

June 13-19, 2008

# SPOTLIGHT

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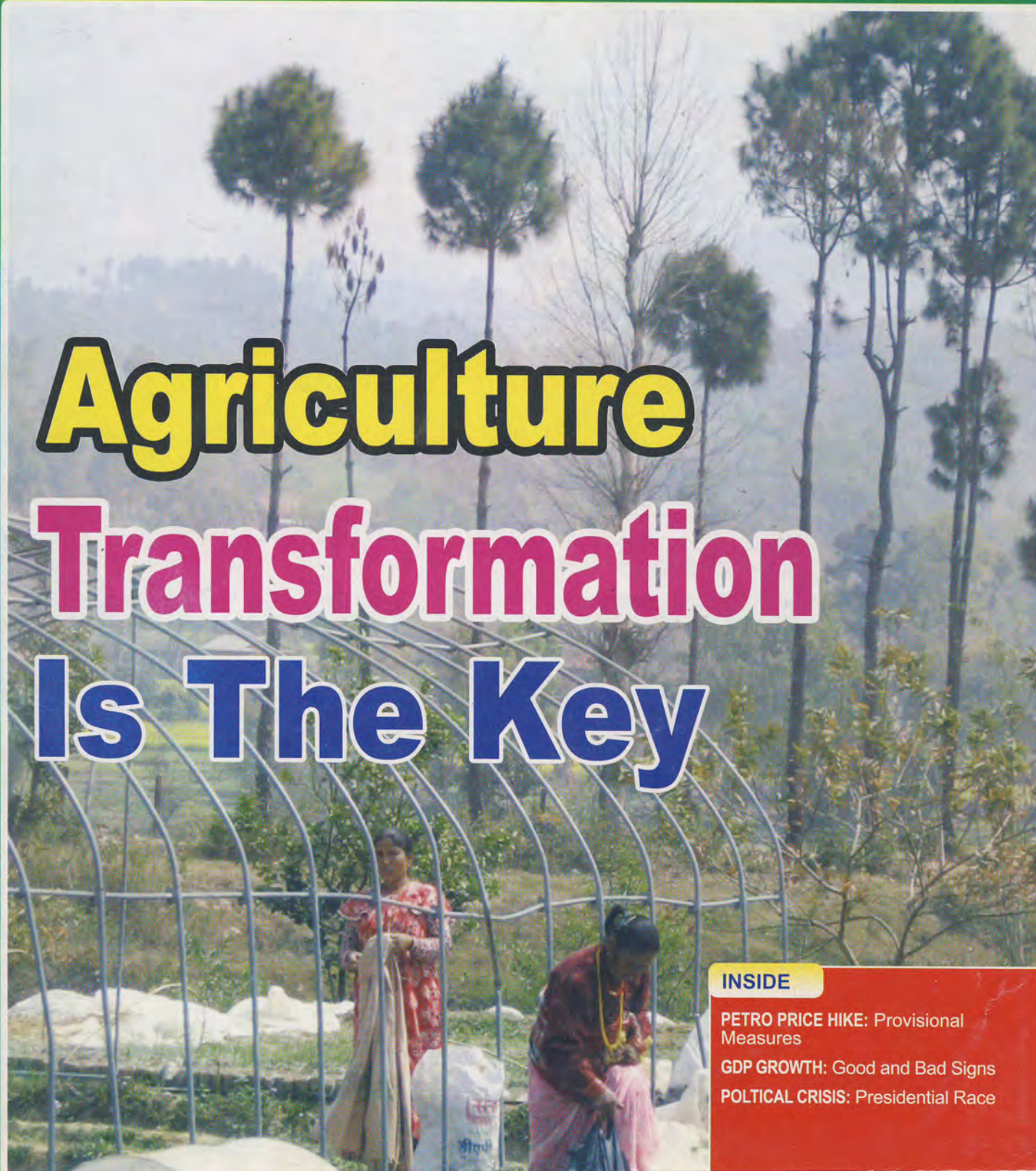
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Nepal.....NRs.  
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# Agriculture Transformation Is The Key

**INSIDE**

- PETRO PRICE HIKE:** Provisional Measures
- GDP GROWTH:** Good and Bad Signs
- POLITICAL CRISIS:** Presidential Race

# अब... १\* रु. १ कै बचत खाता



नेपाल इन्भेस्टमेन्ट बैंक बढी भएता बढी  
नागरिकहरूमा बैंकिङ्ग सेवाको पहिलो अनुभव  
एवं बाली बस्न सकोस भएनाका लागि सजीब  
प्रस्तुत गर्दछ...

**मात्र रु.१ मा  
“आफ्नै बचत खाता”**

सम्पूर्ण अन्तराष्ट्रिय स्तरको सेवा सुविधा सहित ।



जीवनका पहिला पलहरू देखिनै बचतको बाली  
सुरक्षित भविष्यको लगानी ।

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

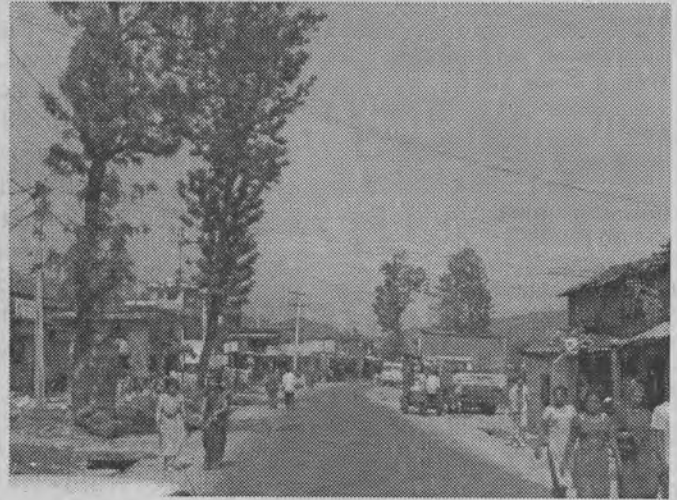
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हाम्रो सेवाहरू:



# CONTENTS

	Page
LETTERS	3
NEWS NOTES	4
BRIEFS	6
OPINION : Dr. Ananda Bahadur Thapa	7
POLITICS: Picture Imperfect	9
ARTICLE: Kapil Sibal	16
POLITICS: Political Deadlock	17
FEDERALISM: Learning The Steps	18
VIEWPOINT: Rakesh Sood	19
MAHARA'S TRIP: Purposeful Parley	20
SPORTS: Going Golf	21
REVIEW: History In New Perspective	22
QUOTE UNQUOTE/TRANSITION	23
EXHIBITION: Film Festival	24



**COVER STORY: Transformation Is The Key** Nepal's agriculture must transform into market-oriented venture if it is to be successful  
Page 12



**FUEL PRICE HIKE: Provisional Measure** The NOC hikes the price of fuel but is still facing losses  
Page 10

**POLITICS: Presidential Race**  
The race for becoming the first president turns ugly as parties engage in undermining each other  
Page 11



**SPOTLIGHT**

THE WEEKLY NATIONAL NEWSMAGAZINE

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**T**he continued stalemate to come to a workable understanding between the three major political parties has opened the flood gates for foreign envoys to nakedly interfere in the internal affairs of Nepal. The Indian envoy's undiplomatic behavior will not contribute to cement the existing bilateral relations between Nepal and India. It is very strange that the South Block-India's foreign policy making body- has given such briefings to its envoys that would only contribute to generate mistrusts and misgivings between such close friends like Nepal and India. It is very clear that Sood is trying to inject bad blood in the leaders of the three big parties so that political destabilization in Nepal gets out of control inviting open Indian interference. The recent demonstration against the behavior of Sood is just the beginning and we don't want the situation to worsen. It is a pity that neither prime minister Girija Prasad Koirala nor any other Nepali statesmen have taken any serious note of such behavior. Could it be because these Nepali politicians do always look up to their mentor, India, to get to power? That is why we have been emphasizing in the total change of the political leadership if Nepal is to regain her international dignity and honor. It was very heartening to see that Nepal is not devoid of patriotic young men who don't hesitate to go into fray to safeguard their country's prestige.

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The claims by the Maoist leaders that they have climbed down from their rigid stance to break the deadlock plaguing the Nepali politics seems to be only a ploy to befool their rivals. Their periodic outbursts only manifest their inexperience, immaturity and lack of finesse so very essential in statesmen. Their insistence to stick to the laws of the jungle and not disciplining the Y.C.L despite the fact that they are number one contender to form the next government has only damaged their image and stature. Their quiet and carefree support to the anti-national policies of SPA government has disillusioned the overwhelming poor Nepalis. The Maoists like other big political parties, it seems, have become like skeletons - devoid of body and soul. They are like puppets that can be easily molded and moved to any shape or direction by a skilful artist or an influential benefactor. It is a great pity and misfortune that the millions of poor Nepalis have not yet been made wiser to this reality. The intelligentsia, the civil society and the media that should have taken this national responsibility on their broad shoulders have totally failed to perform their obligation. A fairly large number of these people have themselves been caught in the same dragnet and fallen victims to the temptations hurting the nation's interests. No wonder the country is floundering and impatiently waiting for all patriotic Nepalis to come together and save the poor country from going into total ruin. This is not a time for witch hunting. It is a time for us to forget our differences and join hands to defend the integrity of our dear motherland.

*Madhav Kumar Rimal*  
**Madhav K. Rimal**  
Chief Editor & Publisher



### Race For Power

The cover story A New Phase of Instability (June 06-12) was interesting to read. One of the notable features of present political trend is the inability of political leaders to decide the person for the post of president and prime minister. Till a month ago, all political parties could blame the institution of monarchy for all these instability but now who will they blame for their failure in nominating the president. As it is said morning shows the day, inability of political parties to reach agreement on political stalemate shows that a new phase of political instability is looming large.

*Shiva Shrestha  
Via Email*

### Easy Elimination

Nepalese political leaders abolished the monarchy in an easy manner. Of course, king Gyanendra's failure to perceive the level of regional rivalry was responsible for the demise of monarchy from Nepal. But, the response of common people is also very frustrating as nobody has shown guts to oppose the decision. Where have all the people who had welcomed the dissolution of elected government in October 2, 2003 and royal takeover of February 1, 2005 gone now? I know the common people are yet to speak out. The decision of the first meeting of CA will prove a historic blunder.

*Kalyan Rana  
Berlin, via-email*

### Great Change

I want to salute the great comrades of CPN-Maoist for turning Nepal into a republic. The credit for making Nepal republic goes to Maoists. For their great contribution, they should be given chance to form the government.

CPN-Maoist leader Prachanda rightly pointed out that there is no need to hand over power to the parties, which were rejected by the people. Maoists are the sole power now who can drive the country and protect Nepal's independence and sovereignty. It is in the interest of all Nepalese people to come out to street, if necessary, to wipe out all the reactionaries of CPN-UML and Nepali Congress.

*Ghanashyam Ghimire  
London Via-email*

### Rainy Days Ahead

The coming days are challenging for us as all the forces are making efforts to push Nepal towards the prolonged course of political instability. At a time when all major Nepalese media run by big houses are opposing CPN-Maoists, it is up to small media like yours to support them. We have to keep in mind that only the Maoists can save Nepal's sovereignty and independence. Of course, there are so many anti-national persons in

Maoists' upper rank but the cadres who sacrificed their whole life to defend the country's independence will not tolerate any interference in sovereignty. Nepali Congress and CPN-UML leaders have already shown that they are not reliable force. Let us test the Maoists and send them to the government to defend the country.

