



OPINION
Dipak Gyawali



VIEWPOINT
Arup Rajouria



FORUM
Chandra Prasad Dhakal

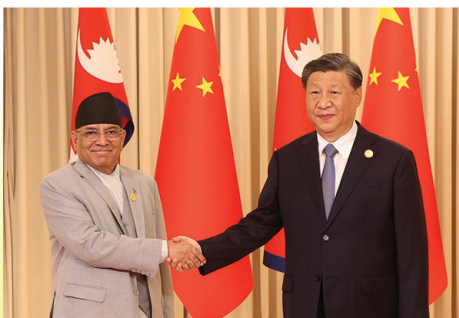
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UT-1 HYDROPOWER PROJECT Foundation Laid

INSIDE



PM PRACHANDA'S VISIT TO CHINA
DEFENDING SHARED INTERESTS



BEEN
COLLABORATING WITH LOCAL
GOVERNMENTS



INTERVIEW
SENIOR ADVOCATE, PROFESSOR
DR. GANDHI PANDIT

साना तथा मझौला व्यवसायी कर्जा

SME LOAN

हामीलाई थाहा छ,
कोशिस गर्नेहरू कहिल्यै
हादैनन्, परिश्रमीहरू
पछि पदैनन् ।



*शर्तहरू लागू हुनेछन्।

नयाँ व्यवसाय सुरुवात तथा
संचालित व्यवसाय विस्तारको लागि

विशेषताहरू:

- रु १ करोडसम्म ऋण प्राप्त गर्न सकिने ।
- ३ कार्य दिनमै कर्जा उपलब्ध हुने ।
- बिना ऋणको न्यूनतम सेवा शुल्क तथा सहूलियत ब्याजदरमा ऋण उपलब्ध हुने ।
- क्रेडिट कार्ड तथा लकर शुल्कमा २५% छुट पाइने ।

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Notes From The Editor



Under mounting pressure from educators, the government has at last acquiesced to their demands for amendments to the education bill. Furthermore, nearly seven years after the promulgation of the constitution in 2015, the federal government introduced the Education Bill 2023 in the House of Representatives, as mandated by the federal system. However, rather than engaging in comprehensive consultations, the government hastily drafted and presented the bill in parliament. Given the numerous controversial provisions within the bill, all stakeholders have voiced their opposition to it. Private school owners have declared their intent to protest against the bill, although their approach is non-violent, in contrast to government teachers. Even though the bill was introduced in response to the demands of local and provincial governments, they too have expressed reservations regarding certain provisions that they perceive as contrary to the spirit of the constitution.

Considering the current widespread opposition, the most prudent course of action for the government would be to withdraw the bill and reintroduce it after conducting more extensive consultations to prevent potential conflicts. However, there is a discrepancy among the ruling parties. The Acting Prime Minister and NC leader, Purna Bahadur Khadka, has made it clear that the NC will not compromise on federal provisions, while other ministers are attempting to develop compromise solutions. This issue has been previously reported.

In our cover story this week, we feature the UT-1 hydro-power project. As Nepal shifts towards clean energy from fossil fuels, the construction of UT-1 assumes significant importance. With investment from the Korean private sector, this project has the potential to be a game-changer. Additionally, we conducted an interview with Professor Dr. Gandhi Pandit, a renowned corporate and constitutional lawyer, focusing on Nepal's investment environment and legal framework.

Keshab Poudel

Editor

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The Abraham Accords: Celebrating Three Years Of Regional Cooperation



BY: HANAN GODER-GOLDBERGER

This week marks a very important milestone for the Middle East and North Africa: three years since the signing of the Abraham Accords between Israel and the United Arab Emirates (UAE) and Bahrain, under the auspices of the US government. Three months later, in December 2020, Morocco joined the process, signing a normalization agreement with Israel.

The catalyst that enabled these historic accords was the conscious decision taken by the parties to promote a stable and prosperous future for the Middle East.

The agreements have ushered in a new era of normalization and peace that not only connects governments but also brings people together, despite differences in language, religious beliefs, cultures and more.

So far, the Abraham Accords have offered a mere glimpse into the full potential of regional cooperation. Even so, the scope of trade between Israel and other Middle Eastern countries increased 74% between 2021 and 2022. Another example is tourism, mostly non-existent in the past, which has skyrocketed. In 2021, visits from Israel to the UAE increased by 172%. Meanwhile, the number of Israelis flying to Bahrain since the establishment of direct flights has increased exponentially.

The accords have also had a significant influence on reinforcing Israel's relations with neighboring countries, thereby enhancing regional stability. For example, the Prosperity Green & Blue agreement between Israel, the UAE, and Jordan determined that a solar field to supply 600 megawatts of green electricity to Israel will be established in Jordan, while in return, a desalination plant in Israel will deliver 200 million cubic meters of water to Jordan.

In a region where 65% of the population is under 30, providing the younger generation with opportunities is a key factor in preventing instability. To that end, youth delegations have been initiated, encouraging bonds between

tomorrow's leaders and laying the foundation for cooperation in the decades to come. Delegations in which young influencers experience each other's cultures and visit important religious and historic sites while focusing on community building are an effective tool in strengthening ties.

Importantly, the youth of the relevant countries have subscribed wholeheartedly to the principles of acceptance, cooperation and peace highlighted in the accords, communicating to the region that these ideals are the building blocks of the future.

The Abraham Accords encourage collaboration and education. In the summer of 2022, Ben-Gurion University welcomed students from Morocco. Additionally, a number of Emirati students have enrolled in Israeli universities. Bahrain has also embraced the prospects for shared educational activities and signed a number of agreements with Israel to advance student and professor exchanges.

In a notable example of how these initiatives can foster mutual understanding, after Emirati Foreign Minister Sheikh Abdullah bin Zayed Al Nahyan visited the Yad Vashem Holocaust Remembrance Center in Jerusalem, the UAE incorporated Holocaust education into its school curriculum as a mandatory subject, attestation to the ability of the Abraham Accords to foster coexistence and religious tolerance.

The Abraham Accords have shown unity's power to inspire and provide opportunity. They offer a window into a potential future of the region and demonstrate that when both leaders and ordinary citizens prioritize peace and cooperation, a far better future for the Middle East is possible.

Israel hopes that many more countries will join this endeavor, creating a brighter tomorrow for the sake of all our children.

Hanan Goder is an Ambassador of Israel to Nepal



NEWSNOTES

PM Prachanda Meets With U. S. President Biden In New York.

Prime Minister Pushpa Kamal Dahal Prachanda met with President Joe Biden of the United States of America during a



reception hosted by the US President in honor of the leaders of delegations to the United Nations General Assembly (UNGA).

A press release issued by Nepal's Permanent Mission to the UN stated that Prime Minister Dahal expressed his gratitude to President Biden for

the warm welcome.

The two leaders discussed the possible assistance that the United States can provide to Nepal for its benefit.

Prime Minister Prachanda addressed the UN General Assembly yesterday and took part in the opening of the High-Level General Debate of the 78th Session of the United Nations General Assembly today.

Numerous Heads of State, Heads of Government, and high-level dignitaries from various countries are currently attending the General Debate of the 78th Session of UNGA, which is taking place from September 19 to 26, 2023, with the theme "Rebuilding trust and reigniting global solidarity." Accelerating action on the 2030 Agenda and its Sustainable Development Goals is imperative toward achieving peace, prosperity, progress, and sustainability for all.

He will depart tonight (afternoon Nepali Time) from New York for a week-long official visit to China's capital, Beijing and Asian Games city.

Chinese Embassy In Kathmandu Celebrated 74th Anniversary Of PRC

Embassy of the People's Republic of China (PRC) in Nepal hosted a reception to mark the 74th anniversary of the founding of the PRC.

Vice President Ramsahay Prasad Yadav graced the program which was also attended by former Prime Ministers of Nepal including Sher Bahadur Deuba and Jhalanath Khanal, ministers, government secretaries, leaders of different political parties, chiefs and representatives of diplomatic missions in Kathmandu.

Speaking on the occasion, Chinese ambassador to Nepal, Chen Song reiterated China's support for Nepal's development.

"We will continue to make every effort to help Nepal promote industrial upgrading, accelerate poverty alleviation, and enhance self-generated development capability. I am convinced that as long as our two countries carry forward our tradition of friendship



and keep increasing our exchanges and cooperation, we will together achieve common prosperity and take our friendship across the Himalayas to a new height," said the ambassador.

He also

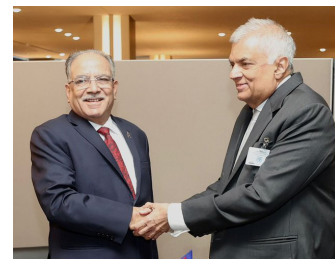
expressed hope that Prime Minister Pushpa Kamal Dahal Prachanda's visit to China will surely inject new impetus to the relations between the two neighbors.

"Prime Minister Prachanda will attend the opening ceremony of the Hangzhou Asian Games and pay an official visit to China soon, the leaders of the two countries will draw the blueprint for the development of bilateral relations and this visit will certainly inject new impetus into our cooperation," ambassador Chen said.

PM Prachanda Met President Of Sri Lanka Ranil Wickremesinghe

Prime Minister Pushpa Kamal Dahal Prachanda had a fruitful meeting with the President of the Socialist Democratic Republic of Sri Lanka Ranil Wickremesinghe today at UNGA78.

"The discussion was focused on further strengthening bilateral relations and multilateral cooperation between the two countries," Tweeted Nepal Mission To the UN.



Foreign Secretary Paudyal Participated UNCDF Meeting

Foreign secretary Bharat Raj Paudyal participated UNCDF meeting in New York and addressed the session.

"Thank you to the Foreign Secretary of Nepal, Bharat Raj Paudyal for participating in our event today at #UNGA78, "Scaling #Blended Finance to mobilize private SDG investments in LDCs." tweets LDCF.

"It was a pleasure to join LDCs' Chair Nepal's foreign secretary Bharat Raj Paudyal UNCDF in a discussion on blended finance. I reiterated the Doha PoA's emphasis on the need to scale up concessional and blended financing to attract private investment in LDCs & other vulnerable countries to achieve," tweets Rabab Fatima UN High Rep Official account of the USG and UN High-Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.



Japanese Embassy Expressed Serious Concern Over Attack Against JICA Chief

On September 13, the Chief Representative of JICA Nepal Office was injured when a stone was pelted at him by a group of demonstrators as he passed by them by his car in Kathmandu. His car is also damaged.

The right of peaceful demonstrations is considered to be a part of the freedom of expression that is the fundamental of democracy. However, when it becomes an act of violence, it is nothing more than a criminal offense.

As many of the people



of Nepal know, Japan has assisted Nepal’s democratic progress and development as its sincere friend. And it is JICA that has played a key role to that end.

It is extremely regrettable that its representative was injured in this incident. The Government of Nepal has been promoting the foreign tourism and foreign direct investment (FDI). However, the fact that an incident like this took place in the midst of such efforts goes against it.

We have alerted Japanese nationals residing in Nepal to avoid similar incidents. At the same time, we hope that Nepal will continue to be a peaceful and attractive country for foreigners.

Australia’s Ambassador To Nepal Felicity Volk Awarded Winner Of Disability Inclusive Sports Competition

On Tuesday, Australia’s Ambassador to Nepal, Felicity Volk, awarded medals to people with cerebral palsy who participated in an Australian government-funded community sports program,



Sports for Children and Adults with Cerebral Palsy. The Association of Nepalese Alumni from Australia (ANAA) organized the event in partnership with the Self-Help Group for Cerebral Palsy (SGCP).

Speaking at the event, which was attended by around 50 children and adults with cerebral palsy, Ambassador Volk said, “Promoting social inclusion is a key priority for the Australian Government in Australia and in our partnerships around the world.”

“We support people with disabilities so that all people, regardless of their circumstances, can live full, happy and productive lives. We are a strong advocate for this at the UN and we work actively on the ground, including with organizations such as SGCP and ANAA.

Ambassador Volk thanked Australia Awards alumna Rajuna Singh and ANAA President Ananta Poudyel for organizing the event and championing the values of social inclusion.

Israeli Ambassador Hanan Goder Presents A Rare Copy Of BP Koirala’s Speech To President Poudel



Hanan Goder Goldberger, Ambassador of the State of Israel to Nepal, today paid a courtesy call on President Ramchandra Poudel at his office.

According to the President’s Office, Ambassador Hanan Goder also presented President Poudel with a rare speech by Nepal’s first elected Prime Minister BP Koirala.

Defense Secretary Sharma Delivered The Results Within 24 Hours Of PM’s Directions

Within 20 hours of receiving directions from the Prime Minister, Defense Secretary Sharma promptly delivered the results.

As directed by Prime Minister Prachanda, who visited the Hello government, Defense Secretary Kiran Raj Sharma deployed a Nepali Army team to Singti on Sunday evening and initiated operations on Monday morning.



Tara Dal Gana is responsible for the Singti Rakshu operation in Bigu Village Ward No. 4 Kholikhim, Dolakha District. Coordination with local law enforcement, the relevant rural municipality, and other related agencies was carried out as directed.

The stone blasting work commenced today with the engineer team from Sri Kalisiddhi Gan 9E0 completing the first blasting. 21 holes were prepared in the southwest part of the stone. According to the Department of Defense, the explosion did not cause any harm to people or property. However, debris from the blast caused some minor damage to an electricity pole located 200 meters below, resulting in slight bending.

