvanchal University in Morang built with Govt of India grant assistance of NRs. 3.20 crores. The project has been implemented by District Development Committee, Morang. Purvanchal University located in Gothegaon, Mirgaulia VDC, is one of the leading Government Universities in Nepal. The access road leading to the University from Gothegaon, Mirgaulia VDC, was in a poor condition.

During his visit to Sunsari and Dhanukta on 2nd December 2010, Ambassador of India Rakesh Sood also laid the foundation of a college block in the premises of B.P. Koirala Institute of Health Sciences at Dharan in Sunsari and handed over the newly constructed school building for Shree Gokundeshwar Higher Secondary School in Dhankuta built with Government of India's assistance under Nepal - India Economic Cooperation Programme to the local community. The Ambassador also inaugurated an eye care camp organized by Nepal Netra Jyoti Sangh under School Eye Health Care Programme.

At another function held in Dhankuta, the Ambassador of India handed over the newly built school building for Shree Gokundeshwar Higher Secondary School to the local community.

The Ambassador also inaugurated the eye camp organized by Nepal Netra Jyoti Sangh in the school and distributed spectacles to the school going children suffering from refractive error.

KAAN Organized A Program

With a support from the Korea International Cooperation Agency (KOICA), the KAN organized a seminar on "Learning from Korea and Lessons to Nepal-Perspective of KOICA Trainees." KAN is an institution established in 2001 to maintain good relation between KOICA and the Nepalese who have participated in KOICA's short or long term training programs.

KAAN organized this kind of sharing program for the second time, where KOICA trainees interacted about their knowledge gained during their stay and study in Korea. The objective of this program was to disseminate knowledge and learning in different fields like Economic Development, ICT and Rural development. Participants of KOICA Master's Degree program and short term training from National Planning Commission, Ministry of Commerce and Supply and District Development Committee Dhadhing, presented their papers which focused in different aspects of Korea's economic as well as rural development.

Hong Sungmog, Ambassador of Republic of Korea, addressed the program and Vice Chancellor of Kathmandu University gave a congratulatory remark in the program.

Forest Fire Mgmt Training

The United States Forest Service (USFS), at the request of the Nepalese Government, provided a week long "train-the-trainers" forest fire management course in Hetauda, December 5-9, 2010. A total of 25 participants from District Forest Offices, the Nepal Army and other relevant agencies attended. This training is part of the USFS regional Eastern Himalayas Forests and Climate Change Program and was developed in consultation with Nepal's Ministry of Forests and Soil Conservation.

U.S. Deputy Assistant Secretary of State for South and Central Asian Affairs, Alyssa Ayres, launched the training program. ■

AAN Convention Bhattarai Elected Unopposed

Advertising Association of Nepal's (AAN) 13th AGM today elected a new executive body led by Raj Kumar Bhattarai of Spectrum Advertising and Media Consultant unopposed as opponents boycotted the election.



The new committee has Rudra Bahadur Bhattarai of Sanjibani Media Services (SMS) as vice president, Santosh Shrestha of Mars advertising as general secretary, Yadav Shrestha of Abhinav media as treasurer, Nabin Raj Poudel of SMS as secretary and Narayan Shrestha of N Multination as assistant secretary.

Earlier yesterday evening, other two groups - led by Juju Kaji Sthapit and Kedar Dhakal have withdrawn their candidacy objecting ANN's executive committee and its AGM procedure.

"According to the AAN statute, progress and financial reports should be distributed to its members 21 days before AGM but the Nirmal Raj Paudel led executive committee did not follow the provision," the opponents alleged.

Following the debate two advertising entrepreneurs - Mohamed Akhtar and Abid Shah - have also appealed to District Administration Office (DAO) to stop the AGM. However, it did not interfere and gave green signal to AGM directing to follow rule.

During the opening session today, outgoing president Nirmal Raj Paudel urged National Advertising Policy for the development of the sector. "We need advertising policy and standardisation council at the earliest to raise the standard of the advertisements," he said, demanding the government to implement 'clean feed' policy to international pay channels to save domestic advertising agencies.

AAN's newly elected president Bhattarai urged greater consensus among advertising professionals in the days ahead.

Dell Opens Its Showroom

Renowned computer manufacturer Dell has opened its showroom in Maitighar, Kathmandu. Given the huge number of Dell laptop users in the city, the company opened the showroom to cater to their needs. Chief of Neoteric Nepal, Sanjay Golchha, said that the showroom was opened in order to provide all kinds of services related to Dell computers and laptops under one roof.



Maoist Student Wing Against Leaders' Admitting Wards In Pvt Schools

As the convention of the Maoist-affiliated All Nepal National Free Students Union (ANNFSU-Revolutionary) gets underway in Kathmandu, preparations are being made to formally register a proposal banning the Maoist leaders from admitting their children in expensive private schools. Since the ANNFSU-R has been leading strikes against the private education, they have pointed out that the practice of their own leaders sending wards to private schools must be ended. The Maoist-affiliated student body has said that this practice could deteriorate the situation of discriminatory education. "Majority of Nepali peoples' children are admitted to public schools. Therefore, our leaders also should send their children to public schools," said Lekhnath Neupane, president of ANNFSU-R.

Ration Card For Poor People

The government is preparing to provide ration card to people who have low income. The ration card will entitle the holders to subsidized rates of essential goods. The Ministry of Supplies is preparing to provide 17 such essential goods in subsidized rates to ration card holders. The draft regarding the preparation and distribution of ration card is on final stage, according to an official at the Ministry. The government is set to provide goods at subsidized rates through National Trading Corporation. Based on a ration card, a person can buy 30 kgs of rice, one cylinder of cooking gas, one liter cooking oil, one kilo sugar and pulse and salt every month at subsidized rates.

Slump In Real Estate Could Hurt Banks

The slump seen in the real estate sector is set to hit hard the commercial banks as a considerable portion of their lending is exposed to the sector. In recent times, the prices of real estate in capital have come down by up to 30 percent. According to bankers, this will start hitting the banks within a year. "Around half a dozen commercial banks and most of the financial companies have lent heavily in this sector. Their bad debts could escalate," said a banker. Some finance companies have given loans based on the value of real estate without considering the financial situation of the lender. Currently, the total lending on land and housing sector is over Rs 85 billion. Earlier, following concerns raised by international agencies like International Monetary Fund (IMF), the central bank had issued guidelines asking the banks and financial institutions to limit their exposure to real estate. ■



Bima Samittee Chairman Dr. Fatte Bahadur K.C. Inaugurating Newly Constructed Building of Shikhar Insurance Company Head Office at Thapathali



Thus Was Sitaula Proposed

A day before the central committee was due to meet; Nepali Congress President Sushil Koirala had the name of Ram Sharan Mahat to be proposed as general secretary of the party. When he came up with Sitaula's name, instead, in the meeting even members close to Koirala were taken by surprise. According to them, India's Nepal expert S.D.Muni in a meeting the earlier day, had persuaded Koirala to nominate general secretary despite the fact that he had finished 15th in



the central committee members' elections. While proposing his name Koirala had not consulted anyone. That is why even pro-Koirala members had opposed the move. The opposition forced Koirala to suspend the meeting for an indefinite period. Rumours have been rife that Koirala took the move to improve the relations with India. Koirala has confided to Sher Bahadur Deuba and a general secretary-aspirant, Arjun Narsingh KC, about his compulsion. (Dristi, Dec7)

Peace Process In Coma

The five-year-old peace process is now in coma. Coinciding with this, powerful centres which reluctantly helped put Madhav Kumar Nepal in the prime minister's chair are now seeking prolonging the life of the caretaker government. This will mean that the dissolution of the constituent assembly will be inevitable. That the faction soft on India has become weakened while the hardliner faction has gained after the Palungtar Maoist meet is also likely to invite strong reactions from the powerful centres (of the south). This could lead to miraculous developments in the future as they did in the past. If India decided to follow a new course it will be difficult to predict the emergence of the new forces out of blue. At a time when the forces that had been backed by the people have become weak royalists have also begun to be active. That the peace process has been at peril is a boon to the royalists. Fed up with the parties and their activities, the commoners and the professionals alike have already begun to look for an alternative. The danger has been looming large that they might stand behind a dictatorship in case it happened. What kind of response the former king Gyanendra got during his recent India tour could be key in determining the future course of politics. Whatever be the truth, one thing is certain, that the peace process will not be completed nor the new constitution of the democratic federal republic of Nepal will be made, although this might sound too extreme. (Nepalipatra, Dec 3)

Paras Arrested

Former Crown Prince Paras Shah who allegedly opened fire

targeting Deputy Prime Minister (DPM) Sujata Koirala's daughter and son-in-law at Sauraha-based Tiger Tops Resort in Chitwan, was arrested by Police in Pokhara under the arrest warrant of Chitwan District Police Office.

Former Crown Prince Paras Shah was escorted to Chitwan in a helicopter on Tuesday (December 14).

Although the meeting convened among the officials from the Home Ministry, Nepal Police, Nepal Army (NA), and the Armed Police Force (APF) had decided to take Shah in his own vehicle, it is reported that Shah himself managed a helicopter for the purpose.

Shah was detained today for his involvement in the Tiger Tops Resort incident where he reportedly opened fire towards Deputy Prime Minister Sujata Koirala's daughter and son-in-law on Saturday night.

Paras, the only son of former King Gyanendra Shah, said the blank fire was shot in a moment of anger, but was not aimed at any individual or the property of the Tiger Tops lodge.

The statement issued in Nepali says: 'After my program in Dhading and Sarlahi were over, I was in the restaurant of the Tiger Tops lodge in Chitwan along with members of my family. There were other people as well and a Bangladeshi and an Indian who were there along with other people in the same restaurant began chatting with me. And they started criticizing me and the institution I represented in the past in a provocative manner. Despite all my efforts to end the debate, they continued to remain provocative.' (Rajdhani)

Maoist Will Raise Arm: Vaidya

UCPN-Maoist Vice-Chairman Mohan Vaidya 'Kiran' said his party is ready to wage another decade-long war for the 'country and the people'.

Addressing the sixth national conference of the All Nepal Farmers' Association in Nepalgunj, Vaidya said his party is preparing to launch a well-coordinated struggle against regression. At the program, Vaidya said the country's condition is deteriorating by the day because of other political parties' attempts to isolate his party.

As completion of peace and constitution-making processes appears impossible in the given situation, we are planning to complete the people's revolution by bringing all sectors together, he said.

Time has come to fight for national independence, Vaidya said, adding that the Maoists will work for the people and not surrender to anyone.

The Maoist leader informed that his party is all set to make its protest program public in line with Palungtar plenum's mandate. He urged the party cadres to stand united. (Annapurna Post) ■





MEDIA TRENDS

-DHRUBA H. ADHIKARY

That Nepali Congress is a fissured political party does not need elaboration. And denials cannot change the reality. The ongoing war of words, through print and broadcast media outlets, between Sushil Koirala and Sher Bahadur Deuba serves as solid evidence of the power struggle inside the party. A recent report from Chitwan said an irritated Deuba told inquisitive reporters to stop asking questions regarding his party's internal affairs. But is this a tenable position? Can whatever is happening inside the country's oldest surviving party—with democratic credentials—be likened with a trivial row between husband and wife, and left as a private matter?

Let's see this subject in another context. While Deuba might have issued an edict on the reporters chasing him, persistent journalists were not probably restrained to put up their queries when B. Lynn Pascoe, UN Under-Secretary General for Political Affairs, was addressing them on December 4. A look at the transcript of question-answer session makes it clear that none of the media representatives bothered to seek information on his visit to India just before he landed in Kathmandu. How would he characterize his meetings with Indian authorities on Nepal issue, for example? If the UNMIN transcript is correct, at least two of the media-persons present there belonged to Indian media organizations. Or did they find it prudent to skip the Delhi bit of Pascoe's trip?

After all, this seasoned American diplomat is Ban Ki-Moon's right-hand man.

★★★

WikiLeaks, the whistle-blower website, and its founder editor, Julian Assange are sure to remain in the headlines worldwide for the time being. While the site has been subjected to stoppage and cyber attacks, Assange was detained in London on the basis of an arrest warrant issued by Sweden. And the Swedish authorities acted on the complaint made by two women



of rape. Initial media reports had it that since the sexual encounters were of consensual nature, the rape charges had been dropped. But it got mysteriously revived' now—at a time when Assange is being harassed for having leaked diplomatic

The general perception at the moment is that credibility of media, including that of the print, is on the decline. And polarization along party political line alone is not responsible for this disappointing trend.

cables between Washington and the US missions across the globe. Since no democratic government wants to be seen taking measures to curb freedom of expression, some of its employees appears to have put in their ingenuity for implicating Assange in a sex-related case. Such a plan was bound to hide the real agenda. In an article published in The New York Times, former German ambassador in Washington, Wolfgang Ischinger, conceded that his country's foreign ministry decided to publish 53 "major diplomatic cables" dispatched by the team he led in 21-day negotiating process in the Dayton peace talks on Bosnia and Herzegovina in 1996. The reason for publication of those cables was that the German contributions to the talks were not duly recognized by the concerned parties. Anyway, this admission by Ischinger is a proof that release of cables are not something new or startling. After all, the media is expected to work for a larger public interest in any society that claims to have a democratic foundation. This is what Julian Assange, 39, is too saying. "Democratic societies need a strong media and WikiLeaks is part of that media," he wrote in his country's newspaper The Australian.