*Pralhad Shah  
Via email*

### Politicized Matters

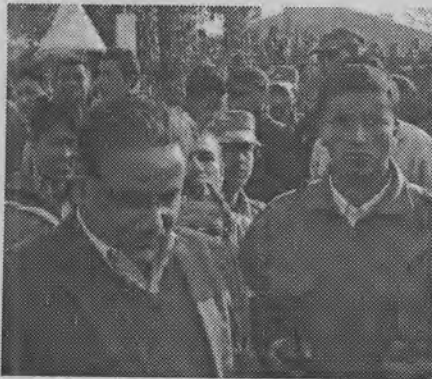
Your magazine concentrated much on politics in recent months. I have not seen any good story addressing the challenges faced by common people. How long do we have to read the stories of futile exercise of government making and government breaking? People have been suffering from high price rise of essential commodities, fuel shortages and disruption of normal life. I hope your magazine will cover more people-friendly news in coming days.

*Nirmala Lama  
Melbourne, Via-email*

### Boring Interview

It was very boring to read the interview of Nepalese ambassador to US Dr. Suresh C. Chalise. After reading his interview, I realized that he came here to boast about himself. All of us know how Krishna Prasad Bhattarai had fired him from office. By giving three full pages for Dr. Chalise, Spotlight also seems to be involved in a campaign to promote him. While home minister Krishna Prasad Sitaula, Dr. Shekhar Koirala and Amaresh Kumar Singh, who played very important role to bring Maoists in the peace process, have not boasted their efforts, who is Dr. Chalise is to take all the credit?

*Jagat Kishore  
Via-email*



### Editors' Alliance Concerned

The Editors' Alliance has expressed serious concern about recent statements and actions against Press freedom by the Maoists, and has urged the party to clarify its stance on media independence. The Alliance said physical assaults on journalists in Kailali and Gorkha, intimidation against reporters and last week's speech by Maoist chairman Pushpa Kamal Dahal, fit into a pattern that is constricting media space in the country. In its statement, the Alliance said, "We urge the Maoist party to urgently clarify its attitude towards the Press and to show by words and deeds that it has no intention to restrict the Press freedom in any way." It said 10 daily and weekly newspapers from Kailali have not been able to publish as a direct result of coordinated physical attacks and threats by local Maoist cadres against reporters. In Gorkha, journalists are still facing threats, and reporters have been self-censoring news of Maoist activities because of the fear of reprisals, it added. The Alliance said it was concerned also about Maoist chairman Prachanda's speech on Friday in which he specifically threatened one newspaper and warned the media not to be critical of his party as it had been "made victorious by the people". The Alliance is a group of editors of leading newspapers and magazines — including Pushkar Lal Shrestha of Nepal Samacharpatra, Prateek Pradhan of The Kathmandu Post, Narayan Wagle of Kantipur, Sudheer Sharma of Nepal, Yubaraj Ghimire of Samaya, Kundan Aryal of Himal Khabarpatrika, Ajaya Bhadra Khanal of The Himalayan Times, Kunda Dixit of Nepali Times and Vijay Pandey of Dishanirdesh. *Leading dailies report*

### Godavari Folk For Shifting Central Zoo To Naumule

Locals of Godavari Village Development Committee say they are ready to provide land required to relocate the Jawalakhel-based Central Zoo. The locals say they are thinking of forwarding a proposal to the National Trust for Nature Conservation (NTNC) with a pledge to provide up to 200 hectares of land in the forest at Naumule. The Central Zoo, which covers 133 ropanis of land, is home to over 700 varieties of birds and wild animals. Opened in 1932 as a personal menagerie of the then Prime Minister Juddha Shumsher, it was taken over by the government in 1956. The NTNC has been looking after the management of the zoo. The NTNC is looking for a better place to relocate the zoo and has surveyed certain sites. The space the zoo occupies is not enough to accommodate more animals, say zoo officials, adding that they have not been able to upgrade facilities due to space constraint. NTNC member-secretary Bimal K Baniya says space constraint has hampered further development of the zoo. "We are surveying localities on the outskirts of Lalitpur, Bhaktapur and Kathmandu to relocate the zoo."

According to Ram Chandra Acharya, leader of the group who wants to provide land to the zoo, "Naumule site is rich in flora and fauna. It has over 70 species of birds. Godavari is one of the favourite spots for picnic, hiking and researches related to bio-diversity." The shifting of the zoo to Naumule will also help locals earn livelihood, says Acharya. *The Himalayan Times daily reports*

### Field Study For Arun III Begins

Satluj Hydro Electric Project (SHEP) of India, poised to generate 402 MW power from Nepal's largest Arun III, has begun field study of the project site in Sankhuwasabha district. According to KS Chauhan of SHEP, a team led by SHEP Officiating General Manager, Sanjay Uppal, has initiated the field study of the project site from Thursday (June 5). "Satluj aims to obtain Arun III Project license from Nepal

Government within one month and begin construction works at the earliest," said Uppal. According to Nepal Electricity Authority's project estimation of 2005, SHEP will complete the Arun III Project by 2015 with an investment of around Rs 64 billion. The Project is expected to provide employment to around ten thousand people. *Compiled from reports*

### Parties Must Submit

### Election Expenses By June 14

None of the 25 parties represented in the Constituent Assembly (CA) have submitted the details of their financial expenses incurred for their electoral campaigns under the proportional representation (PR) system to the Election Commission (EC). The EC has set the deadline for submissions for June 14. According to the Election Commission Act, the parties must submit the details of their expenses at the EC within 35 days of the publishing of the final electoral results. According to the law, strong action will be taken against the political parties failing to submit the details by the deadline or against parties which have exceeded the amount in expenses. *Compiled from reports*

### VHP Takes Exception To Changes In Nepal

Soon after India's main opposition Bharatiya Janata Party (BJP) expressed its misgivings about the recent changes in Nepal including its transformation into 'secular republic,' a Hindu organization of India Vishwa Hindu Parishad (VHP) has also cried foul over Nepal development. According to news reports by Press Trust of India (PTI), the VHP has termed the resolution by the Constituent Assembly declaring the end of monarchy and the turning of the Hindu Kingdom into a secular state as "unconstitutional." The VHP has also demanded that India must "speak out" against the move in its own interest. "The new government is yet to be formed and leaders are squabbling for the President's post even as his powers have yet not been ascertained. Such a resolution being passed without a debate is unconstitutional," Vishwa Hindu Parishad President Ashok Singhal said in

Mumbai on Tuesday (June 3). Singhal claimed that there was no need for adopting the secular character at a time when over 92 percent of the Nepali population is Hindu. "They should have at least settled for a symbolic and ceremonial arrangement rather than taking the king out," the report quotes him as saying. The VHP chief also asked the Indian government to "speak out" against the resolution passed on the night of May 28 ending the over 240-year-long monarchy in its own interest. "The Maoists are working under instructions from China while there are Christians working for American interests in Nepal and converting people. Also, there are reports that over 400 madrasas have mushroomed in the area bordering India," Singhal alleged. India has open borders with Nepal and the events in Nepal can have serious ramifications for India as well, he added. "We will be writing to the Indian government and also taking up the issue by holding discussions with Ministry of External Affairs officials," Singhal added.

*Compiled from reports*

### Maoist Leader Brushes Aside BJP Remarks

A senior Maoist leader has termed the latest derision by India's main opposition as purely "anti-Nepalese". Influential CPN (Maoist) leader Ram Bahadur Thapa, who also goes with the nom de guerre of Badal, said that by making this remark public Bharatiya Janata Party (BJP) has "directly intervened in Nepal's internal affairs". According to Indian media reports, BJP indicated that Maoists gaining power in Nepal "was fraught with dangerous consequences for India" and also dubbed as a "negative" step the turning of the Hindu country into a secular republic. The party also claimed that with just one-third popular votes, the CPN (Maoists) cannot form the government. "The new government to be formed under Maoist leadership in Nepal is against India's interest and also poses security threat to India", reports quoted senior BJP leader and former external affairs minister Jaswant Singh as saying in New Delhi, clarifying that the BJP stands on CPN-M had "nothing to do

with the continuance or not of monarchy" in Nepal. Maoist leader said that by making such statements BJP has only laid bare India's "expansionist dreams".

"BJP doesn't have the right to speak on Nepalese matters," Badal said, adding, "all should be aware that it (BJP) was in favor of monarchy (in Nepal) in the past too and its latest remarks have clearly shown what it wants here." The senior Maoist strategist said that the party would come up with a viewpoint on this by holding both internal and external meetings. *Compiled from reports*

### EC Gives \$ 100 M For Education

European Commission (EC) and the Government of Nepal on Thursday signed a Financing Agreement to start implementing the 'Education Sector Policy Support Program' with an initial amount of 25 million Euro (around US \$38 million) for the period of 2008-2010. A press release issued by the EC Thursday said the amount is the first tranche of the total amount of resources estimated at 72 million Euro that the EC will dedicate to Nepal in the next few years. The EU aims to support the Government of Nepal development objectives and the aid is in line with the EC-Nepal Framework Cooperation Agreement. Accordingly, the Country Strategy Paper 2007-2013 has placed, as the first priority, the assistance to Nepal in the education sector by creating an enabling environment to achieve the Millennium Development Goals, said the release. "Education sector is expected to receive more than 100 millions US dollars until 2013," it added. *Compiled from reports*

### National Tourism Fair To Be Organized From June 6 To 8

Nepal Tourism Board (NTB) going to organize the 'National Tourism Fair-2008' to promote Nepali tourism related products. The fair to be held from 6th to 8th June at the United World Trade Center in Tripureshwor, NTB official

said at a press conference Wednesday. The main objectives of the fair are to introduce tourist destinations of the country and domestic tourism promotion as well as to create awareness for uplifting the lifestyle of rural people through tourism promotion. Speaking at the press conference, Chief Executive Office of Nepal Tourism Board Prachanda Man Sharestha said they were going to introduce three main tourism sites, activities and facilities available in the country during the fair. Tourism related organizations; NGOs, INGOs working in tourism and environment related fields and academic institutions related to tourism are also taking part in the fair. *Compiled from reports* ■



### Train To Jogbani Could Cut Down Transport Cost By 20 PC

Traders and industrialists have expected the transportation cost to come down by 20 percent after the Indian government expanded the broad-gauge railway link from Katihar to Jogbani, which borders with Biratnagar city of Nepal. They say that the transportation of industrial raw materials, and export-import of goods would incur lesser transportation cost by the use of the railway. "The transportation cost by train is 15 to 20 percent lesser than through vehicles," said Dinesh Golchha, president of Morang Industry Association. At present, there will be daily train service from Jogbani to Kolkata and a weekly service from Jogbani to New Delhi. *Kantipur daily reports* ■



Successful women summiters who recently scaled Mt. Everest

**THE SECOND MEETING OF THE CONSTITUENT ASSEMBLY**, Thursday (June 5), decided to form a 49-member committee to draft the CA regulations. The meeting, which held at International Convention Centre only decided to form CA regulations drafting committee, chairman of the CA Kul Bahadur Gurung announced adding that the next meeting would take place on June 11. All the 25 political parties will send their representative in the committee. CA meeting took place briefly after major parties failed to reach a consensus on key issues. Parties could not sort out political differences on key issues — formation of a new government, amendment to the interim constitution and power and duties of president and vice-president.