Nepali And US Army Start ‘Joint Combined Exchange Training’

The 40th edition of the ‘Joint Combined Exchange Training’ between the Nepali Army and the United States Army is going to start from September 10.

The training will be held in Kathmandu Valley until September 29, according to NA Directorate of Military Public Relations and Information.

A total of 42 personnel including 30 people from the Nepali Army and 12 from the US Army will participate in the joint exercise. During the training, experience and knowledge will be exchanged on disaster management, search and rescue, and humanitarian aid.



The Nepali Army is participating in joint training and exercises with the military of the United States, Britain, India, China, Sri Lanka, Mongolia, Bangladesh, Israel and other countries on search and rescue, disaster management, counter-terrorism, mountain climbing, roles to be played while participating in the United Nations peacekeeping force.

Meanwhile, a 10-member team of Nepali Army has left for Britain today under the command of Lieutenant Colonel Bivek Bikram Shah to take part in the competitive Exercise Cambrian Patrol, the directorate said. (RSS)

BUSINESS BRIEF

Global IME, Bottlers Nepal Signs Deal

Global IME Bank Limited and Bottlers Nepal Limited and Bottlers Nepal (Terai) Limited have signed a channel financing agreement.



A memorandum of understanding (MoU) was signed by the bank and the concerned officers of Bottlers Nepal Limited and Bottlers Nepal (Terai) Limited to implement the agreement.

As per the agreement, the bank will provide channel financing facility to the official distributors to

purchase the products of Bottlers Nepal and Bottlers Nepal (Terai), according to a press statement of Global IME Bank.

Official distributors of Bottlers Nepal and Bottlers Nepal (Terai) can get a loan facility from any branch of the bank under the channel financing programme. Ratna Raj Bajracharya, Chief Executive Officer of Global IME Bank, as well as Deepak Senthilnath, Managing Director of Bottlers Nepal Limited, as well as senior officials of both organisations were present in the event.

The bank has been showing its strong presence in financial activities by entering into such agreements with various organisations.

The Global IME Bank is a private sector commercial bank in Nepal with branch network in all 77 districts.

The bank is providing services to more than four million customers from about 1,150 service centres including 350 branch offices, 368 ATMs, 322 branchless banking points, 65 extension and revenue collection counters, and 3 foreign representative offices.

World Bank Approves \$20 Million Grant To Support Nepal's Agriculture And Nutrition Sector

The World Bank has approved a grant of \$20 million to support the Government of Nepal's Food and Nutrition Security Enhancement Project (FANSEP)-II. The project aims to benefit more than 55,000 small-holder farmers in 16 rural municipalities in Nepal through improved agricultural productivity and nutrition practices and scaling up climate-smart agriculture practices.

"Achieving food and nutrition security and reducing poverty are national goals of the Government of Nepal, in line with commitments to realize the Sustainable Development Goals and Zero Hunger Challenge," said Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal, and Sri Lanka. "This operation supports the Government of Nepal's efforts to enhance productivity and livelihoods and improve nutrition security of marginalized communities."

FANSEP-II has three components: climate and nutrition smart agricultural technology adaptation and dissemination, income generation and diversification, and improving nutrition security. It aims to build on the success of the Food and Nutrition Security Enhancement Project, which is closing on June 30, 2024.



"The operation, financed by a grant from the Global Agriculture Food Security Program (GAFSP) Trust Fund, is aligned with Nepal's green, resilient, and inclusive development agenda and will help build the resilience of marginalized communities in food insecure and disaster-affected areas of Nepal," stated Karishma Wasti, World Bank's Project Task Team Leader.

ADB Support To Strengthen Fiscal Management, Service Delivery In Nepal

The Asian Development Bank (ADB) today approved a \$100 million policy-based concessional loan to strengthen the country's fiscal management and to promote decentralization.

The Strengthening Public Financial Management and Devolved Service Delivery Program supports structural fiscal transformation until 2025 through significant reforms related to expenditure and debt management at federal level, and resource planning and management at subnational level. A post-program partnership framework will guide the sustainability of the reforms beyond 2025.

"This ADB program will introduce reforms to enhance the quantum and quality of capital spending, reform public enterprises to mitigate fiscal risks, digitize to enhance fiscal transparency and efficiency, leverage additional resources from development financing institutions, and implement a gender- and climate-responsive medium-term expenditure framework at the subnational level," said ADB Public Management Economist Chandan Sapkota.



ADB has been supporting Nepal to improve expenditure and debt management. Policy reform actions that support this include institutionalization of a fiscal policy statement, approval of legal framework and strategy for debt management, public enterprises reform, electronic government procurement including contract management, and digitization of expenditure recording and reporting at the three tiers of government.

The program includes approval of a fiscal risk and strategy report and its operationalization, transparency in debt management and implementation of an annual borrowing plan, improvement in governance and management of public enterprises, and implementation of a medium-term public financial management reform strategy.

"The ADB program will support institutionalization and operationalization of devolved public services to strengthen fiscal federalism as outlined in the 2015 constitution," said ADB Public Management Specialist Rachana Shrestha. "To help strengthen local governance and the delivery of devolved services, the program will strengthen policy reforms aimed at improving resource generation capabilities of sub-national governments."

NEA Exported Electricity Worth Of 5.43 Billion Rupees to India In The Last Two Months

During the first two months of the current fiscal year 2080-81, Nepal exported electricity worth Rs.5,43 to India.

In Saun, (July 17- August 17), the first month of the current fiscal, NEA supplied electricity worth around Rs 1.95 bil-



lion and the export was amounted to 3.48 billion in the following month of Bhadau (August 18-September 17).

The monthly average selling price was Rs 8.13 paisa per unit and Rs 12.27 paisa per unit respectively and the average rate of two

months is Rs 10.37 paisa per unit.

The electricity that was saved during the rainy season after consumption within the country has been exported to India by the authority. The regulatory body has sold approximately 110 MW of electricity to NTPC Vidyut Vyar Nigam Ltd-NVVN, an Indian company, through competition in the day-ahead market of Indian Energy Exchange Limited (IX) and more recently, under a medium-term power agreement.

The Central Electricity Authority, part of the Ministry of Electricity of India, granted approval for Nepal Electricity Authority (NEA) to export 632 MW of electricity to the competitive market, with 522 MW and 110 MW going to NVVN. Dhalkebar-Muzaffarpur 400 kV international transmission line is exporting 562 MW of the electricity, while Mahendranagar-Tanakpur 132 kV transmission line is exporting 70 MW.

Kulman Ghising, the Managing Director of NEA, stated that the exportation of electricity is boosting Nepal's foreign exchange reserves and decreasing the trade discrepancy between the two nations. “

We are working on augmenting and reinforcing our infrastructure to promote consumption of domestically produced electricity. Additionally, we are also undertaking electrification projects to provide electricity to areas that have lacked it,” declared MD Ghising.

“We are implementing measures to expand and optimize the international transmission network between the two nations to export surplus electricity post-consumption,” stated Ghising.

Bhutan Airlines Announces Resumption Of Bhutan-Kathmandu Flight

Bhutan Airlines (B3) - Bhutan's first private airline headquartered in Thimphu, represented in Nepal by Society International Travel Services as the official General Sales Agent (GSA) has announced the resumption of scheduled flights from the 16th of September, 2023 with 4 weekly flights on Sundays, Mondays, Wednesdays and Saturdays. Bhutan Airways flights will resume flights on the route: Paro - Kathmandu – Delhi and vice versa.

Nepal Started Third Country Import Through Nepal-China Border

Madhu Kumar Marasini, secretary at Ministry of Industry, Commerce and Supply, and Chen Song, Chinese Ambassador to Nepal, jointly inaugurated welcoming ceremony for the first cargo arrived in Nepal via the transit route of People Republic of China (PRC).

A special ceremony was organized at Tatopani, 100 kilometer from Kathmandu, to welcome the consignments.

“Happy to witness the welcoming ceremony of the very

first cargo via the transit route of PRC under the Nepal - China Transit Transport Agreement, 2016 and its Protocol , 2019!,” tweets Madhu K. Marasini, secretary at Ministry of Industry, Commerce And Supply.

It is the first time that it has been imported into Nepal from a third country using the Chinese route. But the imported goods are turmeric, an agricultural product that can be sufficiently produced in Nepal.



Nepal Unveils National Sample of Census Agriculture for 2021/22

In a significant milestone for Nepal's agricultural sector, the Government of Nepal, through the National Statistic Office, officially unveiled the National Sample of Census Agriculture for the year 2021/22. The unveiling ceremony, conducted in the capital city of Kathmandu, underscored the pivotal role of agricultural census data in shaping the nation's future agricultural policies and development endeavors.

The National Sample of Census Agriculture collected data from approximately 330,112 farmers across all seven provinces, with a primary focus on various aspects of agriculture, including crop production, livestock, land use, irrigation, mechanization, farmer demographics, female engagement and others. This comprehensive dataset offers a holistic understanding of Nepal's diverse agricultural landscape.

The data collection process involved a rigorous survey conducted by a workforce of around 7,200 individuals, comprising 5,050 enumerators, 1,350 supervisors, and 77 National Sample of Census Agriculture officers. Traditional paper questionnaires were used for data collection and in Kathmandu valley NSO carry on Computer-Assisted Personal Interviewing (CAPI) for data collection.

This census ensured representation from all seven provinces, guaranteeing that the collected data accurately reflects the entire nation on a sampling basis. Moreover, the census placed a strong emphasis on documenting modern agricultural practices, including the adoption of technology and sustainable farming methods, which is crucial for fostering agricultural innovation.

During the unveiling program, Dr. Min Bahadur Shrestha, Vice Chairperson of the National Planning Commission, expressed gratitude to the National Statistics Office and FAO for their unwavering support and collaboration in finalizing the National Sample of Census Agriculture. He highlighted the timeliness of the report's release, coinciding with the drafting of the 16th periodic plan by the National Planning Commission, where it will add value in shaping agricultural programs.



Will Nepal Leapfrog In Its Mobility?



BY: DIPAK GYAWALI

As with many areas of technology, the transport sector too is undergoing a revolution globally; and Nepal will also be (or is rather already) swept into its vortex. That transformation, however, is more in its social aspects than in gadgetry innovations, although it is innovation in other domains (IT and communication as well as plummeting price of solar photovoltaics (PVs)) that is fueling how society views and uses mobility devices.

Transportation devices have always been associated with power, including military power to move armies and arms quickly. They have also been symbols of luxury that comes with the trappings of power – whether it was Nepal’s first car carried over Chitlang pass a century ago to Kathmandu for the Rana rulers to ride around the few kilometers of available road in the capital or the luxury SUVs ferrying Loktantra’s politicians and senior bureaucrats today (let’s not forget the Pajero SUV scandals of the late 1990s). Use of new transportation devices for the benefit of the larger economy only started with the Dhorsing-Matatirtha goods carrying ropeway built exactly a century ago, even though – given the nature of the Rana regime then – it was used to ferry construction material for Rana palaces and cheap Tarai rice for the labourers building them. Unfortunately, this mountain- and climate-friendly technology (it did not need massive bulldozing of fragile hill slopes and ran not on imported diesel but Nepali hydropower from its first such plant in Pharping at the southern end of Kathmandu Valley, consuming half as much energy as trucks to carry the same amount of goods) was quickly marginalized once the Tribhuvan highway was built ushering in the age of petroleum-fueled trucks and buses.

Currently Nepal’s fossil fuel addiction is severe: scholars at the Center for Renewable Energy at Pulchowk Institute of Engineering calculate that the country spends over 170% of its total goods export earnings to import petroleum products. And even in hydroelectricity that the country ostensibly has rich potential, because of planning failure over the last two decades of Loktantra that failed to build storage hydro projects, the country imports several times more of dirty coal-fired electricity from India than it exports monsoon surplus clean hydropower. Of the total

fuel imported by Nepal, two-thirds are consumed by the transport sector. There are some 3.2 million registered vehicles in Nepal of which 1.2 million are in Kathmandu Valley alone; and 2.5 million (or 78%) are petrol-consuming motorcycles.

Not only is this fossil fuel addiction debilitating for the country’s economy, it has also brought about frightening security as well as pollution challenges. This petroleum dependence has allowed our southern neighbour to impose four economic blockades on Nepal – crippling all transportation similar to Covid lockdowns of recent times – to bring about its political submission, including regime change. The first blockade was by Jawaharlal Nehru against King Mahendra between April to October 1962, which was lifted only with the Sino-Indian border war between 20th October to 21st November 1962. The second was by Indira Gandhi (also against King Mahendra) between 1st November 1970 to 26th August 1971. It was lifted only when Bangladesh liberation war intensified and Nepal blockade was having a bad impact on the morale of Indian Gorkha soldiers whose families back home were suffering. (Incidentally, as a background, Bangladesh was liberated in December 1971, King Mahendra passed away in January 1972, and India’s annexation of Sikkim began a year later and was to be completed in May 1975.)

The third blockade was the longest between 23rd March 1989 to 1st July 1990 by Rajiv Gandhi against King Birendra and the Panchayat system, which collapsed in April 1990 with King Birendra declaring its abolition and the restoration of the multiparty system. The fourth blockade between 23rd September 2015 till 5th February 2016 was imposed by Narendra Modi against Nepal’s parliamentary parties for their promulgating a new constitution (three days earlier on 20th September) which did not incorporate Indian wishes of bifurcating Nepal into hill versus entire Tarai as one province. (“Ek Madhesh Ek Pradesh” was the slogan promoted by Delhi since the days of Indira Gandhi as recounted by its former RAW chief R.K. Yadav; and the 2015 constitution has also been criticized inside Nepal by many constitutional scholars and dissatisfied political parties for its technical and structural flaws but who do not

subscribe to Delhi’s views). Because it was directed against not just a single monarch but against mass-based parties, the ill-will it created in Nepal against Delhi went viral, and sadly even became inter-generational.

