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VIEWPOINT
Dr. Tilak Rawal



OPINION
Dipak Gyawali



FORUM
Dr. Suresh C. Chalise

NEW SPOTLIGHT

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July 19, 2024
FORTNIGHTLY



POLITICAL SCENARIO

K.P. Sharma Oli's Resurgence

INSIDE



FOREIGN EXCHANGE
Largest Deposit



NEPAL ELECTRICITY MIX
Solar Power Is The Choice



HELVETAS-NEPAL'S RIVERBED FARMING
Climate-Adaptive And Resilient

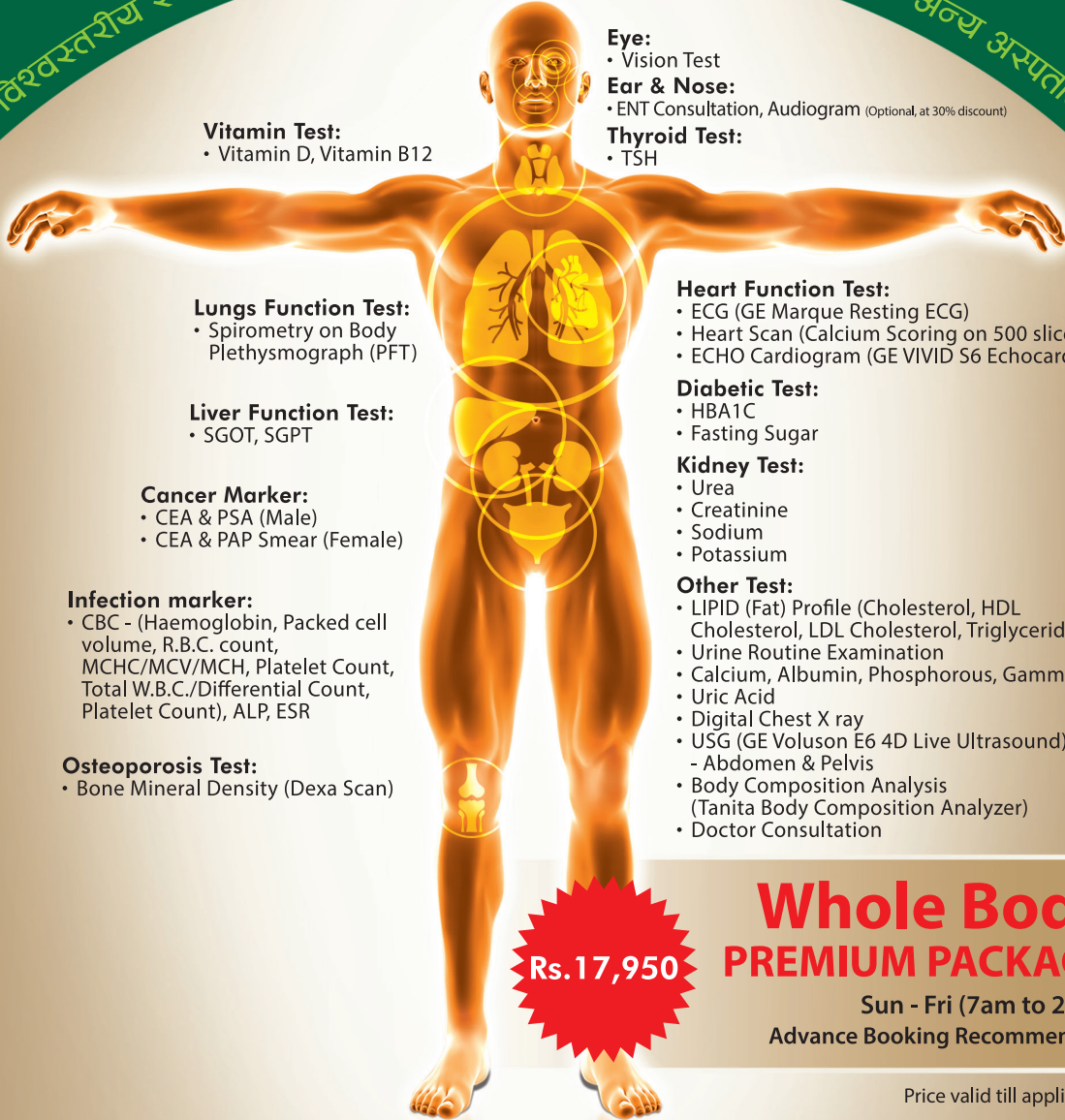
सर्वोत्कृष्ट स्वास्थ्य परीक्षणको लागि

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Notes From The Editor



Despite K.P. Sharma Oli's re-emergence as the head of the coalition government, which now includes two major parties and support from several smaller ones, achieving the political stability the nation needs remains a challenge. Even though Oli has made promises of stability, backed by his new political allies and former rivals, Nepal still faces significant obstacles in establishing a stable government, especially considering its strategic location. The country is dealing with an unstable bureaucracy and a leadership that is more focused on power than on governance. This makes it difficult for Nepal to welcome and integrate highly qualified officials from its neighboring countries. In this intricate scenario, Oli must navigate carefully.

The primary task for the Nepalese political leaders is to regain the trust and demonstrate their reliability, which has been eroded in recent times. In the complex global and regional landscape, it's crucial to build confidence and trust with neighboring countries. Instead of pursuing diplomatic strategies for personal gain or whims, Oli must show that he is reliable and trustworthy to high-level Indian officials. Similarly, he needs to assure his neighbors that he is a reliable friend.

As part of his political agenda, Oli must also make decisions to boost the country's economy, aiming to alleviate the suffering of the poor and ordinary citizens. This week, we have chosen to focus on coalition politics as our main story. Additionally, we will explore the significance of diversifying Nepal's energy mix to reduce reliance on hydropower, especially with the recent drop in global solar technology prices. We will also cover other relevant contemporary issues.

Keshab Poudel

Editor

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IMF

Approval Of SDR

Finance Secretary Madhu Kumar Marasini IMF's Approval Of the ECF For Nepal, Granting The Nation Access To SDR 31.4 Million, Is A welcome Development

By A CORRESPONDENT

IMF's Executive Board Completes the Fourth Review of Nepal's Extended Credit Facility. The IMF Executive Board completed the fourth review under the Extended Credit Facility (ECF) Arrangement for Nepal, providing the country with access to SDR 31.4 million (about US\$ 41.3 million).

Thanks to certain significant actions by the Ministry of Finance, Nepal's economy has seen positive advancements. The latest report from the International Monetary Fund (IMF) recognizes Nepal's efforts in executing the program, even in the face of a difficult political situation.

Efforts to revive Nepal's economy are gaining momentum, with officials from the finance ministry finding the IMF's ruling a positive development. "The IMF's approval of the Extended Credit Facility (ECF) for Nepal, granting the nation access to SDR 31.4 million, is a welcome development for Nepal's financial sector," remarked finance secretary Madhu Kumar Marasini, who has been diligently working towards securing IMF ECF approval. "We are all collaborating and making strategic decisions to steer the economy back on course."

Following a slowdown last year, economic activity has started to pick up and the recovery is expected to gather steam, supported by cautiously accommodative monetary policy stance, planned increase in capital expenditure in the FY2024/25 budget, additional hydropower generation, and continued increase in tourist arrivals.

IMF's Decision

On July 9, 2024, the Executive Board of the International Monetary Fund (IMF) completed the fourth review under the four-year Extended Credit Facility (ECF) for Nepal, allowing the authorities to withdraw the equivalent of SDR 31.4 million (about US\$ 41.3 mil-

lion). This brings total disbursements under the ECF for budget support thus far to SDR 188.3 million (about US\$ 247.7 million).

The ECF arrangement for Nepal was approved by the Executive Board on January 12, 2022 (see Press Release No. 22/6) for SDR 282.42 million (180 percent of quota or about US\$ 371.6 million). Nepal has made good progress with implementation of the program, which has helped mitigate the impact of the pandemic and global shocks on economic activity, protect vulnerable groups, and preserve macroeconomic and financial stability. The program is also helping to catalyze additional financing from Nepal's development partners.

The economy continues to face challenges as growth, projected around 3 percent in FY2023/24, remains below potential in the context of subdued domestic demand and post-pandemic balance sheet repairs. Economic activity is expected to pick up with growth reaching 4.9 percent in FY2024/25, supported by stronger domestic demand. The cautiously accommodative monetary policy stance, planned increase in capital expenditure in the FY2024/25 budget, additional hydropower generation, and a continued increase in tourist arrivals are expected to boost domestic demand and growth. Inflation is expected to remain within the Nepal Rastra Bank's (NRB) target ceiling of 5.5 percent.

Following the Executive Board discussion, Bo Li, Deputy Managing Director and Acting Chair, made the following statement:

"Nepal has made important strides on its economic reform agenda. Decisive actions in monetary policy, bank regulation and rolling off COVID support policies played a major role in overcoming urgent balance of payments pressure in FY2021-22. Reserves continue to rise without the need to use distortive import restrictions. Fiscal discipline was



maintained in FY2022-23 and so far in FY2023-24, despite revenue shortfalls. Bank supervision and regulation have improved with the rolling out of new supervisory information systems, the Working Capital Loan Guidelines and Asset Classification Regulations. Nepal's medium-term outlook remains favorable as strategic investments in infrastructure, especially in the energy sector, are expected to support potential growth.

"Nepal's commitment to strengthen its AML/CFT framework is welcome. Amendments to a set of fifteen laws, including on money laundering, have been recently enacted—and secondary legislation is under preparation—to bring Nepal's AML/CFT legal framework in line with international standards. It remains critical to ensure the effectiveness of the new legal framework. Reforms to implement the 2021 IMF Safeguards Assessment recommendations regarding the Nepal Rastra Bank (NRB) Act and NRB audit are a priority.

"Continued progress on the structural front remains needed to foster investment and more inclusive growth. These include improving the business climate, building human capital, and continuing to improve social safety nets, in particular aiming for full execution of the child grant budget, followed by an expansion of the program to all districts in Nepal."

IMF decision has enhanced the credibility of Nepal's economic sector which has been making progress to back in the track.

NEWSNOTES

Indian External Affairs Minister Dr. Jaishanker Congratulated Dr. Arju Rana Deuba

External Affairs Minister of India Dr. S. Jaishankar has congratulated Dr. Arju Rana Deuba on her appointment as a foreign minister of Nepal.



“Congratulate Arzu Rana Deuba on your appointment as the Foreign Minister of Nepal. Look forward to working with you to enhance India-Nepal multifaceted partnership.”

Indian PM Modi Congratulates PM Oli

Prime Minister of India, Narendra Modi, has congratulated KP Sharma Oli on his appointment to the post of Prime Minister of Nepal.

“Congratulations @kpharmaoli on your appointment as the Prime Minister of Nepal. Look forward to working closely



to further strengthen the deep bonds of friendship between our two countries and to further expand our mutually beneficial cooperation for the progress and prosperity of our peoples,” the Indian PM wrote on his social media platform X.

President Ramchandra Paudel administered the oath of office and secrecy to newly-appointed Prime Minister KP Sharma Oli.