Don't shoot the messenger. He is essentially reiterating this universally accepted principle.

★★★

Nepal's media spectrum is growing, and expanding. The number of FM radio stations is over 300; and television channels more than a dozen. These numbers can be interpreted as a positive development. More the merrier, as the saying goes. But numerical growth does not necessarily—and automatically—ensures a credible media for the country. An element of competition can definitely bring some improvement, with concomitant changes in the entertainment segment. However, news and current affairs side of broadcast and online media has to have a high quality service to stay in the market. The general perception at the moment is that credibility of media, including that of the print, is on the decline. And polarization along party political line alone is not responsible for this disappointing trend. Profit-seeking tendency has led some investors to air/print sponsored contents in the garb of news and independent analyses. Neighbouring India's press council is already fighting this malpractice of disseminating "paid news". Another factor that is denting media's credibility is media owners' inability to hire trained and competent journalists for the newsroom. They pay very little attention for updating journalists' knowledge and skills. Meanwhile, those who have succeeded in sneaking into newsrooms through "right

connections" have found themselves lured to a series of unhealthy fads.

One of such fads is visible in the form of their attempts to air public opinions based on polls/surveys on contemporary issues. One often sees the anchor posing a question like : should Prachanda be made next prime minister of Nepal ? When the results are aired in the subsequent broadcast, Prachanda is shown getting the support from 65% of the viewers, without informing the audience about the exact number of viewers who responded to the question. This presentation is obviously incomplete, and can be misleading. Percentage alone does not mean anything unless supported by actual figures. Here is an example :if a new high school has sent 10 students to appear in SLC and all of them pass the examinations, the headmaster can claim a hundred per cent success. Compare this with another school which sent 100 students and 90 of them score pass marks, but it turns out to be just 90 per cent. If the district education office does not reveal the actual number of students sitting in examinations from each of the two schools-- and cite only the percentage, the school with 10 students would be seen to have produced better results. But does this depict the ground reality ?

Over the years, I have seen one English newspaper, and a weekly at that, which has been publishing such polls and surveys in a proper, professional manner. Most of the times I have found The Nepali Times' questions topical and sensible and those are accompanied by a set of logical options to choose from. The paper shows the percentage of polls, and the important point is that it never forgets to print the precise number of votes received. This item used to be a front page attraction for several years; but I haven't seen it in the print edition these days.

★★★

Janadisha, a Nepali daily run by the Maoist party, reported on December 3 that those attending the upcoming student conference would include the son of Peru's jailed revolutionary leader of Shining Path fame, Abimael Guzman (a.k.a Comrade Gonzalo). Doesn't the younger revolutionary have a name of his own ? Or perhaps this is a secret not to be revealed to the readers. ■

AMBASSADOR SOOD

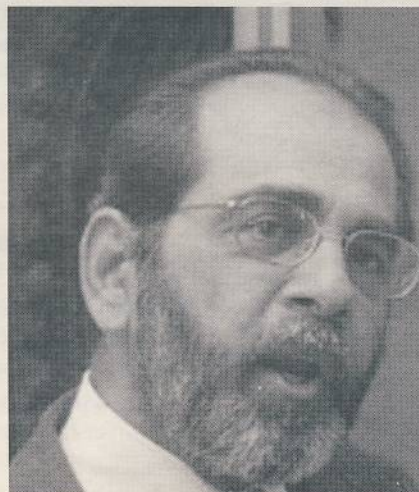
Mission Incomplete

By ABIJIT SHARMA IN DELHI

Will he, won't he? That is the question doing rounds in Delhi - as in Kathmandu.

The reference is to the continuation of the controversial Indian ambassador to Nepal, Rakesh Sood, till he completes his term in March next year.

Seen by a section of the media and the political circle in Nepal as the 'bad boy' of the Lainchaur mission, he does



Indian Ambassador Sood

not have many sympathizers in the South Block as well, according to knowledgeable journalists based in Delhi.

Not unexpectedly, therefore, the speculation about Sood being prematurely recalled did originate in Delhi.

The story found its way to The Telegraph of Kolkata which stated that recalling Sood was a part of Delhi's attempt 'to re-calibrate relations' with Nepal.

The External Affairs Ministry was quick to defend the beleaguered diplomat: 'Sood is not unpopular in Nepal and during his tenure, dialogue and development cooperation with Nepal has progressed substantively'.

The statement was however silent on whether he was being recalled or not, nor

did it claim that the bilateral relations were at its best during Sood's tenure.

Knowledgeable journalists in Delhi say, Sood may not be recalled before he completes his term in four months' time. But he will certainly not get an extension unlike his predecessor, Shiv Shankar Mukherjee.

"An extension is impossible," they said.

After Sood, special secretary in the ministry of external affair, Jayant Prasad,



Jayant Prasad,

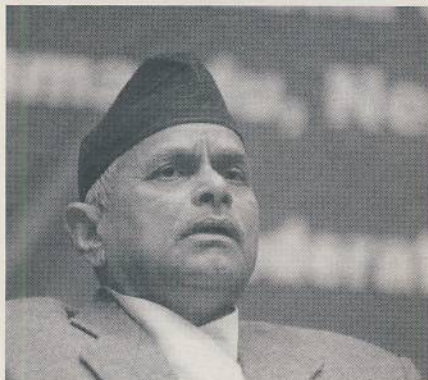
is widely tipped to head the second-largest Indian mission abroad that his professor father, Bimal Prasad, occupied about two decades ago. ■

NEW SPOTLIGHT

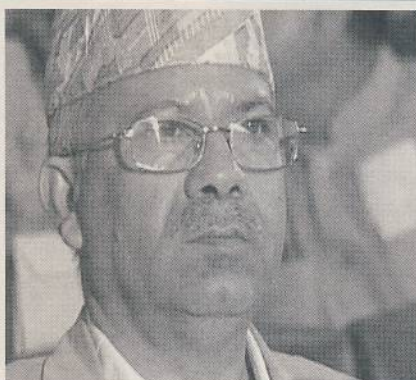
NEWSMAGAZINE

Available at the following stands

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



President Dr. Yadav



PM Nepal

INTRA-PARTY POLITICS

Live And Locked

With all the three major parties struggling to keep their house in order, unlocking the national deadlock remains a distant dream

By SAROJ DAHAL

Two days after the caretaker prime minister Madhav Kumar Nepal returned home from a much-criticised ten-day foreign sojourn, the main opposition Maoists greeted him with a surprise.

Backed by five fringe parties, the Maoists petitioned president Ram Baran Yadav to convene the special session of parliament which the latter obliged the following day.

The session has been called on



Maoist Chairman Prachanda

December 19. Furious, the prime minister accused the Maoists of seeking a confrontation instead of a consensus.

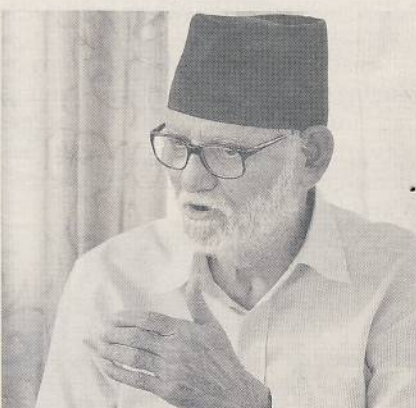
On their part, the Maoists appear to be trying to shorten the life of the caretaker government.

Said the party's whip, Jaipuri Gharti, "we want to initiate a fresh process to elect the successor to the incumbent prime

minister."

The Maoist move followed persistent reports of a tacit agreement among the three big parties on heading the government on a rotation, beginning with the only candidate left in the yet-to-be complete election - Ram Chandra Poudel of the Nepali Congress.

There had been speculations that the Maoist party had resigned to the eventual election of Poudel to the top executive office while the so far neutral UML had decided to withdraw its "consensus"



NC President Koirala

mantra and throw its weight behind the Nepali Congress parliamentary party leader to head a majority government.

Sixteen rounds of the elections before the parliament was abruptly prorogued had failed to produce a result. With Maoist chief Pushpa Kamal Dahal 'Prachanda' withdrawing after the seventh round, Poudel was the lone

candidate left in the fray.

The deadlock over the prime ministerial election however shows little sign of breaking soon.

This has more to do with the intra-party wrangling than with inter-party differences.

The worst affected is the main opposition. It is undergoing one of the worst internal crises following the recent Palungtar plenum, where the hitherto all-powerful chairman Prachanda was openly challenged.

If the first vice chairman Mohan Vaidya 'Kiran' is dead against Prachanda making any compromises with other parties, second vice chairman Baburam Bhattarai is now staking claim to replace Prachanda as the leader of the parliamentary party.

If Bhattarai did succeed it will clear way for him to don the mantle of the office his boss had been desperate to regain.

The UML is a divided house too. Personal egos and ambitions have prevented the top leaders, chairman Jhalnath Khanal, prime minister Madhav Kumar Nepal and the outspoken senior leader K.P.Oli from putting up a common position on the formation of new government.

Even as Nepal and Oli renewed pressures on changing the party's 'neutral' policy on the PM's election. Khanal remains adamant on his 'consensus' stand.

The party's central committee that began on December 14 was set to break



UML Chairman Khanal

the deadlock and make a new start.

General secretary Iswor Pokharel says, "unless the Maoist party understands the compulsion of Prachanda to support a Congress-led all-party government, the new government with the UML on board could be formed without the Maoist participation in it."

Any decision is however fraught with

the danger of a dramatic development in the party's future.

The Khanal camp is still harping on what critics dismiss as the 'outdated consensus' formula.

Said a Maoist politburo member Ram Karki, "the national politics will take a decisive turn once the UML bridged its internal differences".

The Nepali Congress has put up a relatively united stand. There does not seem to be any difference on the party leading the government.

"We can trust the Maoists to lead the government in the next turn under a rotational basis only when they show real sincerity in implementing the promises to make the peace process work," said the proposed general secretary, Krishna Prasad Sitaula.

But the Nepali Congress is itself too deeply involved in the disputed nominations for the vice president and the general secretary to make a substantive effort to break the political deadlock besetting the national politics.

The rival camps of president Sushil Koirala and the former prime minister Sher Bahadur Deuba have their priorities set on consolidating their respective positions in the party, rather than on playing a more proactive roles in the broader national spectrum.

Amidst such deep intra-party disputes the special session will find it difficult to offer any solution to the political stalemate, nor will a routine session be any different.

The latest souring of relations between the president and the caretaker prime minister over the former's calling of special session despite the latter's opposition to making what he called a hasty decision will only make the matters worse.

President Ram Baran Yadav had earlier reprimanded the prime minister, after he came back from a tiger conference in Russia, over his indulgence in foreign junkets and "indifference" to address crisis at home and advised him to stop going abroad.

Prime minister Madhav Kumar Nepal ignored the advice and went ahead with his plan to tour Cambodia and Belgium.

Now, the prime minister is peeved that the president did "rush" to act the main opposition's call for a special session of the parliament.

Every new day and every new event are only adding to the complexities in the national politics. They are raising new questions than provide answers to the deepening crisis. ■

NEIGHBOURS

The WikiLeaks Message

Cables that bared open a secret could be a guide to the turn Nepal's painful political transition may take

By SUSHIL SHARMA

The Wikileaks disclosures have not caused a tremor in Nepal as yet. The two thousand US embassy cables, said to be in the Julian Assange-owned website's possession, have not found their way to the media yet.

Some cables concerning the two big neighbours have however created a ripple. In one of them the Indian external affairs secretary, Nirupama Rao, talks about how the Indian funding of the Nepali Maoists did not bring the desired results.

In talks with US special envoy, Richard Holbrooke, she observed that it had failed to bring in the Maoists in Nepal and was likely to fail for similar reasons in Afghanistan. (see box)

Coincidentally, one senior Indian official accompanying secretary Nirupama Rao in talks with the US envoy was an experienced Nepal hand.

Joint secretary Gayatri Kumar was a senior diplomat in charge of political affairs in the Indian embassy in Kathmandu when the Maoist insurgency was peaking.

That the former rebels did get foreign funding, logistics support and training had long ceased to be a secret, notwithstanding the much publicized "home-grown revolution" tag to the ten-year bloody insurgency.

But, that the world's largest democracy failed to buy the loyalty of the champion of the one-party authoritarian outfit is a revelation.

What remains to be revealed is the time frame the Indian external affairs secretary was talking about. Was Rao referring to "the ten years" of insurgency? Or was it a reference to bringing the



The Late Richard Holbrooke

"nationalistic" Maoists to the peace process through the 12-point Delhi deal which her boss, Pranab Mukherjee, in an Al Jazeera interview, had claimed to have facilitated?

The latter is more likely, say those in the know.

More WikiLeaks disclosures will possibly raise the curtain up. And bring the curtain down on any move to "engage" the "unreliable rebels" who would neither renounce violence nor give up anti-India rhetoric.