Fossil fuel addiction has also brought about severe environmental pollution: IoE scholars calculate that 28% of pollution in Kathmandu Valley is from the transport sector. CO2 emissions from its ever-rising fleet of vehicles was 2.7 million tons in 2022 and is slated to reach 4.5 million tons in 2025 and 6.4 million tons in 2030 (in addition to over hundred thousand tons of CO, NOx, hydrocarbons and particulate matters). Add to this the poor quality of roads where vehicles kick up the same dust over and over again as well as household waste thrown on the streets, not collected in time by municipalities and pulverized to dust by plying vehicles, presence of smoke belching brick kilns etc. and one gets a toxic atmosphere in a valley where temperature inversion (when cool air is trapped below a warm upper layer) exacerbates the smog by not allowing it to be disbursed.

All this has to be reversed for both economic security and environmental health reasons. But how? Our main big political parties are beholden to the fossil fuel industry (vehicle importers, petrol pump owners and LPG traders, truck and bus operators, spare parts dealers etc.) for big money contributions that allow them to keep their party henchmen on their payroll and win elections (whic assures their remaining as defenders of the status quo). Nepal’s finance ministry in remaining revenue-addicted, is also addicted to fossil fuels because in the last financial year alone they received over a hundred billion rupees in revenue from petroleum import taxes. They are very loathe to part with that bonanza, hence their imposition of heavy taxes on import and sales of electric vehicles, the country’s macroeconomic wellbeing be hanged! Moreover, the social mood they have created is not the improvement of public transport or mass transit but ownership of private cars and motorcycles as the badge of social success.

The hope actually lies in what is happening both locally and globally, including with pressures to act on climate change concerns, and with those phenomena seeping into Nepal mostly via the private, civic and informal sectors. Vehicle owners who have switched to electric describe

how their fuel cost has come down to a fifth of what they previously spent on petrol. One even said it came to zero for him because he had programmed his home’s smart solar inverter to dump its stored charge to his vehicle from midnight to 5AM, thus saving him from paying anything extra to the electric utility! This fuel economy has seen even some minivan operators on the Sindhuli highway operating electric ones. Economic efficiency is indeed a big driver of technological shift.

The bigger story comes from Europe, America and China with the shift away from “mobility as a product” (i.e., owning a vehicle) to “mobility as a service” (buying mobility from such service providers without the hassle of having to own and maintain a car). Energy expert Daniel Yergin, in his new book *The New Map: Energy, Climate and the Clash of Nations* describes how more and more people are opting not to own vehicles (and all the hassles that come with its license, upkeep, tax, garage space, regulations etc.) but to use services like Uber (and Pathao in Nepal!) to go where they need to without having to worry about driving, parking and other issues.



Departments of Transport in the UK estimate that in the 17-20 age group, having a driving license has fallen from 51% in 1990 to 29% in 2017 (and from 81% to 69% in the 21-29 age group). It is no longer the badge of “coming of age”! Places like Sweden in Europe have taken the “mobility as service” concept even further by merging mobile phones, global positioning, online payment systems, and a range of transport options from taxis and city provided electric bicycles to public mass transport buses and railways into one bundled purchase package either singly or for an entire season. In some cases, this also includes home delivery: instead of having to go out and buy goods the goods come to you, thus saving both time and energy.

What this means for Nepal is the challenge to bring in political actors at both national and municipal levels who are committed to economically efficient, climate- and national security-friendly multimodal public transport. They, with backing from social and environmental activists as well as renewable energy committed businesses, would need to bring in legislation that encourages higher passenger-mile options and discourages single occupancy vehicles as well as reforms the entire transport management agencies. There is hope, finally, that this will come about with the younger and better educated independent politicians that have emerged since the last elections.

PM PRACHANDA'S VISIT TO CHINA

Defending Shared Interests

In the current geopolitical environment, Prime Minister Pushpa Kamal Dahal Prachanda's trip to China is extremely important.

By A CORRESPONDENT

Prime Minister Pushpa Kamal Dahal is the first Nepali leader to travel to China on official business after almost four years. Sher Bahadur Deuba, the president of the Nepali Congress, held office for two years but shied away from traveling to China.

Prime Minister Prachanda gave China importance and departed for China after delivering his speech to the 78th United Nations General Assembly. It remains to be seen how his week-long visit would contribute to improving bilateral ties.

Nepal, which has a border with Tibet spanning more than 1500 km, continues to be monitored closely by the People's Republic of China in terms of security. This is the rationale behind China's continued relations with Nepal on several levels.

China extended an invitation to a high-level delegation from the main opposition party CPN-UML just two weeks prior to Prime Minister Prachanda's arrival. In a similar manner, China reestablished contact by sending a high-level delegation headed by a member of the Standing Committee.

Following their discussion, Chinese President Xi and Nepalese Prime Minister Prachanda issued a statement, which revealed China's top pri-



orities for Nepal and its main worries.

Lessons from President Xi

During a meeting with Nepalese Prime Minister Pushpa Kamal Dahal "Prachanda" on Saturday in Hangzhou, the provincial capital of East China's Zhejiang Province, Chinese President Xi Jinping stressed the importance of maintaining mutual understanding and support on matters pertaining to each other's core interests and major concerns.

According to China Global Television Network, Xi stated that China places great emphasis on relations with Nepal and that China is eager to

strengthen the coordination of development strategies with the Nepalese side and advance new developments in the two countries' bilateral relations.

In their Belt and Road partnership, China and Nepal have seen success, and the trans-Himalayan multimodal connectivity network is starting to take shape, he said.

The Chinese President exhorted the two parties to concentrate on advancing infrastructure connection, increasing transit transport cooperation, and assisting Nepal in quickly transitioning from a "land-locked country" to a "land-linked country."

According to him, China

supports Nepal's exports to China, encourages Chinese businesses to invest there, is eager to increase the two countries' exchange of governance expertise, and helps Nepal develop economically and socially to the best of its ability.

He added that China is willing to strengthen multilateral cooperation with Nepal, protect the interests of the two countries and developing countries, and promote the creation of a community with a shared future for humanity. He claimed that China and Nepal share a wide range of common interests in international and regional affairs.

Position of Prime Minister Prachanda

Given his rising proclivity towards his southern neighbor, China, the second-largest economy in the world and one of the strongest nations, dealing with China is not an easy issue for Nepal's Prime Minister Prachanda.

Prime Minister Prachanda has chosen a middle ground approach rather than discussing intricate geopolitical concerns, focusing mostly on economic



development and trade ties while assuring the Chinese leadership of Nepal's firm stance not to let any anti-Chinese activities.

The Nepalese Prime Minister expressed appreciation for China's assistance in building Nepal's economy, reducing poverty, and responding to COVID-19. He declared that Nepal steadfastly upholds the one-China policy and will not permit any force to exploit its territory to carry out actions that jeopardize China's security and sovereignty.

Nepal deeply appreciates the Belt and Road Initiative and will actively engage in its

construction, as well as advance the building of the trans-Himalayan multi-dimensional connectivity network, which will significantly aid Nepal's national economic development, he said.

Nepal is ready to collaborate with China to advance the growth of the international order in a fair and more rational direction, protect the shared interests of developing nations, and advance the creation of a community with a shared future for mankind, he added. Nepal supports many of the significant ideas and initiatives put forth by Xi.

What a coincidence that Prachanda attended the Beijing Olympics in 2008 on his first trip as prime minister. He recently traveled to Hangzhou City to attend the 19th Asian Games.

His first trip to China received a lot of criticism in the southern neighbor, which shook his first revolutionary government. It remains to be seen, though, how this visit will affect the stability of his government.



COAS GENERAL PRABHU RAM SHAMA

Two Years Completion

As General Prabhu Ram Sharma completes his second year as Chief of Army Staff (CoAS), he has implemented noteworthy changes.

By A CORRESPONDENT

COAS General Sharma, as the Commander in Chief of the Nepal Army, has exemplified humility, embodying the wisdom of Chinese philosopher Confucius who once said, “Humility is the solid foundation of all virtues.” Throughout his tenure, which, despite the Nepal Army’s illustrious three-century history, spanned only three years, General Sharma has left an indelible mark.

With a modest approach and a gentle demeanor, General Sharma vigorously safeguarded the institution’s reputation, making accountability, transparency, and good governance paramount priorities. Under his stewardship, the institution’s past glory and prestige were not only preserved but also enhanced.

However, upon his promotion to the position of COAS (Chief of Army Staff) of the Nepal Army, General Sharma encountered a slew of immediate challenges. The COVID-19 pandemic wreaked havoc on Nepal’s economy, significantly impacting critical projects like the Kathmandu-Terai-Madhesh Expressway construction led by the Nepal Army.

Moreover, simmering complaints of violent activities hinted at a less-than-ideal state of law and order. Organizational restructuring of the security apparatus was imperative following the state’s own restructuring.

Central to General Sharma’s mission was the improvement of the welfare of both serving and retired Nepal Army members. Additional areas of focus included strengthening

disaster response capabilities, cultivating amicable relationships with neighboring and international militaries, and prioritizing the augmentation of peacekeeping forces.

In the face of an organized attack against the institution, General Sharma, as the CoAS, displayed remarkable leadership by uniting serving and retired personnel, government



To comprehensively address the welfare of Nepal Army personnel, a scheme was implemented, offering incentives in the realms of housing, entrepreneurship, education, and healthcare.

General Sharma’s restructuring efforts increased the efficiency and effectiveness of the Nepalese Army in its role of defending the nation. These reforms had to contend with a range of internal and external challenges, including a well-planned media campaign against the Nepal Army, debates on Indo-US Pacific relations, contract disputes regarding the Fast Track tunnel, and political discussions on downsizing the military.

officials, civil society, and media to counter attempts to tarnish the army’s reputation.

Despite limitations in nominal budgets the previous year, the government pledged increased funding for the Nepal Army in the current year, ensuring its continued success.

General Sharma’s tenure was marked by another significant achievement—successfully overseeing two elections within the Nepal Army. While some challenges linger, General Sharma has navigated the century-old institution through turbulent waters and into calmer seas.

In a reflection of his vision, General Sharma emphasized the importance of diligent preparation, dis-

cipline, and experience in the ongoing process of strengthening and improving the military organization. He recognized the ever-evolving environment and the multifaceted challenges that require perpetual attention.

As he commenced his third year in office, General Sharma paid his respects at the heroic memorials in both the Nepal Army Headquarters and Tundikhel, acknowledging the sacrifices of the enlisted personnel and wishing them swift recoveries. He expressed hope that their dedication would inspire their colleagues to continue prioritizing the institution's well-being.

General Sharma underscored the pivotal role played by the Nepali Army in safeguarding Nepal's sovereignty, geographical integrity, independence, national unity, and public confidence since the inception of the unification campaign. He extended his gratitude to the civil servants and their families who serve in the Nepali Army.

Furthermore, he called upon the troops to remain dedicated to Nepal's advancement and the welfare of its people, while remaining vigilant against groups with vested interests seeking to destabilize the environment with unfounded and biased arguments, as well as planned and sponsored ambitions that could have both short-term and long-term consequences.

Throughout his addresses to Nepal's army, General Sharma unwaveringly championed the cause of the nation and the Nepalese armed forces. He acknowledged the significant support and cooperation he received from the Ministry of Defense and expressed his anticipation that this collaboration would continue into the future. General Sharma also expressed his gratitude to Nepalis worldwide for their unwavering trust and faith in the army.

General Sharma, Chief of the Army Staff (CoAS), reviewed the progress made during his second year in office and shared plans for future actions during his address to the General Staff. He acknowledged the substan-



tial support and cooperation from the Ministry of Defense, which he anticipates continuing in the future.

The Division Commanders' Coordinating Conference-2080 spanned two days, commencing on September 7, 2023, at the Nepali Army (NA) Headquarters in Bhadrakali. The opening ceremony was graced by the presence of Deputy Prime Minister and Defense Minister Purna Bahadur Khadka as the guest of honor.

Throughout the conference, Department Heads, Director Generals, Division Commanders, and Directors provided comprehensive insights into the current situation, ongoing activities, and encountered challenges within their respective Areas of Responsibility (AoR). This presentation was followed by an interactive session.

The conference addressed various crucial topics, including an analysis of the current security situation, an assessment of NA training effectiveness, a progress report on the command compact by Division Commanders to the COAS, and updates on previously raised issues.

COAS Sharma formally concluded the conference with his guidelines. The event was attended by Principal Staff Officers, Division and Brigade Commanders, and general officers of the Nepali Army.

It was emphasized that the meeting should consider the country's overall situation and identify potential challenges. General Sharma highlight-

ed that this understanding is pivotal for strategy and tactics development.

Furthermore, CoAS General Sharma stressed the importance of discipline and accountability among the participants. He instructed them to fulfill their responsibilities in a standardized manner, within the allotted time, while maintaining effective coordination with the relevant agencies. He expressed his confidence that all members of the organization will strive individually and collectively to uphold the faith and trust of the Nepali people, as the Nepali Army embodies their faith and trust.