The Startup Network (Nepal) Celebrates 2nd Anniversary

The Startup Network (Nepal) proudly marks a significant milestone as it completes its second year of empowering Nepal’s entrepreneurial ecosystem. Since its inception in July 2022, The Startup Network (Nepal) has been at the forefront of fostering innovation, supporting budding entrepreneurs, and facilitating collaboration within the startup community.

Over the past two years, The Startup Network (Nepal) has achieved notable accomplishments, including:

Hosting Startup Acceleration Program with industry captains to mentor and accelerate the startups.



Organizing Startup Summit Nepal 2023 to create a collaborative community and network amongst startups.

“We are thrilled to celebrate our second anniversary and reflect on the remarkable journey we

have had so far,” said Dr. Sudeep Rauniar of The Startup Network (Nepal). “Our commitment to supporting entrepreneurs and driving sustainable innovation remains unwavering. We look forward to continuing our mission of nurturing Nepal’s startup ecosystem and empowering the next generation of innovators.”

As The Startup Network (Nepal) enters its third year, it remains dedicated to expanding its impact, forging new partnerships, and launching initiatives that will further accelerate the growth of startups in Nepal.

Foreign Secretary Sewa Lamsal Pays A Courtesy Call On India’s External Affairs Minister Dr. Jaishankar

Foreign Secretary Ms. Lamsal paid a courtesy calls on Dr. S. Jaishankar, Minister of External Affairs of India on the sidelines of the Second BIMSTEC Foreign Ministers’ Retreat in New Delhi.

She also called on Dr. Hasan Mahmud, Foreign Minister of the People’s Republic of Bangladesh. The calls-on focused on various aspects of cordial and cooperative bilateral relations, including regional cooperation within BIMSTEC forum.

Foreign Secretary Ms. Lamsal attended the Second BIMSTEC Foreign Ministers’ Retreat being held in New Delhi today.

In the Retreat Session, Foreign Secretary Lamsal reaffirmed Nepal’s unwavering commitments to carry forward BIMSTEC process and stressed on enhanced collaborative efforts among Member States to realize shared objectives of sustained peace, stability, and prosperity in the Bay of Bengal region.

She further emphasized that Nepal will continue pursuing a “whole of the region” approach to harness resources for common benefits, strengthen institution-building processes, and transform BIMSTEC into an effective, results-oriented regional forum.

In addition, Foreign Secretary emphasized the importance of leveraging synergies of South Asia and South East Asia for ensuring tangible benefits to the peoples of the region and addressing pressing challenges including climate change, health-related pandemics, natural disasters and transnational organized crimes.

Later in the evening, Foreign Secretary attended Dinner hosted by Dr. S. Jaishankar, Minister of External Affairs of India, in honor of the visiting Foreign Ministers and Heads of delegations of BIMSTEC Member States.

The Foreign Secretary will join the Foreign Ministers and Heads of delegations of BIMSTEC Member States for a joint call on Narendra Modi, Prime Minister of India, at the latter’s office in New Delhi.



Japan Hands Over Medical Equipment To Eight Ad-

vanced Public Hospitals In Kathmandu Valley

Kikuta Yutaka, Ambassador of Japan to Nepal, attended the handover ceremony of the Project for the Improvement of Medical Equipment in Advanced Public Hospitals which was held at Ministry of Health and Population. This project, funded by the grant assistance from the Government of Japan, provided medical equipment to eight advanced public hospitals in Kathmandu Valley (Human Organ Transplant Centre, Patan Hospital, Paropakar Maternity & Women's Hospital, National Trauma Centre, Bir Hospital, Shahid Gangalal National Heart Centre, Kanti Children's Hospital, and Manmohan Cardiothoracic, Vascular and Transplant Centre) to improve the quality of healthcare services,



mainly by strengthening the diagnostic and treatment systems for patients with non-communicable diseases, thereby contributing to poverty reduction and improving the quality of life in the country.

The number of patients with non-communicable diseases in Nepal is increasing every year, and the top three causes of the human death in the country are cardiovascular diseases, chronic respiratory diseases, and cancer.

Therefore, it is essential to strengthen the diagnostic and medical systems to tackle these non-communicable diseases. On this occasion, Ambassador Kikuta congratulated and expressed his appreciation for the efforts of all those involved in the project on behalf of the Government and People of Japan.

He also mentioned that the project is helping to improve the situation in which medical services cannot be provided due to the lack of and/or aging of equipment, and that the support to these public hospitals will contribute significantly to the economic and social development of Nepal.

These eight hospitals have already started using the provided medical equipment, such as MRI, CT, and X-ray systems, to help diagnose and treatment. The Embassy of Japan hopes that these hospitals will continue to lead the medical and healthcare sector in Nepal towards the goal of providing quality healthcare to its citizens.

SAARC-ADB Consultation Workshop on Climate Change Held In Thimphu

SAARC member states met in Thimphu from 10th to 11th July 2024 to review the status of the implementation of the Thimphu Statement on Climate Change 2010.

The member states discussed the national-level initiatives taken by each member state and exchanged best practices to fight climate change through regional cooperation.

The consultation workshop finalized a set of recommendations to take forward the implementation of the Thimphu Statement on Climate Change. The findings and the recommendations will be adopted at the SAARC Intergovern-

mental Expert Group on Climate Change Meeting proposed to be held sometime later this year.

The SAARC Secretariat in Kathmandu facilitated the two-day consultation workshop held with financial and technical support from ADB.

The Chairperson of the Royal Civil Service Commission, formerly the Director-General of the Department of Environment and Climate Change, Ministry of Energy and Natural Resources, graced the inaugural session of the workshop.

The 16th SAARC Summit held in Thimphu in 2010 adopted the Thimphu Statement on Climate Change towards a green and happy South Asia.



Parliamentarians Urge Government To Supply Round The Year Water From Melamchi

Suresh Acharya, Secretary of the Ministry of Water Supply, said that Kathmandu will be able to get water for twelve months only after moving the headwork of Melamchi water supply,

He said that Asian Development Bank has already agreed to provide Rs.2 billion grant for the relocation of head works. Speaking at the meeting of the Development, Economic Affairs and Good Governance Committee under the National Assembly on Wednesday, secretary Acharya, Secretary of the Ministry of Water Supply, said that the cabinet has already approved the proposal to grant the study and it will start soon.

He also explained that water cannot be fed from the same headwork during the rainy season.

Due to the natural calamity in June, 2021, the headwork of Melamchi's water supply project was damaged. Since then, Melamchi was unable to deliver the water round the year.

Water from Melamchi has been stopped from 10th of June last month as there may be more damage when sending water during rainy season. Speaking at the meeting, Secretary Acharya said that there is a situation where the headwork needs to be relocated to provide water for a long time in Kathmandu. Similarly, Ratna Lamichhane, head of Melamchi Water Supply Project, also said that the headwork of Melamchi Water Supply Project should be relocated to a place where there is hard rock. He informed that the in-principle consent has been received from the Council of Ministers to relocate the headwork.



BUSINESS BRIEF

FNCCI Delegation Meets PM Oli, Urges For Private Sector Friendly Policy

Prime Minister KP Sharma Oli has said that the government will adopt policies to boost the morale of the private sector and encourage investment. In a meeting on Tuesday with the office-bearers of the Federation of Nepalese



Chambers of Commerce and Industry, Prime Minister Oli stated that the development of the country is not possible without the promotion and expansion of the private sector and made it clear that the new government will adopt a policy to facilitate and encourage entrepreneurs.

According to a press statement issued by the FNCCI, Prime Minister Oli expressed the commitment to take special initiatives for the advancement of the private sector as it is essential to improve the economy.

Deputy Prime Minister and Finance Minister Bishnu Paudel was also present in the meeting.

On the occasion, the delegation led by FNCCI President Chandra Prasad Dhakal said that it was necessary for the regulatory bodies related to business and enterprises to coordinate with each other and encourage investment.

The delegation was of the view that an Economic Reforms Commission or any other mechanism involving the private sector under the leadership of the Prime Minister was needed to improve the economy.

Nepal Should Take Advantage Of IT Sector: Chandra Prasad Dhakal

President of Federation of Nepalese Chamber of Commerce and Industry (FNCCI) Chandra Prasad Dhakal said that the information technology (IT) sector carries immense potential for the country's



economic development and the industrial development should be carried out to take benefit from the IT sector.

At the international ICT discussion on "Positioning Nepal as a Global IT Hub" on Saturday in Kathmandu, Dhakal expressed his views that Nepal has made rapid development in the IT sector in recent years like other countries in world.

Dhakal viewed that Nepal should take advantage of the development and expansion of the IT industry and service exports.

He argued that Nepal's youth population was embracing the IC course and running IT-driven enterprises in the country.

The FNCCI President said that there are as high as 500 IT companies in Nepal and more such companies would be established if the state adopted IT friendly policy and ensured a conducive environment for investment.

IME Electric Included In 'Motul India Elite Club'

IME Electric Pvt. Ltd, the authorized distributor of Motul Lubricants in Nepal, has been included in the Motul India – Elite Club within a mere six months of operations. IME group is one of the most prestigious groups



in Nepal and is involved in a broad spectrum of businesses like Automobiles, Banking, Remittance, Trading, IT, Communications, Technology, Energy, Tourism, Hospitality, Hotels, Insurance, Logistics, Retail, Infotainment etc.

IME Electric is one of the companies within IME group that started operations of Motul lubricants in December 2023 and garnered international acclaim for its outstanding performance.

Within 6 months of the start of sales and distribution of Motul Lubricants in Nepal, IME Electric Pvt. Ltd has been successfully included in the 'Motul India Elite Club'.

IME Electric, the official distributor of Motul lubricants for Nepal, started the sale and distribution of Motul lubricants in Nepal from last December 2023.

According to the company, IME Electric has received international recognition after being able to capture the best market share in a short period of time.

Motul is a French company that has established the identity of ‘experts in synthetic lubricants’ worldwide, which has acquired expertise in the production and marketing of performance products.

For more than 150 years, Motul has been synonymous with quality, innovation and racing.

Motul is an expert in providing high performance lubricants for commercial vehicles, cars, motorcycles, three wheelers, tractors and industrial sectors.

Top performing distributors from India, Nepal, Bangladesh and Sri Lanka participated in the Elite Club Conference recently organized by Motul India in Prague, Czech Republic.

On that occasion, IME Electric was involved with other participants in the prestigious elite club of Motul India due to significant achievements in the Nepali market.

The conference was organized to give recognition to distributors and dealers for increasing sales significantly. The recognition has confirmed the rapid development of IME Electric and its impact on the lubricant market in Nepal.

Hemant Puranik, CEO of IME Motors and IME Electric, expressed his happiness at being included in the prestigious elite club of Motul India.

He also thanked Motul’s strategic partnership and customer satisfaction for the fact that IME Electric is accelerating the process of becoming a market leader in the Nepali lubricant market.

Motul India CEO Nagendra Pai congratulated the IME Electric team for being included in the elite club with a significant achievement.

Tripartite Agreement Between Global IME Bank, IME And JALSAN

A tripartite memorandum of understanding has been signed between Global IME Bank Limited, IME Limited and Japanese Language School Association of Nepal (JALSAN).