Classified By: Ambassador Timothy J. Roemer. Reasons: 1.4(B, D).

9. (C) Rao and Sinha raised grave concerns about Taliban reintegration plans currently under discussion. Sinha argued that no amount of monetary incentives would induce the Taliban to alter its core beliefs of intolerance and militancy. He was particularly troubled by the British plan which, in his view, takes Afghanistan back to the pre-1990s. Rao expressed skepticism that such a plan would work unless Pakistan changes its policy on supporting the Quetta Shura and other Taliban elements. She observed that it had failed to bring in the Maoists in Nepal and was likely to fail for similar reasons in Afghanistan.



Nirupama Rao



Climate Negotiations

Back On Track?

Embattled UN-led climate talks survive serious threats, but not for long perhaps

By NAVIN SINGH KHADKA
in Cancun, Mexico

It is one of those high-side experiences of a rollercoaster ride.

Coming as it does after the climate negotiations in the Danish capital Copenhagen hit an all time low last year.

But how long before the exhilarated spirit following last week's Cancun climate agreement begins downhill descend again?

The deal in the Mexican touristic spot was quite sudden and surprising as negotiations had remained deadlocked until the last day of the two-week United Nations-led meet.

Even what were said to be manageable issues like protection of forests, financing poor countries to adapt climate change impacts, among others, had barely seen any meaningful progress.

Consensus on highly contentious issues like who should cut heat-trapping greenhouse gases by how much - in these times of economic difficulties - and how should the reduction be measured and verified was simply out of question.

And yet the 194-nation UN climate

body announced an agreement touching upon almost all of these issues - most of them to be later discussed and decided, if ever.

Proponents of the deal, however, are still struggling to show if there were any real agreements that marked progress on past understandings.

So, why are they calling it a success then?

More than the content of the agreement, they see that the UN climate negotiations process has survived the threats it faced after the Copenhagen summit collapsed last year.

The edifice of the world body's climate regime had been rattled after the United States ganged up with and the BASIC group comprising Brazil, South Africa, India and China to bring out the controversial Copenhagen accord last year.

Since the non-binding accord was brought in from outside the UN framework, its convention refused to adopt it and simply took note of it.

And with countries like the US and some of its allies having embarked on a

diplomatic offensive to get other countries sign the accord, many thought that would mean slow death for the UN climate regime.

But the Cancun conference managed to get all the member-countries under one roof to announce the agreement.

Although there was strong opposition by Bolivia with moral support from Venezuela, Ecuador, Cuba and Nicaragua.

The US had to carry itself cautiously because any provocation risked big backlash as its Senate had only recently dumped the climate bill.

The good news for Washington was that while it couldn't be so vocal because of its defensive position, Japan was doing the job for it this time.

The Japanese delegation made it clear that they would not support the continuity of the Kyoto protocol - the US's nemesis - after it expires in 2012.

Russia echoed the same message in Cancun, giving another reason for the US to smile.

The treaty signed in 1997 requires rich countries to make mandatory carbon cuts while developing countries are exempted.

Citing that provision, the US had refused to sign the protocol while fast emerging economies like China and India have been its staunch advocates.

The issue of Kyoto protocol has been wrapped in a slippery language in the Cancun agreement.

Down to the wire negotiations in the future could well unmask it.

And the longevity of the UN climate process as well.

Post Palungtar Politics

YUBARAJ GHIMIRE



Post Palungtar, a clear political message has come out: the Unified Communist Party of Nepal-Maoist (UCPN-M) is quite united at least on the issue of not accepting pluralism, and by extension,

democracy. But, for obvious tactical reasons, the party has to retain the constituent assembly and ensure that, if, at all, it succeeds in delivering the constitution, that should not patronize pluralism and democracy. If Gagan Thapa, who secured the highest number of votes in the election to the Nepali Congress Working Committee, represents, in any manner, the mood of the party he belongs to, the Congress will not allow a constitution sans pluralism to be drafted and promulgated. By his own admission, Thapa has made it clear that the Nepali Congress, at most, can block the preparation or promulgation of a constitution, but is in no position to define and decide its contents.



UCPN-M Chief Prachanda has lost credibility outside his party totally. His statements, retractions, and reiterations to suit his 'politics' might have made him the most untrustworthy person in the eyes of other political parties and the international community, but does he care a hoot for that? For him, retaining the UCPN-M leadership and exploiting the differences between Mohan Baidhya Kiran and Baburam Bhattarai smartly are far more challenging issues. He can lay his claim to the government leadership only if he has a party backing him. Wise enough, he is careful not to allow the carpet slip off his feet. That is exactly what he did at Palungtar and then in

Kirtipur. Prachanda's message that Universities and Campuses must be turned into 'barracks', and his lieutenant Lekhnath Neupane's assertion that Pens and Guns have to go together are dangerous outcome of planned politics, that must be rejected right away. But who will fight that dangerous mindset and ideology? Yes, Baidhya understands that Prachanda is thoroughly discredited and exposed in the eyes of the party cadres, but it is far easier to arouse revolutionary fervor to the boiling point among youths if you are a good orator which Baidhya is not. An orator inspires that inspiration may be short-lived-youths easily whereas an ideologue may not be that lucky as he needs to be heard seriously, read seriously and then followed with commitment. That's where Prachanda scores over Baidhya. However, Prachanda will get into a real and serious problem if Baidhya ever decides to break away and carry on the revolt that he has been advocating for. Palungtar and Kirtipur conclaves have got much wider ramifications for the national politics, peace process and post conflict reconstruction.

The major, so-called pro-democracy, parties including the Nepali Congress and the Communist Party of Nepal-Unified Marxist Leninist (CPN-UML) have not yet analyzed and responded to the political message coming from there. Its bearing on the Comprehensive Peace Agreement needs to be gauged. Mohan Baidhya said there is no question of the party returning the property it confiscated during the years of conflict, and, instead, it needed to snatch more now. Under the CPA provision, the Party is not only obliged to return such lands and property to the rightful owners, it ought to have done already.

More than that, can peace process and the appeal from the UCPN-M to turn universities and campuses into barracks - even though Prachanda said it tactically to appear more revolutionary than Baidhya-go together? Is it not necessary for the Constitution Committee (CC) or the Speaker of the Constituent Assembly to extract a commitment for pluralism from the UCPN-M chief as a pre-condition to move forward on the constitution making process? Where does it take the 12-point agreement, the process parties to it followed and major political outcomes it produced during the transitional period? Who will be the ones the nation and its people should seek answer from when the promise is not kept? After all democracy is a system of accountability. Prachanda may always say he is accountable to his gun-wielding cadres alone, but Madhav Nepal and Sushil Koirala cannot just get away with such lame excuses.

The crisis that the country is facing is real. The exit of the United Nations Mission to Nepal (UNMIN) from the third week of January, confusion over the fate of Maoist combatants and Maoist leadership's continued call for renewal of armed revolt have already brought the psychological war to the threshold of a country divided, confused and terrorized. ■

"Peace Process Will Continue Even Without UNMIN"

At a time when there is a growing concern over the future of the Maoist combatants, Maoist People's Army deputy commander CHANDRA PRAKASH KHANAL BALDEV spoke to SAROJ DAHAL on various issues. Excerpts:

Any progress in the integration process?

Yes, there are certain progresses, but there is the need to do a lot of work to show the process is a success.

What do you mean by this?

So far as nominating the coordinator of the integration committee is concerned, because this was stalled over the last few months, we were able to implement it by consensus but the process continues to be interrupted after this. We are yet to make a major progress. After appointment of the coordinator for the integration committee, we have made certain progress.

Why is it so?

We are yet to agree on modalities of integration. We want to hold a ceremony to formally show that our People's Army is under special committee. However, the ceremony is yet to be organized. Another point of disagreement is the modality of integration and the monitoring mechanism of both the armies after the departure of UNMIN. Due to these factors, we are unable to make major progress.

The issues you have raised including the modality of integration and bringing Maoists combatants under government control have not been settled for a long time. That means you have not made any major breakthrough?

More or less what you said is correct. In the areas of integration, we have already completed three tasks. First we have handed over the bio-data of all the combatants. Second, we have passed the code of conduct. Third, we have appointed coordinator of the Special Committee for integration. At the same time we have discharged disqualified combatants. These are major achievements so far as the integration is concerned.

Do you mean integration is still a difficult task?

As long as political leaders do not take a major decision, I don't see any possibility to have a breakthrough in integration. I don't think Secretariat of Special Committee has such a mandate to decide on the fate of People's Army.

When you invited your combatants to the party plenum despite opposition from other parties, did this not indicate violation of the agreement?

I think both the parties are responsible for violating peace process. But, from importing arms and ammunition to Katuwal episode and fresh recruitment, we have to see who violated the agreement more and who violated less. One also needs to evaluate the violation made by Maoist party as well as our decision to send Maoist People's Army in Palungtar Plenum. We don't have any objection over there. It is a fact that all of us have committed some mistakes and there are certain weaknesses. The question is now to see who has committed more mistakes and who have less. We don't have any objections to evaluate the situation.

Don't you think the time has come to give a clear message about whether your party wants to go for rebellion or democratic process?

It is not only the issue of Democratic Republic. We have also raised the issue of federalism, constitution making and army integration. If we failed to deal with power sharing, new constitution and army integration in a package, our party, people's army, will not accept just the change in the constitution saying Nepal is a democratic republic. We launched People's War not only to remove monarchy and establish democratic republic. There are other things as well.

It means Maoist combatants are still under complete command of UCPN-Maoist party and they still follow the party's policy and line?

One thing must be clear that Maoist party and People's Liberation Army accept multi-party democracy of 21st century but we cannot accept the present pluralism. As long as the parties do not write the new constitution as per the mandate of the people and People's Movement II, our PLA will watch carefully



against any conspiracy against nationalism.

As UNMIN is leaving the country in a month, what will be the future of peace process and question of army integration after that?

Of course, some questions may appear but I don't think the peace process derail. We have already developed a good mechanism during the four year long peace process. I don't think it will easily derail. Even during the period of conflict, our army always remained disciplined. I don't think they will come out now. I don't think Nepal Army will also break the peace process. The process will move on the basis of political consensus. Both the armies will follow the decision taken by all parties. I don't think there will be a major disturbance even after the departure of UNMIN. The process will move as in the past. I don't think there will emerge any major problems.

Your leaders have been saying that they signed the agreements with other parties realizing that winning the war was not possible. If that is true what is the guarantee that you will succeed the next time?

We have not been saying that we will go to war again. If the present political set up is unable to settle the political issues raised by us, we will change our style of struggle or we can change our war front. May be we go for peaceful rebellion. One thing is certain that we cannot sign agreement with other political parties on their terms.

But, your party entered in the mainstream politics by signing the agreement with other parties.

We definitely joined the mainstream politics by signing the agreement but we cannot accept anything that goes against the demand raised by our party during 12 years of people's war. ■



STUDENT PROTESTS

Difficult Days Ahead

As domestic students protest the proposed University fee hike, overseas students too feel the heat as the British government is likely to tighten the visa rules

By BHAGIRATH YOGI in London

Many saw it coming but very few might have had any inkling that angry students would even target the car carrying Prince Charles heir to the British throne—and his wife Camilla.

On the evening of December 9, minutes after the House of Commons voted in favour of increasing the University fees in England by nearly 200 percent—from £3,290 per annum to a maximum of £9,000—students went into rampage. Though majority of Britons still revere monarchy, it seemed that students were targeting anything part of the establishment including the royals.

Prince Charles and his wife remained unhurt and later visited a theatre. British Prime Minister David Cameron condemned the attack terming it 'shocking and regrettable.'

Tens of thousands of British students have taken to streets in recent weeks in London and other towns to protest against the coalition government's plans to hike University fees from 2012. The government says it has been forced to do so as it wants

to reduce huge budgetary deficit left over by the previous Labour government.

Overseas students, who arrive in the UK to pursue higher studies, will not be directly hit due to new proposals since Universities are already charging nearly three times higher tuition fee from them in comparison to the domestic students. The new coalition, however, is working on to bring new rules that will directly affect overseas students.

Impact on Overseas Students

'There is concern that the UK is attracting students who aren't always the brightest and the best. The Government wants to ensure that those who enter on a student visa come here to study, not to work or with a view to settling here,' said British Home Secretary Theresa May. 'Too many students, in particular those studying at private colleges at below degree level, are not in compliance with the terms of their visa. We must take action now to weed out abuse of the student system,' she added.

The UK Border Agency (UKBA) has started a consultation regarding its new proposals that may significantly restrict

admission and work conditions for overseas students and their spouses. New proposals include scrapping the provision of two year Post-Study Work (PSW) visa granted to foreign students who graduate from British universities and restrictions for students (as well as dependants) who want to work to support themselves.

'I have already finished my studies and am now waiting for my final results. Now, I am really worried upon hearing that the government may abolish the provision of PSW altogether,' said Karisma Giri, a Nepali student who arrived in UK last year to pursue Masters in Business Management. 'It will deprive a rare opportunity to gain work experience for thousands of foreign students like me,' she added.