**NEPAL ELECTRICITY AUTHORITY (NEA)** has reduced the load-shedding hours from five hours to only four hours a week effective from Saturday (June 7). The reduction in load shedding hours comes with the arrival of the monsoon in the country with the increased water levels in the rivers, the NEA informed. According to Sher Singh Bhatt, Director of System Operation Department at NEA, the power will be cut from 7 pm to 9 pm and 7.15 pm to 9.15 pm two days a week. Earlier this year consumers had to suffer black outs for up to 40.5 hours a week.

**EVEN THOUGH NEPAL'S CONTRIBUTION** to emission of Green House Gases (GHGs) is negligible, it is bearing severe brunt of global warming caused by huge emissions by industrialized countries. In a statement issued on the occasion of World Environment Day, Thursday (June 5), Minister for Environment, Science and Technology Formullah Mansoor has appealed to all to start reducing emission of such gases including carbon dioxide. "Despite our negligible emission, Nepal is suffering from (consequences of climate change) rapid snow-melting, expansion of glacial lake, formation of new glacial lakes, receding snow line, haphazard weather pattern resulting in flash floods, droughts and so on," said Mansoor. "Nepal has introduced policies and programs on climate change in the current three year interim plan to create awareness and to promote private-public partnership in this direction," the

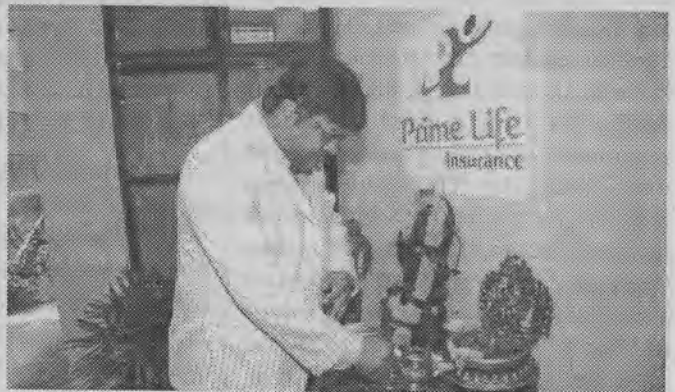
minister said. He added that Nepal has started initiatives such as evaluating national capability, formulating national policy on climate change, and determining process to approve Clean Development Mechanism (CDM). "Our activities are targeted at development of a low carbon economy," he said. This year the world is observing the Environment Day with the slogan "Kick the Habit: Towards A Low Carbon Economy."

**THE NEPAL RASTRA BANK (NRB)** has said that based on the economic data of the first nine months of the current fiscal year, the growth rate this year could be four percent. The central bank has claimed that due to 6 percent growth in agro production, the overall growth rate is set to increase. According to Ministry of Agriculture,

this year the production of paddy increased by 16.8 percent. However, the rate of inflation has increased to 8.9 percent—compared to 5.6 percent during the same period previous year. The price of rice has increased by 25 percent. The price of edible oil and ghee increased by 33.8 percent. Exports have increased by 2.6 percent while imports have increased by 19.5 percent. Due to shortage of Indian currency, the NRB spent US\$ 1.05 billion to purchase IC.

**Prime Life Insurance Company Limited** commenced its business from 4<sup>th</sup> June 2008. The company had received approval to conduct life insurance business on 7<sup>th</sup> May 2008. The company plans to introduce innovative products and provide superior customer service through the use of world class technology. At the commencement of business, the company has introduced Endowment Insurance Plan "Prime Saral Jeevan" and insurance plan with payments at regular intervals "Prime Dhan Sagar". The capital base of Prime Life is Rs 360 million including 30% for public. The Board is Chaired by Rajendra K. Khetan who is also Chairman of Laxmi Bank Ltd. Prime Life is reinsured by Scor Re of France which is a leading Life Reinsurer in many countries.

Khetan Group is already in Non life sector under its another public arm Everest Insurance Co. Ltd.. The Laxmi Complex owned by Laxmi Bank, will soon be a full fledged Financial Center after Prime Life moves in with working area of 30,000 Sq Fts at Hattisar. ■





# GANDAK TREATY AND BURI-GANDAKI PROJECT

•Dr. AB Thapa

**T**he 1959 Gandak Treaty signed between Nepal and India was very harmful to Nepal. It totally curtailed Nepal's right to use Gandak water for use inside Nepalese territory. The 1964 revision of this Treaty has helped to lessen significantly its negative impact. Nonetheless, even now Nepal is barred from using the Gandak water in dry months for transvalley uses in the months of February to April. After the completion of the Buri-Gandaki Storage Project the dry season flow of the Gandak might almost be doubled. Now it is the most opportune time before we take the decision to implement the Buri-Gandaki Storage Project to press India to amend the Gandak Treaty to lift the restriction on transvalley uses of the Gandak water inside Nepalese territory in the months of February to April.

## How Gandak Treaty 1959 Curtailed Nepal's Right

After 1951 Nepal had signed two treaties with India on water resources in 1950s. They are the Kosi Treaty signed in 1954 and the Gandak Treaty signed in 1959. Soon after their signing Nepal realized that both these treaties were detrimental to Nepal's interest. Particularly the Gandak Treaty was the most harmful. The Article 9 of the Gandak Treaty that curtailed Nepal's water right is presented below:

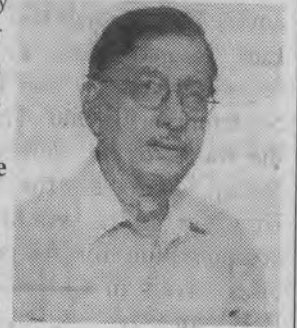
*"His Majesty's Government will continue to have the right to withdraw for irrigation or any other purpose from the river or its tributaries in Nepal such supplies of water as may be required by them from time to time and His Majesty's Government agrees that they shall not exercise this right in such manner as is likely, in the opinion of the parties hereto, prejudicially to affect the water requirements of the Project (it is the Gandak Irrigation Project) as set out in the schedule annexed hereto."*

The monthly water requirements provided in the schedule were either very close or exceeded the river flows during few months of the monsoon season. This

treaty would have virtually ended the future prospect for irrigation development in the Gandak Basin within Nepalese territory.

## India and Nepal Share Common Principle

India is the downstream riparian of all the rivers flowing across the boarder from Nepal. Our country will have to deal exclusively with India in water issues. Fortunately both Nepal and India not only have a



common cultural heritage that binds them together, but also subscribe to similar principles in water right issues. Both the countries believe that water belongs to the country where it originates, and the existing

*India is the downstream riparian of all the rivers flowing across the boarder from Nepal. Our country will have to deal exclusively with India in water issues. Fortunately both Nepal and India not only have a common cultural heritage that binds them together, but also subscribe to similar principles in water right issues. Both the countries believe that water belongs to the country where it originates*

consumptive uses of the waters of a river cannot in anyway deprive the upstream riparian country of her right to consumptive use of the same waters. Because of such similarity in views on water right principles it was not too difficult to amend the existing agreements on water resources with India that were detrimental to Nepal's interest

## India Defended Upstream Riparian Rights

The Indo-Pakistan dispute on the Indus arose immediately after the partition in 1947.

M. Zafrulla Khan, the Pakistan representative in the Security Council presented about it during a Security Council debate on the 16<sup>th</sup> December 1952. The partial text is given below:

*"The partition of the Punjab cut across the river system of the Province.....The partition line was so drawn that two of the rivers - Sutlej together with its tributary Bias, and Ravi - while originating in India, later on flow into Pakistan....On April 1, 1948.... India turned off the waters of these rivers which used to flow into Pakistan.."*

India's position on the water right principle she is subscribing to has been clearly stated in the Indo-Pakistan Agreement on Indus (Interim) signed on the 4<sup>th</sup> May, 1948. It is stated: "...the propriety rights in the waters of the rivers in East Punjab (India) vest wholly in the East Punjab.."

West Punjab (Pakistan) disputed India's contention. Its view being that in accordance with international law and equity West Punjab had a right to the waters of the East Punjab rivers. Finally India and Pakistan came to an agreement. The Indus Treaty was signed on September 19, 1960. The Indus Treaty provided that the waters of the contentious rivers Ravi, Beas and Sutlej would be for the exclusive use of India. However, India would have to pay Pakistan some compensation for the construction of projects to tap other rivers in

Pakistan to replace the supply from the above three rivers.

**Barcelona Convention and India**

India needed a greater part of the Ganges flow in the dry

seasons for flushing the silts into the sea from the port area in Calcutta. India must have considered that it is allowed to take up a scheme to divert the flow because of her sovereignty right over the domain. However, the Ganges is a navigable river. The diversion would have violated the International Barcelona Convention on the regime of navigable waterways. This convention was ratified by British Empire that included India also in 1922. India to free herself to undertake the Ganges diversion scheme, denounced the Barcelona Convention to take effect from 26 March, 1957. Soon after that India commenced the Ganges diversion scheme at Farakka in 1960s.

**Revision of Gandak and Kosi Treaties**

The Kosi and Gandak Treaties were binding upon Nepal. The Vienna Convention on the Law of Treaties states that every treaty in force is binding upon the parties to it and must be performed by them in good faith. It requires the consent of both the signatories for changes and amendments unless there is a special provision for it in the treaty. Nepal succeeded in convincing India that both the treaties should be amended to protect Nepal's vital interest.

***India needed a greater part of the Ganges flow in the dry seasons for flushing the silts into the sea from the port area in Calcutta. India must have considered that it is allowed to take up a scheme to divert the flow because of her sovereignty right over the domain.***

The Gandak Treaty was revised on 30<sup>th</sup> April, 1964. The Article 9 of the revised treaty is presented below:

*"His Majesty's Government will continue to have the right to withdraw for irrigation or any other purposes from the river or its tributaries in Nepal such supplies of water as may be required by them from time to time in the valley. For transvalley uses of Gandak waters separate agreements between His Majesty's Government and the Government of India will be entered into for the uses of water in the months of February to April."*

The revised treaty is a big improvement over the previous one. However, the use of Gandak water for transvalley uses in the months of February to April has been restricted.

**Further Revision of Gandak Treaty**

Buri-Gandaki river is a major tributary of the Gandak. After the completion of the Buri-Gandaki Storage dam the dry season flow of the Gandak in the months of February to April might almost be doubled. Nepal must

seek further revision of the 1964 Revised Gandak Treaty to drop the Clause restricting the use of Gandak water inside Nepal in the months of February to April. We must further amend the Gandak Treaty before we take the decision to implement the Buri-Gandak Storage Dam project. After such additional revision the Gandak Treaty would be on a par with the 1966 Revised Kosi Treaty in terms of complete recognition Nepal's right to use water of the Gandak and its tributaries.