The Memorandum of Understanding was signed by Suman Pokharel, Deputy Chief Executive Officer of the Bank, Khilendra Paudel, Chief Executive Officer of IME and Ramesh Devkota, President of Jalsan.

According to the bank, the agreement was made with the aim of providing easy educational loans to students who want to go for higher education in Japan.

The bank will provide necessary educational loans to students recommended by Jalsan for higher education in various universities in Japan.

The three parties believe that the educational loan provided by the bank will help students who want to go to Japan in financial management.

The bank will disburse educational loans after the students and parents recommended through Jalsan submit an application to the branch office of the bank along with the necessary documents.

Likewise, it is said that IME will coordinate with banks and Jalsan to facilitate the payment of college fees, visa fees, etc. for students who want to go for higher education.

After going to Japan, students can easily send money back home through IME.



NIBL Equity Partners To Invest In Jagadamba Spinning Mills

NIBL Equity Partners, a private equity fund registered with SEBON under the Specialized Investment Fund Regulations 2019 and managed by NIMB Ace Capital Limited, a Fund Manager approved by SEBON today announced that Shivanth Bahadur Pandé, Chief Executive Officer of NIMB Ace Capital and Bishnu Neupane, Managing Director of Jagadamba Spinning Mill Limited have signed a definitive investment agreement on 8 July 2024.

Established in 2005, Jagadamba Spinning Mills Limited is a premier yarn manufacturer in Nepal, specializing in polyester, polyester viscose blended and acrylic yarns. Its factory is located in Kamahariya VDC-4, Rupandehi, and part of the Saurabh Group led by Mr. Bishnu Neupane. Jagadamba Spinning Mills is dedicated to producing high-quality products that meet international standards and are exported worldwide.

The investment will allow Jagadamba Spinning Mills to consolidate itself as one of the best yarn manufacturers and increase



BUSINESS BRIEF

its profitability. Jagadamba Spinning Mills plans to go for IPO in the near future which will allow it to expand its capacity by 40%.

On the occasion of, signing the agreement Shivanth Bahadur Pandé, CEO of NIMB Ace Capital, said, “NIBL Equity Partners is happy to be associated with Jagadamba Spinning Mills which exports a majority of its production. We are committed to facilitate the growth of sustainable businesses in Nepal that is a boost for the economy and creates employment within the country. We think that Nepal needs more institutions like Jagadamba Spinning Mills in the country.”

Bishnu Neupane, Managing Director of Jagadamba Spinning Mills, said, “We are extremely happy to announce this partnership and onboard a reputed institution as NIMB Ace Capital through their private equity fund NIBL Equity Partners. Their network across Nepal, their expertise in banking, payments and technology, and capital infusion will greatly strengthen JSML. JSML is on a mission to become top spinning mills in Nepal and plans to expand its business on South Asia. JSML has always focused on production of high-quality yarns, leveraging advanced technologies and sustainable practices. This investment aims to propel the company’s growth, enhance its production capabilities, and solidify its position in South Asia.”

JSML has a production capacity of 50 MT of yarn per day from its two installed plants. Almost 95% of its production is exported, primarily to the Indian market. The company plans to diversify its export strategy to include the South Asian region. JSML has generated employment for nearly 1,000 workers. The company is on a mission to produce high-quality yarn and become a leading textile industry in Nepal.

Electric Vehicle Leads Car Import, Occupying 65 Percent Of Market

The landscape of the Nepali car market has evolved significantly, with electric vehicles (EVs) now accounting for 65 percent of the market, as traditional fuel cars struggle to sell. The introduction of the Mahindra (Reva) electric vehicle in Nepal around 2010 marked the beginning of this shift.

Today, the Nepali car market is dominated by EVs, with over two dozen brands now available. This includes well-known international brands like Tesla, Audi, BMW, BYD, Tata, MG, Kia, Hyundai, Omoda, Dipl, Ceres, Neta, and more.

Over the course of the current fiscal year, up to November, EVs made up 65 percent of the imported

car market, while fuel cars made up just 35 percent. During this time, 6,991 fuel cars valued at 8.83 billion rupees were imported, in contrast, EVs valued four times that amount were also brought in. In the same period, 12,000 and 939 electric vehicles valued at 33 billion rupees were imported, indicating a clear dominance of EVs in the fuel car segment.



Monetary Policy Should Be Aimed At Increasing The Confidence Of The Private Sector: Finance Secretary Marasini

Madhu Kumar Marasini, the Finance Secretary, emphasized that the focus of monetary policy should be on boosting the confidence of businesses.

In a statement, finance secretary Marasini highlighted the need for a rigorous approach to meet the nation’s objective of economic expansion.

He mentioned during the Finance Committee’s meeting in the House of Representatives on Monday. He said that the approach to monetary policy should be crafted to fulfill the government’s economic growth agenda.

“The monetary policy should level the playing field to realize the government’s economic growth target,” he stated. The government



has established an ambition of achieving a 6 percent economic growth rate for the upcoming fiscal year. Marasini, who also serves on the Board of Directors for Nepal Rashtra Bank, is optimistic about the role of monetary policy in ushering in a new era of economic prosperity.

“The goal of monetary policy should be to enhance the confidence of the private sector,” he noted, “and

this will lead to a reduction in consumer spending.” The monetary policy needs to tackle the existing issues.”

FNCCI President Again By Direct Election, Chandra Dhakal Fulfill The Promise

The president of Federation of Nepalese Chamber of Commerce And Industry (FNCCI) will be elected through direct election from now on.

In the previous constitution, there was a provision that the senior vice-president of the federation would automatically become the president. After the working committee of the federation unanimously amended the law on Monday, the president of the federation will be elected through direct elections.

Chandra Prasad Dhakal, president of the federation, informed that the constitution of the federation was unanimously passed by the working committee meeting on Monday and from now on, the president of Nepal Confederation of Industry and Commerce will be elected through elections.

He informed the chairman that various working groups and committees have been formed for the amendment of the constitution, but since they could not reach an agreement, the senior vice president will be elected as the chairman later.

Dhakal promised to directly elect the president by amending the constitution during the election. Dhakal said that this provision will help capable people to fight for the presidency directly.

It is said that this provision will be implemented after one more term after the current senior vice president becomes the president automatically. Accordingly, the current Senior Vice President Anjan Shrestha will automatically become the President. There will be a by-election for the chairman for the next term.

In the amended new constitution, two senior vice-presidents have been arranged, while there is currently one female vice-president, and one more female vice-president has also been arranged.

The federation has also informed that the revised constitution will be passed by the special general assembly of the federation by the end of next December.

After the entire working committee agreed on the proposal of President Chandra Prasad Dhakal, the decision was made on Monday to bring the system of directly elected president as an agenda in the general meeting to be held until next November.

“I had said that I would return to the directly elected president when I contested the election,” said Dhakal, “There was confusion over the amendment of the

constitution for a long time. An agreement could not be reached. This year, the entire working committee has supported. A historic decision has been made today.

Currently, there is a provision in the federation that the senior vice-president is directly elected and then automatically becomes the president in the next term. With this arrangement, even in the working committee, it seemed like there were two sides and the talented businessmen were on the sidelines. In the past, the system of directly elected president was removed so that there would be no competition for the president.

Later, a committee was formed by former president Chandiraj Dhakal and Kushkumar Joshi at different times to bring back the old system. After not leaving the hall, Chairman Dhakal himself moved forward.

It was said that I will face whatever happens in the general assembly. A consensus was reached in the working committee,” he said. Now the senior vice president is Anjan Shrestha. He will automatically become the president.

After him, the senior vice president will be directly elected one more time. A time limit has been set so that after the person so elected becomes the president, he will be directly elected as the president in the Maha Sangh.

“It has been decided that the system of directly elected president will start after the term of the current senior vice-president and the next senior vice-president come to an end,” said Dhakal.

The number of vice presidents and senior vice presidents will also increase. Currently, there is a senior vice president and three vice presidents. If the unanimous decision of the working committee is passed by the general meeting, FNCCI will have a directly elected president and two senior vice presidents. One person will be the senior vice president from district city and the other from objective and associate.



Prachanda Outsmarted



BY: DR. TILAK RAWAL

Nepali Congress (NC) Chair Deuba was nowhere seen gracing the annually celebrated rice planting activities taking place all over Nepal on Ashad 15 (June 29 this time). Instead, he and his wife chose to be at the Balkot residence of UML Chair Oli where they spent more than two hours, probably sowing the seed of a very fast maturing variety of political crop that led to the dislodgement of Prachanda-led government soon thereafter. Indeed, this meeting of June 29, 2024 created confusion and resultant heat in the perennially fluid politics of Nepal. The confusion, however, did not last long as everything became clear by the morning of July 2, 2024. This conspiratorial act against Prachanda was so secretly and tactfully handled that he was kept in the dark till the last minute. NC leaders were vocal in expressing their disgruntlement against this government but UML top leaders never spoke in favour of changing the guard. It is interesting that amid talks of Deuba offering to make Oli the prime minister, the latter went on record denying this and stating that he would not become prime minister this year. Other senior leaders of UML also kept on repeating that there was no threat to the existing coalition. It could be that UML leaders had planned not to speak much against the government basically to check Prachanda from seriously approaching Deuba for the next government. It is said that Prachanda and Oli were suspicious of each other and thus making quiet moves accordingly. Despite the suspicion and some smell of imminent threat to government, the dramatic signing of agreement by Deuba and Oli at midnight caught Prachanda and most of his colleagues in the party off guard. Oli's lengthy talks with Dahal at Balwatar a few hours after the mid-night agreement between NC and UML must have adequately assuaged doubts that Prachanda may have been harbouring about Oli's move. Probably knowing Dahal as a shrewd politician who could turn the table upside down even at the slightest hint of danger, Oli must have taken the liberty of abundantly lying till the last moment. It may also be remembered that all most all of the mention-worthy leaders of UML were in favour of giving continuity to the existing coalition, with the sole exception of Shankar Pokharel who occasionally spoke in favour of the two largest parties joining hands to run state affairs. It is difficult to say whether these differing observations were a

Probably knowing Dahal as a shrewd politician who could turn the table upside down even at the slightest hint of danger, Oli must have taken the liberty of abundantly lying till the last moment.

part of the political drama orchestrated by Oli or signs of an emerging countervailing faction within UML, consisting of reputed leaders like Bidya Devi Bhandari. It is a matter of common knowledge that two big parties do not cooperate to form a government in democracies but in Nepal everything is possible. Deuba has gone on record in a similar situation in the past that two major parties should not be partners in government in a democracy. These ideals/principles do not matter much because Deuba and Oli have agreed to take turn in becoming head of government, dividing the remaining period. Since Deuba approached Oli with the offer, the latter got the Position first to rule us. It, however, appears that things are not likely to move as smooth as wished by the duo.