Nepalese believe that these recommendations will provide suitable guidance for the development of the Nepali Army's policy and future objectives, which the army has adopted.

"To practice humility, one should minimize self-referential language, refrain from meddling in others' affairs, avoid unnecessary curiosity, accept contradictions and corrections graciously, overlook others' mistakes, remain composed and kind in the face of insults or provocations, not prioritize one's ego, and always opt for the most challenging path."

CoAS General Sharma's gentle and humble nature has been evident, contributing to the safeguarding and strengthening of the institution.

Nepal's GDP at 4.8

According to ADB, Nepal's GDP would grow in FY2024 at 4.8

By A CORRESPONDENT

Following a severe economic downturn brought on by COVID-19 and the Russian invasion of Ukraine, Nepal's economy is now headed in the right path for the upcoming fiscal year.

Asian Development Outlook 2023 September Forecasted increase in 2024 is 4.8% Due to slower development in South Asia and Southeast Asia, this update lowers the region's projected growth for this year to 4.7%. The 2024 growth prediction of 4.8 percent does not alter.

It is anticipated that from 4.4% last year to 3.6% in 2023 and 3.5% in 2024, inflation in developing Asia will decline. The People's Republic of China (PRC), where the inflation forecast is reduced down to 0.7%, will be largely responsible for this year's drop.

Downside risks to the outlook have increased. Weaknesses in the PRC's property sector will need to be closely monitored. Across the region, the authorities will need to take policy measures to ensure that supply disruptions and the broader impact of El Niño do not pose food security challenges. Financial stability risks require continued vigilance in vulnerable economies as the era of easy money comes to an end. On the positive side, a faster-than-expected decline in inflation in the United States could improve the global outlook.

Although Nepal still maintains several restrictions on the import of foreign goods and banking system, the gradual shift of Nepal's policies is creating a conducive environment for growth.

Nepal's economy is expected to grow by 4.3 percent (at market prices) in fiscal year (FY) 2024, up from an estimated growth of 1.9 percent in FY2023, according to the Asian De-

velopment Outlook (ADO) September 2023, the latest edition of the Asian Development Bank's (ADB) flagship publication.

With moderating inflation and comfortable foreign exchange reserves, Nepal Rastra Bank (the central bank) adjusted its monetary policy stance by reducing the policy rate by 50 basis points to 6.5%, which is expected to help reduce commercial interest rates and stimulate economic activities.

Services are expected to perform well with expansions coming from real estate, wholesale and retail trade and accommodation and food services. Agriculture growth may however decelerate owing to deficient rainfall in June and erratic weather patterns, further aggravated by lumpy skin outbreak in cattle.

The report projects annual average inflation to fall to 6.2% in FY2024 from 7.7% in FY2023 on subdued oil price increases and a decline in inflation in India, Nepal's main source of import.

"Despite some progress in restoring price and external sector stability, fiscal challenges persist. While the estimated fiscal deficit for FY2024 is moderate at 2.4% of GDP, much lower than the deficit of 6.1% in FY2023, the actual deficit could be substantially higher if the government does not

meet its ambitious revenue target for FY2024," said ADB Principal Economist for Nepal Jan Hansen.

External risks remain relatively well contained. Considering the recent trends and the central bank's prudent monetary policy stance, the



target of maintaining foreign exchange reserves sufficient to sustain at least 7 months of imports seems achievable. Amid stable remittances and higher imports, the current account deficit is expected to widen to 1.8% of GDP as growth revives in FY2024.

Manbar Singh Khadka, Economist at ADB Resident Mission Nepal, presented the findings of Nepal Macroeconomic Update September 2023 issues. He said that Nepal's economic growth for 2024 will better than what Nepal's achieved 1.9 percent in 2023.

Downside risks to the economic outlook in FY2024 may arise from more contractionary economic policy by the authorities to stem price rises given the uncertainties centered around geopolitical tensions. This may dampen consumption and domestic production and adversely affect growth.

Dhakal's Leadership

Chandra Prasad Dhakal, President of Federation of Nepalese Chamber of Commerce and Industry (FNCCI), has shown his proven leadership in attracting the Chinese business community to consider investing in Nepal.

By A CORRESPONDENT

Martin Luther King Jr. said, “The ultimate measure of a man is not where he stands in moments of comfort, but where he stands in times of challenge and difficulty,” FNCCI President Dhakal has shown how to handle the situation in great distress in favor of the community he leads.

In the last four months, President Dhakal has made his best efforts to present Nepal's scenario at home and abroad and create a conducive environment to sail Nepal's economy out of the great turmoil.

As Nepal is passing through a very critical economic time of low economic activities and economic crisis, Chandra Prasad Dhakal is leading FNCCI as President. In the last four months of his tenure, Dhakal had taken advantage of Prime Minister Pushpa Kamal Dahal's visit to Nepal's two neighbors to woo investors.

Like in New Delhi last June, President Dhakal has used his skill carefully to woo the Chinese investors to come to Nepal for investment. Despite being a close neighbor and having huge capital, Chinese investors are yet to invest in Nepal.

Though Chinese has given preferential treatment to Nepalese product, Nepal is yet to produce the domestic product to export to China. Addressing a large gathering of businessmen and potential investors at the Nepal China Business Summit, President Dhakal outlined the areas of investment in Nepal.

Chandra Prasad Dhaka, President of Federation of Nepalese Chamber, Commerce and Industry (FNCCI), said that the Nepal-China Business Summit serves as a timely platform to

discuss ways to further strengthen our economic cooperation.

“I invite the business community to invest in Nepal's hydro-power sector, both for domestic consumption and export to neighboring countries, including China,” said President Dhakal.

President Dhakal said that this Summit brings together business leaders from both countries to explore opportunities for investment, trade and technology transfer and I am confident



that it will lead to concrete outcomes that will benefit both Nepal and China.

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Prime Minister Pushpa Kamal Dahal Prachanda also spoke at an interaction with Chinese businesses in Beijing on Sunday.

“Nepal and China have been close neighbors for centuries, and in recent years our economic ties have grown significantly. China has become one of Nepal's largest sources of foreign direct investment (FDI),” said President Dhakal. “China is Nepal's second largest trading partner. While we import 16% of our total goods from China, our exports to China remain modest.”

Prime Minister Pushpa Kamal Dahal Prachanda also addressed the Nepal-China Business Summit organized by FNCCI and CCPIT. Industrialists from both Nepal and China would attend the summit.

Nepali industrialists and entrepreneurs under the leadership of FNCCI are now in Beijing to participate in the Nepal-China Business Summit and President Dhakal has used the platform to woo the Chinese investors.

Prepared and managed by a strong team of the Ministry of Foreign Affairs led by NP Saud and supported by Foreign Secretary Bharat Raj Paudyal and other senior officials and the experienced diplomat and National Security Advisor to the Prime Minister Shanker Dash Bairagi, Prime Minister Prachanda carefully managed the visit without making any controversial statements.

By announcing several development packages for Nepal, the Chinese leadership has shown that it is concerned about Nepal's economic development and political stability.

Nepal's Hospitality Industry Is Ready To Welcome Chinese Tourists



BY: CHANDRA PRASAD DHAKAL

I am deeply honored to be here and share a few words at this significant event.

On behalf of FNCCI, the apex body of Nepal's private sector, and the entire business delegation, I extend my warmest greetings to you all. I want to express my heartfelt gratitude to the governments of China and Nepal and the embassies of both countries for their support in organizing this event.

I also extend my sincere thanks to CCPIT for their longstanding partnership with FNCCI and their role in organizing this event.

I would like to thank the Prime Minister, the Commerce Minister of China, and the Ministers of the Government of Nepal for gracing this occasion with your presence. Your participation is a testament to the strong friendship and economic cooperation between Nepal and China.

Nepal and China have shared a close neighbors for centuries, and in recent years, our economic ties have grown significantly. China has become one of Nepal's largest sources of foreign direct investment (FDI).

The Nepal-China Business Summit serves as a timely platform for discussing ways to further strengthen our economic cooperation. This summit brings together business leaders from both countries to explore opportunities for investment, trade, and technology transfer, and I am confident that it will lead to concrete outcomes that will benefit both Nepal and China.

The government, led by the Prime Minister, is actively working to revitalize the economy by creating a more conducive business environment. Our external sector, including foreign exchange reserves and balance of payments, is quite comfortable. Our foreign exchange reserves are sufficient to cover prospective merchandise and service imports for 12 months.

While Nepal may seem small when compared to our larger neighbors, globally, we are the 49th largest country in terms of population.

Over the past 25 years, the percentage of people living below the poverty line has decreased from 38% to 17%, demonstrating an increase in the purchasing power of our people and highlighting the potential for trade and investment.

Nepal enjoys non-reciprocal and exclusive treaties with India, providing duty-free access to Nepalese products in India. Similarly, Nepalese products have duty-free access to China, as well as to the EU, US, Canada, Australia, and other developed countries. This opens up opportunities for investment and production in Nepal with the potential for global exports.

China is Nepal's second-largest trading partner. While we import 16% of our total goods from China, our exports to China remain modest.

However, Nepal has proven to be a trusted destination for Chinese investment, with Chinese investment accounting for over 35% of the total approved foreign di-



rect investments.

Multinational companies operating in Nepal have enjoyed a favorable rate of return on their investments.

Nepal is committed to further opening up to foreign investment, technology transfer, public-private partnerships, and investment-related policies to attract both global and regional FDIs. We anticipate a boost in FDI inflows from China, maintaining China as the largest source of FDI for Nepal.

FNCCI has established an FDI help desk to provide one-window facilitation support to foreign investors.

We plan to expand this service to further support potential investors and existing companies.

Nepal boasts a demographic dividend with a vibrant and hardworking young population, with a median age of 24. Additionally, Nepal is rich in water resources, with around 90% of our hydropower potential untapped.

I invite the business community to invest in Nepal's hydropower sector, both for domestic consumption and export to neighboring countries including China.

Beside this, the popularity of Chinese electric vehicles in Nepal highlights the need for expanded hydropower capacity to support EV charging infrastructure. This offers a significant opportunity for Chinese private sector investment in Nepal's hydropower development.

Nepal's hospitality industry is ready to welcome Chinese tourists, with numerous standard hotels catering to their needs. This year has seen significant progress in tourist infrastructure, with two new international airports, Bhairahawa and Pokhara, operational in major tourist destinations. We look forward to support from the Government of China in operating direct flights to these airports.

Apart from hydropower, tourism, and manufacturing, the ICT sector and ICT-enabled services are expected to experience high demand post-Covid-19, with opportunities in e-commerce, digital payment, logistics services, and distance learning.

Investment in tourism infrastructure, such as cable cars, theme parks, and resorts, holds great promise in Nepal.

Nepal is rich in various minerals like limestone, coal, talc, red clay, granite, marble, gold, and gemstones. Additionally, it has valuable construction resources such as aggregates, sand, gravel, dimension stone, and decorative stones, which require investment and expertise.

Following the Covid-19 health crisis, there is a growing connection with nature, creating tremendous potential for herbs, herbal products, and organic agricultural products from Nepal, both globally and in China, to boost immunity and promote good health.

We are confident that facilitating cross-border trade and ensuring the smooth movement of goods and people is crucial for bilateral socio-economic integration. The removal of trade barriers, including non-tariff measures, along with the full implementation of the Trade Facilitation

Agreement, will lead to increased mutual benefits from bilateral trade.

The financial sector in Nepal is another emerging sector for investment. Notably, several commercial banks with foreign investment, including Standard Chartered Bank, SBI, and Everest Bank, have established a robust presence and demonstrated strong performance in the market. Nepal maintains substantial trade relations with China, accounting for approximately one-fifth of our imports. However, there are no Chinese banks operating in Nepal. In light of this, we strongly recommend that a Chinese bank consider forging partnership with Nepali banks or establishing its own operations in Nepal. Such a strategic move would significantly facilitate and enhance bilateral trade and investment activities between our two countries.

FNCCI and CCPIT are actively planning various activities to strengthen economic ties between our two countries.

We are delighted that Prime Minister Pushpa Kamal Dahal has graced this program today to encourage private sectors from both Nepal and China.

The bilateral agreements to be signed during this visit, both at the government and private sector levels, will facilitate trade, investment, and enhance economic cooperation between our two countries.

Lastly, on behalf of FNCCI and the entire Nepalese business community, I would like

to invite the Chinese business community to explore further opportunities for doing business in Nepal, both in conventional and emerging sectors.

Collaboration in trade, tourism, infrastructure, education, mines and minerals, financial sector, energy, and agriculture can shape a brighter future for both countries. Together, we can unlock opportunities, strengthen ties, and contribute not only to Nepal and China but to the regional prosperity.

FNCCI, as the apex private sector representative body in Nepal, is always ready to cooperate on all fronts to further promote economic relations between Nepal and China.

Dhawal is a president of Federation of Nepalese Chamber of Commerce and Industry. Excerpts of his statement delivered at Nepal-China Business Summit in Chinese capital Beijing. It was taken place during the visit of Nepalese Prime Minister.



The Melting Himalayan Glaciers: A Dire Threat To Billions And A Potential Source Of Conflict



BY: ARUP RAJOURIA

The recently concluded G20 meeting, marked by the notable absence of President Xi Jinping and President Vladimir Putin, leaders of two of the largest economies, raises concerns about the global commitment to address human-induced climate change. The absence of these leaders could potentially dilute the collective efforts needed to address critical issues like the accelerated melting of Himalayan glaciers, which sustain nearly 2 billion people in South and Southeast Asia and face imminent peril due to rising global temperatures. The G20 is a group of twenty of the world's largest economies that meets regularly to coordinate global policy on trade, health, climate, and other issues.