**1966 Revised Kosi Treaty**

The Kosi Treaty was revised on 19<sup>th</sup> December, 1966. Nepal's full right over the Kosi river has been established in the revised treaty. The Article 4 (i) of the Treaty related with the water rights has been presented below:

*"HMG shall have every right to withdraw for irrigation and for any other purpose in Nepal water from the Kosi river and from the Sun-Kosi river or within the Kosi basin from any other tributaries of the Kosi river as may be required from time to time. The Union ( it indicates India ) shall have the right to regulate all the balance of supplies in the Kosi river at the barrage site thus available from time to time and to generate power in the Eastern Canal." ■*



PM Koirala : Picture unclear

## POLITICS

# Picture Imperfect

*As key actors play games from behind the screen, a blurred political picture lies ahead*

By SUSHIL SHARMA

**T**wo months have passed since the Nepal Communist Party (Maoist) emerged as the single largest party in the constituent assembly elections.

Many thought the elections cleared the way for the former rebels to head the government.

The president-in-waiting Pushpa Kamal Dahal 'Prachanda' has considerably climbed down since then. He is now the prime minister-in-waiting.

Desperate to capture Singh Durbar, the former bullet-wielders have given in to many demands of the Nepali Congress and the UML — whom they left

far behind in the second and the third positions in the ballot box.

They unwillingly dropped what they said was an unchangeable claim to the first presidency of the republic of Nepal.

They reluctantly agreed to a replace the constitutional provision of a two-thirds majority for forming and removing the government with a simple majority provision.

The Maoists are also, now, open to converting the controversial paramilitary outfit, the young communist league (YCL), into a civil body.

On diplomatic front, the opposite is the case with the Maoists. The scales have turned upwards after the elections.

The once-terrorist group has seen the envoy of the enemy numero uno visiting its chief at his residence.

Ambassador Nancy Powell's call on Prachanda has been followed by another meeting with a senior state department official — the deputy assistant secretary of state for south and central asia during his recent visit.

More importantly, there have been no reports lately about Prachanda frequenting the most influential diplomatic mission in Kathmandu.

The tables have apparently turned. Post-elections, it is not Prachanda who is knocking the doors of the Lainchaur mission. Hence no fear of being 'ambushed'.

It is the chief of the mission who is doing the rounds of Prachanda's Naya Bazar residence or Buddhnagar office.

For all its flexibility in national politics and newly gained recognition and respect in international community, the rewards of power continue to elude the Maoists.

The wait of the former rebels to lead the Singh Durbar and of the Maoist supremo to occupy Baluwatar show no sign of ending soon.

With the most convenient flogging horse — the monarchy — dead, the search for a scapegoat is sure to begin soon.

In private, Maoist leaders admit that the problem lies not at home. In public, they have to sing a different song. The new lyric has Girija Prasad Koirala as the villain of the piece.

Said a very senior figure, "The real villain is hiding behind the screen, holding the remote control." He would not elaborate, even in private.

The move to send senior leader and minister Krishna Bahadur Mahara to Beijing was an obvious attempt to win new partners in the journey to the power.

That move has backfired, according to the sources, despite assurances of support to China's "stance on Tibet".

Having not completed reading the minds of the Nepalese Maoists yet, Beijing has decided to invite a senior UML delegation, instead.

As key actors play their games from behind the screen, the picture is bound to be blurred. And the dream of peace, progress and stability a mirage. ■



Petrol pump: No oil

## PETRO PRICE HIKE

# Provisional Measure

*The government goes for partial price hike, which could be too little too late as it faces spiraling fuel prices in the international market*

By SANJAYA DHAKAL

**A**fter months of dilly-dallying, the government finally allowed the state-owned Nepal Oil Corporation (NOC) to hike the price of fuel. But as it faces unprecedented and record-shattering rise of fuel price in international market, the current measure could prove to be too little too late.

The board of directors of the NOC, on Monday (June 9), decided to hike the price of petroleum products. Following the directive of the political committee of the cabinet to adjust market prices, Monday, the NOC board decided to hike the price of petrol, diesel, kerosene and cooking gas.

As per the decision, the price of petrol has been increased to Rs 100 per liter from Rs 80. Likewise, the price of diesel and kerosene have been increased to Rs 70 and Rs 65 per liter, respectively. The price of cooking gas per cylinder has been increased from Rs 1100 to Rs 1200 (for Kathmandu valley) and Rs 1180 (for Terai region).

"The new price will help improve supplies but it will definitely take some time," said NOC spokesperson Mukunda Dhungel. Dhungel, however, added that even with the new price rise, the monthly losses of NOC stands at Rs 1.5 billion. Earlier its monthly losses stood at Rs 2.62 billion. Owing to severe rise of fuel

price in the international market, the NOC had been suffering huge losses and had reduced supplies by 40 percent.

The board has also decided to cut down taxes and duties on petroleum products. According to Purushottam Ojha, Secretary at the Ministry of Industry, Commerce and Supplies, the custom duty on petrol has been reduced from Rs 14750 per kiloliter to Rs 14000; duty on diesel has been reduced from Rs 2100 to Rs 1600 per kl; and duty on kerosene has been reduced from Rs 1300 to Rs 1000 per kl. The duty on cooking gas has also been reduced from 6.75 percent per cylinder to 2.75 percent. Local development taxes too have been brought down from 1.5 to 1 percent. Reports say that by raising the price, the NOC can collect Rs 920 million more from the sales while the reduction in taxes will help it save Rs 80 million.

Earlier, traders and business sector had made fervent pleas to the government to ensure smooth supply of the petroleum products.

A few days ago, during its meeting with the Minister for Industry, Commerce and Supplies, the representatives of Federation of Nepalese Chamber of Commerce and Industry (FNCCI) suggested ways to overcome the problem – price rise being one of them.

FNCCI president Kush Kumar Joshi presented a seven point recommendations to the government including laying of petroleum pipeline from Raxaul to Amlekhgunj, tax rebate on import of petro products, ban on the import of automobiles that use excessive fuel.

On the other hand, the dealers have threatened to launch strike in fuel supplies from June 15 if the government does not ensure smooth supply.

Shiva Prasad Ghimire, president of Nepal Petroleum Dealers Association has said that they are only getting 20 percent of the demand leading to severe shortage.

Furthermore, transporters even staged a sit-in at the central office of NOC and its depots in different regions across the country on Sunday (June 8), protesting the erratic supply of petroleum products and black-marketing. ■



Koirala (right) addresses the NC mass meeting: 'I am fit'

## POLITICAL CRISIS

# Presidential Race

*The race to become the first president of republic Nepal has turned ugly with parties busy undermining each other*

By SANJAYA DHAKAL

**P**arty leaders are busy dropping names and hinting at possibilities as the race to become the first president of republic Nepal has intensified.

After the Maoists formally withdrew the name of their chairman Prachanda from the race – since they agreed for ceremonial president, the party has now backed Prachanda for powerful executive prime minister – they have started giving conflicting signals keeping other parties guessing.

First they proposed their preference for a person from civil society to become the head of the state. Immediately, they clarified that a political person, too, can become a president. But long before the Congressmen could salivate at the prospects of putting Girijababu on that coveted post, the Maoists came with another dampener saying they will not support top leaders of any party for the post.

Nepali Congress (NC) leaders including general secretary Dr. Ram Baran Yadav have already openly declared Girijababu's name for the position. "He is the one who has helped bring the peace process this far. He brought the Maoists from the jungle to the peaceful politics, successfully held

the Constituent Assembly election and engineered a smooth transition from monarchy to republic. His contributions must be recognized," Dr. Yadav said.

Despite recognizing his contributions, the Maoists fear that Girijababu holding the office of president will compromise the 'ceremonial nature' of the post.

"That will create parallel power centers, which will create instability," said Netra Bikram Chand, a senior Maoist leader.

In order to pour cold water over Girijababu's ambitions, Maoist chairman Prachanda questioned his health and age. "We should give him a senior position in recognition of his contribution but not the president. Because as a president he will have to suffer from several tensions. We don't want to give him any more tension," he said.

Perhaps as a reply to Prachanda's questions, Girijababu dashed to Khula Manch on Sunday (June 8) and gave a public speech despite heavy rainfall. The message was clear – Girijababu has not yet declared himself unfit on health or age ground.

The Unified Marxist Leninist (UML) is still sitting on the fence on this subject and has not backed any candidate

including Girijababu publicly. It could be waiting for its own dark horse to charge at the last moment.

While the UML are keeping their cards close to their chest, the Maoists have dropped all kinds of names from Ram Raja Prasad Singh to UML's Sahana Pradhan, and from communist leader Nara Bahadur Karmacharya to civil society figures Padma Ratna Tuladhar and Dr Devendra Raj Pandey.

Singh's name has figured prominently but in whispered tones. Analysts say the Maoists could back Singh to win the support of Madhesi parties.

Meanwhile, as the political stalemate continues over constitution amendment and power sharing, the parties have formed a taskforce representing three major parties - CPN (Maoist), Nepali Congress and CPN (UML) - to suggest ways to resolve the current deadlock.

The taskforce, on Monday (June 9), reached consensus on a constitutional amendment. The panel arrived at a conclusion to suggest constitutional amendment to appoint the prime minister and president by the simple majority of the Constituent Assembly. But the president can only be sacked through impeachment by two-third majority.

The taskforce comprises two representatives from each of the three parties - Krishna Bahadur Mahara and Khim Lal Devkota from CPN-M, Dr. Prakash Sharan Mahat and Radheshyam Adhikari from NC and Bhim Rawal and Agni Kharel from UML. ■

## AGRICULTURE

# Commercialization Is The Key

With food stock shrinking and global warming adding to the uncertainty, Nepal's agriculture sector is facing major challenges. Since agriculture is still subsistence-based here, there is a very little room to increase productivity without turning it market-oriented. Only through transformation from subsistence-based to commercial venture and diversification of crops, can the agriculture withstand the coming challenges. The experiences have already shown that commercialization of agriculture can increase productivity by making it resilient against any disturbance

By KESHAB POUDEL

*Ghanashyam Kharel, a resident of Panchkhal Village development Committee, about 60 kilometer east of capital Kathmandu, does not have to worry about the untimely rain and its implication on annual production. Frustrated by low productivity of traditional crops like rice and wheat because of uncertain monsoon pattern, he has switched to market-oriented products like vegetables.*

Although prices of food stuffs have gone up by more than 50 percent in the

last one year, Kharel, who holds just about 3 ropanies of land, makes enough money by selling vegetables to buy food. Along with spending money in buying foods and paying health and education bills, he is also able to save.

"I am generating enough money to buy food, pay medical and education fees," said Kharel. "I have been producing vegetables all the year round. Because of uncertainty of monsoon rain, the production of rice fluctuates from time to time whereas the vegetable

production is rising with the use of fertilizers."

Kharel is not the only farmer in Panchkhal valley to have switched to vegetable production. A large number of farmers have already moved from subsistence-based traditional agriculture to market-oriented and income generating products. Since Arniko highway links Panchkhal with a big market of Kathmandu, farmers have hundreds of choices.

Growing population and increasing



**Market of Panchkhal:** Changing pattern of livelihood

affluence have increased the items in the food and vegetable menu in the kitchens of middle class people. Subsequently, more farmers living in the surrounding areas like Panchkhal, Trishuli, Makwanpur and Dhading have marketed their products successfully.

"You can produce various kinds of vegetable in a very short duration like pumpkin, cucumber, cabbage, cauliflowers and tomato. Tomato is a big attraction," said Kharel. "There are more risks in paddy production, which needs a long duration."

The case of Krishna Ram Rijal of Dhake village, 30 kilometer west of Kathmandu is not different than Kharel. Rijal has been producing vegetables for eight months out of a year while he plants paddy once a year since 1985. "The combination of paddy and vegetables help me a lot," said Rijal, whose market has extended even across the border into India.