British Universities, on their part, are worried that new government rules may make UK less competitive and simply unaffordable for many overseas students. Dr Padam Simkhada, a senior lecturer at the School of Health and Related Research at the University of Sheffield, UK, said that over 80 percent of the students at his department are from outside the European Union. 'The new rules proposed by the government could force departments like ours to close over the period of time,' he added.

Overseas students contribute an estimated 6.5 billion pounds per annum to the British economy. Universities say new rules proposed by the Conservative-Liberal Democrat coalition will hit them directly.

'This looks like a double whammy of significant spending reduction and making it harder to recruit staff and students,' Professor Steve Smith, president of vice-chancellors' umbrella group, Universities UK, told The Guardian newspaper. 'In a sector that's seeing 60% to 70% cuts in funding, this could be a serious blow to the UK market in the face of huge competition from other countries that are investing in higher education.'

As British economy is trying hard to emerge out of the impact of global economic recession, it seems overseas students may find Britain a less welcoming place as the new government makes their entry conditional and difficult. ■

LOAD SHEDDING WOES

Power Struggle

Even as the hours of load shedding are set to increase along with the wintry chill, the Ministry of Energy is a scene of extraordinary power tussle. The Minister and the Secretary are not even in speaking terms. Independent power developers have warned that their quarrel has resulted in erratic decisions by the Ministry. The latest being the letter written by the Minister asking the Department of Electricity Development to suspend all processes related with the electricity licensing. Caught in this fight is the hope of the people that the load shedding woes will go away sooner than later

By SANJAYA DHAKAL

The quarrel between the Minister Dr. Prakash Sharan Mahat and Secretary Shankar Koirala came to the fore after their public spat over the appointment of Arjun Bahadur Karki - the former Managing Director of Nepal Electricity Authority (NEA) - as the chief of Upper Tamakosi project.

Despite the cabinet decision to appoint Karki as the chief of the project, the minister later backtracked and asked

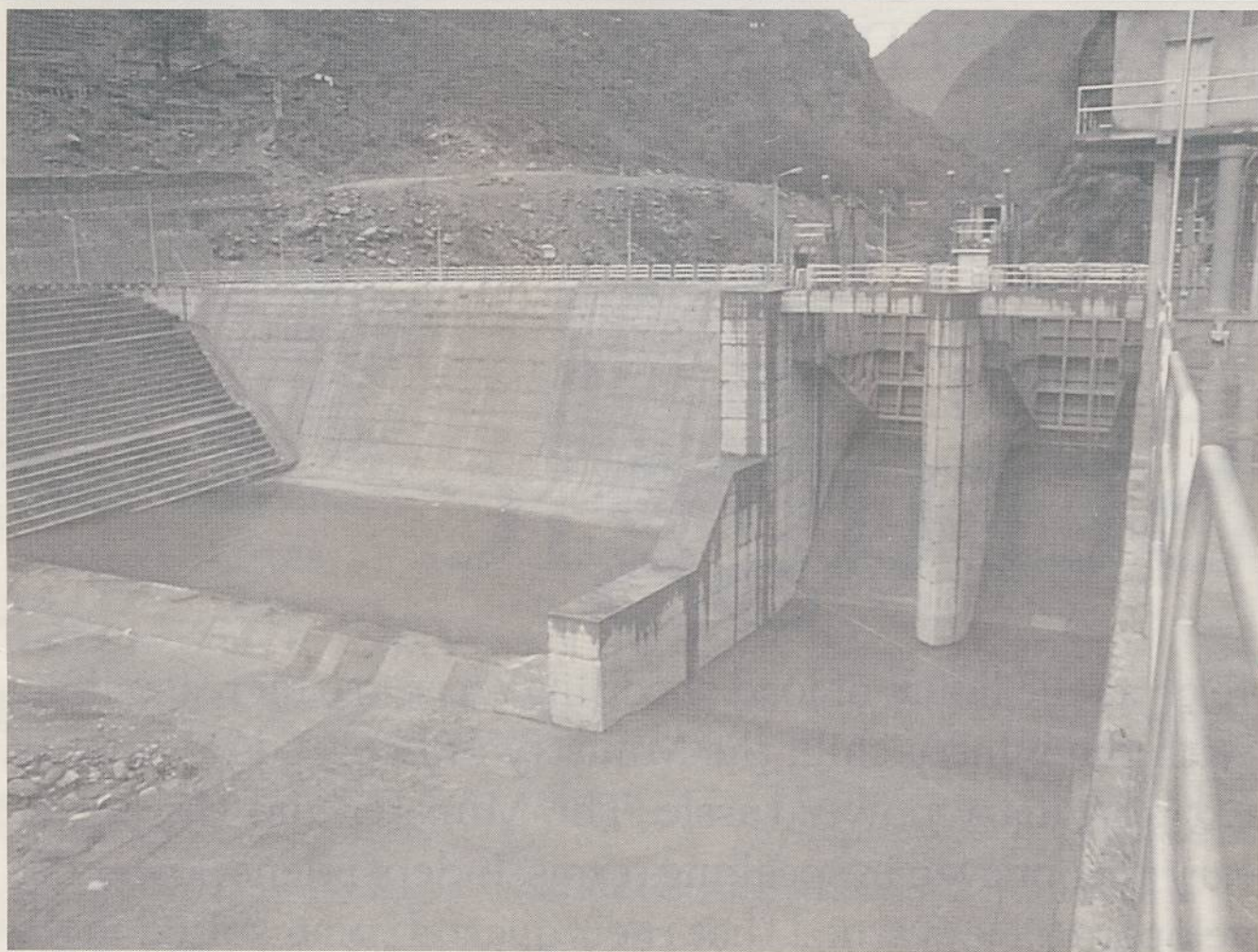
the Secretary not to hand over the appointment letter. However, the Secretary - probably thinking the caretaker government did not have much life remaining - went ahead and gave the letter, inviting the wrath from the minister.

In what many private power developers see as the consequence of the rivalry between the minister and the secretary, the Minister (on November 28) wrote a

letter - sealed confidential - to the Department of Electricity Development, asking for the suspension of all licensing procedure.

The licensing procedure, normally, falls under the domain of Secretary. The Minister has said that he wants to 'evaluate' the procedure and, therefore, has ordered for their suspension for the time being.

"The decision to suspend the



Bhotekoshi Dam

procedure appears ill-intentioned. We agree that the Minister can and should evaluate whenever it is necessary. But in the name of evaluation, he can't just shut down the whole licensing procedure, suspending renewals, generation licenses and so on," said Shailendra Guragain, a private power developer and a member of Independent Power Producers Association of Nepal.

The latest spat in the Energy Ministry comes at a time when the efforts to overcome the crippling load-shedding appear uninspiring.

This winter, the NEA has projected the load shedding hours to cross 14 hours a day. In the last one year, only 2 MW of new power plants came into operation and in the coming one year, another paltry 16 MW of additional power is expected to join the national grid.

"These are very small additions if you compare with the growing additional demand of anything between 60 to 100

MW every year," said Guragain, who is behind two companies that will be generating 9.5 MW of additional power in the next one year.

Irony

The decision of the Energy Minister was followed by reports in media quoting NEA officials that the state-owned power monopoly was considering stopping entering into any new Power Purchase Agreement (PPA) - citing growing losses.

Hari Bairagi Dahal, president of Small Power Developers Association, is exasperated with the situation.

"In a country where the Minister is busy quarreling with his Secretary, where power authorities talk about stopping PPA, how can anyone expect load shedding will be resolved," said Dahal.

In fact, the IPPs had been demanding that the current PPA rates offered by the NEA were inadequate. The

NEA has offered Rs 4 and Rs 7 per unit, respectively, for wet and dry seasons. The IPPs say this rate is not enough to lure the investors.

"No one will take the risk of investing in highly sensitive hydropower if they are not lured financially. The current PPA rates are not good. The NEA should be offering a flat rate of Rs 6 per unit in order to entice the investors," said Dahal.

But the NEA thinks otherwise. Already running in losses to the tune of Rs 19 billion, the NEA is feeling the bitter pinch of PPA.

The NEA officials say that once they sign PPA, they will have to either pay or take the power from the producers - which is fine but for a little snag.

The PPA means that the NEA will have to construct transmission lines to bring the power from project site to the grid. As per the existing laws, NEA is

'No Need To Make Mountains Out Of Molehill'

DR. PRAKASH SHARAN MAHAT, Minister for Energy

Why did you suspend the licensing procedure?

Well there was a need to evaluate the licenses and the procedures. Therefore, the procedure has been suspended for a short time.

When the load shedding is worsening, how can you justify suspending the procedures, which the developers say could hurt their investment in this sector?

There have been gross misrepresentations. We just want to evaluate the procedures to improve them. Besides, we have not suspended providing generating license. Only the survey licenses are being reviewed and, that, too, for a short time. No need to make mountains out of a molehill. Licenses for 13000 MW worth projects have been issued. Nobody is talking about suspending them. This hue and

cry is being generated from certain quarters with ill intention.

Is it true that you made the decision in order to humiliate the Secretary, who otherwise is authorized to decide on licensing procedures?

That is nonsense. It has nothing to do with the differences with Secretary. In any case, a minister can always decide to evaluate the processes.

But in the name of evaluation, why have to shut down the whole process?

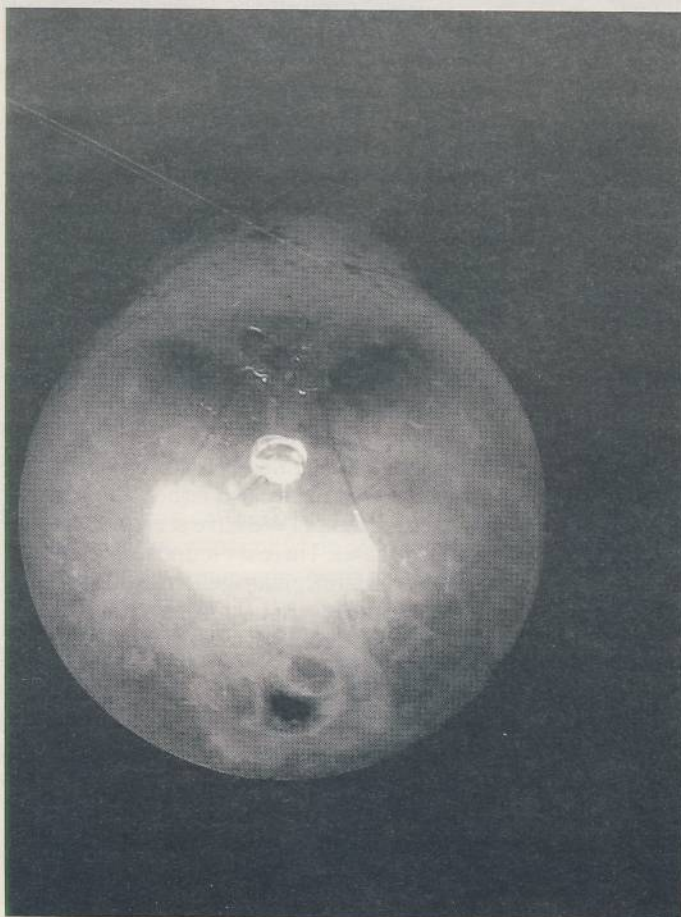
Sometimes, you need to suspend the entire process for evaluation. Anyway, evaluation process has already begun and it will take only a few days.

But your quarrel with the minister is, indeed, hurting the normal functioning of the Ministry, isn't it?



It has nothing to do with the differences. Anyway, those who have responsibilities must fulfill them. No one can tolerate incompetence.

(Excerpts of the interview with Dr. Mahat by Sanjaya Dhakal for BBC Nepali Service)



the sole authority to build transmission lines.

But the budget allocated for the transmission lines construction is too meager, say NEA officials. And this means, the NEA will not be able to construct transmission lines, without which they cannot bring in the power for which they will have to start paying based on PPA.

Two years ago, then Minister for Water Resources Bishnu Poudel had unveiled 38-point guidelines for hydropower development. It included the government's commitment to invest Rs 50 billion in transmission lines for 10 years - at the rate of Rs 5 billion a year.

This year, the NEA had asked for around Rs 1.5 billion for constructing transmission lines (already Rs 3.5 billion less than the commitment made in the guideline) but it only got Rs 400 million sanctioned by the Finance Ministry in the budget.

"This amount will be used up trying to bring the power from the single 10 MW-Sipring project in Dolakha. The transmission gridlock will continue to worsen," said Guragain.

Clearly, there is a mismatch between the government's commitments and the practices.

In the wake of two subsequent reports - the suspension of licensing procedure and the likelihood of suspension of new PPAs - not only the private investors in the power sector but also the common people suffering from the crippling power cuts are in despair. ■

"Nepal Has A Rich Tradition"

- ELINOR OSTROM

I went to the hills of Nepal and learned something from the farmers. Similarly, I learned innovations from other parts of the world.