The warming climate has led to a significant increase in the melting rate of Himalayan glaciers. Studies indicate that since the early 21st century, Himalayan glaciers have been losing ice at an alarming pace. This accelerated melting negatively affects both regional water resources and ecosystems. It leads to increased risk of flooding during monsoons, followed by reduced water supply during drier periods, affecting millions of people who depend on these rivers for agriculture, domestic use, and hydropower generation.

Additionally, the Himalayan region is recognized as one of the world's biodiversity hotspots, providing habitat for a diverse range of species. Climate change disrupts these delicate ecosystems and pushes species towards extinction. As glaciers retreat, they alter the water availability in downstream river basins, impacting vegetation, wildlife, and aquatic ecosystems. The loss of these unique ecosystems not only threatens biodiversity but also compromises the livelihoods of local communities.

Furthermore, rising temperatures in the Himalayan region have led to the destabilization of slopes due to the increased frequency of meltwater-induced landslides and glacial lake outbursts. These phenomena create large volumes of debris and floods, posing significant risks to communities living in the valleys downstream. The threat of flash floods, landslides, and avalanches has increased, endangering human lives, infrastructure, and agricultural lands.

The Melamchi Water Supply Project in Nepal is a classic example and a reminder of the challenges of building such infrastructures in areas affected by climate change, a large-scale infrastructure project that aimed to provide drinking water to Kathmandu Valley. However, the project faced several setbacks, failures, and mismanagement over the past three decades. The project took over 25 years to complete and cost over USD 800 million. Unfortunately, the project had to be stopped after six months due to a landslide caused by heavy rainfall that damaged its headwork. This incident has raised concerns about the feasibility of such projects in mountainous regions that are affected by climate change and glacier dynamics. The project's failure has also raised questions about the credibility of the Asian Development Bank (ADB), which was entrusted with quality assurance. Nepal, already one of Asia's poorest countries, now faces additional loans to rectify the damage and design flaws.

The lessons from the Melamchi Water Supply Project could echo around the globe, as development banks and civil engineers evaluate other large projects in the developing world for their ability to withstand the vagaries of human induced climate change, and consider how to bring accountability when they fail.

As the Himalayan glaciers continue to melt, the future availability of water resources in the region becomes a major concern. The rivers originating from the Himalayas provide water to more than 2 billion people across multiple countries, including China, India, Nepal, Bhutan, Pakistan, Laos, Myanmar, Thailand, Vietnam and Bangladesh. The melting of the Himalayan glaciers due to climate change poses a significant threat to the water security of nearly two billion people who rely on them for their livelihoods. Moreover, the melting of the Himalayan glaciers could also lead to potential conflicts over water resources.

The absence of leaders with significant influence, such as President Xi Jinping and President Vladimir Putin, at the G20 meeting raises doubts about the global resolve to address climate change. Given that G20 countries collectively account for nearly 80% of greenhouse gas emissions, their commitment to mitigating climate change is crucial in

safeguarding regions like the Himalayas.

While the International Centre for Integrated Mountain Development (ICIMOD) plays a pivotal role in advancing knowledge and practices related to the cryosphere in the Hindu Kush Himalaya region, there remains a critical need to establish a dedicated Center for Glaciers. This proposed center would serve to complement and enhance the efforts of ICIMOD. Even though ICIMOD serves as an invaluable institution in the broader context of mountain development, the establishment of a Center for Glaciers would provide a specialized platform with a laser focus on glacier-related research and conservation efforts.

The situation is dire, and the need is urgent to mitigate the effects of human induced climate change on the glaciers and their ecosystems. The establishment of an intergovernmental organization targeted to study the glaciers in the Himalayas is necessary to prioritize the preservation of the glaciers and their ecosystems and work towards aiding and solutions to the most vulnerable communities in the region.

Such an organization would be necessary to coordinate research and develop strategies for mitigating the effects of climate change on the glaciers. This organization should be established in Kathmandu, Nepal, to take advantage of the expertise and resources available in the region. The organization should work towards mitigating the effects of climate change on the glaciers and their ecosystems. The organization should also work towards aiding and solutions to the most vulnerable communities in the region, ensuring their resilience in the face of climate change. The organization should collaborate with governments, civil society, and international organizations to formulate effective adaptation plans, mobilize climate finance, and promote technology transfer to support the affected Himalayan nations. The organization should also prioritize the preservation of the glaciers and their ecosystems.

The glaciers are a vital source of water for ten countries, and the loss of these glaciers could lead to water insecurity and conflicts over water resources. The collective efforts of the global community can make a difference in securing a sustainable future for the Himalayas. Immediate action is needed to mitigate the effects of climate change on the glaciers and their ecosystems and to prevent potential conflicts over water resources.

Enter COP28:

As the world aims to limit global warming to well

below 2 degrees Celsius, COP28 already faces a trust crisis as the G20s countries are accountable for almost 80% of global greenhouse gas emissions, yet they failed to agree on capping emissions and phasing out fossil fuels. For the Himalayan region, COP28, represents another opportunity for countries to prioritize the preservation of the glaciers and their ecosystems. Mitigation efforts such as reducing greenhouse gas emissions, increasing renewable energy adoption, and incorporating sustainable land-use policies are crucial in safeguarding this fragile environment.

International collaboration is key to addressing the Himalayan glacier crisis. It is imperative that governments, civil society, and international organizations work together to formulate effective adaptation plans, mobilize climate finance, and promote technology transfer to support the affected Himalayan nations. COP28 should emphasize the importance of establishing an Intergovernmental Center

for Glaciers and aiding and solutions to the most vulnerable communities in the region, ensuring their resilience in the face of climate change.

To conclude, the melting of Himalayan glaciers presents a dual challenge, with potential for both environmental devastation and conflicts over scarce resources. Establishing a regional institution focused on Himalayan glacier studies and implementing

mitigative measures is a powerful and technically sound solution to address these urgent issues. Through cooperation and collective action, we can protect the Himalayan glaciers and pave the way for a sustainable future in the region, ensuring the well-being and prosperity of present and future generations. The impact of climate change on the Himalayan glaciers is an urgent global concern. COP28 offers a pivotal opportunity for the international community to redouble their efforts in safeguarding these majestic glaciers, preserving biodiversity, and securing the water resources upon which countless lives depend. Time is of the essence, and the collective efforts of the global community can make a difference in securing a sustainable future for the Himalayas and our planet.

Rajouria is a globally recognized professional in climate change and natural resources management, with an impressive track record at organizations like former CEO of NTNC, UNDP, UN-Habitat, UNEP, and USAID. He holds an MPA degree from Harvard University.



Nepal Needs A Project Financing Law To Attract More FDI: Senior Advocate, Professor Dr. Gandhi Pandit

*Renowned for his expertise in representing corporate cases in both domestic and international courts, Senior Advocate Professor Dr. GANDHI PANDIT has firmly established himself as an esteemed legal practitioner in the country. After completing his legal education at Columbia University in the City of New York Professor Dr. Pandit presently serves as the head of Gandhi & Associates, a prestigious corporate law firm located in Nepal. He works closely with a proficient team of corporate and litigation lawyers, including his two accomplished sons Shikhar and Avash who are also law graduates from Cardiff University, UK. Pandit has notably achieved success in litigating on behalf of Nepalese parties in various countries, including Italy, China, and the United Kingdom. Furthermore, Senior Advocate Professor Dr. Gandhi actively engages himself in public interest debates beyond his courtroom advocacy. He played a pivotal role in a discussion that elucidated the essence and significance of the Millennium Challenge Corporation (MCC), contributing significantly to create the conducive environment that ultimately led to its ratification by the House of Representatives in 2021. As Nepal approaches its anticipated graduation from the Least Developed Country (LDC) status by 2026, Professor Dr. Gandhi spoke with **NEW SPOTLIGHT** about the crucial steps required to attract Foreign Direct Investment (FDI) to Nepal.*

Despite the Nepalese government's claims of creating a favorable environment for foreign investment by amending laws and regulations, FDI is actually decreasing in Nepal, according to the excerpts. So, what factors contribute to this trend?

The government has indeed taken steps to establish a legal framework for Foreign Direct Investment (FDI) in Nepal. However, the implementation of FDI laws in Nepal presents significant obstacles to attracting foreign investment. One key issue is the absence of comprehensive project financing law, which I have been advocating for in various forums for several years. While this concern has garnered some public attention lately, however, concrete measures have yet to be put in place.

Why do Nepal needs Project Financing?

Project financing legislation focuses on financing aspects, including investment for projects that require substantial capital, not only equity investment, it also requires substantial amount in the form of debt investment. Let's say a mega project requires investment of one-billion-dollar, in this context the modalities of the investments would be 30% equity investment and 70% debt investment. Without understanding equity-debt ration portion, foreign investment in mega project is not possible. Even though government and banks often prioritize their own goals in term of investment and lending, they must take into account the issue of project financing laws which should cover all standard financing areas related to infrastructure projects that demand such significant investments.

How do you see FITTA?

Regarding FITTA, it stands for the "Foreign Investment and Technology Transfer Act." Under

Nepalese law, FITTA stipulates that only an investor's equity participation is recognized and priority is given as foreign investment, while loan and debt investments from foreign banks are not considered as such. In the context of investments in industries and infrastructure, two main aspects are considered: equity and debt investments ratio. In infrastructure development projects, typically, developers invest only 20 to 30 percent of their own funds as equity and secure the remaining financing from banks and financial institutions as debt. For instance, if a \$1 billion project is being constructed in Nepal, only 20 percent of the investment would consist of cash as equity investment, while the remaining 80 percent would come from loans provided by international banking agencies and financial institutions as debt investment. However, under FITTA, only the equity participation is recognized as foreign investment. The exclusive recognition of equity as foreign investment in Nepal appears to deter potential investors making debt lending in mega project in Nepal.

What do you suggest then?

There's a need for legal reforms to provide equal levels of protection and recognition of debt and loan investments as foreign investment under the FITTA. . This would offer more security and flexibility to investors and financial institutions and developer of the Project. It's also important for the legal framework to prioritize safety and security in investment proceedings to attract and retain foreign investors. This includes ensuring that in case of loan defaults from developer, the foreign banks have the authority and power to take over the project and its assets, then assign the project assets and its shares to third party based on their judgment to protect their investments. However, it's important to recognize that the rights of lenders and bankers are often overshadowed in

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nient regulations found in the United States and European countries. Consequently, foreign investors interested in conducting business in Nepal encounter notable restrictions.

Do you think Nepal is favorable place for FDI?

Nonetheless, Nepal should not be dismissed as an unfavorable destination for Foreign Direct Investment (FDI). On the contrary, its untapped potential positions it as a prime location for FDI. Nevertheless, Nepal's legal framework does present challenges for

the current legal landscape. However, existing legal frameworks primarily concentrate on safeguarding investors' equity while offering minimal protections concerning the debt and loans established by global financial institutions and banks. In situations where lenders fail to repay the borrowed amounts, their recourse options are notably limited and burdensome which inhibit foreign lender from making loan investment in Nepal

How do you see the repatriation issue?

Repatriation of investments and profits poses a significant challenge for foreign investors in Nepal. If a foreign investor, including banks, wishes to repatriate their investments and earnings, they encounter stringent legal constraints. For instance, if a lender provides a substantial billion-dollar investment to a promoter and subsequently seeks to repatriate it, they must collaborate with a local bank as their representative/agent and secure assets, thereby exposing themselves to potential risks. It's worth noting that while the promotion of investments is encouraged, the laws of Nepal need to place more emphasis on financial contributions than on the qualifications of individuals occupying top positions. In the event that the designated agent fails to perform their duties efficiently, there may be repercussions and arise serious risk on the debt investment. Furthermore, Nepal's labor laws impose strict limitations on the recruitment of foreign employees by investors, contrasting with the more le-

investors, which may serve as a deterrent to further investment. The country boasts a promising environment for conservation and sustainability, but realizing this potential necessitates the creation of a supportive environment. This can be achieved by implementing effective laws and policies, establishing a competent and impartial judiciary, and promoting transparency.

How do you envision Nepal's future in business and investment competition, especially as it prepares to graduate from its status as a Least Developed Country by 2026?

Nepal's upcoming graduation from Least Developed Country (LDC) status indeed marks a significant milestone, reflecting substantial progress across various economic and social dimensions. However, it's important to recognize that despite this achievement, Nepal's overall situation is unlikely to undergo a significant transformation immediately after graduation. To use an analogy, it's as if we are currently navigating a challenging and dilapidated road, putting our economic vehicle at risk of crashing. Therefore, in addition to graduating from the LDC category, Nepal must establish a more robust and sustainable economic framework so that the vehicle of growth move smoothly.

What specific changes or actions would you recommend for Nepal to pursue post-graduation?

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There are several crucial areas that Nepal should focus on post-graduation. First and foremost, we must enhance the flexibility and effectiveness of our legal system. This means increasing judicial predictability and competitiveness while ensuring that governance is more accountable. Substantial amendments to financial laws and institutions are indispensable. A stable government, a strong economy, reliable laws and policies, a competent judiciary, and an efficient arbitration process or dispute settlement mechanism are all essential components for attracting and retaining FDI. We must also prioritize the control of corruption, enhance transparency, and bolster accountability to mitigate potential risks.



What do Nepal get benefit from graduation?