A smart operator Prachand decided to seek vote of confidence in the House, despite request by UML to resign. UML's withdrawal of support and en mass resignation by its ministers could not shake Prachanda much. Mention worthy is the fact that he succeeded in winning confidence vote four times earlier and his party's decision to seek vote of confidence one more time cannot be considered unreasonable. It is entirely up to him to either resign or seek vote of confidence within 30 days in the event of any coalition partner withdrawing support. In view of ongoing developments, formation of the wished national consensus government does not look easy and their agreement to amend the constitution and other big talks of prosperity could simply be an attempt to veil their lust for power. Dahal went on record stating that the two parties' agreement to amend the constitution was a ploy to reverse the hard-earned gains and has threatened to launch agitation against such moves. Rabi Lamichhane, Home Minister under Prachanda, hinted that the recent arrest of some people deeply linked to Bhutanese Refugee Scandal and government's resolve to open corruption files seemingly coincided with the NC\UML move, adding that the designer of the move wanted to save some very important people from prosecution. People want a few much-talked-about personalities to be prosecuted at the soonest but it would be naïve to expect Lamichhane, himself controversial and in deep trouble, to initiate the much-demanded action, despite his initial noise.

It should not be forgotten that his party's ministers were prepared to resign en masse but stalled the move on PM's request. Unified Socialist Party's decision to continue its support may have provided some relief to Prachanda who seemed weighing cost and benefit of different steps that he could initiate to effectively counter the Deuba\Oli move. Moreover, Prachanda also does not want to hurt the founder members of the existing Cartel, an informal grouping of top leaders that has been running the show since long, despite occasional struggle\quarrel amongst Cartel members for power, which Nepalis have been witnessing since long. It would be unwise, therefore, to expect people like them (Prachanda\Rabi) to initiate bold decisions in the greater interest of the country. Thanks God Oli and Deuba waited till the passage of the new budget preliminary work on which commenced during NC's Prakash Mahat's time and final preparation and presentation in the House was done by Maoist leader Barsha Man Pun.

Despite my earlier reluctance this time to talk and write about our annual rituals such as policy and programme of government and the budget, it would be unfair now not to touch upon the annual plan for the fiscal year 2081-82 (2024\25), which was allowed for presentation in the House on Jestha 15 by then agitating Deuba's NC. With a total outlay of Rs. 1860 billion, the budget has allocated Rs. 342 billion under capital expenditure head and Rs. 367 billion has been set aside for financial management. Its growth target of 6 percent and revenue collection target of Rs.1260 billion are likely to remain unmet. As in the past, the budget will be downsized in the six monthly review of it, may be even earlier this time because of the change in government, and interestingly even the slashed targets would not be met as has been the case thus far. Capital expenditure remains painfully unspent and due to unsatisfactory revenue collection, governments have been increasingly taking resort to borrowing to service the debt and to meet other unproductive expenses. It may also be noted that despite acceleration in budgetary expenditure towards the end (Rs.117 billion in 23 days of the last month), only Rs. 23 billion was spent under the capital expenditure head during the period. Since the budget for the fiscal year2024\25 has not shown any appreciable departure from the past, it is most likely to walk the path already drawn by previous budgets. Very surprisingly, the government wishes to garner about Rs. 53 billion in the form of foreign grant, completely ignoring the current pathetic achievement on this front. The gap between the lofty budgetary goals and disappointing actions is seen each year. Many thought Mahat did good by linking subsidy with production, which could increase production as well as prevent misuse of subsidy if properly implemented, but now he has nothing to boast about it expect to blame Pun, his successor, for not preparing the required procedure for execution. Trading of accusations is very common in Nepal and more so

in case of ministers in charge of finance where in most years one formulates the budget and somebody else from a different party implements it. Anyway, who is worried about the economic hardship faced by the people because activities of our so called top leaders solely revolve around our national game: Struggle for Power.

Expectedly, the fifth confidence vote sought by Dahal on July 12 did not go his way, paving way for President Poudel to appoint Oli the next prime minister under Article 76(2) of the constitution to form the so called national government for political stability and prosperity. Oli took the oath on 15 July. Ten lawmakers from NC got Deuba's blessing, including his much-talked-about wife, Arzoo Rana, with foreign affairs portfolio. How smooth will be his sailing is, however difficult to say because he has the Herculean task of amending the constitution, forming a national government and handling a revenge-

Alternatively, a power\benefit sharing deal could be struck between the three rulers (Deuba, Oli and Prachanda) in the name of so called national government, which could let Deuba\Oli breathe a sigh of relief and run the show for some time, without being challenged seriously. It Is not impossible because our top leaders are known to be notoriously transactional and their support could easily flow back and forth in exchange for power\money or protection against apprehended criminal prosecution.

ful Prachanda. It is certain that Prachanda will not initiate any action to seriously hurt the image and interest of his colleagues in the Cartel but it is also almost certain that he is not going to let the other two rulers of this country operate with ease. His observations and reported meetings with people belonging to different parties

adequately point towards his eagerness to avenge the unexpected treatment meted out to him this time. Alternatively, a power\benefit sharing deal could be struck between the three rulers (Deuba, Oli and Prachanda) in the name of so called national government, which could let Deuba\Oli breathe a sigh of relief and run the show for some time, without being challenged seriously. It Is not impossible because our top leaders are known to be notoriously transactional and their support could easily flow back and forth in exchange for power\money or protection against apprehended criminal prosecution. It is, however almost certain that the rulers will not be able to keep the amendment issues confined to their desired list and self it for long because the much talked about issues of religion, monarchy, expensive federal system of governance, etc. cannot be brushed aside even if the trios decide not to touch the constitution. It may also be equally difficult to close this major issue, which has been cited by Deuba\Oli as the major reason for their intervention aimed at attaining prosperity and stability. Contrary to their expectation, however, emerging symptoms point towards creation of a more complicated and fluid situation, with strong possibility of the process of government formation being challenged both legally and politically. We wish Oli luck in sailing smooth for some months and Deuba, equipped with the agreement and his astrologer's prediction, more luck to comfortably succeed Oli in the stipulated time period and become head of government for sixth time.

Dr. Rawal is a former governor of Nepal Rastra Bank



POLITICAL SCENARIO

K.P. Sharma Oli's Resurgence

Renowned for his populist rhetoric, K.P. Sharma Oli, the leader of the Communist Party of Nepal - United Marxist Leninist (CPN-UML), is embarking on his fourth term as prime minister, leading a cabinet of 21 members from a coalition of four political parties. Positioned between the two major regional powers of Asia, India and China, Oli faces a challenging task in navigating the diplomatic relations with his neighboring countries. Similarly, he is confronted with a complex situation in managing the Nepali Congress, his competitive party and coalition partner, which presents a daunting and intricate situation. His initial visible challenge is to establish trust with India, particularly its southern neighbor, and with the Nepali Congress, his new ally and longstanding rival. Regardless of political claims, the countdown to the start of this government has already begun, as all previous governments in Nepal have.

By KESHAB POUDEL

Famed American political theorists Leo E. Rose, who authored numerous articles and books in the 1970s and 1980s on the impact of Nepal's geographical location on its internal political dynamics, posited that external factors play a crucial role in the domestic politics of small nations, whereas internal dynamics significantly influence the foreign policy of larger countries. What Rose articulated decades ago remains pertinent not only to Nepal but to many other small nations

globally. The extensive media coverage in India and the limited media attention from China on the recent change in government in Nepal underscore the influence of international politics on domestic affairs.

As President Ram Chandra Paudel administered the oath of office and secrecy to Prime Minister Oli and his entire cabinet, including two deputy prime ministers, on Monday (July 15), political analysts have begun speculations regarding the stability of this government.

Achieving political stability has been elusive for Nepal for over 34 years since the country transitioned into a multi-party democracy, initially through a constitutional monarchy in 1991 and later as a republic in 2006. The initial phase witnessed 15 changes in government, and Oli will serve as the 13th prime minister in 17 years in the republic. However, the change this time has been marked by a mysterious and, at times, conspiratorial process. Just four months prior, Pushpa Kamal

Dahal, also known as “Prachanda,” expelled the Nepali Congress from the ruling coalition and formed an alliance with the Communist Party of Nepal (United Marxist-Leninist), with Oli and Prachanda vowing to remain united in “heaven and hell.”

Every former Prime Minister of Nepal has exhibited a distinct trait: a reluctance to accept responsibility for failures in governance, a struggling economy, widespread corruption, and a lack of clear political principles guiding their actions. Additionally, almost every former Prime Minister has encountered foreign interference in their exit from office but has not experienced the same during their rise to power.

Prachanda was no different in this regard when he stated that the political faction taking over his position would have been nearly impossible to create from within the country’s own ranks, despite external powers having long shown interest in Nepal’s internal affairs.

Oli, serving as Nepal’s 12th Prime Minister since 2008, has been in office for just 16 years. The country’s political landscape is characterized by chronic instability. Prachanda faced numerous challenges since his appointment as Prime Minister in December 2022, including five no-confidence motions



in just two years. The primary reason for the frequent turnover of Prime Ministers and governments in Nepal is the competitive nature among its leaders.

“In Nepal, power is concentrated in a select elite, predominantly from the upper class and upper caste. Given the social homogeneity of this ruling class, changes in government do not lead to significant social or economic disruptions. It quickly returns to normalcy after a change,” reports Indian media.

Beyond formal titles, there are no genuine ideological differences at the core. Communist parties form alliances supposedly for ideological reasons but often break up due to

personality conflicts.

Initially, the Communist Party of Nepal-Maoist Centre, led by Prachanda, formed a coalition and government with the Communist Party of Nepal-Unified Marxist Leninist, led by Oli. However, this “ideological” coalition fell apart over issues such as a recruitment scandal, Ambassadorial appointments, and proposals for constitutional amendments.

In his book “Strategy for Survival,” published in 1969, the late Rose discusses the political challenges faced by King Prithvi Narayan Shah and King Mahendra.

Comparing Rose’s insights from the political system following the collapse of the Panchayat system and the establishment of a multi-party democracy in 1990, to the current state of Nepal, it is evident that political instability remains a constant feature of the country’s political landscape.

Despite the stability of Nepal’s institutional monarchy, the changeover from government was consistent, occurring approximately every five years starting from 1990. During this period, Nepal witnessed 15 transitions of leadership. Since then, Nepal, under republican rule, continues its path, encountering



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more challenges due to the introduction of new institutions and the presence of leaders with power aspirations and weaknesses.

The cabinet under Prime Minister Oli, with support from Deputy Prime Minister Prakash Man Singh and other ministers from the Nepali Congress, United Marxist Labour, Janata Samajbadi Party, and Loktantrik Samajbadi Party, now includes representatives from various parties. The Nepali Congress and United Marxist Labour have allocated four ministries to other parties in the federal parliament, indicating the likelihood of further parties joining Oli's cabinet.

The Nepali Congress, through its member Prakash Man Singh, has joined Oli's Cabinet as Deputy Prime Minister and Urban Development Minister. Bisnu Poudel, a leader from the CPN-UML, has also taken up the role of Deputy Prime Minister with responsibility for Finance.

Oli's resurgence as Prime Minister

Whether the reunion was merely a coincidence or part of a larger plan, Prime Minister Oli and Deputy Prime Minister Deuba met earlier to discuss the possibility of forming a new political alliance, following a visit by the Chinese vice foreign minister.