Nobel laureate ELINOR OSTROM is a distinguished professor and recipient of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2009. Ostrom is also an Arthur F. Bentley Professor of Political Science, and Senior Research Director of the Workshop in Political Theory and Policy Analysis, Indiana University, Bloomington; and Founding Director, Center for the Study of Institutional Diversity, Arizona State University. Prof Ostrom, who has visited Nepal several times in the past, studied Nepal's community managed forests and irrigation systems. She won several international awards and recognitions for her work. She was recently in Nepal at the invitation of the government and the Asia Foundation after becoming the Nobel laureate. At the end of her four-day visit, she interacted with media persons. Her views are compiled here by KESHAB POUDEL:

How do you like Nepal and what inspired you here?

I have learned from everyday life of people of the whole world that the millions of human innovations and influences did not happen just in government offices. Such things are everywhere. I went to the hills of Nepal and learned something from the farmers. Similarly, I learned innovations from other parts of the world. Every society has its own ways to go about innovation. Local farmers have their own systems and knowledge. What we really need to understand is that ingenuity and ability are everywhere.

What role the media need to play in a society like ours?

Media really need to be fair and free. They should not report the misdoings of one party against the other. Only after that reporting can be more real. The press will be very important in the whole process of political transformation in Nepal.

As Nepal is in the process of constitution writing, what is your observation?

In terms of new constitution writing, one of the things I am encouraged is that you have courts that are open to all and intensive discussions are going on. You have free media and strong community.

What is the most important thing that should be in our constitution?

Right to make peaceful protests should be protected by your constitution. This is very important in all democratic constitutions. I don't know whether it will be protected or not. However, you need to develop peaceful protest mechanisms. Sometimes, protests in the street are important, to show solidarity. But the differences are whether the protest marchers are peaceful or violent. Don't go for temptation other than to go for peaceful demonstration.

How do you view Nobel laureate Ostrom's visit to Nepal in place of a researcher Ostrom's?

Well, this is not like my normal visit. It is wonderful.

I met many people here in Kathmandu. I am learning about what is happening a bit. I am uncomfortable sometimes when people turned to me for 'the' answer. You heard me repeatedly come back from providing 'the' answer.

Why do people want "the" answer?

That is probably due to misunderstanding about science. We have a sense that science has the answer. Knowledge is not just about an answer, it is about knowledge itself or about the processes. Sometimes complex processes are interactive and you need to know about the processes are different before you can judge what is happening. If you ask me about the state of community governed forest work, I refused to answer that. There are many instances of failure of community forests. You need to go for a long history and process. Then I can answer. Not when people want to have 'the' answer for the problems.

At the time you are visiting Nepal, the government has decided to forward a bill to amend the Forest Act intending to reduce the role of community and Nepal Electricity authority has already scraped a Community Electricity Division to stop participation of the community in the electricity distribution, how do you look at these developments?

Even our research showed that when communities have real rights to organize and responsibility to work, they are able frequently to manage forests and irrigation systems very effectively. There are lots of evidences in support. If I were a Nepali and I was talking to the persons involved in that, I would urge them not to do that. Of course, there is no right without responsibility.

The government has been giving the reason that the community forest systems have many loopholes and they need the amendment to manage them well?

It does not mean every time a forest or a water system managed by community is always positive. It does not mean that all are bad either. There is the need to have a balance. We have seen in irrigation systems of 250 cases. There we found real statistical differences of the farmer managed irrigation systems outperforming, the government managed and agency managed systems, that is what we found.

What role did your research in Nepal play for your Nobel Prize?

(Laugh ...) I have no idea. I don't know that be pegged. I have no evidence. They indicated my research on the comments.

How has it changed your life, that you received the first call, that you received the Noble Prize in economics?

I am very appreciative of the honor and it is a great honor. After this, everything has changed. I am



turning down 15 invitations every week now. I am faster in the email than I was earlier. The work is really tight.

How do you perceive the new challenges in the community managed systems where political interventions have led to lack of proper community participation?

I am not in the field recently. In earlier junctures, some irrigation systems, which were community managed, had a vocal role and they acted very strongly. Party politics never entered in the debates. When they were debating about how many hours they needed to disband the water during the repairing time and any of the huge numbers of questions they said were deeply held norms. There is no influence of national politics.

Do you mean communities do not want political interventions in community managed works?

They always said that the party politics has nothing to do with how to manage irrigation systems better. They opposed the discussions on the basis of politics. You do think about the business. If any of you are in the corporation, you need to do compromise. I am not denying the importance of the political parties but that has to do with much broader issues of governance and the feeling is that we have the elections and have judicial system which is fair and people like too.

Are all problems solved by the local community?

Some local problems are not workable. If you get into more general local community, it is very hard to see politics deterring out. If there are issues like how much money one is going to spend on education and the tax one need to pay. Even if one does not allow national politics, there may be green or brown groups at local level. There are divisions. Parties are organizing in some of the division but they are always national. It is very tricky and important.

As you are aware that Nepal is in the process of constitution writing, political parties agreed to follow a mixed economy with public, private and cooperative participation. Do you think such a model is good for Nepal?

I cannot address that, as one against the others. Among a variety of property systems that land is one. Land is frequently well held in private, not necessarily pasture land and forest land. Urban land is quite different. One needs to be very concerned about how we need to increase the knowledge about the urban land and cost the transactions as low as we can.

What is the critical tragedy of Nepalese economy?

That many people in Nepal think is a tragedy. However, you have a tradition that is rich but it is not a hundred percent shield. We look at failure in a way that is a community failure. It is terrible. In terms of modern economic development and a new private firm, it is something like third of all private firms which are established do not survive their first five years. They are failures or one thirds fail. Does that mean, they are all falling? We don't pick on that and that is one of the assets

I cannot address that, as one against the others. Among a variety of property systems that land is one.

of private market because they get a lot of innovations, ideas and resource. People try out. Some do not work and some do well. When we look at the failure of community level we see it as bad. We should not overemphasize failure. One of the things the media persons can be doing is also making stories about some of the unusual successes or failures. You need to balance it. If you write everything as failure, it cannot be justified.

If a person cannot have property, how can he or she benefit?

Do you have the right to go for work for somebody? Do you have property rights? They are going to make a big difference with slavery and freedom, sometimes bargain over working conditions and its resources. Serfdoms existed in a great deal of the world until that not a long ago and we have to give answers for. I am not encouraging to go back to that tradition, if you don't have any ownership at all.

During your visit to Nepal, you have met the president of Nepal, other officials and common people. How did they respond to your findings?

If you have genuine local control over some aspects, then the tax rates in one city will be different than another.

Well. I had good exchanges and people are listening. But, you can do an incredible job of making people respect their own country and not to hold on graft and corruptions. The role of the press is very important in keeping private and public sectors on track, reducing bad practices. If there are some efforts to look at the positive as well as negative sides, then Nepalese will discourage and they will roll back bad sides. Out of this I have heard a lot of positive things. If you don't feed positive things, it will discourage people. In farmer managed irrigation projects, the farmers spend a huge amount of work. Some of the irrigation canals built right through hills without any festive events. I have walked a lot of aid developed irrigation systems built by spending millions. However, these canals are not transporting water but mud. Interestingly, the farmers who work hard to construct the canals find the water in their canals all the time.

What model do Nepalese enjoy?

I don't think you want either to be dominant. The mixed will be better. There should be certainly a role for the state or national government. Part of that role is to support university and new innovations. Many new innovations come out, if there is a way to support innovation, and entrepreneurship. What do you want is innovations and new ways of thinking about things, based on your traditions. So there is difference between I will hate everything in past and I have often been on way for the future. That will be not very wise. Then you will be throwing some of your real assets. Your past and history is your part of traditions and assets. If you get rigid about those and you don't enable innovations, you can consume yourself.

What should be the government's role at different levels?

The government's role is in providing incentives. For instance, if some young people are doing new things to support education system, they should be given incentives: some from local taxes and some from national. If local people do not have real voice through voting, they have no choices. Should we make local people voiceless? No. I strongly support local units that have taxing power. But, it must be fair.

What are your own experiences of sharing the local taxes?



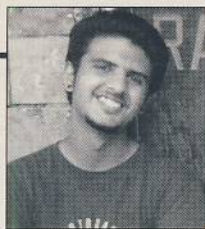
For instance, in our area, 45 percent of our local taxes are going to education and 25 per cent going to local roads. The national level taxes are spent for big ones. If local people can define how to improve the local roads with some volunteers, they can improve local level roads a lot and that is one way you can improve the commons. If your roads are better, people can move around. There is the need to have different models for different places.

You said same model cannot work in all places. If that is so, how federal model can successfully work in a small country like Nepal?

If you have genuine local control over some aspects, then the tax rates in one city will be different than another. If some of your units are not pictorially but are special districts where you can create something like lakes or a forest or an irrigation system that is not like a little city. One way of talking territory is nation units, regions and, somehow, then smaller units like county or city or something else. But, then those can be given power to make rules but the rules can be different. For instance, there are five different rules in California from Virginia. They are dramatically different. They have legal authority and they have done it properly, courts have looked at them. You don't have to have same rules everywhere specially in a country with rich ecology you have here.

When we are projecting that community participation in forest, irrigation have transformed the life in rural parts, the number of young people going abroad for labor tell other stories. How do you look at these two phenomena?

Well. People will have watched TV and they feel that they will get emancipated being in the cities and all the opportunities are in urban places and they have the sense that society is being rolled in traps. I am concerned about how often do you think and help about the rural enterprises? It is possible now in some towns for software development. You don't need a big building but a small building. Some see big buildings as inspirational, others not.



The Terror Of Corruption

By ABIJIT SHARMA

"Old habits die hard", goes a famous saying. This has proved to be quite true in the new India of today. Its age old habit of corruption has refused to die. Two recent studies have indicated that India still remains as one of the most corrupt countries in the world falling in the same category in terms of its corruption rate with war affected countries like Afghanistan, Iraq and Sierra Leone.

A BBC poll showed that people in India were more concerned about corruption rather than terrorism. According to the Poll, 30% of Indians said that they discussed corruption while only 25% claimed to have discussed terrorism in the past month. In a similar poll conducted by Transparency International, more than 50% of the participants revealed that they had paid a bribe to some sort of authority last year.

It is clear that corruption is creating more terror than terrorism itself! For obvious reasons. In what is being called a 'season of scam', top politicians, high profile personalities and even senior media persons, have been found scams involved in corruption.

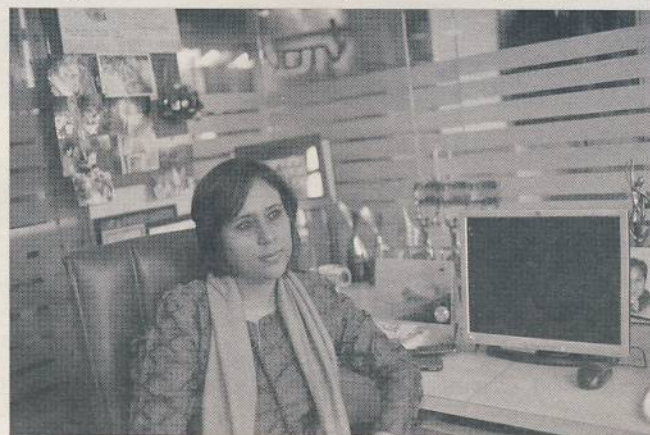
In a long list of scams this year, the first of such news to surface in the media was the Adarsh Housing Scam where Maharashtra Chief Minister Ashok Chavan was accused of allocating flats to civilians along with two of his 'distant' relatives in Adarsh Housing Society, a society meant entirely for Kargil War heroes and the widows of the Kargil war soldiers. Chavan was made to ultimately quit and the CBI is still questioning his role in the controversy.

Next in line was the 2G spectrum case where the then Telecommunication Minister A.Raja was accused of giving 2G licenses to private telecom companies at a much lower rate than the market price. It has been accused that Raja, in 2008, provided licenses to a selected number of firms at the market price of 2001 which ultimately led to a \$ 40 billion loss to the government. With pressures mounting from all corners, the tainted minister finally quit the office although he has still been arguing that he was framed and is completely 'innocent'.

While the opposition, BJP, kept pressurizing the Government over the 2G spectrum case demanding the resignation of Raja, little did it did know that its own Chief Minister was going to be hit by a similar allegation. Soon after the 2G spectrum case, BJP's Karnataka Chief Minister B S Yedyurappa was accused of allotting Government land to his family members at throwaway prices. Yedyurappa even faced criticisms from members of his own party and 40 of the 106 MLAs demanded his resignation. However, unlike Raja, he proved to be quite lucky as despite pressure from his own party, he retained his post as the CM and even formed a panel to look

into the case. Another land controversy featuring another Chief Minister, Mayawati, of Uttar Pradesh, surfaced a few days back when a news channel CNN IBN, claimed to have access to CBI reports stating that CM's brother was provided lands in posh sectors. Clearly, politicians in India can't seem to do enough to favor their families.