One of the important aspects is obtaining international financial ratings. Currently, Nepal is categorized as a high-risk nation, leading to high borrowing rates as it does not position of financial rating in international financial market. Graduation is expected to improve our rating status, making borrowing less expensive and enticing for international corporations. Without these ratings, major corporations are often hesitant to invest in Nepal. If foreign lending agencies are hesitant to make investment in Nepal, the cost of doing international trade and business will be costly and less competitive in international market. Therefore, obtaining a rating is imperative for Nepal's future competitiveness.

How do you see the role of foreign investment in Nepal's economic growth and develop-

ment?

FDI plays a vital role in Nepal's economic growth and development and without FDI, the growth of infrastructure project is not possible. In recent years, we have witnessed FDI inflows in various sectors, including consumer goods, hydropower, and finance, tourism, and cement production. These investments have the potential to stimulate economic activity, create jobs, and contribute to the overall development of the country. However, it's essential that Nepal continues to create an environment conducive to foreign investment, ensuring legal predictability, a stable government, and accountability. Global courts prioritize foreign investment, and the decisions made in international cases can significantly impact a country's image and competitiveness. Thus, attracting and retaining FDI is crucial for Nepal's future economic success.

In your experience with international courts, how do you compare Nepal's courts?

Nepal's courts have shown a commendable level of dedication to handling FDI cases. While the judges in Nepal do not seem to possess the same level of competence as their counterparts worldwide, there is a need for orientation training to judges handling such FDI case as well procedural improvements in the court to ensure high-quality decision-making in FDI cases. Resolution of the cases in Nepali court is taking more time than expected. The Court rules and procedure in handling the cases should be improved so that trust of investor in Nepali judiciary must be enhanced so as to give them trust that the dispute related to investment is decided on time.

In what areas does Nepal require FDI?

Foreign capital is crucial for the development of various sectors in Nepal. This includes industries, hydroelectric power capabilities, airport infrastructure, and luxury accommodations (Tourism). The primary goal is to boost exports and reduce imports. Nepal is well aware of its weak export market, which has led to a substantial trade deficit due to excessive imports, putting pressure on foreign currency reserves. To enhance product quality, competitiveness, and production capacity, substantial investments in the country's manufacturing sector are imperative. Taking immediate action in this sectors are not only essential to safeguard foreign currency reserves but also to address the trade deficit by increasing exports

and decreasing imports. Given Nepal’s limited financial resources, obtaining FDI, whether as grants or loans, is a critical step in achieving these objectives.

Is Nepal’s Industrial Environment Conducive?

Nepal’s industrial environment is not conducive to high-quality manufacturing, and it faces several existing challenges. This situation can be attributed to a variety of factors, including labor concerns, tax issues, insufficient infrastructure, unreliable electricity supply, market fluctuations,



and unstable government fiscal policies. Furthermore, the scarcity of resources needed for industries is discouraging potential investors from considering Nepal as forum for investment. Lack of resources make our industrial product more expensive with compare to the industrial production in India and China. Additionally, due to high production costs, Nepali products face a competitive disadvantage in the global market.

What are the obstacles to achieving success in Foreign Direct Investment (FDI)?

As I have already mentioned you, two major obstacles hinder the success of Foreign Direct Investment (FDI) in Nepal. Firstly, there is a legal barrier due to inadequately detailed laws that fail to establish a level playing field for investors. The second obstacle is the poor implementation of laws and regulations, resulting in infrequent and proper enforcement of well-intentioned laws. Bureaucratic hurdles are also excessively burdensome. The government’s stance on welcoming foreign investment, both in words and actions, needs improvement. While Nepal aims to attract FDI, there is still ample room for enhancement. It is crucial to address these issues and make the investment

process more accommodating to foreign investors. When foreign investors engage with the Nepalese system, they often encounter resistance both from the bureaucracy and the public. They face initial challenges in finding local partners and bringing in experts, technology, and capital. Despite the government’s pledge

to follow a one-window approach, the decision-making process for potential investors is hindered by multiple stages.

What is the concept of “one door” in your policy?

The concept of “one door” in our policy refers to the single point of entry. However, once inside,

you will find numerous exit options to choose from. This can be somewhat puzzling for individuals. Therefore, the revised version will be: Upon entering, you will find numerous exit options to choose from. This is the reality. One door policy means once an investor is in, his concern or issues needs to be addressed and decided by one office or department without running to different government agencies. Currently, one door policy is not working properly

Why do corruption, lack of transparency, unstable governments, and unaccountability persist?

The persistence of corruption, lack of transparency, unstable governments, and unaccountability can be attributed to several factors. Notably, officials, whether in senior or junior positions, often hesitate to take accountability for these issues. Despite recent efforts, such as the prime minister’s call for increased accountability and transparency among government employees, bringing about substantial change remains challenging. Complicating matters further, our laws contain numerous indeterminate clauses that do not specify who is accountable for decision-making. Con-

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sequently, employees tend to avoid making decisions that entail any degree of risk.

How do foreign investors decide on their investments?

Foreign investors carefully evaluate various factors when deciding on making their investments. These include scrutinizing a country's court system, labor laws, and tax requirements and policy stability. They assess the performance of the judiciary, paying close attention to the predictability and competence of judges. Additionally, they consider hiring and firing procedures, tax structures, and regulations related to foreign currency, including repatriation issues. Foreign investors have expressed concerns about public litigation petitions, as they can disrupt investment process. . In contrast to other countries where fast-track systems expedite the resolution of foreign direct investment disputes, the process in Nepal can be time-consuming, taking months or even years. Consequently, implementing a consistent system for resolving these issues is crucial.

What is your perspective on this matter?

My perspective on this matter is that the challenges related to foreign investment in Nepal stem from various sources, some of which are intentional, while others are not. Regrettably, these challenges have a detrimental impact on Nepal's reputation. It's important to recognize that Nepal is not the only country seeking foreign investment; many other nations have similar interests and they are striving for that. We need to understand this reality. This doesn't necessarily mean that Nepal is an unfavorable investment destination, but it does highlight the importance of addressing the existing challenges. Foreign investors have a multitude of investment opportunities globally, and they typically seek countries that offer secure investments with high returns.

How do you view Nepal's Labor Law?

Nepal's Labor Law presents a potential challenge for prospective investors, given the inflexibility of the labor market and relatively high labor costs. At the same time, labor rule relating to "hire and fire" of employee is very conservative which gives negative impression to foreign investor. Similarly, foreign investor who bring billions of dollar in our country is not permitted bring their own employee without any hurdle to handle such huge fund. Because foreign in-

vestor is requires going for rigorous process in hiring them in Nepal. It looks like "penny wise, pound foolish approach. In the name of regulating foreign worker force, we are creating bigger hurdle in bring necessary works force for foreign investor. We must be very sensible in address labor law issue.

How do you see the implementation of MCC now?

I firmly support the ratification of the MCC after conducting a thorough review of Compact agreement, its provisions and comparing them with similar agreements that Nepal has entered into with other multilateral and bilateral entities. My assessment of



the agreement, taking into account its language and intent, leads me to confidently assert that it was signed based on the principle of sovereign equality and received ratification from both the US Senate and Nepal's Parliament. The \$500 million grant offered by this agreement represents a substantial benefit and presents an exclusive opportunity for Nepal's development. The agreement is currently in its implementation stage, albeit encountering some challenges. It is Nepal's responsibility to diligently fulfill and complete the agreement within the designated period of five years by collaborating closely with various government agencies, with MCA-Nepal taking a pivotal role. It's worth noting that this project has been approved by the parliament, making it a top national priority. However, it's important to address the concerns of those in the population who still oppose the MCC. We must be very careful in implementing and completing this project on time so that it will set an example for future project as Nepal has always been failed

to complete any projects it handled on time.

Why some groups are still opposing then?

In my perspective, individuals who criticize the MCC and advocate against it may not have thoroughly examined the agreement. Those who oppose MCC must know that this is grant money in which Nepal does not have to pay principle amount and interest on it. Its grant money of such huge number. In fact we must now go for with other doner country seeking grant from them instead of loan money for development. Some may oppose the project for personal gain or to protect the interests of others. The agreement outlines a grant project that aims to build a 400 kV transmission line from Trishuli to New Butwal to facilitate the evacuation of energy generated in the region. Furthermore, the agreement encompasses the construction of a segment of the east-west highway.



As the project has already started implementation, what do you suggest now?

As for whether the project will be completed on time, it's crucial to reiterate that the United States has provided a grant to support the development of critical high-voltage transmission infrastructure and an enhanced road network for technology transfer. MCA Nepal now falls under our project scope, and it's imperative that the government extends the necessary logistical support to ensure its successful implementation. This project aligns with our collective capabilities and aspirations. It is essential for all political parties to endorse the MCC's implementation to guarantee its timely completion. The announcement of the implementation of the transmission line and road project underscores that it is now Nepal's duty to offer full support. Some parties that have acted against Nepal's national interests have played a detrimental role in opposing the MCC. Therefore, it is vital for Nepal's government, political representatives, and citizens to remain vigilant regarding this issue. MCC Nepal is lacking in making general public aware of the benefit that MCC project is giving to the country. They must work toward creating public awareness of the project mobilizing media and public advocates/activist in favor of MCC or any other similar project that

are currently running or being implemented in Nepal.

What are your thoughts on the recent decision made by the Indian government to approve a treaty allowing Nepal to export 10,000 MW of electricity to India?

This is indeed a momentous milestone for Nepal and its people, offering a plethora of advantages. Furthermore, this decision paves the way for foreign investments in the hydropower sector, significantly boosting its value as Nepal's hydropower now gains access to the Indian market. This agreement has been a longstanding goal for the country, and the prospective investments from top Indian companies in Nepal's hydropower sector are highly significant. Although Bangladesh has expressed interest in purchasing electricity from Nepal, India remains the primary market. Looking ahead, Nepal must take proactive measures to ensure the success of its hydropower sector. In order to tap this opportunity, Nepal needs to harness its economic diplomacy with India and China in equal footing. Without creating a positive diplomacy environment between India and China in relation to our opportunity to export hydroelectricity to India, it is not possible to develop mega hydro project unless such project is solely developed by Indian government owned company for its domestic consumption.

What additional reforms are required for Nepal to facilitate electricity exports?

To enable electricity exports, it's crucial for Nepal to recognize that the Nepal Electricity Authority (NEA) cannot operate in isolation. The government should initiate the unbundling of NEA into distinct entities responsible for generation, distribution, transmission and creating environment for open power trade in public sector. Simultaneously, legislative measures must be taken to facilitate the participation of private enterprises in the export of electricity to India. These reforms will be instrumental in ensuring a smooth and efficient electricity export process for Nepal.

UT-1 HYDROPOWER PROJECT

Foundation Laid

The foundation laying of the 216 MW Upper Trishuli-1 (UT-1) Hydropower Project signals an acceleration in construction pace. Korean and Nepali investors have significantly invested in the project, which is set to generate power by December 2026. UT-1 is a distinct undertaking, receiving considerable contributions from multilateral agencies like IFC, ADB, AAIB, and Exim Bank of Korea, the IFC being a shareholder. Near the main power distribution hub of the Kathmandu Valley, UT-1 is positioned to fortify the electricity supply in Kathmandu. This project marks the biggest hydropower investment made by Korean companies, succeeding two prosperous hydropower endeavors of 30 MW and 12 MW in Gandaki province by the Korean government

By A CORRESPONDENT

The construction of the 216 MW UT-1 hydropower project is now expected to take a few more years. The foundation stone was recently laid by Shakti Bahadur Basnet, the Minister for Energy, Water Resources and Irrigation, in the presence of senior officials from the Ministry of Energy, the Nepal Electricity Authority (NEA), the Korean Ambassador to Nepal, a high-level delegation of Korean investment, private sector, and other former senior officials.

After nearly seven to eight years of stalling due to indecision by the Ministry of Power's policymakers, the UT-1 project, strategically valuable and highly profitable for NEA, was finally revived in 2018 thanks to a decision made by three powerful individuals.

Then Power Minister Jannardan Sharma Prabhakar, Power Secretary and Chairman of the NEA Board

Anup Kumar Upadhyaya, and NEA Managing Director Kul Man Ghising jointly made the decision, breathing new life into UT-1 and placing it in its current stage.

Minister Sharma, Secretary Upadhyaya, and MD Ghising demonstrated the impact of a decisive and efficient decision-maker on projects.

Their sound reasoning for favoring the UT-1 project stems from its potential to provide NEA with nearly 39% of free energy after production. In a scenario where no foreign or private investment project offers such a significant amount of free energy to NEA, UT-1 proves to be highly advantageous for Nepal.

Despite the promising financial offer, Korean investors and a Nepali investor sought for favorable results from government offices until 2018.

Ultimately, Sharma,

Upadhyaya, and Ghising intervened and acted as saviors, materializing the project and lifting the spirits of the investors. While Nepali investor Bikesh Pradhananga has a 10 percent stake, he fully backed the Korean investors during challenging times.

"We began our journey on April 2, 2012 in Nepal and have since dedicated years to establishing our brand, now synonymous with our unwavering commitment. Our project has always been a collaborative effort, not the work of a solitary individual." "This project is a major milestone for Nepal and will play a crucial role in eliciting enhanced foreign direct investment in the country's hydropower sector," stated Tae Hak Yoon, CEO of Nepal Water and Energy Development Company (NWEDC), upon the successful commissioning of the project.