"Whether there is a good monsoon or bad monsoon, my production remains constant. Thanks to irrigation facilities available through the local river, there is abundant water," said Rijal. "When I grow vegetables in winter, spring and autumn, I don't need much water. I plant paddy, which requires a huge volume of water, during the monsoon season."

Seti Tamang of Palung village, 70 kilometers south west of capital, can afford the rising food prices. "Although the prices of rice and maize have gone up by many times, my income generated through the vegetable production is helping me meet the demand. Had I continued to follow the subsistence-based agriculture, my family would have starved," said Tamang. "The maize produce in the hill is very expensive than the maize production in plain."

Compared with rice and wheat, potatoes, tomatoes and other vegetables

require nominal water. Unlike the duration for rice, wheat and maize, the vegetable production duration is also short. "If there is a shortfall of rain, rice production can drastically decline. However, there is very nominal loss in the vegetable production," said Kharel.

#### **Change In Weather Pattern**

Various studies have shown that climate change is going to have major implication in agriculture sector as the change in monsoon pattern may badly hit subsistence agriculture. The monsoon pattern varies every year. When the monsoon is weak, the production declines drastically.

With more than 65.6 percent of population engaged in the agriculture, it remains the major contributor for Gross Domestic Product (GDP). It contributes around 35 percent of the GDP. The Statistical Information on Nepalese Agriculture 2005/2006, published by

Ministry of Agriculture and Cooperatives, show that out of 3364139 hectare of agricultural holdings, only 1031137 hectare is irrigated. This shows that monsoon is still the determining factor for annual agricultural production directing the national economy.

According to a report prepared by Asian Development Bank Nepal Resident Mission for the year 2007, inclement weather continued to hamper agriculture in FY 2007 which decelerated to 0.7 percent from 1.1 percent the previous year. Poor monsoon rains caused paddy output fall by 12.5 percent. They also affected other major crops such as potatoes and oil seeds.

### Production of Traditional Crops

There have been ups and downs on agriculture productions. Although the total volume of traditional crops have increased, it cannot meet the demands of growing population. According to statistics of 1984-85, the paddy was cultivated in 1376860 hectares producing 2709430 metric tons of rice. The yield was 1968 kg per hectare. Likewise, maize was planted in 578720 hectare with 819850 metric tons of production and 1417 kg yield per hectare. Millet occupied 134370 hectare of land producing 124430 metric tons with 826 kg yield per hectare. Wheat occupied 451890 hectare of land producing 533720 metric ton with 1181 kg yield per hectare. Barley was planted in 27390 hectare of land producing 13460 metric tons with 857 kg per hectare yield.

According to 2005/2006 data, the overall production of all the traditional crops have significantly increased. During the period, the paddy was planted in 1549447 hectare producing 4209279 metric tons of production with yield of 2717 kg per hectare. Similarly, maize, millet, wheat and barley were cultivated in 849892, 258839, 675807 and 26428 hectares, respectively. Their yield and production have also drastically increased. However, the population has also gone up from about 16 million in 1985 to 26 million now. The production is barely sufficient to feed all the population.

As the uncertainty of rain pattern and fluctuating prices of rice, maize and



**Farm Fields:** Switching from subsistence

wheat produced in low land, vegetable has emerged as a competitive product for the farmers in upper hill. As more farmers are moving towards vegetables, the production has drastically increased. According to statistics, in 1984/85 farmers grew vegetables in 140500 hectares of land producing 1127884 metric tons with the yield of 8028 kg per hectare. In the year 2005-06, the area increased to 189832 hectare with 2190100 metric tons of production with the yield of 11537 kg per hectare.

As the country's traditional production has failed to meet the demands, more money is required to import food items. According to the Ministry of Agriculture and Cooperatives, the nation needs 5.2 million metric tones of food grain- rice, wheat and maize. The yield was 5.2 MMT last year and the deficit was met by importing food from India and Bangladesh. The production of rice has increased by 17 percent this year but the production of maize has not increased. The production of wheat will depend on monsoon trend.

"We must opt for commercialization

of the farm sector. FNCCI is working with the government to prepare a long term plan on this," said Kush Kumar Joshi, president of Federation of Nepalese Chamber of Commerce and Industry. "Commercialization motivates farmers to be competitive and innovative."

From fertilizers to irrigation, farmers from other countries get heavy subsidies whereas farmers in Nepal have to pay higher bill for electricity, fertilizers and seeds. The low use of fertilizer and old varieties of seeds are major reasons behind the slow progress in the annual productivity.

"The commercialization of agriculture is the way out to address the long term challenges. We cannot increase annual production and compete in the market just following subsistence farming," said Dr. Shanker Sharma, former vice chairman of National Planning Commission. "You must link agriculture with markets."

### WFP's Forecast

According to the United Nations World Food Programmed (WFP), in the last few decades, Nepal has become a food deficit country. Yields per hectare



have not been able to keep up with the rapid growth in population and the country has had to export from neighboring India to fill the gap.

Since the 1990s, Nepal has been growing steadily dependent on food imports. "Food, fertilizers, pesticides and even seeds — we are so dependent on India and other countries that any price fluctuation in the international market is going to have a huge impact on prices here in Nepal," says Jagannath Adhikari, a food security expert.

Nepal imports over Rs 2 billion (30.7 million US dollars) worth of rice and Rs 50 million (769,000 dollars) worth of wheat every year to help feed its population.

"We are most worried about the effect that rising prices are having on Nepal's eight million poor — those who typically spend more than 80 percent of their income on food. For these families any increase, much less a 40 percent increase, in food prices spells disaster," says Richard Ragan, country representative of the World Food Programme (WFP) in Nepal.

WFP has been working in Nepal for 41 years and last year it fed nearly two million Nepalese. Its recent report says that in 2006, drought and other natural disasters resulted in a national 13 percent cereal production deficit, in summer of 2007 paddy harvest bounced back with estimated 17 percent increase as compared to the year before.

But, despite these good crop yields, food prices have increased significantly leaving millions extremely vulnerable. WFP estimates that the number of Nepalese struggling with food security has doubled from four million to nearly eight million people.

Experts argue that the government can take a number of steps to protect those living on the razor-thin line of poverty. Nepal needs to quickly adapt initiatives that build households food security like developing small scale irrigation projects, providing improved feed stacks and other agricultural inputs to farmers.

#### Efforts of NGOs

Realizing the need to make the difference in the rural life, many Non



**Vegetable farmers:** Attractive venture

Governmental Organizations and International Organizations have been encouraging farmers to switch to new system. Run by renowned agro-economist Dr. Hari Krishna Upadhyaya, Center for Environment and Agricultural Policy Research, Extension and Development Center (CEAPRED), has been implementing the programs in many parts of the country promoting vegetable and vegetable seeds as an alternative to subsistence farming.

After making successful impacts on the life of farmers of eastern region through the off-season vegetables, the CEAPRED has now been working in Kavre, Dolakha, Surkhet, Dadeldhura and Baitadi. The organization has already launched programs in mid-western region along Karnali road.

Practical Action, a UK based International Non-governmental organization is also promoting farmers to adopt alternative agriculture. At a time when majority of

people in rural villages are struggling for enough food to sustain their livelihoods; and bearing consequences of climate change, Practical Action has been

launching programs focusing towards the accessibility of food and use of alternative technologies.

The Food Security Monitoring and Analysis System of the World Food Programme (WFP) has reported that average household food stocks have gone down by half in 38 districts in the last three months (November 2007 to January 2008) compared to the same period a year earlier.

"One cannot stop the implications of global warming. What we need to do now is opt for diversification of crop," said Bhola Man Singh Basnet, spokesman and agriculture scientist of Nepal Agriculture Research Center (NARC).

"The diversification of agriculture and commercialization is essential to bring the change. The government has been making every effort to modernize the agriculture system," said Hari Dahal, spokesperson of the Ministry of Agriculture.

The programs implemented in various parts of country show that commercialization of agriculture is the key to meet the challenges of food crisis and global warming. ■

# Nepal's tryst with India

-By KAPIL SIBAL, former foreign secretary to India

Nepal has made a break with its own history by abolishing the country's 240-year-old monarchy. The former king came to power in dramatic circumstances, with the palace killings creating a scandal around the monarchy. Rather than setting about restoring its image by finding ways to make himself popular, and playing a constructive constitutional role, Gyanendra added to the woes of the institution by exhibiting his autocratic instincts.

His temperament handicapped him in building any real rapport with the people. Imperious in his instincts, he believed he had a higher responsibility towards the nation, over and above the constitution. He inherited from his father a disdain for the political parties and had an insurmountable aversion to the idea of any communist leader heading the government under his watch.

Not that he was solely responsible for the breakdown of constitutional rule in Nepal. The Nepalese political parties must accept a large share of the blame because of internecine rivalry and competing ambitions. Complicating the scenario was the armed Maoist insurgency that controlled many parts of the country.

Gyanendra exacerbated the problems by a personal ambition to rule the country. The wrong man was on the throne at the wrong moment in the country's history. History has had its revenge and now the monarchy is in the dustbin.

For long, India believed that the two pillars of stability in Nepal were the constitutional monarchy and parliamentary democracy. This implied that if the Gyanendra aberration could be corrected somehow, constitutional monarchy in Nepal would be a stabilising force. Now it is not only Gyanendra who has gone, it is the institution itself.

Our reaction to this transformation in Nepal suggests that at some stage we abandoned the idea of a constitutional monarchy in Nepal as a pillar of stability. The question is why we believed in the positive value of a constitutional Nepalese monarchy in the first place and why we do not believe in it any more. Is it that earlier we were taking a position of convenience as we did not want to alienate the monarchy beyond a point and now too we are taking a position of convenience, since we want to alienate the Maoists even less?

Evaluating the past attitudes of the

Nepalese monarchy towards India would hardly have given reason to support it as a pillar of stability for India-Nepal relations. The palace always felt threatened by our democracy, seeing the Nepali Congress as India's instrument to undermine the monarchy. It nurtured the Maoist forces as a counter. It openly played the China card against us, to keep us off-balance and on the defensive. King Birendra qualified Nepal's South Asian identity by recalling that northern Nepal lay beyond the Himalayas. To demarcate himself from us politically, he would define Nepal's nonalignment as one between India and China. His proposal to make Nepal a Zone of Peace was to embarrass India. Relations were cultivated with Pakistan with the idea of poking India in the eye.

Sections of the press were assiduously used to sow distrust of India, often inventing instances of Indian high-handedness. Nepalese nationalism was deliberately directed against India by circles close to the palace. To limit India's presence, no progress was permitted in developing large-scale joint cooperative hydro-electric projects.

The underlying factors complicating our relations have not changed for the better with recent developments; some have changed for the worse.

Earlier, the Maoists were handy instruments of the palace; now they are their own masters. Negative approaches towards India can therefore be pursued with more conviction and less opportunism. The palace was acting out of a sense of vulnerability; the Maoists will act with the confidence of popular backing. The China factor could backstop even more strongly the policies of the new dispensation in Nepal. China too may want to further increase its influence in Nepal to control better Tibetan elements there following the failure of its policies in Tibet.