However, one incident related to high-level corruption which truly deserved wide media coverage but did not hog any limelight was the Niira Radia Tape Controversy. This one was



Barkha Dutt

truly unexpected and a lot of people were taken aback. The reason? Fingers were pointed at celebrity journalists such as Vir anghvi and Barkha Dutt. Sanghvi, a senior journalist with Hindustan Times and Barkha Dutt, the flamboyant journalist from NDTV, were found of having dubious conversations with a corporate lobbyist named Niira Radia, who also works as a PR Agent for Tata and Reliance companies. According to the taped phone calls between Radia, who was in close contact with the tainted minister A.Raja, and Dutt, the latter is seemed to playing the role of a messenger to the Congress Party. On the other hand, Sangvi, directly asks Radia over the phone as to what she wants him to write. Although the story was big, none of the big newspaper or channel thought it "big" enough except the Outlook and Open magazines. According to Manu Joseph, editor of the Open magazine, "It was clear that most editors did not want to embarrass top guns of their fraternity like Vir Sanghvi and Barkha Dutt. But it was also clear that almost all big media houses had something to hide.

With corruption happening at this pace, it is not surprising that more Indians worry about the problem in more than any others. With new scams emerging every other day, India should be ready to face a huge challenge: tackling corruption involving not only politicians but also senior beaurocrats, journalists and businessmen. Failure to do so will badly dent India's aspiration of becoming a superpower. That will remain a mirage.



SWC VS MOWCS

Small Tussle, Big Trouble

Whether it is intentional or otherwise, the tussle between the Minister for Women, Children and Social Welfare and officials of Social Welfare Council has badly affected implementation of projects run by International Nongovernmental Organisations (INGOs) aimed at improving the livelihood of millions of poor people in remote and rural Nepal

By KESHAB POUDEL

The United Mission to Nepal (UMN) has worked in Nepal for more than half a century. The INGO has contributed to Nepal's modernisation by supporting expansion of modern health services, education, drinking water supply, sanitation, electricity, and what not.

Although UMN's role in the humanitarian sector is unmatched, it always faced one or the other hurdle as it worked over the decades. Be it in the period of monarchy, or that of Nepali Congress, CPN-UML, or UCPN-Maoist, the concerned government ministry has always tried to curtail the role of INGOs. Presently, a Madheshi minister is set to give them a rougher deal. Development projects submitted for clearance have been put beneath the table of minister Sarbadev Ojha, who represents Madheshi Janadhikar Forum (Loktantrik).

After a tussle with the member secretary, Ojha, the Minister for Women, Children and Social Welfare, declined to give a go-ahead to proposals sent to

the ministry for approval. The delay in getting the ministry's approval has forced UMN, among others, to postpone several projects.

Minister Ojha is virtually stopping all INGOs from getting down to their work plans in the humanitarian sector. By holding the files, Ojha reasoned, he wanted to prevent member secretary of Social Welfare Council Chhewang Lama Sherpa from indulging in growing irregularities in his dealings with INGOs and NGOs.

"I have made several efforts to control corruption in the Social Welfare Council. When officials didn't listen to me, I was compelled to take this decision. I have solid evidences to show how member secretary and his team indulged in corruption in their dealings with INGOs," Minister Ojha told New Spotlight. Ojha is the chairman of the council.

Member secretary Chhewang Lama Sherpa denied this and termed minister Ojha's action politically motivated. "This is a baseless charge. I will not continue in my post if anybody found me guilty,"

challenged Sherpa.

Minister Ojha dismissed Sherpa and his team members, who were nominated by Maoist government for four years. But they were reinstated under the Court's order.

The Association of International Non-Governmental Organisation (AIN) has already expressed its serious concern over the pending agreements of 36 International Non-Governmental Organisations (INGOs) working in Nepal and the heavy impact the delay is having on the projects.

"INGOs are experiencing unusually protracted waiting times. These delays are incurred at the General Agreement level as well as Project Agreement level and the vast majority of agreements are held at the Project Approval and Facilitation Committee," said a senior official of AIN.

The average waiting time is unusually long in excess of 7 months and this relates to project agreements that are currently pending as reported to the Association of International NGOs.

Although all INGOs have accepted and are adhering to the regulations that request that projects be discussed and endorsed by District Development Committees (DDCs) prior to submission to the Social Welfare Council, the ministry is currently holding them without citing any valid reasons.

"The delay in approving projects has extremely serious consequences which include but are not limited to serious repercussions on our programmes and the people we serve: lack of protection, lack of access to life-saving services that could result in injuries, life-long disabilities or even death," said an AIN official.

Foreign experts working in these INGOs are facing problems as their visas are expiring and cannot be renewed prior to the approval of the agreements.

The Government of Nepal has committed itself on numerous occasions that it will support INGOs for their aid and assist them in development and humanitarian projects. Amongst these commitments are the Basic Operating Guidelines (BOGs) which were endorsed by all major development actors in Nepal. urges all concerned to allow full access by development

Role of INGOs

INGOs have been supporting programs to improve the livelihood of tens of thousands of poor people in Nepal from enrolment in schools, and building

suspension bridges to promoting civil rights, inclusion, and constitution making.

However, Minister Ojha's petty tussle with the SWC member secretary has stalled everything. "If the situation prolongs, it will be very difficult for INGOs to work," said Phanindra Adhikari, chairperson of Association of International NGOs. "The delay has already created a number of problems."

Clause 15 of the Social Welfare Council Act says any foreign non-governmental organization, if it desires to work within Nepal, shall submit an application to the Council for permission. The council, after receiving the duly submitted application, may give a decision within three months. The organization will need to reach an agreement with the Council to start work.

Delay in project approvals directly affect the most vulnerable groups in Nepal, namely children and persons with disabilities, children, ethnic minorities, and discriminated groups.

Work in health care, education, human rights, anti-trafficking, community-based rehabilitation, infrastructure, and poverty alleviation are also affected. In some cases, the ministries have added delay to project approval by insisting on the inclusion of



Member Secretary Chhewang

infrastructure projects, even demanding these of INGOs that work with governance, capacity building and human rights, i.e. non-infrastructure projects.

The current political stalemate between the Ministry of Women, Children and Social Welfare and the Social Welfare Council has challenged the one-window policy which has been in existence for decades. INGOs are shuffled from government office to government office in search of someone

who is willing to process the pending general/project agreements, to no avail," said the AIN official.

Founded in 1995, AIN is an umbrella organization of more than 90 INGOs working in Nepal with a shared goal of poverty reduction and sustainable development.

Nepal's Foreign Aid Policy stresses the need of INGOs in development sectors.

Strengthening the Social Welfare Council's role and giving it full autonomy to deal with INGOs and NGOs is one the basics of Nepal's Foreign Aid Policy. However, the Ministry of Women, Children and Social Welfare (MWCSW) hardly follows this.

MWCSW also declined suggestions by the Finance Ministry to go by the aid policy.

"If necessary, we will intervene. This kind of situation cannot go for long. The Finance Ministry has taken the issue seriously," said a senior official at Foreign Aid Division of the Finance Ministry.

"I want to bring the INGOs and SWC on the right track. The pending files will have to come to me," said minister Ojha.

"INGO-NGO partnership Guidelines for working in Nepal clearly mention about accountability and transparency. The AIN members need to show who we are and how we raise and use our resources, maintain records and make the decisions that affect all rights holders involved in our work," said an INGO official.

"We are accountable to our stakeholders, and rights holders for the effectiveness and efficiency with which we use the resources we mobilize."

As minister Ojha is critical about the role of INGOs, National Planning Commission's recently released three years interim plan 2010-13 recognizes and appreciates the role played by the INGOs in development process. From bloody Maoist insurgency to phases of uncertainty, INGOs have faced a series of problems. The present is one of the worst.

Role of Social Welfare Council

Clause 5 of Social Welfare Council Act says the council has been established to make effective co-ordination, co-operation, mobilization and promotion of the social organizations and institutions, in order to run social activities in a more organized way.

The preamble of the act tries to relate social welfare activities and various social



Minister Ojha

welfare oriented activities to affiliate with reconstruction activities, to provide humanistic livelihood to the weak and helpless individual, group and community and make them enabled to provide status and respect to the welfare oriented institutions and individuals and to develop co-ordination between social welfare oriented institutions and organizations. There are 191 INGOs registered with Social Welfare Council.

The role of SWC is to co-operate and co-ordinate with local agency while implementing the approved project. No pre-permission shall be required to those international institutions established under international agreements in which the Government is a party for assistance that relates emergency relief services, the act states.

The Council shall put the project proposal at the meeting of Project Evaluation sub-committee and grant approval will be made within 45 days by amending and altering it, if required. If any International Social Organization having obtained approval desires to manage assistance from any other source within Nepal, it shall have to obtain approval of the Council.

Whether it is intentional or for other reason or ego clashes between minister Ojha and the member secretary of Social Welfare Council, the recent tussle will have long term implications in the development process of Nepal and it will hurt the poor and oppressed populations. Unfortunately, INGOs, which champion the cause of inclusion and rights to poor, suffer under a minister who comes from their beneficiary community.

NEPAL INVESTMENT BANK

Awarded Again

After breaking all records back home, Nepal Investment Bank Limited (NIBL) won the prestigious Bank of the Year 2010 of Nepal in the fourth consecutive year in London

By A CORRESPONDENT

Nothing is impossible given a good leadership. This is what NIBL has shown. Under the leadership of its chairman and executive director Prithivi Bahadur Pande, NIBL has made a big progress. After adding several feathers in the cap over the years, NIBL has added another this year by winning the prestigious Bank of the Year 2010 Nepal award.

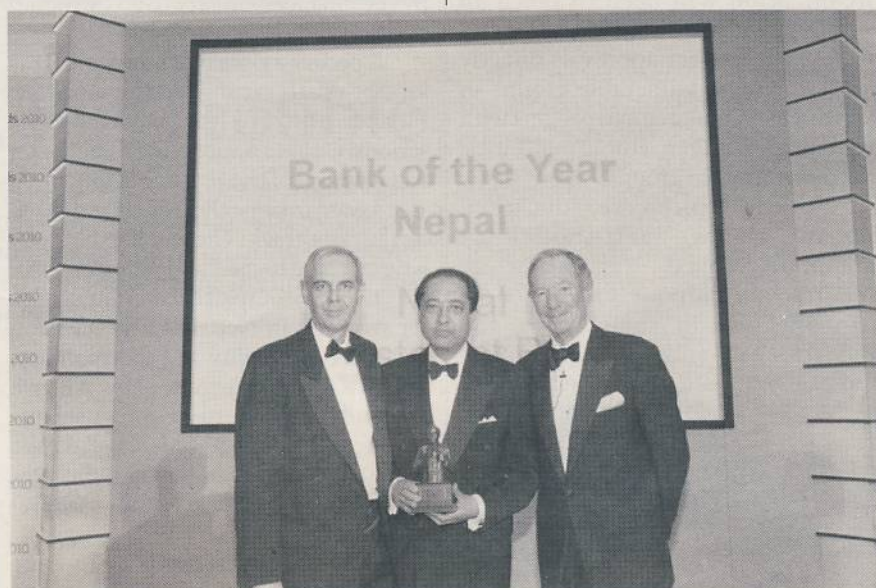
The bank has been awarded 'Bank of the Year 2010 Nepal' by the Banker Magazine, a publication of the Financial Times Group. The award, regarded as the most prestigious in the industry, was collected by NIBL chairman and executive director Prithivi Bahadur Pande at the awards ceremony held at the Dorchester Hotel in London on the 2nd of December.

This is the fourth time Nepal Investment Bank has won the award in the last eight years. The Banker award is given on the basis of financial performance, shareholder value, customer initiatives and performance against peer banks.

NIBL achieved the highest industry growth in terms of deposits, assets, profits and capital base in 2009. The deposit base grew to Rs 50.09 billion making NIBL the largest private sector bank in deposits, adding 83,000 new clients, the highest addition of customers in Nepal. NIBL had the highest net profit among all commercial banks of Rs. 1.26 billion. Similarly, the Tier 1 capital is also the largest of any

bank in Nepal at Rs 5.18 billion.

Assets grew to Rs 57.30 billion, the highest volume growth and highest level in Nepal. Loans and advances grew to Rs 40.94 billion, making NIBL the



NIBL Chairman And Executive Director Prithivi Bahadur Pande In Middle

largest lender in Nepal.

NIBL grew significantly in the remittance space with exclusive partnerships in different countries and are now the second largest player in the remittance industry. NIBL also registered success in the payments space, with 60% of VISA transactions in Nepal being routed through NIBL. NIBL also has the largest ATM network in Nepal.

As a completely Nepali Bank, its major success was being able to surpass other domestic and international banks in terms of deposits, lending and profits.

NIBL is now focusing on initiatives

that will allow bank penetration and financial services to the masses through an innovative blend of Cards, Mobile Banking and Payments and POS led agency banking. These new technologies will allow NIBL to enter into rural areas and also to streamline remittance delivery and help target the unbanked.

"The Power, Infrastructure and Tourism Sectors have very good potential for growth and offer very attractive returns and we will be investing in these sectors," the bank authorities said.

Along with establishing sound and efficient bank, NIBL has also been making contribution in the areas of sports, environment and heritage conservation of the valley. This has made NIBL unique financial institution.