To demonstrate the minis-



try's unity in completing the project on schedule, Energy Secretary Dinesh Kumar Ghimire and NEA Managing Director Kul Man Ghising attended the inauguration.

Former Secretary Upadhyaya, who shared his experience of how a crucial decision rescued the projects in the interest of the country, also attended the foundation stone laying ceremony.

South Korea is involved in Nepal's hydropower.

After completing two successful hydropower projects - the 30 MW Chamelia in Sudur Paschim and the 12 MW Modi in Gandaki Province - the Korean government has initiated support for two additional projects, intending to transform Nepal's two provinces into major hubs for hydropower construction and economic growth, ultimately benefitting the local population.

Several additional hydropower projects are currently under construction in Rasuwa. However, UT-1 is expected to have a significant impact on the well-being of indigenous and

economically disadvantaged individuals, as well as bolstering Nepal's clean energy capabilities.

Ambassador Park Tae-Young of the Republic of Korea shared his thoughts during the inauguration.

"The UT-1 project is the third hydropower project in Nepal, following projects in Chamelya in 2018 and Modi Khola in 2000," stated the speaker. This investment by Korean companies not only improves Nepal's economy, but also serves to strengthen the friendly relations between our two nations." South Korea ranks as Nepal's fourth investment partner, following China, India, and the United States. "I appreciate the Honorable Prime Minister's vision and leadership in transforming Nepal into a foreign investment-friendly destination. This vision has the potential to be realized in the near future. In this regard, I believe that Korea could be a strong ally (RamroSaathi) for foreign investment in Nepal's energy sector," stated Ambassador Park Tae-Young (see box).

History of UT-1

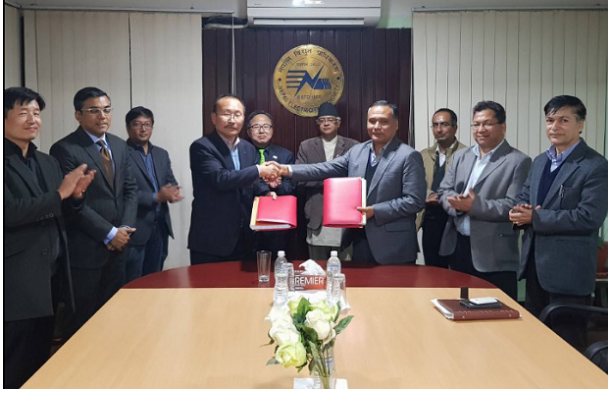
The Korean delegation came

to Nepal in 2012, having made an agreement to invest in the UT-1 project. It was initially announced that the project would be completed by April 2019. However, the signing of the Power Development Agreement (PDA) was delayed, amongst other issues, due to a major earthquake in 2015. It was eventually signed in 2016, and the PPA was completed in 2018. Financial management was concluded a year later in 2019.

Subsequently, the groundbreaking ceremony took place in September 2023, although the work on the project actually commenced in 2022. The construction of the main components of the project is currently underway, with active work ongoing on the excavation of the underground powerhouse and headrace tunnel. Progress is being made in all areas, with an overall rate of 22 percent.

The construction of structures such as dams is currently taking place in Amachhodingmo Rural Municipality-1 Haku of Rasuwa. In addition, a

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project to build an underground powerhouse is currently being executed in Utargaya Rural Municipality-1.

The UT-1 project has completed several crucial preliminary tasks. A diversion tunnel was constructed for UT-1, a run-of-the-river hydropower project, a year ago. Since then, the project has intensified with heightened construction. As the largest hydropower project currently under construction with foreign direct investment for domestic use, UT-1 is a significant undertaking.

The construction project has achieved a major milestone by completing a 420-meter long diversion tunnel lined entirely with concrete, featuring a diameter of five meters. The project diverted the Trishuli River through the newly constructed tunnel to enable the construction of the headworks.

Tae Hak Yoon, the CEO of Nepal Water and Energy Development Company (NWEDC), expressed his satisfaction with the river diversion, noting it as a significant accomplishment in the development of UT-1.

The project has achieved significant progress by excavating 4.5 km of the 13.5 km tunnel that comprises the headrace, adit and tailrace tunnels.

The excavation of the underground powerhouse has also advanced, with project progress surpassing 30 percent. The project is slated for production by December 2026, following its commencement in January of 2022.

UT-1 is a ROR scheme, with a total annual gross energy production of 1533.06 GWh. The project comprises a 29.5 m high dam, an underground sand trap, a 9.8 km long headrace tunnel (HRT), a surge tank, and an under-

ground powerhouse as its main structures.

The total project cost of USD 647.34 million, including interest during construction, will be financed by 70 percent debt and 30 percent equity. The project partners will contribute an equity investment of USD

194.20 million.

A loan of \$453.12 million is being provided by international lenders, which include the International Finance Corporation (IFC), Asian Development Bank (ADB), Korean Exim Bank (K-EXIM), Korean Development Bank (KDB), Asian Infrastructure Investment Bank (AIIB), FMO (The Netherlands), British International Investment (BII), Proparco (France), and the OPEC Fund for International Development (OFID).

The NWEDC is the company that will operate the project. NWEDC shareholders consist of Korea South-East Power Co. (KOEN), Korea Overseas Infrastructure and Urban Development Corporation (KIND), International Finance Corporation (IFC), a World Bank Group member, and domestic investors.

The project is being developed on a build-own-operate-transfer

(BOOT) basis under a project development agreement signed with the Government of Nepal in December 2016.

Of the entire yearly energy produced by the project, 38.75% will be produced in the dry season, surpassing most other hydropower projects in Nepal that rely on river flow. Of the entire yearly energy produced by the project, 38.75% will be produced in the dry season, surpassing most other hydropower projects in Nepal that rely on river flow. This information was given in a press release released by NWEDC. UT-1 is anticipated to deliver a maximum of 1,533 GWh of electricity.

NEA has committed to buy all of Upper Trishuli-1's power yield for 30 years under a power purchase agreement (PPA) signed with NWEDC in January 2018.

Project Vision.

"We have overcome various challenges to arrive at this stage in the project's development. "We have overcome various challenges to arrive at this stage in the project's development. Our vision for the hydropower industry is precise. Through the production and distribution of energy to the Nepalese government, we actively contribute to improving Nepal's economy," commented CEO Tae Hak Yoon.

"We are a subsidiary of Korea South East Power Company Limited (KOEN), a top power generation com-



pany in South Korea with 9,175 MW of power generation capacity, equivalent to 10.7% of the country's total capacity.

To aid Nepal in its energy issues, KOEN, KIND, IFC, and the local promoter made the decision to invest in Nepal. The Nepalese government actively supports the development of hydropower." Developing hydropower is a priority for us, with a strong emphasis on environmental, social, and rural concerns.

Minister Basnet has requested investment from Korea.

Shakti Bahadur Basnet, Minister for Energy, Water Resources, and Irrigation, met with Hoe-Chun Kim, President and CEO of Korea South-East Power (KOEN). The minister urged the Korean investor to invest in Nepal's hydropower sector.

KOEN is the primary backer of the UT-1 project. Minister Basnet hopes to attract more Korean investors to the sector.

According to Minister Basnet, Nepal enjoys cordial and friendly bilateral relations with South Korea, highlighting the potential benefits of Korean technology and skills.

The Minister assured the KOEN Chairman during the meeting of the Government's full support for the smooth implementation and timely completion of the Upper Trishuli Hydropower Project.

As Minister of Forests and Environment, he facilitated UT-1 and made timely decisions concerning forest-related issues.

Hoe-Chun Kim, CEO of Korea South-East Power (KOEN) and leading investor in the project, emphasized using Nepal's water resources to increase domestic consumption of renewable energy and export surplus electricity to neighboring countries for economic growth and mitigating climate change.

"During my return, I aim to promote additional Korean investment in Nepal," stated President Kim to Minister Basnet.

He ensured that they would endeavor to finalize the project promptly,

despite the recent groundbreaking ceremony.

At the Upper Trishuli 1 (UT-1) Hydropower Project's foundation stone laying ceremony, Minister Basnet urged for timely completion of the project and guaranteed essential facilitation and coordination."

Minister Basnet stated that the country's electricity demand will reach approximately 15,000 MW over the next 12 years.

Hoe-Chun Kim, the President and CEO of Korea South-East Power (KOEN), remarked that Nepal's abundant water resources, coupled with a boost in domestic use of eco-friendly energy, and export of surplus power to neighboring nations, has significantly contributed to achieving economic prosperity while di-



minishing climate change consequences.

He stated that the project is crucial to meet the rising demand for domestic electricity, particularly during Nepal's dry season, and to decrease reliance on imported electricity.

South Korean Ambassador to Nepal, Park Tae-Young, conveyed his confidence that finishing the construction of UT-1 will aid in attracting foreign direct investment to Nepal, offering employment opportunities.

Around 1,000 workers are currently employed at the construction site, with roughly 500 of them being local residents from the Rasuwa district affected by the project.

For the duration of the five-year construction period, the project will employ between 700-1000 Nepalese work-

ers. After construction is completed, 70-80 Nepalese workers will continue to be employed during the 30-year operation period.

UT-1 is currently the largest hydropower project under construction with foreign direct investment aimed at domestic consumption. The concession period for the project is 35 years, incorporating a five-year construction period.

The project's total cost, including interest during construction, amounts to \$647.4 million and will be financed with a 70 percent debt and 30 percent equity split.

NWEDC's shareholders comprise of Korean Consortium Korean Southeast Power Co (KOEN) at 50%, Daelim at 15%, and Kyeryong at 10%.

IFC and Bikesh Pradhanang, a local partner from Nepal, both have 15% of the company's shares.

In the future, communities affected by the project will have the right to apply for a 10% stake in the project.

The project partners will invest USD 194.20 million in equity while the debt of USD 453.12 million will be provided by international lenders such as IFC, ADB, Korean Exim Bank (K-EXIM), Korean Development Bank (KDB), Asian Infrastructure Investment Bank (AIIB), FMO (Netherlands), British International Investment (BII), Proparco (France), and the OPEC Fund for International Development (OFID).

Although the recently introduced social safety policy implemented by the IFC for the project may be complex and lead to some conflicts, it is probable that the project will be finished by December 2026 due to the established commitments of both the developers and the government. The UT-1 project marks the third hydropower project supported by Korea and is expected to significantly improve the living standards of Nepalis.

The UT-1 Project Is The Third Hydropower Project After Chamelya And Modi Khola



BY: PARK TAE-YOUNG

First, I would like to express my deep gratitude to the Minister of Energy Shakti Bahadur Basnet for his affection and cooperation in this Upper Trishuli-1 project.

I would like to congratulate on hosting the Foundation Stone Laying Ceremony of the Upper Trishuli-1 Hydropower Project of NWEDC (Nepal Water and Energy Development Company) by KOEN. I am pleased to be here to celebrate this meaningful moment.

As you may aware, KOEN, a leading company in South Korea's Energy Industry decided to make a big investment to build a hydroelectric power plant in Nepal more than a decade ago. KOEN established a coporation called NWEDC in Nepal to globally co-finance with 9 large lenders like IFC, ADB and investors such as KIND. And it signed a construction contract with a reliable Korean company, DOOSAN Enerbility to carry out the project.

It was a long journey to proceed with this project including signing the contracts with Nepal government and the lenders. There were difficulties in the middle such as the 2015 Nepal earthquake, but I am happy to see today's grand ceremony here after problems solved well. I would like to express my sincere gratitude to Nepalese government officials and lenders for their efforts to make today's event come true, as well as the Korean businessmen from KOEN, KIND and DOOSAN Enerbility.

I would like to express my special thanks to high level officials from the Ministry of Energy, CEO of Investment Board Nepal (IBN), Sushil Bhatta and the Managing Director of Nepal Electricity Authority (NEA), Mr. Kulman Ghising.

Nepal, graduating from the Least Developed Countries(LDC) in 2026, plans to develop its own economy through hydroelectric power strategy. To this end, attracting overseas investment is essential. The Upper Trishuli-1 project is an excellent example of building Nepal's infrastructure through large-scale private foreign investment.

This project will be successfully carried out and attract more foreign investment to Nepal in the future. In addition, I would like to ask for the support and cooperation of the Nepalese government for Korean companies to finalize this important project and invest and do more business in Nepal.

The Upper Trishuli-1 project would be a model project for Nepal's hydroelectric development. And it will improve the lives of local people. This Project is the first in Southwest Asia to introduce the Free Prior Informed Consent (FPIC) to provide employment programs for local communities and contribute to improving the quality of their life. It is impressive to witness co-prosperity and active communication with the Nepalese local community beyond simply economic benefits.

The UT-1 project is the third hydropower project after Chamelya in 2018 and Modi Khola in 2000. In this regard, Korean companies' investment to Nepal improves Nepal's economy and also plays an important role in strengthening friendly relations between our two countries. Korea is the fourth investing partner to Nepal after China, India and United States. I admire the honorable Prime Minister's Vision and leadership and strong will to transform Nepal into foreign investment friendly destination. I believe this vision could be realized in near future. In this journey, I would say Korea could be a good friend (RamroSaathi) in terms of foreign investment in Energy sector in Nepal.

On the occasion of marking the 50th anniversary of diplomatic ties next year, I, as South Korean Ambassador, will continue to work closely with the Nepal government to further promote economic investment and cooperation between Nepal and Korea, especially in Energy Sector.

Park Tae-Young is a South Korean Ambassador to Nepal. Excerpts of the statement delivered by him at the foundation stone laying ceremony of Upper Trishul-1 hydropower project.