Prachanda's statement that Nepal will maintain equidistance from India and China means pursuing a policy that has precluded a normal relationship with India that would recognise the compulsions of geography, economics, culture, religion and, indeed, enlightened self-interest. Nepal should have good relations with China; but "equidistance" distorts relations with India as it actually means positioning Nepal much closer to China than to India, given the much more substantial content

of its relationship with India than with the other neighbour. It is this flawed concept that has conditioned

Nepal's flawed policies towards India in the past.

Prachanda's call for renegotiating the 1950 treaty with India - which we do not need to reject — is an expected revival of old agendas of suspicion and mistrust.

The open border with Nepal has, in practical terms, more disadvantages than advantages for India. Reversing this historical legacy would be moving in the wrong direction for emotional reasons. Apart from the practical difficulty on both sides of effectively regulating the border, instituting tight border controls and associated regimes will seriously hamper the existing people-to-people relationship that, between any two friendly countries, should be seen as a valuable cementing force.

Defence procurement arrangements with Nepal have a crucial national security dimension. India's concern is not earnings for its defence industry, as arms transfers to Nepal are on highly concessional terms.

As Nepal occupies a vital space in India's overall security, especially after China removed a centuries-old buffer by occupying and militarising Tibet, it is normal for India to expect even Maoist Nepal to be a friendly country that respects its legitimate concerns.

The deplorable inability of India and Nepal to realise large-scale joint multi-purpose hydro-electric projects is not going to be remedied with the Maoists in the driving seat. For Nepal to graduate from a foreign aid, remittance and tourism dependent economy, it would need to develop its water resources assets. Energy hungry India is a ready market. But this has, over the years, become a highly politicised issue, around which have coalesced all the India-related grievances and suspicions of Nepal. India's growing economy and the vigour of its entrepreneurs could be leveraged by Nepal to its advantage, but such thinking is unlikely to sway the Maoists. Even before this can happen, the Maoists will need to reassure the country's own business class about their future policies so that investment and economic activity in general do not slow down, making poverty alleviation in Nepal yet more difficult.

(*Courtsey India Express, 11 June 2008*)

# Political Deadlock

*Despite showing optimum flexibility and compromise, political leaders fail to find a solution*

By A CORRESPONDENT

“We will settle all our political disputes by June 10,” said all powerful CPN-Maoist leader Prachanda following the declaration of Nepal as a republic (June 2). “We will form the next national government next week.”

“We want both prime minister and president and there is no need to amend the articles of constitution before the formation of government. We cannot compromise on that,” said Maoist leader Baburam Bhattarai (June 3).

“We will be flexible as much as possible. We are ready to amend the provisions of the constitution as demanded by other parties,” said Maoist leader Mohan Baidya Kiran, a week later.

“In next session of Constituent Assembly (June 5), we will propose necessary constitutional amendment bill,” CPN-UML general secretary Jhalnath Khanal.

“There is a need for the politics of consensus for another ten years,” declared prime minister Girija Prasad Koirala. “There is no question who will gain and who will lose what we want is political consensus.”

Whatever they say publicly, from all powerful prime minister Girija Prasad Koirala to fire brand Maoist leader Prachanda and CPN-UML leader Jhalnath Khanal, the leaders of three parties which hold more than two thirds of seats in the assembly - are unable to implement their commitments. Though they hold constitutional power, it seems that is not alone enough to exercise the real power. If that is the case, where does the real power lie?

The reality shows that power lies somewhere else - not with the party's leaders. Whatever the position they hold in the constituent assembly, they cannot make or break the government and they cannot amend the constitution.

Since the last few years, whenever there were disputes among political parties, foreign missionaries had come to forge consensus. Every morning there are news

to state power. Because of legitimacy they secured in the elections, there is qualitative change in the status of Maoists.

They are one of the players but not a decisive power in politics of Nepal. If they were decisive, Maoists would have formed the government as had been predicted by their powerful leader Prachanda.



Koirala Shaking hand with Bijukchhe: Uncertain

of an ambassador of Nepal's powerful neighbor meeting with the leaders of main political parties.

Although the status of political leaders have transformed after the election for Constituent Assembly, what has not changed is their capability to exercise the decisive state power. Before election, Maoist leaders were not recognized like now. For instance, all the ambassadors and higher foreign dignitaries of powerful nations have started calling on Prachanda since the Maoist victory in election.

Till a few months ago, the situation was not like now. Prachanda had once boasted that he visited Indian embassy several times. But now, the new Indian ambassador Rakesh Sood visits Prachanda's house in Nayabazar - which shows the change in his status.

Although he is not decisive so far as making decision is concerned, Prachanda's personal capability has enhanced as his position is legitimized by mandate his party secured through the elections.

Unlike in the past days of underground politics, Maoist leader Prachanda has now several options in the open politics. He can meet whoever he likes. After the election, there is certain change in power politics as Maoists are now one of the players of open politics and number one contender

“External powers particularly India and America do not want to see our party in the government. They are conspiring against us,” said Mohan Baidya Kiran. “Actually all political forces are helpless in front of them.”

Nepali Congress - country's largest and oldest party - is virtually leaderless. Because of G.P.

Koirala's age and his political mistakes, there is frustration and demoralization in the Congress rank and file.

The second generation Congress leaders are also demoralized. The party is suffering from defeated psychology. There is no imaginary and dynamic leaders in sight as the remaining leaders are subdued by G.P. Koirala's one man show.

“Nobody calls the central committee meetings to decide on major agenda. It is virtually one man show of prime minister Koirala. We don't even know how much of his voice prevails when we see the agreement reached at the last minute,” said an insider of Nepali Congress.

The third largest party, CPN-UML is also in trouble and is itself struggling for survival. After the emergence of Maoists as the largest party along similar ideological platform as CPN-UML, the party's main concern is to retain its earlier position.

Though leaders of Nepali Congress, Maoists and CPN-UML discuss the agenda, their actions show that they are not in a position to exercise the decisive state power. They removed monarchy saying that it created the hurdle to exercise decisive power but they are unable to exercise the decisive power even after the abolition of monarchy. ■



FEDERALISM : Learning The Steps

## FEDERALISM

# Learning The Steps

*Senior bureaucrats of the country visit India to learn the experiences about federalism functioning in India*

By A CORRESPONDENT

**A**t a time when Nepal has been debating over the issue of federalism in the new constitution making, a high level team led by Secretary of Ministry of General Administration, Dr. Ram Hari Aryal recently made a trip to India to observe the functioning of federal structure in India.

By visiting various Indian administrative academies, states and central departments, the delegation of Nepalese civil servants came face to face with the practical experiences on how power is devolved between state and center.

Following their visit, the Indian Embassy organised an interaction program to discuss about federalism. The interaction was attended by leaders of various political parties, members of Constituent Assembly, intellectuals, civil society members and media.

"The focus of the visit of the delegation of senior government of Nepal officers on federalism is particularly relevant, and will continue to be so as Nepal gets down to drafting a new constitution which will be based on inclusive and institutionalized democracy and marry the aspirations of a pluralistic society within a federal set up," said Indian ambassador to Nepal Rakesh Sood.

Although Nepalese officials have a long experience of working under the power devolution scheme, they have hardly any idea about the functioning under the federal structure.

"We have learnt immensely from our visit. In our interactions with the officials in the states of Goa, Maharashtra and Delhi and officials of central government, we understood the challenges and difficulties faced in the federal state," said Dr. Ram Hari Aryal,

Secretary at the Ministry of General Administration and leader of five member delegation.

Organized under the India-Nepal Economic Cooperation Program by Indian Embassy, the two-weeks-long visit helped Nepali senior civil servants to observe the nature of Indian civil service and process of its modernization.

"Indian civil service functions as a permanent government and the officials always maintain complete neutrality. Whichever political parties come to power, civil service in India serves them objectively," said Bhagwati Prasad Kafle, Secretary at the Commission for Investigation of Abuse of Authority and a member of the delegation.

"Indian civil service is in the process of ensuring inclusiveness," said Brinda Hada Bhattarai, Secretary at the Cabinet Secretariat. "One of the very important aspects of Indian civil service is that it continues to serve as a permanent institution."

Along with federalism, new concepts of power devolution to the grass root level is also gradually taking shape. India has been experimenting with local government as Panchayati Raj within the federal structures.

"Although the local bodies are under the control of state government and state devolves power to them, local bodies, too, have been functioning perfectly with the massive participation of the people from grass root level," said Dr. Aryal. "India's experience is going to be very helpful for us in the process of constitution making."

From judiciary to administrative units, the federalism consists of very complex matters. The devolution of power, budgets allocations and relations between state and center, there are all kinds of complexities.

"This visit was organized by government of India under the request of government of Nepal," said Pranaya Burma, counselor of Indian Embassy. "We have already organized such visiting programs for the Local Development Officers of all 75 districts."

"The scholars, high officials and politicians in India suggested us to take care in the course of carving Nepal as a federation," said Dr. Aryal. ■

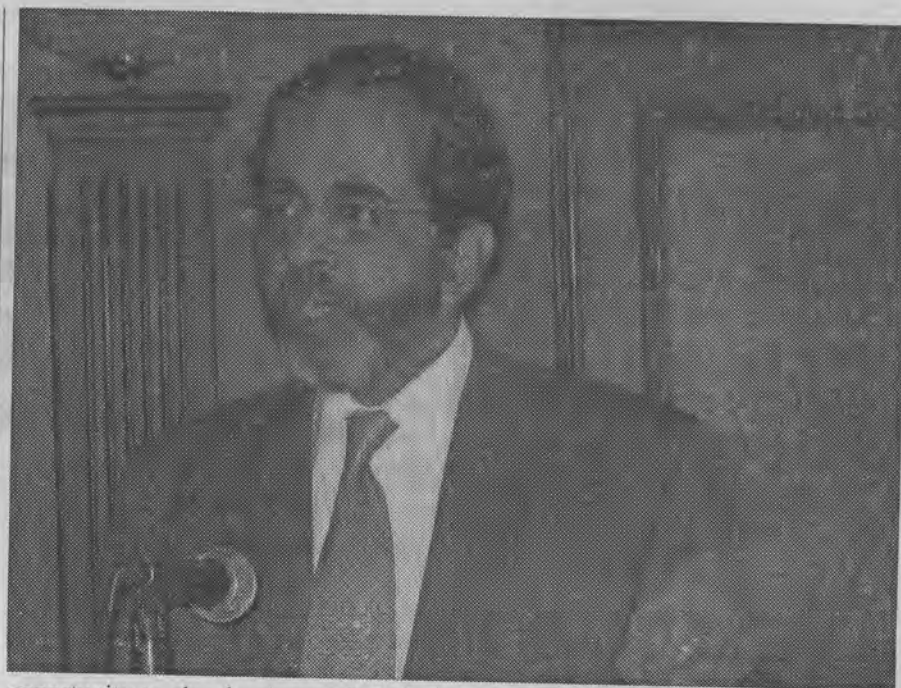
# Consolidation of India's federal democracy

By Rakesh Sood

I am happy to be present at this post-visit interaction with the delegation of senior civil servants of Nepal, which has just concluded a two-week visit to India to study various aspects and issues related with federalism. We have attached great importance to this visit as part of our development cooperation with Nepal.