Write Better

Go for GUTS, a two-week course at The Word Lab on English Grammar, Usage, Tone and Style. Seasoned journalists and teachers at the Lab will help you improve your writing for your own purposes.

Call 9851021758 to learn about other course modules, dates and seats. Or, visit the Lab website:

twl.web.officelive.com



The Word Lab

BUTWAL MUNICIPALITY

Returning Favor

The all party political mechanism handling the affairs of a municipality will be a sure recipe for doing development in the way political masters of the nominees want them to do. Butwal Municipality, 450 kilometers south and west of capital of Kathmandu, offers an example where development projects are implemented in the interest of a particular individual or that of his political party. Butwal has spent a huge amount of its annual resources on capital investment under different heads and sub-heads. But its denizens have their demands hardly addressed

By MADHAV NEPAL, in Butwal

For nine years since the tenure of elected representatives expired in 2001, Butwal Municipality has poured millions of rupees in building roads, parks, public spaces, rest houses and covered halls. Yet municipal denizens often identify these projects with certain politicians and political parties rather than with the local needs and demands.

As in all other municipalities, a political mechanism, consisting of nominated representatives of major political parties, is responsible to pass the annual municipal budget with powers equivalent to an elected municipal council. But these nominees are accountable to their political parties, not to the people. Local municipal employees, appointed under the recommendation of political parties, maneuver these members.

One of the most influential individuals in the municipal affairs is former mayor Bhoj Prasad Shrestha. His word is work in the municipality as a large

number of employees were appointed by him before his tenure ended a long time back. He still runs the municipal show as a proxy.

This is the reason Butwal Municipality has been allocating a major portion of its budget to carry out development projects favoring Shrestha's or, for that matter, his party CPN-UML's constituencies.

Budget

The population of Butwal Municipality increased in the last one decade. So did the percentage of its capital investment under development expenditure. According to GTZ supported Urban Development through Local Efforts (UDLE), Butwal Municipality spent Rs. 79,605,928 in 2003/04. Out of this, the municipality spent Rs. 46,791,083 in development expenditure and Rs. 30,804,852 for town level development and 159,966,231 in other development activities. Similarly, the budget of 2007/08 was Rs. 148,087,987. Out of this, Rs. 87,546,862 went under the capital investment head, Rs. 366, 68,106

for town development activities and Rs. 81, 51,759 for other development activities.

The budget of 2009/10 was slightly higher with more than 150 million rupees, or sixty percent of the budget, going to capital development. One of the interesting things is that the volume of money spent to other development activities also increased.

Hill Park Budget

Butwal Municipality allocated 8.1 million rupees this year for the development of Hill Park Bus Stand. This is the highest amount of money allocated by any municipality for the construction of any single project. This year it is proposing additional money to the Hill Park Development Project in the eastern part of Butwal.

The municipality has already allocated Rs. 20 million to the project over the last five years. The budget is earmarked for infrastructure like drinking water, road, public building and picnic spot. Municipal officials said they needed more money to complete the project in the future.

Now a question arises: why has the municipality showed a soft corner to the project which is under the supervision of Hill Park Protection Council, an NGO?

Shrestha is the patron of the Council and local employees he recruited in the municipality are returning him a favor.

"Former mayor Shrestha is a guardian, so we cannot deny budget for the project. But then, we know that it is going to be a white elephant for the municipality," said a senior municipal official. "Since a majority of employees are supporters of mayor Shrestha, they manage the budget for it anyway."

Although Butwal Municipality is still without basic needs like drinking water, roads, schools and health posts to many of its denizens, its budget heads are far from directly benefitting the common people.

"It is a good initiative to protect the forest and environment but giving so much priority to the Hill Park Project is not justifiable. This shows how the municipality and the political mechanism work," said Khelraj Pandey, president of Butwal Municipality unit of Nepali Congress. "This indicates that Butwal Municipality is under the influence of one person and one political party."

Although the budget allocated for Hill Park development directly goes to the account of Hill Park Protection Council, the money is distributed under several sub-titles under other development activities. In 8 and 9 wards of the municipality, 2.4 million rupees is allocated for the construction of a ticket counter at the western gate of the park.

"This is a way to hide the budget," said a senior official at the municipality on condition of anonymity. "This is a very well planned idea to cover up the huge budget spent in the project. If the money is allocated clearly, many will raise questions."

Series of Other Projects

Nuwakot is another place where the municipality invested a huge amount of resources. Although it lies in Palpa district, Nuwakot is 10 kilometers east of the main city at the top of a hill. This is being developed as a residential area where many influential persons bought plots of land hoping that it will turn into a main tourist destination in the future.



Hill Park

"It is purely a rugged forested hill with virtually non-existent population. However, the municipality is allocating the money under the influence of Butwal's new land owners," said Communist Party of Nepal Maoist leader Krishna Pokharel. "We don't know how much budget is allocated to it as the municipal executive board also is authorized to allocate grants to small projects."

In another case, a covered hall has been a priority municipal project since its inception four years ago. The municipality has spent 800,000 rupees on the project to build an international standard hall. This year, another 800,000 rupees has been set aside.

However, Lumbini Sports Club, which has been given the responsibility to build the covered hall, is not mentioned anywhere. "The name is deleted in the budget title because of the involvement of one of the senior employees of the municipality who is the chairman of the club," said a junior official of the municipality.

Favoritism is found even in the distribution of resources on the title of publicity. Although the municipality has allocated Rs.300,000 for publicity, the beneficiary of this amount is Lumbini Television Channel. There are several television channels, newspapers and FM radios. The reason Lumbini Television got the job is: some municipal officials are

its investors.

Political Interventions

Two years ago, when the Municipal Board was underway, CA member Radha Gyawali phoned the board members, demanding budget to black top the road link to her house. Then executive officer avoided the pressure saying that the municipality did not have the money. He proposed that the municipality could allocate the budget in case her neighbors agreed to contribute certain portions. Finally, the municipality surrendered under continuous pressure of CA member Gyawali. The road was blacktopped by using the budget proposed for other development works.

Other local communities in Butwal contributed 50 percent of the money in construction of the city roads but the neighbors of CA member Gyawali did not have to pay any. "This event exposed the nature of the Private-Public Participation."

Another example of political pressure is culvert construction. The municipality allocated Rs.300,000 for a culvert under pressure from the personal secretary of then minister Bishnu Poudel.

"Municipal officials do not present such projects in the all party mechanism fearing that they will face criticism. Municipality allocates money under the title of other development projects to be used later to complete works under political pressure," said Krishna Pokharel.

Town Planning

Despite their knowledge of several cases involving misuse of resources, municipal officials claim that development works were in keeping with the need of town planning and the people.

"It is natural to allocate the budget for the projects formulated during the period of CPN-UML leadership. CPN-UML is the first party which introduced town planning for Butwal," said CPN-UML leader Khem Prasad Luitel. "It is useless exercise to look at how much budget is allocated where because an all party mechanism passed it."

Former mayor of Butwal Bhoj Prasad Shrestha claimed that there is no question of allocating budget in the interest of a particular political party. "Hill Park is an income generating integrated project and it is in the interest of the local population. After the completion of the project, they will have a place to go for recreation. If somebody sees this is done for my personal interests, I don't have anything to say. I am proud to say that the construction is going on under my leadership," said former mayor Shrestha.

All Party Mechanism

The party members involved in the all-party mechanism are more concerned about their personal and party interests, leaving aside the interests of the common people. Unlike elected Municipal Council, which is the body of all elected representatives of the municipality, nominated members cannot enjoy the legal rights and legitimacy.

According to clause 90 of Local Self Governance Act 1999, the council needs to meet twice a year and this is where elected representatives can discuss and debate on the development projects and budgetary allocations. The tenure of the members is fixed for five years.

However, political parties nominate their members to the all-party mechanism on the rotation basis. They have little knowledge about previous development projects and priorities. "Although the municipal budget was prepared with the participation from ward level representatives of political parties, the budget allocation depends upon the level of participation at the ward level," said President of Butwal Municipal Unit Pandey. "We understand now that it is a complex process in the budget



Nuwakot Project

presentation. Many of us were unable to understand the process in early days," said Pandey. "I now realize that there are many hidden titles in the budget."

Flaws in Act

As Local Self-Governance Act 1999 envisions the functioning of local bodies under elected representatives, the political mechanism does not fit its spirit. From taking decisions on local matters to collecting taxes, the municipality is given a sweeping power under the elected representatives.

"With no elected representatives, there are many flaws in our decision making process now. The political parties are responsible for the present state of municipality," said senior officer of Butwal Municipality Bhuba Prasad Luitel. "Party representatives involved in the budget making process attend the meeting without having any visions and programs. Since they represent nobody, people's genuine concerns are often ignored and it is the political interest, vote banks, party sympathizers that matter the most."

Impact of Monitoring

As long as there was the Municipal Council, it evaluated the administrative functions, development and construction works and gave the necessary direction. However, the nominated members of the municipality do not enjoy such privileges.

There is no monitoring system in the municipality to evaluate the construction quality of the projects.

"Had there been any employees to question the integrity of the institutions and individuals involved in the projects, irregularities have been minimized," said an employee on condition of anonymity.

Another official said it is not a question of intention of the particular individual but what one does and has to complete the task is important. However, the municipality is clearing the bill.

Accounting System

Despite the progress in the municipal finance system, it is yet to be transparent as per standard accounting systems. Nepal's Auditor General's Report 2010 expressed its concern over the growing rampant misuse of resources at the Municipal Level.

According to UDLE, most Nepalese municipalities use a cash based double-entry accounting system, developed and endorsed by the Office of the Controller General. The system is basically designed to support the central base expenditure system of the government offices. In other words, it deals only with the preparation of revenue and expenditure statements of a particular financial year. As such, it does not have further scope to deal with the balance sheet. It is, however, appropriate for central public financial transactions, which are understood as revenues collected by different government offices, deposited into central deposit accounts and redistributed by the

Ministry of Finance through the District Treasury Office to different government offices for expenditure purposes.

The municipalities are authorized to collect different taxes and fees. In return, they are responsible for providing basic urban services like road construction and maintenance, drainage and assuring the water supply as well as an efficient and effective social service delivery. These tasks explain why the municipality should keep updated information about bills payable and bills receivable through the preparation of a balance sheet. As this system is not in place, municipalities are not able to share this essential information to taxpayers. To provide this vital information to taxpayers when and wherever required, the Accrual Accounting System (AAS) has been introduced in many organizations, which deal with public money.

"The municipal finance system in Nepal is still in its infancy. In 1999, the Local Self Governance Act (LSGA) provided the legal framework for increased autonomy of Nepalese local bodies-including municipalities. The implementation of these transferred rights and duties towards local bodies, however, is faulty. Many municipalities

are not able to fulfill their intended role as a service provider for the population," UDLE's report writes.

Asian Development Bank's Consultant Report on Sector Level Risk Assessment and Risk Management Plan to Assess Public Financial Management, Procurement, and Corruption Risks in the Urban Development Sector 2009 also highlighted some flaws in the financial system of Municipalities. ADB's report pointed out governance issues as a major factor undermining the effectiveness of municipality spending.

ADB emphasizes and attaches great importance on accountability for public officials, and transparency and predictability in government operations and critical principles in the fight against corruption.

"Municipalities are vulnerable to corruption in various forms and levels. Petty corruption in urban development sector was widely reported by all the CDOs in the districts visited. The award of contracts and implementation of projects through user groups (UGs) is allegedly fraught with corruption in the form of political interference, nepotism and conflict of interest in procurement and tender-related corruption, lack of ethical

values and standards within the local bodies, and construction related irregularities associated with the use of sub-standard materials. Corruption risks also arise from ineffective monitoring and control mechanism, inadequate technical human resources in municipalities, poor communication systems and poorly articulated and enforced standards and regulations. In general, ADB's projects also encounter similar corruption risks prevalent in the overall urban development sector," writes the report.

Similarly, the Commission for Investigation of the Abuse of Authority also raises various questions over the misuse of resources in various municipalities including Butwal.

Although there is increasing concern over the misuse of resources at the municipal level, it seems there is a long way to go before allaying it. Without the election of local bodies, these problems will not be solved.

This is the fifth of nine investigative stories on politics of local bodies supported by The Asia Foundation. The views expressed by the Author do not necessarily reflect those of The Foundation or founder ■

FES

South Asia's Climate Concerns

Climate change will bring new security challenges in South Asia

By YOGESH GYAWALI

Climate change conferences have concluded that LDCs like Nepal and Bangladesh are most vulnerable in terms of adverse impacts. Experts believe that climate change, besides creating new problems, will add to ongoing problems of the LDCs and make them worse.

South Asia is home to the largest number of people living below the poverty line. Irregular monsoon patterns, prolonged droughts, floods, and melting of glaciers are some of the current environmental trends plaguing the region. Many parts of South Asia are also experiencing violent conflicts and some regions are in a turbulent post-conflict stages. Conflicts, natural disasters, poverty, and globalization are contributing to unsustainable urbanization of traditionally rural communities.