After their discussion, Oli and Deuba, leaders of the United Marxist Labour and Nepali Congress respectively, met at a residence of a helicopter captain and the owner of Simrik Air. This meeting marked the end of a political alliance with the Prachanda-led government, which had been in place for just four months since joining the government.

With 78 seats in the parliament, the Nepali Congress and Oli's party have agreed on a power-sharing deal. This deal allows Prime Minister Oli to resume office for 21 months before handing over to Prime Minister Sher Bahadur Deuba for the remaining term until the next general election in 2084 (2027).

Regarding relations with India

Upon his return to power, the CPN-UML has asserted that Nepal's

path to economic prosperity lies in maintaining strong friendly ties with India. They have also made it clear that Nepal will not tolerate any activities against India on its territory.

Nepal borders five Indian states – Sikkim, West Bengal, Bihar, Uttar Pradesh, and Uttarakhand – covering an expansive stretch of over 1,850 kilometers. From an Indian perspective, Nepal holds significant strategic value in the region, prompting substantial investments in its infrastructure.

A leading figure from the United Marxist Leninist (UML) stated that the current government is aiming to elevate Nepal-India relations to new heights, aiming to attract foreign investment, boost trade, and achieve economic development.

Rajan Bhattarai, the head of the foreign policy department for the CPN (UML) party, commented to The Indian Express, "We maintain complex ties with India, which is crucial in realizing the vision of a prosperous Nepal and a content Nepali population." He also made it clear that there would be no major changes in Nepal's approach towards India or China.

However, Bhattarai indicated that it's essential to address current issues related to border disputes, trade imbalances, and issues concerning water and transit. He also mentioned that Nepal's stance on the





dispute over the Kalapani region, which is strategically important due to its location at the crossroads of India, China, and Nepal, would not change. Nepal is open to discussing the issue with India, but Bhattarai emphasized the importance of considering historical facts in these discussions.

Bhattarai reaffirmed Nepal's adherence to the historical principle that all territories east of the Kali river, including Limpiyadhura, Kalapani, and Lipulekh, belong to Nepal, in line with the 1816 Treaty of Sugauli.

Regarding the dispute over Nepal's new political map that depicts disputed areas, Bhattarai highlighted that Nepal's decision was a reaction to India's updated map following the reorganization of Jammu and Kashmir that included territories of Nepal.

The bilateral dialogues that were put on hold due to the ongoing boundary dispute have been resumed towards the latter part of 2020, with high-level visits reflecting New Delhi's view of itself as Nepal's

primary friend and partner in development.

Despite his firm position on maintaining close ties with India, Oli has recognized the importance of India as a key development partner and has committed to finding a balance in Nepal's relations with both India and China.

On the topic of China's Belt and Road Initiative (BRI), while Nepal has been putting its signature on the implementation plans, it's unlikely



that Oli or any future leader will reconsider Nepal's decision to join the initiative in 2017. However, the issue of financing remains a concern, with warnings about Nepal avoiding

becoming entangled in a Chinese debt crisis.

Moreover, there are Indian allegations that Oli was also engaging more closely with China and participating in projects under the Belt and Road Initiative.

Nepal, under the leadership of veteran communist Oli, is expected to adopt a neutral stance in international relations, prioritizing the country's interests and territorial integrity, with a strong emphasis on not allowing its territory to be used for targeting any other country, according to Oli's party, CPN (UML).

Nonetheless, Oli is anticipated to pressure India on unresolved issues such as the border dispute and trade imbalances, as Rajan Bhattarai, leader of the opposition party, Nepali Congress, has revealed to The Times of India.

Bhattarai further stated, "Once a country signs an agreement with the BRI, it becomes a non-negotiable matter." This suggests Nepal is unlikely to withdraw from its

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commitments with the Belt and Road Initiative (BRI).

The Times of India also reported that Nepal, during the tenure of P K Dahal Prachanda as Prime Minister with the support of the People's Comprehensive Party (NC), participated in the Belt and Road Initiative. Given such an agreement, it is expected that such alliances would be maintained.

However, Bhattarai clarified that while the People's Comprehensive Party (NC) favors grant-based financing for BRI projects, not loans, the financial arrangements for the projects will be thoroughly discussed with the NC before any decisions are made on their execution.

On constitutional matters, there have been reports, though not officially confirmed, that the two parties have agreed to introduce a bill aimed at amending the constitution to focus on the electoral system, adopting a fully First-Past-the-



Post System (FPTP) for the House of Representatives and Provincial Assemblies, replacing the current mixed FPTP and Proportional Representation (PRS) system. The ruling parties, CPN (UML) and Nepali Congress, argue in favor of the change, citing the current electoral system as a cause of political instability and advocating for the FPTP as a means to ensure stable and strong governance. However, the Communist Party of Nepal (Maoist Centre) (CPN-MC) opposes the move, expressing concerns that it would disproportionately benefit the higher castes.

In Nepal's electoral framework,

165 members of the House of Representatives are elected through the FPTP system, while 110 are elected under the PR system. The electoral system, a mix of FPTP and PR, applies to the members of the seven Provincial Assemblies, with 550 members. The opposition, particularly the Nepali Congress and CPN (UML), argue that the current system contributes to political instability and that a complete switch to FPTP for both houses and assemblies would lead to more stable and effective governance. On the other hand, the CPN-MC opposes this, believing it would unfairly benefit certain social groups over others.

Leaders in politics often form alliances with each other. A supporter of monarchy has worked with a government led by Maoists in the past, together with CPN-UML, under the leadership of Maoist leader, PM Dr. Manmohan Singh. In a similar vein, the Nepali Congress and CPN-UML came together to form a government with the support of a monarchist party in a previous instance.

When Oli decided to dissolve the Parliament, he was left on his own. However, after three years, Oli, who was the head of the Communist Party of Nepal (UML), was appointed





as the leader of the government by the Supreme Court, following its decision to invalidate his attempt to hold power as a caretaker Prime Minister for dissolving the House of Representatives twice.

China, a common visitor with high-level delegations to Nepal, has voiced its concerns, particularly about Nepal's strategic location. Yet, Nepal's dominant economic ties are with India. Despite this, Oli, in partnership with the Nepali Congress, seems to understand the impact of this relationship on his political future. Rajan Bhattarai, who served as Oli's foreign policy advisor, played a key role in this.

KP Sharma Oli is known for his challenging political journey, marked by frequent conflicts with India. Born in Eastern Nepal, he entered politics at the tender age of 14 in 1966. He became a member of the Communist Party of Nepal in 1970 and was incarcerated for his involvement in subversive activities for 14 years. Oli was greatly inspired by the teachings of Marx and Lenin, and his leadership of the Jhapa rebellion was a pivotal moment in Nepal's communist history, transitioning from its ideological beliefs to active warfare. Oli was pardoned in 1987 and became the inaugural leader of CPN-UML.

Influenced by Maoist rebels, Oli led the Jhapa rebellion, which was a

critical juncture for the communist movement, elevating it from a minor faction to a ruling power. Oli was set free in 1987 and took on the role of the founding leader of CPN-UML. In the 1990s, he rose to prominence for his efforts in overthrowing the Panchayat dictatorship. After steadily climbing the ranks within the party, taking on significant roles such as chief of parliamentary affairs and deputy leader of the main opposition party, Oli was made the Deputy Prime Minister in the interim government headed by former Prime Minister GP Koirala.

Emerging as a central figure in the political scene of Nepal, Oli assumed the role of Prime Minister on October 12, 2015, securing 338 of the total 597 votes. Yet, his tenure ended abruptly when he was compelled to step down following the CPN-Maoist Centre's withdrawal of support and the subsequent defeat of a no-confidence vote in Parliament.

He managed to

regain the position of PM in 2018 through a coalition with Prachanda's party, but found himself embroiled in debates about the consolidation of authority, leading to Dahal's decision to back away from support. Oli swiftly dissolved the Parliament in 2020, announcing new elections, which sparked widespread anger among political

parties yet garnered backing from the President. The Supreme Court's declaration of the dissolution as invalid, however, led to Oli's losing a second vote of confidence in 2021, making him a minority PM until the November 2021 election.

Throughout his reign, Oli's sharp-tongued approach, unwillingness to tolerate disagreement, and grandiose ambitions have been apparent. Compounding this, the numerous corruption allegations against him and his cohorts suggest that instability is likely to persist.



West's Electoral Turmoil: Implications For Emerging New World Order



BY: DIPAK GYAWALI

The tectonic shift rightwards in European politics was heralded by Marine Le Pen in France and Giorgia Meloni in Italy just about a year and a half ago in 2022. It was followed a year later by Geert Wilders' strong showing in the Dutch general elections. They were treated as political pariahs, and their politics as mere bubbles of temporary populism, by the mainstream parties in power since long, who were unwilling to allow them into ruling coalitions. There is a deeper streak of general dissatisfaction – around a wide range of issues, some openly articulated and others only in whispers of cascading amplification – that such parties were exploiting, which the ruling elites living in their own echo chambers were ignoring.

Such populism invariably mellows when brought into government but grows stronger in opposition, especially if deep-rooted socio-economic malaise is not effectively addressed (indeed, as Nepal's crass case with the communists and Maoists shows, they quickly give up their radicalism). This past month's European Union elections as well as those in France and the UK, with the rightwing surging to their best performance yet, proves the point. What happened? And what does it mean for far-away countries like Nepal in a globalized world? These questions, which will roil the political class across the globe and determine their shifting stances in the years ahead, are well-worth reflecting over.

The elections to the EU parliament, while having not much immediate influence in the national scene of individual countries, are nevertheless a major bellwether of the public mood in the continent. Rightwing groups such as Germany's Alliance for Deutschland (AfD) led Sovereignists, France's National Rally as well as Netherland's Party for Freedom led Patriots and Italy's Fratelli d'Italia massively increased their seat share. The situation was repeated in Greece, Bulgaria and Czech Republic. These parties are united in their opposition to the flood of immigration from Africa and the Middle-East, erosion of national culture, values and identity, as well as excessive interference from the bureaucrats in Brussels. While they hold differing (often contradictory) views on Ukraine and Gaza conflicts, they are perceived as broadly opposed to the ruling elite's common position supporting those wars and favour peace.

The success of Le Pen's National Rally so unnerved France's President Emmanuel Macron that he dissolved the parliament where he enjoyed decent support to call for a snap election to clip the rightwing surge. It turned out to be a major miscalculation. France has a strange system of two-phase elections one week apart, where the results of the first phase are announced allowing parties to form new alliances and deals to buck the trend. (This is unlike in India's seven-phase, month-and-a-half long elections where all votes are counted only at the end of the voting and not even exit polling is allowed to be publicized so as not to unduly influence voters.)

It seems this system was adopted by the Fifth French Republic following the disastrous impasse of the post-WW2 Fourth Republic and the Algerian war of cessation and independence. The motive behind this arrangement was to allow a second phase regrouping to keep the then very strong French communists out of power. Only this time a half century later, it was used to gang up against Le Pen's right to keep it out of government. Unfortunately, the motley coalitions only ended with the left New Popular Front securing first place and displacing Macron's own centrist Ensemble grouping. Le Pen's party still got the highest popular vote share of 37% but bagged only 142 seats (25% of the legislative total), Macron's 25% with 161 seats (28%), and the disparate left coalition's 26% with 188 seats (33%), leaving France almost ungovernable. The undemocratic disjuncture between popular votes and the actual number seats in parliament is now a topic of growing debate in Western democracies that will be discussed further below.