The visit of the delegation has taken place against a historic backdrop when the choice of Nepali people regarding their system of governance and political set up has put Nepal on a new road to peace and prosperity. The focus of the visit of the delegation of senior Government of Nepal officers on federalism is particularly relevant, and will continue to be so as Nepal gets down to drafting a new Constitution which will be based on inclusive and institutionalized democracy and marry the aspirations of a pluralistic society within a federal set up. The multiethnic demography and presence of diverse interests and aspirations of Nepali people presents situation similar to India's more than 60 years ago, when we started to write our Constitution. We hope that the success and consolidation of India's federal democracy can be an encouraging experience for Nepal.

As the senior civil servants of Nepal, you shoulder an important part of the historic responsibility to consolidate Nepal's democracy and successfully implement the letter and spirit of the new Constitution going to be drafted by the Constituent Assembly. If your experiences and observations during this visit could make some contribution in that direction, the purpose of our initiative will be served. I am happy to learn that the Indian Institute of Public Administration – a premier institute in India for the training of civil servants – had arranged a substantive programme for you. I hope that your visits and interactions would have given you an



opportunity to closely observe India's federal machinery at work along its various dimensions – ranging from legislative to judicial, administrative, financial and developmental federalism. I am sure that you would have drawn comparisons, and observe similarities, too, of conditions between India and Nepal, which would leave you with the option to use your own judgment as to which element best suits the needs of Nepal and which does not.

Let me reiterate that we highly value the recent initiative that we have launched for training-cum-exposure visits of GON officials under the India-Nepal Economic Cooperation Programme. Your visit is among the most important of them. Recently, we concluded an ambitious management development programme for Local Development Officers covering all 75 districts of Nepal. A group of 10 Finance Officers of Government of Nepal were also trained in India in April 2007. Similarly, in December 2007, a high-level delegation from the Public Service Commission of Nepal visited

India to study the reservation policy in the recruitment for India's civil services in the context of Nepal's new legislation for making the civil services more inclusive.

We welcome similar federalism-related study visits by more groups of senior civil servants of Government of Nepal, with the belief that they have to play an important role in the consolidation of democracy and stability of Nepal in the coming months and years. We also stand ready to provide opportunities for study and exposure visits to the Nepalese civil servants in other focus areas, which we feel will further strengthen awareness of each others' systems and reinforce the friendly, professional and close relations that characterize the interaction between the civil servants of our two countries. Given the close cooperation and a natural advantage offered by the similarity of conditions between our two countries, we are always ready to extend all possible assistance to Nepal's transformation to a stable, peaceful and prosperous democracy.

*(Author is Indian ambassador to Nepal. This is an excerpt of the statement he delivered at an interaction held after study trip to India by senior officers of government of Nepal)*

## MAHARA'S NORTHERN SOJOURN

# Visit With Purpose

*Maoist leader Krishna Bahadur Mahara makes a trip to China*

By A CORRESPONDENT

**A** senior Maoist leader has expressed his party's firm support to China's stance on Tibet-related issues.

According to news report by Xinhua, the Minister for Information and Communication and senior functionary of Maoists, Krishna Bahadur Mahara, expressed 'CPN-M's firm support to China's stance on Tibet-related issues' and vowed to 'prevent any force from doing any anti-China activities in Nepal.'

He said so when meeting with Wang Jiarui, head of the International Department of the Communist Party of China (CPC) Central Committee, last week, in Beijing.

During the meeting, Wang said that CPC and the Chinese government and people respect the Nepalese people's choice of social system and development path suited to its own conditions, the Xinhua report said.

Wang voiced his congratulations on the success of the first meeting of the



**Mahara (right) with his colleague: Purposeful Parley**

newly elected Nepal's Constituent Assembly (CA) and hoped that parties concerned, including the CPN-M, would continue to push forward the peace process in Nepal so as to ensure peace, stability and development in the country as early as possible.

Wang spoke highly of the Nepalese government's and different parties' consistent position on issues concerning China's sovereignty and territorial

integrity, hoping that the Nepalese side would continue to follow a friendly policy toward China. Wang said China and Nepal are neighbors and enjoy a traditional friendship.

The CPC had maintained friendly exchanges and contacts with major Nepalese parties and it would further relations with them, said Wang. Wang

also briefed Mahara on China's fight against the severe earthquake that hit southwest China's Sichuan Province on May 12, and expressed his appreciation for the Nepalese side's concern and sympathy. Mahara expressed deep condolences to the victims in the devastating earthquake on behalf of Prachanda, chairman of the CPN-M.

The two sides also exchanged views on party-to-party relations, the report adds.

## BHUTANESE REFUGEES

# Concerned Over Violence

*Core groups expresses concern over the violence in Bhutanese refugee camp*

By A CORRESPONDENT

The governments of Australia, Canada, Denmark, the Netherlands, New Zealand, Norway and the United States, as members of the Core Working Group on Bhutanese Refugees in Nepal, noted their deep concern about attacks and escalating threats against Bhutanese refugees seeking third country resettlement and the humanitarian workers who assist them.

In a joint statement issued Friday, they referred to statements from the International Organization for Migration (IOM), the office of the United Nations High Commissioner for Refugees

(UNHCR), and the World Food Programme (WFP) who noted in their May 22 statement that attacks against refugees and humanitarian staff endanger continued provision of aid to refugees in Nepal.

"Attacks by groups opposed to third-country resettlement reveal their fundamental disregard for the welfare of the people whose cause they claim to promote," Core group said calling on the government of Nepal to bring to justice the perpetrators of these violent attacks.

The Core Group also noted that many refugees seeking resettlement are not swayed by these threats but continue to

seek resettlement consideration. "We recognize that resettlement to another country is not the first choice of most refugees, whose strongest desire is to go home. Third country resettlement should not bar refugees from returning to Bhutan in the future," the statement reads adding that members of the Core Group continue to urge the government of Bhutan to accept the repatriation of its citizens.

"Violence does not facilitate these efforts," they said. The Core Group commended the courage of humanitarian workers who assist refugees despite threats of violence. "We also greatly appreciate the daily efforts of district officials and police to protect refugees and humanitarian workers," they said and expressed commitments to work with Nepal, the government of Bhutan, and the UNHCR towards a comprehensive and sustainable solution for this refugee population that best meets the individual needs of the refugees. ■

## SURYA NEPAL MASTERS 2008

## Going Golf

*Shamim Khan wins the Surya Nepal Masters 2008*

By A CORRESPONDENT

**S**urya Nepal Masters has brought many good regional players in Nepal helping enhance the quality of golf tournament.

This time Shamim Khan played extraordinary game pushing all his competitors far behind. This lead helped him win the trophy in final without any competition from his rivals.

As Khan showed great performance, the final day was just like a completion of formality. His leading scores were difficult to follow for his competitors from Sri Lanka and India.

Khan completed with yet another sub-round of 3-fewer than 69 for a tournament tally of 23 under par 265 and 11 shot victory to earn Rs. 324,000.

But, for other players, who wanted to secure the second position, the game was tough and competitive. Pushing his Indian competitor Vijaya Kumar out, Sri Lankan Anura Rohana secured the second position.

Rohana completed his course with best card of 6 under 66 to finish second at 276. His rival and competitor Vijaya Kumar came third at 278. This was a very tough and competitive game.

Held in Le Meridien Gokarna Forest Golf, Spa, Sujjan Singh secured fourth position at 280 while Harinder Gupta with a final round of 72 finished fifth. Gurbaaz Mann finished sixth at 283.

Although Nepalese players were unable to secure any top position, Deepak Neupane with brilliant round of 4-fewer than 68 emerged as the best Nepali pro tying for the seventh place along with Vinod Kumar and Sanjaya Kumar at 284. Amardip Malik and Nepali player Shiva Ram Shrestha were tied for the 10<sup>th</sup> place at 286.

In the international amateur event, Bangladesh outnumbered other

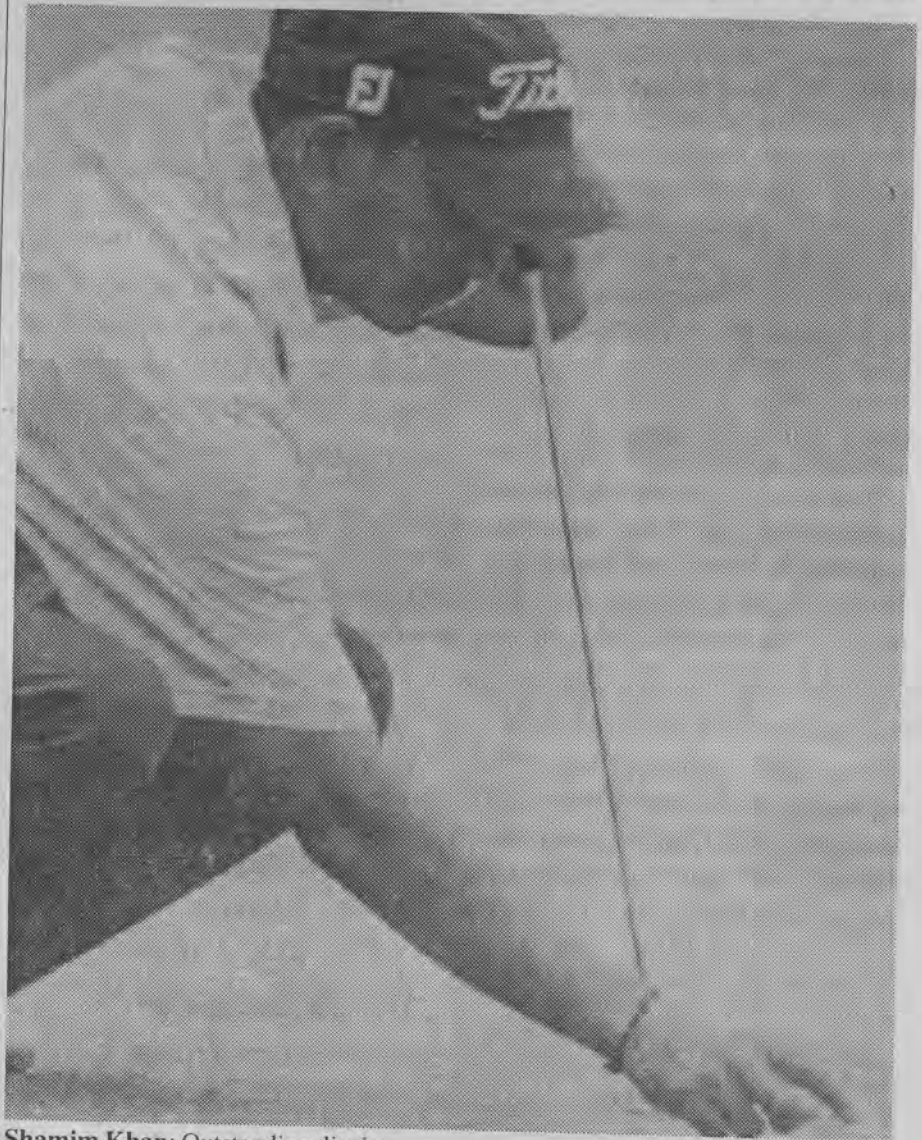
competitors winning the tournament by a margin of 26 strokes. Shekawat Hussein and Shahi aggregated 579 for

decade, Surya Nepal Pvt. Ltd has been holding the international golf tournament inviting many prominent international players from the region contributing to uplift the quality of golf tournament here.

The tournament, which was held from June 2 to 8, also helped encourage Nepalese players to develop their skills and quality.