As there is a growing debate over this, about 82 distinguished guests comprising professors, law makers, journalists, members of the civil society and other intellectuals attended an interaction on Climate Change and Security in South Asia. The event was organized by Friedrich Ebert Stiftung Nepal (FES Nepal). Dr. Christian Wagner, Dev Raj Dahal, and Udo Weber made up the esteemed panel. FES country representative Dev Raj Dahal, stressed the need to move towards the path of sustainable development by using alternate sources of energy (solar, water, wind) instead of unabated use of fossil fuels.

Udo Weber of the German Embassy to Nepal elaborated on the embassy's role in dealing with climate change issues in Nepal. He stressed that climate change

The event was organized by Friedrich Ebert Stiftung Nepal (FES Nepal). Dr. Christian Wagner, Dev Raj Dahal, and Udo Weber made up the esteemed panel.

was a cross cutting issue, whose effects would be hardest felt by the rural population.

Dr. Chistian Wagner, an expert on policy, security, and environmental issues of South Asian countries, highlighted effects of climate change, particularly on water resources and agriculture.

The gist of his paper was that South Asian region's existing security problems would aggravate due to climate change. Resources, particularly water, would be put under tremendous stress. Agriculture sector would be hit hard triggering migration and unsustainable urbanization, which

would lead to tensions between the migrants and the community they move into. Rampant flooding and rising sea water would create environmental refugees.



Public Interest Litigation: Preventing Misuse

PRATYUSH NATH UPRETI

The phenomenal growth of Public Interest Litigation (PIL) in Nepal has given rise to various other litigations in the garb of PIL. Article 88 of the Constitution of Nepal 1990 and article 107 of the Interim Constitution of Nepal, 2063 have provisions designed to help the development of PIL in Nepal. Forum for Protection of Public Interest (Pro-Public) is one of the first organizations in Nepal which have been working for public interest with high rate of successful Public Interest Litigations.

Most of the cases approached as Public Interest Litigations are in fact nothing but Publicity Interest Litigations or Politically Interested Litigations. Many people in the name of justice have been taking advantage of the judiciary's desire to render justice to the poor and to those who have not heard of justice. These people engage in litigations for their personal or publicity interest. If the judiciary does not lay down a framework or parameter within which it should entertain PILs, it is certain that the noble cause for which the judiciary has developed this concept is likely to be misused further.

In the last few years, there have been serious concerns about the use and misuse of public interest litigations and these concerns have been expressed at various levels but till now no initiative has been taken to address those. It is time to realize the gravity of these concerns and the need for a serious re-examination of the misuse of public interest litigations.

Initially Public Interest Litigation came as a people friendly tool for ensuring justice as the intent was to ensure redress to those who were otherwise too poor to move the courts or were unaware of their legal entitlements, on behalf of those people any person can bring an action to the court. But irresponsible PIL activists all over the country have started to play a major role in misusing this noble weapon instead of playing any constructive role in the arena of litigation. They try to utilize this extraordinary remedy, available at a cheaper cost, as a substitute for ordinary ones.

The reason behind misuse of PIL is

inaction by the Supreme Court of Nepal, because till now the learned judges of Nepal have not come up with the guidelines for entertaining Public Interest Litigation. Whereas in India, judicial pronouncement of the Supreme Court has laid down guidelines for entertaining Public Interest Litigation. In one of the instances, the Supreme Court of India fined the petitioner (NGO headed by a former judge) upto one lakh for espousing, as public interest litigation (PIL). Well there have been a number of instances where the court has punished the petitioner for misusing PIL but I haven't heard of a single incident of this

abuse, might protest against it. The misuse of public interest litigation will stop only if the courts are vigilant. Under these circumstances the Supreme Court of Nepal is required to take initiative by incorporating safeguards provided by the civil procedure code in matters of stay orders /injunctions in the arena of PIL.

With the amount of fake PILs coming up, if the courts do not restrict the free flow of cases, traditional litigation will suffer a lot and that would be a threat to Nepalese democracy and to the entire judicial process. It is time to come together and take initiative to prevent misuse of PIL. Media and lawyers

It is the duty of the court to see whether the petitioner who approaches the court has a bonafide intention and not a motive for personal gain, private profit or political or other oblique considerations. The court must ensure that the course of justice is not obstructed by unscrupulous litigants by invoking the extra ordinary jurisdiction of this court for personal matters under the garb of the PIL. Due to political instability in our country,

sort in Nepal. Does this mean that there is no misuse of PIL? My answer is no as many of the PIL activists in the country have found the PIL as a handy tool of harassment.

It is the duty of the court to see whether the petitioner who approaches the court has a bonafide intention and not a motive for personal gain, private profit or political or other oblique considerations. The court must ensure that the course of justice is not obstructed by unscrupulous litigants by invoking the extra ordinary jurisdiction of this court for personal matters under the garb of the PIL. Due to political instability in our country, in every other issue there will be political interference, thus the court should not allow its process to be abused by politicians and others to delay legitimate administrative action or to gain political objectives.

With increasing PIL cases coming to court, it is very much necessary to check its misuse and abuse. It may be possible that government might come with norms to regulate PIL results, so there may be people who might not be aware of its

are two proper organs which can prevent the abuse. In a democracy, the media play an important role in the formation of public opinion, covering celebrated judgments of public issue, highlighting celebrated scams and sting operations, issues regarding children & women rights. Media should not forget to highlight the cases of abuse on PIL, deterrent punishment given to the litigants by court. Media should analyze the impact of abuse of PIL on judicial process.

Public interest litigation is a highly effective weapon for reaching social justice to the civil society or common man which is the aspiration of Nepalese Constitution. Public Interest Litigation means a legal action initiated in a court of law for the enforcement of public interest or general interest in which the public or class of the community have pecuniary interest or some interest by which their legal rights or liabilities are affected.

Email: Upretimpratyush@gmail.com

The Big C

BUDDHA BASNYAT, MD



When we were studying medicine we referred to cancer as the big C. Recently the New Delhi-born Siddhartha Mukherjee's debut book 'The Emperor of All Maladies: A biography of cancer' (Scribner) has galvanized attention on the big C. The good doctor/author practises oncology in New York and writes magnificently. Cancer's history can be traced to time immemorial. The Egyptians knew about tumors and the Greeks even differentiated benign tumors (oncos) from malignant ones (carcinomas). Similar to Vedic thinking, Galen in the second century AD, proposed that poor diet (probably non vegetarian) and environmental factors triggered malignancy.

In the past we only suspected people had cancer, but now with imaging techniques (X rays, ultrasound, CT, MRI scans) we can see the actual, sinister growth. In 1970 in America, Nixon was feeling tired of the Vietnam war and realized how much the war drained away the mental and physical resources of the country, not unlike the present effect of

the Afghan war in the US.

However 'tricky Dick' as Nixon was known had a plan: he declared War on Cancer in the hopes that this would be a more popular move that could result in an unambiguous victory, compared to the other war he was faced with. No question, Nixon's war on cancer in the US launched this dreaded disease into the limelight and provided more political and financial support for research, diagnosis, and treatment.

Basically treatment with cancer boils down to burn (radiation), slash (surgery), or poison (chemotherapy). But over the years, research has made it possible to deploy highly targeted relatively non toxic chemotherapy guided by genetics. Gleevec (imatinib is the pharmacological name) used against a special kind of leukaemia called chronic myeloid leukaemia (CML) is the poster boy for cancer medicine. Gleevec's working mechanism is genetic based, so that unlike other cancer drugs which indiscriminately kill off all dividing cells (hence people on chemotherapy may

go bald), gleevec targets a particular cancer cell.

Amazingly Gleevec which costs annually about fifty thousand US \$ is available for free (thanks to the generosity of kind hearted groups abroad) in Nepal if you have chronic myeloid leukemia (CML) and are enrolled in a programme, for example at Patan Hospital. And even though resistance to Gleevec has developed and a second line drug is available (again, for free in Nepal), there is no doubt Gleevec has helped out thousands of people to continue to live.

Many oncologists are pessimistic about the war on cancer partly because thousands of symptom free people have to be screened with attendant anxieties, costs, and risks to prevent even one death. In fact, in medical statistics one common test is the total numbers needed to treat (NNT) to see one useful result. However, it is reassuring that Mukherjee in his book allows himself hope. He should know because as a cancer doctor, he has the inside track and writes very well.

GWP Pushing Good Cause

BY NITISH DEV BHATTARAI

In 1993, Get Paper Industry (GPI) initiated work to establish the General Welfare Pratisthan (GWP) to reduce socio-economic problems in the country through mobilizing its profits. The vision of GWP was to work for creating a healthy, well-cultured, and empowered society free of economic disparities in Nepal.

Over the years, GWP actively worked towards meeting such goals as improving health, and education in the society, reducing poverty among marginal population, preventing girls from being trafficked and tricked into sex trade, minimizing violence (conflict/gender related), increasing peace building in the community and, enhancing awareness among young generation on

environmental issues.

The pratisthan or trust has carried out many campaigns like distribution of 358,356 free condoms, 15,343 condoms socially marketed, 16,991 condoms demonstration sessions, and 36 street dramas involving 16040 people as spectators. Some 25 campaigns managed by the trust reached out to 41983 people.

In health improvement program, 226 mobile clinics were managed, three district hospitals implemented safe injection programs, two types of incinerators were developed for the disposal of used syringes and 185 health professionals trained on safe injection programs.

In education, 50 children of stone crushers received sponsorship and logistic support in Bal Bhavisya

Pariyojana - Mahadevbesi, Dhading. Some 55 children are studying in different parts of Nepal under the trust sponsorship.

In environmental improvement sector, lokta plantation is being done in Gotikhel of Lalitpur district as well as training four community members to manage agriculture as a commercial product.

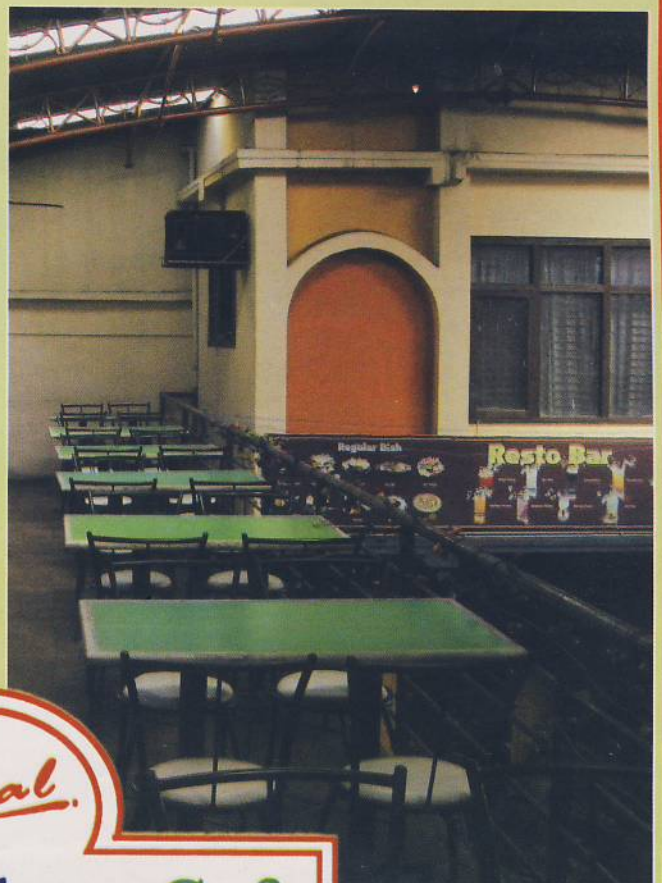
GWP spends 84 per cent of its income in raising awareness and methods to prevent HIV/AIDS and also eradicate stigma attached by the general public to patients of AIDS.



Join Fastest Growing Food Chain



Have a taste of
Opportunity !



Royal.

Alina's Bakery Cafe

Jawalakhel

Tel.: 5520544

P.O.Box: 8975 EPC: 494

New Baneshwor

Tel.: 4782946

New Road

Tel.: 4253023

Kalimati

Tel.: 4276851

Lazimpat

Tel.: 4417506

Kantipath, Jamal

Tel.: 4247900



**We Fly
With You too**

Every time you fly with us, we assure you the comfort and safety you deserve while we make sure you reach your destination on time, every time.

Yeti Airlines Domestic Pvt. Ltd.
 Corporate Office: Tilganga, Kathmandu
 Tel. 4465888 Fax 4465115 Reservations 4464878 (Hunting Line)
 Kathmandu Airport 4493901
 E-mail: reservations@yetiairlines.com

Nepalgunj 081 526556 **Bhairahawa** 071 527527 **Pokhara** 061 464888
Biratnagar 021 536612 **Bhadrapur** 023 455232 **Janakpur** 041 520047
Dhangadhi 091 523045

Read

SPOTLIGHT



Every Alternate Friday

News Magazine
 Packaged with
 Up-to-Date News, Views
 and Analyses



Best Wishes from Shikhar Insurance

'Trust us, We will Deliver'

Shikhar
 Insurance Co. Ltd.



Shikhar Insurance Co. Ltd.

Shikhar Biz Centre, Thapathali, Kathmandu, Nepal, P.O. Box: 11133, Phone: 4246101, 4246102, Fax: 4246103