The situation repeated itself in the UK. Like Macron in France, British prime minister Rishi Sunak called an unnecessary early general election miscalculating his party's growing unpopularity (similar to what David Cameron had risked earlier with the Brexit referendum thus eventually gifting UK with unstable governments since 2019). The Conservatives were decimated with many of their stalwarts losing the elections, and the Labour party won a very comfortable absolute majority. It would seem like a vindication of the near millennia Westminster parliamentary democracy running on tradition without even a written constitution. However, while perhaps not as bad as France, the tectonic rumblings underneath do portend uncomfortable debates

ahead.

Three dissident parties have shown unexpected strong support that will call into question the comfortable two-party (uni-party not politically any different as has been derisively said) stability in the days ahead. The first-past-the-post electoral system has given Labour a massive majority in the lowest electoral turnout since 1928 even as its vote share was lower than when Labour under Jeremy Corbyn lost in 2017 and lower than what Le Pen's National Rally got in France! Liberal Democrats have done well with 12% vote share and 11% seats as the most balanced outcome. Nigel Farage's hastily cobbled up Reform UK – which brings up deep-rooted problems in British politics – has won more votes (14%) than the LibDems but have only 1% of the seats and the Greens too with 7% popular votes got only 1% of the seats. They, together with ousted socialist Labour leader Jeremy Corbyn who won as independent, promise to make the Commons debate definitely interesting as they hold prime minister Kier Starmer's feet to the fire on a range of issues from migration and jobs to the economy and global relations.

Across the Atlantic “pond” as is said, US election between an anti-establishment Trump versus an establishmentarian but increasingly sclerotic Biden is moving from circus to tragedy. (These lines are being written just as news has broken an hour ago about the assassination attempt on Trump, something that can only fuel his conspiracy-charged base!) Unlike Iran and Russia



(whose directly elected leaders are called “autocrats” by the Collective West, who also remain silent as Pakistan's elected prime minister Imran Khan is overthrown by the military and jailed), Americans do not directly elect their president: they do it through the “electoral college” mechanics which does not accurately reflect the popular will. Otherwise Hillary Clinton who won almost three million more votes than Trump would not have lost the presidency to him in the electoral college count.

Even more serious is the fact that the winner is not necessarily the one who got the most votes but who raised the most money from rich corporations, making America more of an expensive plutocracy than a mass-participatory democracy. This is evident in the ease with which unwanted (to the plutocracy) candidates such as Bernie Sanders or Robert Kennedy Jr are sidelined early without being provide a fair chance to put themselves up as candidates within their party.

The underlying stresses behind this Western electoral turmoil stem from a range of causes. Provoking Russia by violating

NATO non-expansion promise beyond 1991 borders and conducting regime change in Ukraine towards that expansion in 2014 has resulted in the tragedy we see today. Its flip side is the weaponization of the dollar-dominated financial system via rampant politically motivated sanctions (together with issues like human rights and democracy). It has only made Russia stronger (even the World Bank admits that now).

Following the US in its anti-Russia crusade has made Germany and other Western European countries economically, diplomatically and militarily weaker accelerating the search for an alternative to the dollar as global trade and reserve currency. Just look at the disastrous Swiss “Ukraine peace” conclave against Russia that fizzled out so badly. Blind support of Israeli genocide in Gaza has alienated not just much of the Arab world but rest of the Global South as well from the Collective West. Stoking conflict in the Indo-Pacific against China is not going too well either for the US and EU.

This shift in global political outlook is being expressed through the stampede towards BRICS by many powerful economies of the Global South from the Middle-East to South-East Asia. The recent attempt to build a new push against Russia and China by the US at the 75th NATO anniversary was openly opposed by NATO members themselves such as Turkey, Spain and Slovakia. Others took a more “wait-and-see what happens in November in the US elections” attitude,

having seen the organization's failure not just in Ukraine but from Vietnam and Afghanistan to Iraq and Libya. The recent Shanghai Cooperation Organization meeting in Astana and Putin-Modi bromance with strong Chinese support for it signaled the emergence of a powerful parallel Eurasian block.

For Nepal, three big lessons emerge. First, imported, Western-inspired models of democracy do not work in our historical and institutional context: they only result in crass kleptocracy as three past such attempts of 1959, 1990 and 2008 have amply proven. The coming generation of Nepalis have a lot of work to do discovering one suited to our clime and times. Second, Collective West is in turmoil and decline, and it can hardly be looked up to for governance and development wisdom. The Age of Foreign Aid is over; countries like Nepal have to find their own path (and resources) towards those goals. Third, all these worthy aims can be pursued if we maintain strict neutrality in dealing with strong neighbours, and avoid becoming another Ukraine. That requires making sure we get rid of our clowns and kleptocrats occupying high offices!

President Paudel's Visit: Fostering Partnership In Europe And Nepal's Global Solidarity for Social Justice



BY: DR. SURESH C. CHALISE

Recently, President Ramchandra Paudel paid an official visit to two of the important European countries- Federal Republic of Germany and Swiss Confederation, with which Nepal established diplomatic relations in 1958 and 1956, respectively. As they are Nepal's trusted development partners since cold-war era, her bilateral relations with Germany and Switzerland have been important from strategic and economic perspectives. Currently, according to politico, Germany, which has gradually been overcoming the state of financial depression subsequent to Ukraine and Russia war, is recognized as world's 3rd largest economy in the world with a GDP of 4.5 trillion. On the other hand, the Swiss Confederation, is the world's 3rd richest landlocked nations with GDP per Capita 88,760, in 2022, as per worldometer. He also took part in the ILO's 112th International Conference as the keynote speaker at the inaugural session. It is relevant to mention that when the bilateral ties with Germany and Switzerland were knotted, instability had engulfed not only Europe but also the South-Asia region, yet in the midst of cold a war raising its hydra-heads across the globe. Even when Nepal joined the ILO in 1966, as being already the Non-Aligned Movement member in 1961, the cold-war was incessant and was inducing schism to divide the entire world into two hostile camps.

President Paudel's first-ever official visit to a foreign land, since he took office in March 2023, was postponed following a devastating earthquake with a magnitude of 6.4 in November last year having Jajarkot and Rukum districts of western Nepal as its epicenter. As, a few hours prior of his departure, the earthquake claimed at least 155 lives and

hundreds were injured, on top of massive property damage and displacement of families; President decided to remain in the country yet among families of victims. Following the postponement of visit, President had instantly toured the earthquake affected areas and had shown his gestures of empathy to injured and families of the deceased.

Revitalizing Acme Level Visit

The head of the state level exchange of visits between Nepal and



Germany and Switzerland had been absent for decades. According to available information, the president of Switzerland visited Nepal twenty-seven years ago. President Arnold Keller had paid an official visit to Nepal from Nov. 9-12, 1997. From the Nepal side, late king Birendra had paid a state visit to Germany in 1986, which was reciprocated by President Roman Herzog af-

ter a decade in 1996. Before Herzog's visit, President Heiner Luecke had visited Nepal in the month of July 1967, following the establishment of diplomatic relations between two countries in 1958. A few years ago, in the month of June 2017, President Mrs. Bidya Devi Bhandari visited Switzerland. But the President's this visit, according to MoFA mandarin, was not beyond addressing the ILO's important International Conference on "World of Work Summit: A better future for women at work." In view of scanty interactions at the acme level, yet with close and friendly nations of Europe who have always been with Nepal through thick and thin, this visit, by Nepal's head of state, has fulfilled the subsisting long gap.

Solidarity for Social Justice:

The ILO, now comprising 186 out of 193 UN member nations, was joined by Nepal fifty-eight years ago in 1966. This time, Nepal's solidarity with the ILO's international campaign for "Global Solidarity for Social Justice" for 2024-year, was an integral part of Presidential sojourn. At the inaugural session of the conference, Director General Gilbert F. Houngbo welcomed president Paudel highlighting latter's democratic credentials, struggleful life, jail imprisonment for more than fourteen years for the principles of democracy and social justice under despotic rule. At the outset, President, while affirming his country's camaraderie with the ILO's international campaign for social justice at the global level and also highlighted about Nepal's effortfulness in implementing international labor agreements, told the delegates that the basic law of Nepal had already guaranteed rights

to employment, forming trade unions, and right to participate in collective bargaining. He however alerted all at the conference about new challenges posed by revolution in IT sector, which had given births to digital, gig, care and so many other forms of economies, which urgently required a Safe and Descent Work and Working Places,

globally. As the theme of Social Justice was central to the conference, President Paudel cautioned, "Without justice to the helpless and economic-gains to the destitute; nations around the world can't achieve the goal of Social Justice." On the occasion, he also briefly delved into the climate induced socioeconomic inequalities and displacement of people. Hence, the issue of climate refugee in Mustang district of Nepal was highlighted also by CoP 26 held in Glasgow. President Paudel's voice on climate change and its ramifications on socioeconomic aspects in society was echoed also by Brazil's president Luiz Inácio Lula da Silva in his address at the concluding session of the conference. Subsequent to his speech, Paudel was greeted with standing-ovation by the delegates and participants comprising, besides tripartite constituents of industrial relations: government, workers and private employer; also, by activists, suppliers, and institutions that were dedicated to the cause of workers/laborers all over the world.

Enlarging Scope of Partnership

In Bern, in the afternoon of 12th of June, Nepal's President was warmly received by Swiss President Viola Amherd at her office for bilateral talks. Following their maiden handshake and exchange of a very brief pleasantries, President Amherd and Paudel introduced their members of dialogue team. Subsequent to it, the bilateral talks started with Swiss President's welcome remark. While expressing her satisfaction over subsisting bilateral relations between two countries, President Amherd said that democracy, peace and human rights were areas of her country's interest and would like to see them being flourished in Nepal. She, during her talks, also did mention about the transitional justice as an area wherein her government was interested to work with. In his turn, President Paudel, while lavishing praise at Swiss democracy and exemplary model of governance; highlighted about progressive provisions of the Nepalese constitution. He specifically underlined about

the inclusive characteristics of the Nepalese constitution and in that context, President highlighted about women's representation in the legislature by 33%. Indeed, the latter aspect of Nepalese constitution was amazing for the Swiss side. He also intimated his opposite number that Nepal had been effortful for the socio-economic progress



and prosperity after ensuring a democratic dispensation in the country. Some of other issues of mutual interests such as climate induced adversities and enhanced degree of assistance to Nepal after it was graduated as middle-income nation in 2026, too were deliberated. Seizing the opportunity, President underscored about the challenges posed by climate change. He said to his counterpart that, while Nepal was least responsible for carbon emission, it had been bearing the brunt of Climate Change. Hence, the climate crisis unleashed pitfalls on all realms of human lives across the globe. The Hindukush Himalayan range, which is extended up to 3500 km across eight countries, including Nepal, collectively cater fresh water to about two billion population in the region, which now reels under threat as its glaciers are melting rapidly due to climate change. Given precarious situation, President Paudel demanded climate justice to all resource-crunch nations. Following it, President Amherd and her participating team, had query about the areas wherein the Swiss government should invest its assistance. The president Paudel suggested that ago-forestry, mountain-tourism and hydro-power development were areas ur-

OPINION

gently needed Swiss cooperation for sociology-economic transformation of Nepal. Before concluding his speech, President Paudel also expressed his gratitude to Swiss Government for the continued Swiss assistance in Nepal's endeavors for socio-economic uplift.