BEEN

Collaborating With Local Governments

Given the increasing demand for energy for heating and cooling, and the fact that local governments in Nepal are issuing hundreds of permits for the construction of new public and private buildings without considering the energy efficiency matrix, Nepal's goal of achieving net-zero emissions by 2045 is in jeopardy. Funded by the European Union, the Building Energy Efficiency in Nepal (BEEN) Project has commenced altering the mindset of policymakers in federal ministries, local government officials, and other stakeholders regarding the importance of incorporating energy efficiency as a new standard for building design and development.

By KESHAB POUDEL

“After the discussion, it was recognized that energy efficiency is a key factor in making buildings environmentally friendly,” said Dhan Raj Acharya, mayor of Pokhara Metropolitan City (PMC). To incorporate this element into the design and approval process, PMC intends to modify the building construction code. By adhering to technical requirements during building planning and construction, structures can be constructed to be energy-efficient and environmentally friendly, as stated by Mayor Acharya.

Kathmandu Metropolitan City (KMC) is working to initiate a strategy to incorporate energy-efficient aspects into building design and restore older structures despite the limited remaining space for new construction.

“Following consultation with the BEEN technical team, it was acknowledged that damage had already occurred, but measures would be taken to rectify it and reduce future damage,” said Sunita Dangol, Deputy Mayor of KMC.

Before providing clearance for private and public projects, the process of revising building codes and guidelines has already begun. Hetauda Sub-Metropolitan City is experiencing a significant increase in building construction as the provincial capital of Bagmati Province.

On August 4, Mina Kumari Lama, mayor of Hetauda Sub-Metropolitan City, addressed the orienta-

tion session in Dhulikhel and actively engaged in discussions with BEEN experts. “Our eyes have been opened by BEEN professionals,” said mayor Lama.

“The municipal government will take the required steps to make energy efficiency as the major criterion in building design and approval.

a year ago, Khel Raj Pandey has prioritized making his city environmentally friendly. As a first step, he has authorized professionals from the Planning and Construction Division to include energy efficiency criteria into building designs and construction clearances.

These statements are only a few. Local government leaders have



With this summer's harsh heat, demands for cooling gadgets such as air conditioners and fans have skyrocketed, emphasized that building design is critical to make them environmentally friendly.”

Since his election as mayor of Butwal Sub-Metropolitan City over

modified their long-held opinions after interacting with BEEN experts at orientation and consultation seminars held this month in Kathmandu, Butwal, and Pokhara.

They now appreciate the importance of energy-efficient buildings in Nepal, not just in these four small



towns. Due to its reliance on imported fossil fuels, Nepal faces energy security challenges.

“Energy-efficient buildings can reduce the country’s reliance on costly energy imports and increase citizens’ access to affordable energy,” mayor Lama noted frankly. “We need to change criteria for new building design which must be different from Kathmandu.”

“The BEEN workshop helped me realize the significance of energy-efficient buildings in averting future energy and environmental disasters,” said Ashok Kumar Byanju, the mayor of Dhulikhel Municipality. “The municipality will revise its construction code with technical aid from BEEN.”

Workshop Highlights

The BEEN held workshops in three provinces -Bagmati, Gandaki, and Lumbini -with the goal of disseminating the critical components necessary to address the energy efficiency issue in building design and construction to local government authorities.

Local government consultations were held in Bagmati on August 4th, Lumbini on August 9th, and Gandaki on August 11th in Dhulikhel, Butwal, and Pokhara, respectively.

This one-day workshop emphasized the importance of developing a building code as soon as possible in

order to prevent future environmental and energy crises, particularly for municipal governments.

The workshops were attended by 49 out of 60 local governments of the project areas. Lumbini had 16 participants, Gandaki had 10 out of 16 participants, and Bagmati had 21 out of 23 working municipalities present.

BEEN also signed Memorandum of Understanding (MoU) with 15 municipalities, 10 in Gandaki and 5 in Lumbini, following the orientation.

The presentations given in the workshop were straightforward, objective, and technically based, giving a picture of how to design an ener-

gy efficient building..

The workshops concentrated on the energy and carbon-intensive characteristics of Nepalese construction sites. As a result of orientations, leaders also learned how changing lifestyles, and climate influences have increased energy consumption for thermal comfort significantly.

“Because energy efficiency has a direct impact on the health, productivity, and operational costs of building occupants, these orientations aim to increase participants’ understanding, promote constructive discussions, and foster knowledge about the importance of energy efficiency in the building sector. Furthermore, the seminars stressed the critical role that municipal officials can play in developing Nepal’s sustainable building sector,” said BEEN Team Leader Suyesh Prajapati.

The promises and commitments expressed by senior federal government officials, particularly from MoFAGA and MoFE, as well as DUBC officials, mayors and deputy mayors, provided a positive outlook emphasizing the importance of collaborative efforts among municipalities, the BEEN Project, and other related stakeholders. Most importantly, workshop was that participants pledged to implement innovative initiatives to improve energy efficiency in





designs and issue completion certificates to owners.” The engineering section of local governments needs to be strengthened in this environment, and BEEN has been doing so,” stated joint secretary Bhattarai.

BEEN is a project funded by the European Union under the SWITCH-Asia program and implemented by a consortium led by the University of Innsbruck, Austria (UIBK), in collaboration with MinErgy Pvt Ltd, Nepal, Greentech Knowledge Solutions Pvt Ltd, India, and Asociación Española de Normalización (UNE), Spain, and in close collaboration with MoFAGA.

Dibya Acharya, senior architect BEEN, presented her paper on the technical approach to energy efficient building. She discussed technical challenges connected to the modalities and design for energy efficient buildings.

Despite the fact that all 24 local governments that have signed MoUs with the BEEN have the final approval authority to approve designs and grant construction permits, none of the existing designs have included energy saving components yet.

According to Om Dharamanada Rajopadhyaya, Policy Specialist at BEEN, there is no EE building policy framework in all three provinces, including at the local level. “This issue has yet to be addressed by federal or local government policy.”

the building sector, with the ultimate goal of improving quality of life and conserving the environment for future generations,” Prajapati added.

The BEEN project is now being conducted as a pilot project in 60 local governments across three provinces, out of 753 in seven provinces. However, the project is also raising awareness among other municipal governments.

Despite the fact that over a million public and private buildings have been constructed in Nepal over the last decade without taking energy efficiency-related criteria into account in their building design, the current set of local elected leaders’ commitment to including an energy efficiency clause in building design and construction during a recently concluded orientation and consultations workshop was a game changer for the country’s future.

One notable achievement of the workshop was that the Ministry of Federal Affairs and General Administration (MoFAGA), a nodal federal ministry, and local governments have taken ownership of the project to promote energy-efficient buildings.

“MoFAGA is delighted to be a project partner,” said Kamal Prasad Bhattarai, joint secretary for planning and Development Assistance Coordination Divi-

sion. “This project is critical in order to reach zero emissions by 2045. “The Ministry will expand these projects to all seven provinces and local governments. “This type of capacity-building is essential for Nepal’s local governments to strengthen their institutional capacity.”

According to Nepal’s 2015 Constitution, drafting legislation for building design clearance is the responsibility of local governments including Metropolitan, Sub-metropolitan, Municipality, and Rural Municipality. “It is the responsibility of municipal governments to approve





Lowering greenhouse gas emissions through reducing energy use in buildings can help mitigate climate change and safeguard the environment. This is especially relevant in a country prone to climate change effects such as glacial melt and increased frequency of extreme weather events.

However, the implementation of BEEN as a pilot project has only just begun to address the need for a provision connected to energy efficiency criteria in building design and construction.

“The BEEN is promoting climate-responsive building designs and retrofitting, as well as the use of energy-efficient space heating and cooling technologies, resource-efficient building materials, and the integration of renewable energy sources, in collaboration with multiple stakeholders.” The project aims to achieve results on multiple levels,” stated Daniel Neyer, project leader BEEN via hybrid mode from the University of Innsbruck, Austria.

Nepal currently lacks standards, rules, and laws governing energy-efficient building design for new construction or retrofitting of existing structures. Building sector MSMEs’ awareness and capacity on energy efficient buildings and service offerings remain poor.

“Energy-efficient buildings use less energy, which results in lower utility bills for homeowners and businesses.” This can have a direct and positive influence on individual economic well-being and corporate competitiveness in Nepal,” said Usha Maskey Manandhar, GESI and Policy Advisor at BEEN.

“Policy interventions by providing advisory on standards through local multi-stakeholder consensus processes, favorable policies create an enabling environment for scaling up of measures by builders/owners while also availing policy incentives for MSMEs to continue its services,” Maskey Manandhar explained.

A dressing the program in Dhulikhel on August 4, Ranjan Prakash Shrestha, Senior Program Manager at the EU Delegation to Nepal said that EU has been supporting to Nepal to

achieve zero emission target by 2045. “EU has been supporting projects and programs to promote clean energy and promote efficiency of use of energy in building as well. EU promotes use of cleaner technology and replaces the older and inefficient technology with new and efficient in building sector.”

“EU has been doing in the various sectors like in environment, agriculture, education, governance and energy. Strengthening institutional capacity of local government is also a part of EU’s program in Nepal,” said Shrestha, “EU is doing at the grass-root level has to be translated into the national policies,” said Shrestha. “EU is very happy to see the implementation of the project in Nepal which will contribute to achieving Nepal’s net-zero emission targets.”

Rishi Raj Acharya, under secretary, Environment and Disaster Management Unit, who participated in all three provinces as a representative of MoFAGA, commended the European Union for supporting a very important project for Nepal. “In the current context of increasing urban disasters caused by climate change, reducing energy consumption and promoting green is critical.” MoFAGA will expand further based on the results of the BEEN.”

“This is a pilot project to support the concept of green cities.” “The enthusiasm shown by local leaders to include energy efficiency provisions in building design and approval supports Nepal’s NDC,” stated Switch Asia Fo-





cal Person and Undersecretary of the Ministry of Forest and Environment (MoFE), Gyanendra Mishra. “BEEN is the right project at the right time.”

Sudha Ghimire, a representative from the Department of Urban Development and Building Construction (DuDBC), stated that the department is ready to collaborate with the BEEN on the construction of energy-efficient buildings.

Conducted by Sonie Shrestha, the BEEN project’s Market System Development and Communication Officer, Shubha Laxmi Shrestha, Assistant Director, Energy Efficiency and Outreach Management at the Alternative Energy Promotion Center, said that the government has already set standard for certain electric appliances. The government is bringing the standard for household electric appliances such as fans, air conditioners, heaters, and other.”

The BEEN project, in collaboration and partnership with MoFAGA has already arranged different events for energy efficient buildings. The workshops were held as part of the BEEN project’s Output 4 project activity to support and collaborate with chosen municipalities.

Attendees participated in three separate sessions during the half-day program. The event began with an opening session, was followed by a technical session, and ended with a closing ceremony. Furthermore, the event included a marketplace where participants could see a variety of energy-efficient building construction

materials and technology that the initiative is attempting to promote.

“This event was critical in laying the groundwork for strengthening collaboration and partnership between the project and the municipalities,” Prajapati added. Bagmati Province,

Nepal’s most densely populated province, holds tremendous potential for future construction activities, particularly buildings to accommodate an influx of individuals migrating from across the country, driven by aspirations for opportunities, quality healthcare, and education.

NEA’s Managing Director



Kul Man Ghising in his recent interview said that Bagmati province is grappling with significantly increased energy demands as a result of rapid urbanization and ongoing development activities.

Because of changes in elements such as demographics, socioeconomic situations, and technologies, it is clear that energy consumption will rise. The situation is going to deteriorate if future new buildings are not built with energy efficiency in mind. With increased heat in new buildings, the demand for air condition-

ing is significant throughout Bagmati Provinces cities.

The sessions of the workshops emphasized the importance of collaboration and partnership between the BEEN project and chosen towns in order to promote awareness about energy efficiency in the building industry.

Policy intervention through local multi-stakeholder consensus processes is a crucial component of BEEN, which argues that favorable policies create an enabling climate for scaling up interventions.

BEEN project officials said that they will assist in the development of passive design guidelines, design tools, technical standards, and manuals, as well as training programs in collaboration with local governments and related associations; capacity building throughout the building sector’s value chain to utilize project-developed measures.

Because project implementation necessitates the active participation of local governments, their policies and choices have a direct impact on energy consumption trends within their domains. Municipal authorities’ lack of awareness and comprehension of energy-efficient building materials and procedures is a major source of concern.

The statements expressed during the workshops by the local government leaders showed that the project is moving right directions to achieve its goal in project period.



पशु चौपायालाई लम्पी स्किन रोगबाट बचाऔं

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- छालामा गिर्खा/गाँठाहरू देखिने, केही समय पछि हराउने वा फुट्ने र किरा औँसा पर्नसक्ने।
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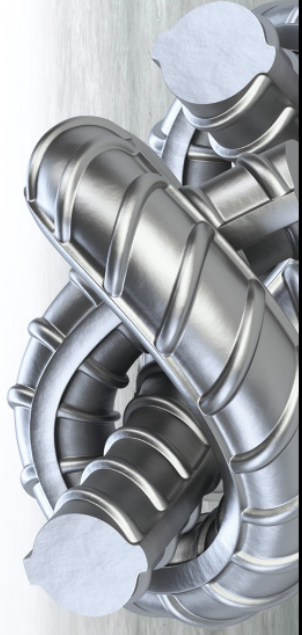


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