"I cannot explain my happiness in words," said Khan after winning the tournament.

Indian ambassador to Nepal Rakesh Sood distributed the prizes to the winner



**Shamim Khan:** Outstanding display

Bangladesh.

The team of Tashi Ghale and Deepak Acharya who played a very good game, helped Nepal A to finish second. Indian team finished third. Since last one

of the tournament. Indian ambassador Sood and Managing Director of Surya Nepal Pvt. Ltd Sanjiv Keshava gave away the Surya Nepal Masters 2008 trophy to Shamim Khan. ■

# History Through French Eyes

*French scholar Sylvain Levi's contribution helps understand many important aspects of Hindu Nepal*

By A CORRESPONDENT

Nepal's politicians, civil society members and others have been talking about New Nepal. Nobody is interested about old Nepal and its centuries-long history, which proves that Nepal is one of the oldest countries of the world.

This is what one can read in the book written by renowned French scholar Sylvain Levi. In his book *Nepal a History of Hindu Kingdom*, Levi has detailed Nepal's long history of continuity in this part of the world.

Originally written in French by a renowned scholar of continental Europe, it was recently translated into Nepali. In this book one can find many interesting observations on characters of Nepalese people, geography, rulers, temples and culture.

Translated by Dilli Raj Upreti into Nepali language, this book helps understand how rich and diverse Nepalese culture is. Although the French author had traveled just within Kathmandu valley, he had made all the efforts to look into Nepal's overall situation.

The author had arrived in Nepal at the time of Rana Prime Minister Dev Sumsher. Levi also tells about the difficulties and challenges he faced to come to Nepal from India crossing dense forest of south which was very dangerous from wild animals as well as Malaria.

In this first volume, Levi explores the history of Nepal and its identity as an independent nation. He also discusses the rulers of various periods and influences Asia's two major countries India and China have in religion and culture in Nepal.

This first volume is full of facts and incidents related to the historical

*Originally written in French by a renowned scholar of continental Europe, it was recently translated into Nepali. In this book one can find many interesting observations on characters of Nepalese people, geography, rulers, temples and culture.*

*Translated by Dilli Raj Upreti into Nepali language, this book helps understand how rich and diverse Nepalese culture is. Although the French author had traveled just within Kathmandu valley, he had made all the efforts to look into Nepal's overall situation.*

**Le Nepal:  
Etude Historique d'un  
Royaume Hindu (Part I)  
Nepal: Hindu Adhirajya Ko  
Itihass**

**By: Sylvain Levi**

**Pages: 260**

**Translated by:**

**Dilliraj Upreti**

**Edited by: Pramod**

**Khakurel, Victor Pradhan  
and Bashanta Thapa**

**Price: Rs. 400**

**Published by: Himal Book**

development and evolution of Nepal. In the first chapter, French historian Levi discusses about the Kingdom of Nepal and the history related to Kathmandu valley.

Levi studied various historical documents written by Europeans, particularly British, Chinese, Tibetans and locals. These documents show Nepal's long history of existence.

At a time when every one is talking about the need to make a New Nepal, many seem to have forgotten Nepal's old and long history of existence in this part of the world. Levi's book reminds this fact.

From writing about the lifestyle, traditions and culture of local Newar residents, author Levi also describes Gurkhas who conquered Kathmandu valley. He also discusses Nepal's legal, social and political foundations.

In its history of more than two thousand years, the country has gone through various dynasties and rulers. One of the important parts of history of Nepal was the continuity with change. Kirant, Lichhivi, Thakuri, Malla and Shah dynasties displaced each other but what they accepted was the culture and values of Kathmandu as a core value.

The rulers respected their predecessors and protected their contributions. This is the reason why Nepal still has all the historic architectures and sites intact. This protection helped understand the achievement of the past. Unlike the present brand of politicians who destroyed almost all important statues of Shah dynasty and condemned the history of the past 240 years of unified Nepal, there was a sense of justice during that period.

Thanks to Himal Book, every Nepali now has the opportunity to read the historical phase of their country as observed by a French scholar. Unlike British historians who also have made immense contributions to find out Nepal's history, Levi's perception is more neutral and objective since French author did not have any axe to grind. ■



“The NC has openly proposed Koirala’s name for the president. But he will have to drop the ordinary membership of the Congress and, besides, we do not want him to be in any position where he will have to bear lots of tensions.”

*Maoist chairman Prachanda, ruling out PM Koirala’s name for next president, talking to reporters.*

“Girijababu is the most appropriate candidate for the president because of his outstanding contribution to the peace process and his long experience.”

*Dr. Ram Baran Yadav, general secretary of Nepali Congress (NC), rooting for Girija Prasad Koirala as the president.*

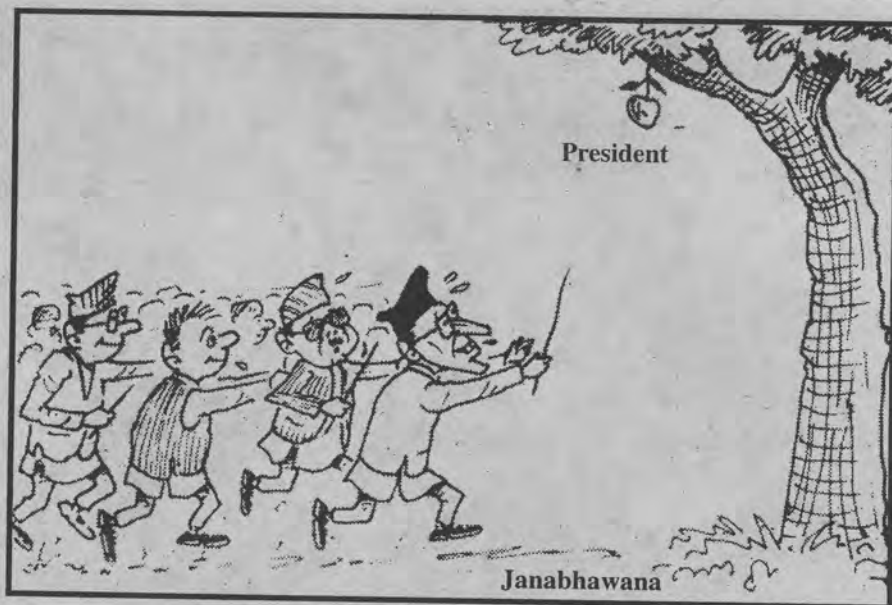
“The president should be elected by the Constituent Assembly.”

*Jhalnath Khanal, general secretary of the Unified Marxist Leninist (UML).*

“We have decided to move forward with a proposal to appoint a ceremonial president from the civil movement as the Prime Minister and President will undoubtedly share power in reality.”

*Posta Bahadur Bogati ‘Diwakar,’ a senior Maoist leader.*

“We do not know on what basis they



formed that alliance. They cannot just do whatever they like.”

*Pari Thapa, a leader of CPN (Unified), criticizing the formation of an alliance of 13 parties out of total 25 parties in the CA and their involvement in crucial meetings.*

“They should have at least settled for a symbolic and ceremonial arrangement rather than taking the king out.”

*Ashok Singhal, president of Vishwa Hindu Parishad, a Hindu organization of India, deploring the implementation of secular republic in Nepal.*

“Despite our negligible emission, Nepal is suffering from (consequences

of climate change) rapid snow-melting, expansion of glacial lake, formation of new glacial lakes, receding snow line, haphazard weather pattern resulting in flash floods, droughts and so on.”

*Formullah Mansoor, Minister for Environment, Science and Technology, on the occasion of World Environment Day.*

“We urge the Maoist party to urgently clarify its attitude towards the Press and to show by words and deeds that it has no intention to restrict the Press freedom in any way.”

*A statement by Editors’ Alliance, an alliance of editors of leading newspapers in the country.*

## TRANSITION

**ALLOCATED:** Nagarjuna palace for ex-King Gyanendra, by the government, for the time being.

**DEPLOYED:** A team of 50 personnel of Armed Police Force (APF) and 25 personnel of Nepali Army (NA) for the security of ex King and Queen.

**RETURNED:** Krishna Bahadur Mahara, senior Maoist leader and Minister for Information and Communication, after a short visit to

Beijing, China where he held meeting with senior officials of Chinese Communist Party.

**FORMED:** The second meeting of the Constituent Assembly, formed a 49-member committee to draft the CA regulations. All the 25 political parties will send their representatives in the committee.

**REDUCED:** Nepal Electricity Authority (NEA) has reduced the load-shedding hours from five hours to only four hours a week effective from

Saturday (June 7).

**RESIGNED:** Maoist chairman Prachanda from Rolpa-2 constituency; Nepali Congress leader Sher Bahadur Deuba from Kanchanpur-4 constituency; Maoist leader Dev Gurung from Kaski-1 constituency; Madhesi Janadhikar Forum leaders Upendra Yadav and Bijaya Kumar Gachhadar from Morang-5 and Morang-7 constituencies, respectively. All the five leaders had won from two constituencies at the Constituent Assembly election.



## FILM FESTIVAL

# Diversity In Language

*The international indigenous film festival provided a different taste of films*

By A CORRESPONDENT

**W**ith a country known as the home of more than five dozen various ethnic groups in hill, mountain and plain, there are various indigenous cultures prevalent in Nepali society.

Gurung, Limbu, Tamang, Rai, Sattar, Newar, Tharu, Lepcha, Sherpa and so many other communities have their

unique and rich culture, language and heritage.

This is what one could see in the second international indigenous film festival organized recently by Indigenous Film Archives.

Although they are different than mainstream and commercial films, they represent the real life of the people and project difficulties, traditions and

challenges faced by them in the process of modernization.

Along with Nepali indigenous films, one could also see the indigenous films from Mexico to China and India. Inaugurated by eleven members of CA representing various ethnic groups, there was a rush of audience who wanted to enjoy the tradition and culture of ethnic groups from all over the world.

Organized in Kathmandu City Hall and Nepal Tourism Board, the international indigenous film festival was also able to attract a large number of Nepalese films made in various indigenous culture and language with their own flavor and taste.

In the festival, Gurung film Rohase Mai, Tamang film Dudal and Limbu film Chesung were also displayed.

## FOLK CULTURE

# Songs of Varieties

*Organized by Everest Nepal Culture Group, Fourth International Folk Festival depicted diversities of the world*

By A CORRESPONDENT

**F**rom languages to dress and music to dance, all are different in tones and perception but what the audience at the open theater enjoyed on Saturday was the diversity and varieties of dance and folk lore.

The audience were jubilant as the performers shared their native folk lore and traditional culture. Mostly young and

talented, the performers from various parts of the world have their own way of depicting their feelings.

From Latvia to the US and Costa Rica to Nigeria and India, Sri Lanka, Nepal and Israel, the performers of all different parts of the world performed their folk dances and songs.

Along with performing in open

theater, the artists have already performed their dance in various parts of Nepal including in Palpa, Pokhara, Nuwakot and Lalitpur and the final performance was held in Kathmandu.

Despite the rainfall, it did not dampen the spirits of performers or the audience.

Not only the dance but also vibrant and colorful dresses the artists wore attracted the people. It was full of pleasure and happiness. As it was quite similar to Nepal, the performance by Indian team received a strong response from audience. The dance of Latvia, Costa Rica and the US were other interesting parts of the international folk festival. ■

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