Following the conclusion of Swiss Confederation visit, president reached Berlin. In Germany, the bilateral meeting between two heads of states took place on 17th of June at the presidential Bellevue Palace in Berlin. As Nepal and Germany established diplomatic relations in 1958, the latter began its development cooperation to the former since 1961 with the package of technical assistance. If assessed, over the period of six and half decade, the relationship has deepened and expanded enormously. The areas of cooperation have not been limited to technical assistance, now it encompasses various realms of development including scientific collaboration, academic exchanges, technology transfer and cooperation in the field of governance and democracy. More recently, the Nepalese youth are being given employment while they are learning through "Ausbildung" or Dual Vocational Training program in Germany. In view of its significance, the program was even figured as note-worthy topic during the bilateral talks.

The acme-level meeting dwelt on various issues pertaining to mutual interests. President Frank-Walter Steinmeier, while praising Nepal for siding with Ukraine at the UN, was particularly concerned about unlawful recruitment of the Nepalese in Russian army and their deployment against Ukraine. President Paudel raised the issue of Climate Crisis and its pitfalls specifically on resource crunch nations like Nepal. He also took the opportunity to request his counterpart to take initiatives for the release of six Nepalese who were under Ukraine's custody as prisoners of war; lifting of ban on Nepali airlines in the European sky and so on.

Special Gesture of Affinity!

From the time of landing at the airport in Berlin until the hour of conclusion of visit, President Paudel was extended state-adoration. At the Presidential palace too, prior to the start of bilateral dialogue, there was a mammoth humility on both sides as President Steinmeier and Paudel, at their maiden touch, not only shook hands for a number

of flashes but also looked at each other elatedly. An extra gesture of affinity was shown by President Steinmeier by assisting President Paudel when the latter seemed frail momentarily in the beginning of receiving guard of honor. As a sign of greater degree of intimacy, the one-on one meeting also was arranged for the two heads of states, which actually had surprised the Nepalese side. During their exclusive conversation, the two heads of states also briefly recalled their leaders namely Willy Brandt and BP Koirala as they had exemplary history of struggle for social democracy in their societies and also beyond.

In sum and substance, President Paudel's a week-long, yet maiden, official visit to the Federal Republic of Germany and also to Swiss Confederation from 11-18 June, 2024; has made significant contributions to enhancing the image of Nepal at the international arena. It has not only invigorated the bilateral relations of Nepal with her traditional development partners in Europe, but also, through his meaningful



participation at the 112th international conference of ILO, registered Nepal's Solidarity with the ILO's worldwide campaign for socially just world. It is indeed a milestone in the annals of diplomatic relationship. This visit, taken place after a long hiatus, has enlarged the scope of future partnership with world's in-

fluential nations in the European region. Presidential visit also had exchanged ideas on various realms of mutual interests, including climate induced challenges, prospects of engagement with European environmentalists and SMEs, and so on, which should generate interests among German and Swiss entrepreneurs for investing in Nepal. On the occasion, President talked about shared responsibility to conserve environment, which had been unleashing pitfalls, specifically on to resource-poor nations. He also intimated European friends that how Nepal was effortful for its socio-economic uplift after ensuring a progressive democratic polity in the country. Nevertheless, Nepal's trusted development partners, while were quite enthusiastic in continuing their assistance to Nepal in the latter's endeavors for social transformation, also showed their curiosity about issues like illegitimate participation of Nepali nationals into Russian army and also about the status of transitional justice.

FOREIGN EXCHANGE

Largest Deposit

Nepal Rastra Bank Announces Record High in Foreign Currency Holdings

By A CORRESPONDENT

Nepal's assets in foreign currency stood at an all-time high of \$1,327.51 billion for the initial 11 months of fiscal year 2023/24.

NRB reports a 19.3% surge to \$1,327.51 billion in total assets received by the country in the first 11 months of the fiscal year.

The country saw a massive inflow of \$128.91 billion over a single month (from May 2024 to June 2024) of the fiscal year.

Converting to US dollars, there was a 17.3% increase to \$9.98 billion in inflows from the same period last year, showing a 13.3% increase over the last year's figures.

During this period, 422,936 Nepali citizens were approved to work abroad for the first time, with an additional 262,705 were approved for renewing their existing work permits. In comparison, in the previous year, these figures were 459,415 and 260,262, respectively. The net inflow grew by 17.3% to \$1,407.06 billion over the same period.

In terms of international trade, the current account surplus reached \$200.39 billion, compared to a deficit of \$79.53 billion in the same quarter last year.

In US dollars, the current account showed a surplus of \$1.51 billion in this quarter, compared to a deficit of \$612.2 million in the same quarter last year. The balance of payments (BOP) surplus for this quarter amounted to \$425.67 billion, marking a significant increase from \$224.9 billion in the same quarter last year.

The first 11 months of the fiscal year 2023/24 saw notable growth in the foreign currency reserves, remittance inflows, and balance of payments and current account figures.

According to the analysis of the current economic and financial status report,

which covers the first 11 months of the current fiscal year, the nation's foreign currency holdings are poised to last over one and a half years.

The foreign currency reserves reached an all-time high of Rs. 1,967.19 billion during the first 11 months of the current fiscal year 2023/24.

According to NRB, the gross foreign exchange reserves increased by 27.8 per cent to Rs. 1,967.19 billion in mid-June 2024 from Rs. 1,539.36 billion in mid-July 2023.

The foreign currency reserves grew by about Rs. 24.79 billion during a single month (mid-May 2024 to mid-June 2024). The foreign currency reserves stood at Rs. 1,942.4 billion in mid-May 2024.

In the US dollar terms, the gross foreign exchange reserves increased by 25.7 per cent to 14.72 billion in mid-June 2024 from 11.71 billion in mid-July 2023.

From the start of the current fiscal year, the country's foreign currency stockpiles have been setting new highs consistently over the last few months.

The sum of the foreign exchange funds up until the end of the first eleven months of this fiscal year can cover the importation of goods and services for about 1.5 years.

Out of the overall foreign exchange funds, the amount possessed by the NRB rose by 30.2 per cent, reaching Rs. 1752.77 billion by mid-June 2024, after



beginning the year with Rs. 1345.78 billion.

The foreign exchange funds under the control of banks and financial entities outside of the NRB saw a 10.8 per cent increase, reaching Rs. 214.42 billion in mid-June 2024, compared to Rs. 193.59 billion by mid-July 2023.

At the halfway point of the year, the proportion of Indian currency within the total reserve funds was 22.3 per cent.

Looking at the imports from the first eleven months of 2023/24, the available foreign exchange funds in the banking sector can fully support the expected imports of merchandise and services for about 15.1 months.

The funds as a percentage of Gross Domestic Product (GDP), funds as a percentage of imports, and funds as a percentage of Monetary Monetary Instrument (M2) were 34.5 per cent, 105.2 per cent, and 29.2 per cent respectively by mid-June 2024. These figures were 28.8 per cent, 83 per cent, and 25 per cent by mid-July 2023.

Adaptation Journey Through LAPAs



BY: BATU UPRETY

Information update on adaptation interventions in Nepal through google search showed research papers, reports and blogs on the outcomes of a structured National Framework on Local Adaptation Plan for Action (LAPA), 2011. LAPAs were first prepared and implemented in target districts and municipalities under UK Aid-support-ed Nepal Climate Change Support Programme (NCCSP).

Reviewed papers provide researchers' agenda-based 'academic opinions' and recommendations to localise climate change adaptation (CCA) through LAPAs. Researchers pointed out deficiencies in LAPAs which are also related to climate justice and equity, low level of implementation, non-targeted LAPAs, technocratic control, little inclusive LAPAs or non-consideration of LGBTQ+ communities etc. Some issues do not correspond to the baseline information.

As Nepal pioneered in localising CCA measures through LAPAs and being engaged in its preparation to the approval process, this note might be useful to enhance understanding of those engaged in LAPA preparation, implementation and monitoring, and in reviewing and sharing research outcomes.

The call of the UN Framework Convention on Climate Change to prepare for adaptation, support in meeting the costs of adaptation to address climate change impacts, and largely to operationalise the Article 4.9 of the Convention (related to funding and technology support to the LDCs), Parties made a package of decisions in 2001 to support for the preparation of the National Adaptation Programme of Action (NAPA) to address most urgent and immediate adaptation needs, adopted the NAPA preparation guidelines, including the LDC work programme, established the LDC Fund and the LDC Expert Group (LEG) to support LDCs in adaptation matters. LDCs started preparing and implementing NAPAs initially by accessing the LDC Fund through the GEF Implementing Agencies. Inclusion of adaptation reporting through national communication and the Nairobi work programme on impacts, vulnerability and adaptation in 2005 further enhanced understanding on CCA needs.

The Kyoto Protocol provisions to formulate and implement adaptation measures and to mobilise the share of proceeds of certified projects (for carbon trade) to meet the costs of adaptation. To operationalise it, Adaptation Fund has been established under this Protocol.

In 2010 at Cancun, number of decisions on CCA were made. Parties adopted the Cancun Adaptation Framework, established Adaptation Committee and a process to formulate and implement the national adaptation plan (NAP), and extended LEG's mandate to support LDCs in identifying and prioritising medium- and long-term adaptation needs.

The Paris Agreement in its Article 7 provisions for, inter alia, global goal on adaptation (GGA) to enhance adaptive capacity, strengthen resilience, reduce climate vulnerability, and ensure

adequate adaptation responses, including provisions for funding and technology support. It focuses to implementing country-driven, gender responsive, participatory and fully transparent adaptation actions. The Global Stocktake recognises adaptation efforts, enhances implementation of adaptation actions, review the adequacy and effectiveness of adaptation and support provided, and review overall progress made in achieving the GGA. To operationalise these provisions, each CoP has made substantial decisions on adaptation and support mechanisms.

Recent decisions through Glasgow Climate Pact and Glasgow-Sharm el-Sheikh Programme on GGA and UAE Framework for Global Climate Resilience and UAE-Bélen work programme on the development of indicators provides hope in further streamlining adaptation interventions. This clearly indicate global initiatives and guidance on CCA. The global undertakings through legally binding instruments provide multiple opportunities to scale-up adaptation interventions. The following paras focus on Nepal's decade-long initiatives in localising adaptation activities.

Nepal realised the adaptation needs through an analysis of climate vulnerability in agriculture, water resources, natural forests and health sectors along with adaptation measures in practice as included in the initial national communication (2004). Nepal's participation in LEG explored possibilities to prepare and implement NAPAs and access funding for adaptation programmes. Nepal represented Asian LDCs in LEG for 2004-'05 and continuously from 2008 to 2023. She chaired the LDC Co-ordination Group (UNFCCC) for 2014-2015 and represented the LDC group in the Adaptation Fund Board (for 2015-'16, and 2023-'24).

Idea of localising adaptation actions emerged at NAPA inception workshop on 25-26 May 2009. With support from the UK Aido to the Climate Adaptation Design and Piloting (CADP) Project and technical support of 9 NGOs, a LAPA Framework was drafted, and piloted in 10 districts namely, Ilam, Udayapur, Nawalparasi, Kaski, Kapilvastu, Pyuthan, Rukum, Kalikot, Achham and Dadeldhura. Six consultations were organised (4 in development regions and 2 in Kathmandu) to enhance understanding on the elements of the LAPA Framework, particularly of the then Local Development Officers (LDOs) and Planning Officers and collect concerns and difficulties in implementing it. Based on inputs received, the draft framework was revised, and official comments and suggestions were collected. The draft final framework was presented and discussed at the 6th meeting of the Multi-Stakeholder Climate Change Initiative Coordination Committee (MCCICC) held on 4 November 2011, and 8th meeting of the Climate Change Council, chaired by the Rt. Hon. Prime Minister on 14 November 2011. The Council decided for early processing for government approval and implementation. The Council of Ministers approved the National Framework on LAPA on 22 November

2011. Nepal shared its national system on localising adaptation initiatives with 47 LDCs on 23 November 2011 at Durban, South Africa during the pre-CoP17 meeting of the LDCs. This sharing continued till the adoption of the Paris Agreement in 2015.

The 2011 LAPA Framework contains 7 steps namely: (i) climate change sensitisation; (ii) climate vulnerability and adaptation assessment; (iii) prioritisation of adaptation options; (iv) LAPA formulation; (v) LAPA integration into planning process; (vi) LAPA implementation; and (vii) LAPA progress assessment with core and additional tools for its preparation. The LAPA Framework is a joint effort of relevant ministries - environment and local development. This 'branded' initiative prompted a funded-adaptation project in Pakistan to prepare and implement LAPAs.

The LAPA framework provided a basis to localise, internalise, institutionalise and integrate into development planning the adaptation interventions to build adaptive capacity and resilience of the climate vulnerable communities in target areas. Preparation and implementation of 100 LAPAs in 14 climate vulnerable districts of mid-and far west development regions under NCCSP since 2013 offers several lessons. A36 Palika-level LAPAs were prepared and implemented during NCCSP II till 2023. Google search informed: (i) 9 LAPAs prepared by Birat Nepal Medical Trust in 2014 for Kailali, Asham and Bajura; (ii) 118 LAPAs prepared and implemented under ASHA Project in Dailekh, Kalikot, Jajarkot, Rolpa, Rukum (East and West) and Salyan; and (iii) 20 LAPAs prepared under Multi-stakeholder Forestry Project in Koshi Hill districts. The 16th Plan informs 263 LAPAs under implementation. Several NGOs were engaged in designing, partnering and preparing LAPAs, including water-focussed LAPA, with primary focus in the climate vulnerable western parts of the country.

The NCCSP has promoted LAPAs in climate vulnerable districts of Lumbini to Sudur Paschim Provinces. Provincial and local leaders were exposed to address climate change impacts through LAPAs, build adaptive capacity of the climate vulnerable communities, and make infrastructures climate resilient through NCCSP and other initiatives. Expressions of mayors and deputy mayors and chairs and vice-chairs attending the NCCSP2: Learning Reflection Workshop with Local Government, held at Surkhet in June 2024 clearly informs LAPAs' contribution in improving livelihoods and advancing climate-friendly development in project target areas. Many people understand CCA synonymous to LAPAs.

Nepal's 'brand' LAPA offers options to further localise adaptation options utilising science and local knowledge and enhancing income-generating opportunities. LAPA process ensures identification and prioritisation of adaptation options. Review of 100 LAPAs under NCCSP I informs over 40 per-

cent of the prioritised adaptation options related to agriculture, food security and livelihoods(photo: Bean production in Jumla) followed by climate-induced hazards and disasters, water resources, and infrastructure development. Over one-fourth of the prioritised activities in LAPAs were linked to capacity building. Hence, LAPA focuses on livelihoods improvement, climate-induced disasters, and climate-resilient infrastructure.

Along with the change in political system through a constitution in 2015, the government has continued to localise adaptation measures. It has issued a LAPA Framework in 2019 which informs the preparation of over 700 LAPAs (for then municipalities and VDCs) and 2500 CAPAs (Community Adaptation Plan of Action) and few ecosystem-based adaptation plans. The word 'national' used in 2011 LAPA Framework was deleted in 2019. This 2019 Framework specifies the roles of three tiers of the government on CCA and climate-resilient development. The process includes 6 steps: (i) raise awareness and build capacity; (ii) analyse vulnerability and risks; (iii) identify adaptation and disaster risk reduction and management (DRR&M) strategies; (iv) mainstream strategies into



local periodic plan and development policies; (v) also mainstream adaptation and DRR&M in annual plan, budget formulation, monitoring and evaluation processes; and (vi) formulate and implement adaptation and DRR&M activities at household, local communities and user group levels. State of LAPAs preparation and implementation using 2019 LAPA Framework is unclear.

The 2019 LAPA Framework, National Climate Change Policy(2019) and Environment Protection Act (2019) and its Rules (2020) clarify the roles and responsibilities of three-tiers of the gov-

ernment but complicates the process and creates confusions on environmental assessment system and carbon trade. Limiting environment and climate change within forests prevails.

Nepal's 'brand' LAPA stands on two strong legs - preparation and implementation of a stand-alone LAPA for any unit, and integration into local level annual, periodic and sector planning processes. It is the choice of the government and people to scale-up 'home-grown' LAPAs or test 'imported' models in the Nepalese soil or develop and implement 'hybrid model'.

The Nationally Determined Contribution (NDC, 2020) has targeted to prepare and implement climate-resilient and gender-responsive adaptation plans in all 753 local government. Initial effort to prepare gender-responsive LAPAs for 5 Palikas may provide some guidance to the adaptation community and scale-up decade long adaptation journey in Nepal through LAPAs. This provides hope to enhance adaptive capacity, reduce vulnerability, build climate resilience, and adopt climate-friendly development pathway.

NEPAL ELECTRICITY MIX

Solar Power Is The Choice

There is a general agreement among government officials, the private sector, and Nepal's development partners on the importance of increasing the share of solar power in the country's electricity mix. However, there are differing opinions, especially regarding the solar power tariff cap.

By Keshab Poudel

As the costs of solar photovoltaic (PV) systems are decreasing and becoming more affordable worldwide, there is broad consensus among officials, businesses, and development partners in Nepal about the need to promote solar power to enhance the country's electricity security, affordability, and sustainability. Yet, there are discrepancies, particularly concerning the tariff for solar power. A study, supported by GIZ, a German organization specializing in international cooperation for sustainable development and the German government, found that solar power is a viable option for the country's electricity mix. The report also suggested increasing the current solar power tariff to match the national electricity tariff in Nepal.

Given that Nepal's electricity system is heavily reliant on hydropower, there are significant risks associated with energy security, reliability, and affordability. Recent data shows that Nepal has a total

of 144 hydropower plants capable of generating 2625 MW of power and 13 solar plants with a capacity of 93 MW.

The Department of Electricity Development has granted licenses for 249 hydropower projects, totaling 9601 MW, and 14 MW solar projects, with a capacity of 72 MW. So far, 104 hydropower projects have applied for generation licenses under the Department of Electricity Development, with a combined ca-

capacity of 11,069 MW, and 7 solar projects with a capacity of 51 MW. However, the Department of Electricity Development has issued survey licenses for 88 hydropower projects with a combined capacity of 8442 MW and 32 solar projects with a capacity of 662 MW.

Except for Kulekhani I, II, and III, which have capacities of 60, 32, and 14 MW, respectively, all hydropower projects in Nepal are of the run-off-the-river (RoR) type,



and there are variations in energy production between the dry and wet seasons.

“Nepal’s electricity sector is facing significant challenges, with the most pressing being its over-reliance on hydropower. The electricity generation mix in Nepal is dominated by hydropower, accounting for 95 percent of the installed capacity, with most of them being run-off-the-river (RoR) type,” said Professor Dr. Shaligram Pokharel, who led the study, presenting the key findings. “At a time when Nepal has committed to achieving clean energy by 2045 through its Nationally Determined Commitment, the country cannot afford to rely on non-renewable sources of electricity, such as fossil fuels, but must embrace renewable energy sources like solar, wind, and clean biomass.”

“Nepal has achieved significant advancements in enhancing the capacity for generating, transmitting, and distributing electricity, thereby ending the decade-long period of power outages,” stated Pokharel during a joint program organized by the Alternative Energy Promotion Center and Giz in the presence of various stakeholders including government officials, private sector representatives, and experts.

The report was titled “The Role of Solar Energy in Achieving Energy Security, Reliability, and Sustainability.” Professor Dr. Pokharel,



the lead author, underscored the importance of promoting solar energy for its potential in ensuring energy security, reliability, and sustainability. In his presentation, he emphasized the significance of solar power in diversifying the energy mix and suggested an adjustment in the existing tariff structure to attract more participation from the private sector.

While the Nepal Government has set a fixed rate of Rs.7.30 per unit for power purchase agreements for solar projects under the Grid Connected Renewable Energy Development Directives 2017.

Given the substantial reduction in the global prices of photovoltaic (PV) panels and the decrease in the construction costs of projects, the Electricity Regulatory Commission (ERC) on the advice of the Nepal Electricity Authority (NEA) reduced the tariff to Rs.5.94 per unit in April 2021. A lawsuit filed by the Solar Energy Producer Association by the Supreme Court backed the ERC’s reduced tariff rate.

Similarly, the Nepal Electricity Authority (NEA) is purchasing power at an average of Rs.4.80 per kWh in the summer and Rs.8.40 in the winter from these renewable energy projects. However, the average cost of purchasing power from India has fallen to Rs.10.48 per kWh, with peak prices reaching as high as Rs.32 per kWh.

As Professor Dr. Pokharel suggested a rise in the tariff in line with the cost of hydropower, senior officials from the Ministry of Energy, ERC, and NEA defended the current tariff, stating that it is considerably lower than the risk involved in the investment in solar energy. They argued that solar energy is now significantly cheaper on a global scale, and therefore, the tariff should also be revised accordingly.

“Following comprehensive research conducted by experts from both the Nepal Energy Authority and the government, the current tariff has been set considering international practices to take into account the costs of the project, loans, depreciation, equity debt,



return on equity, general operating and maintenance costs, revenue, taxes, additional capital, and other factors, making it a better offer than the tariff in India,” stated Navin Kumar Singh, Joint Secretary of the Ministry of Energy, Water Resources, and Irrigation. He further questioned the purpose of the report that highlighted the need for a tariff revision.

However, Kuber Mani Nepal, the Managing Director of Ridi Power Company Ltd and the backer of 8.5 MW solar power plants, criticized the current tariff, stating that it is discouraging foreign and domestic investors from entering the solar energy sector.

“Professor Pokharel has accurately identified the reasons behind the sluggish growth in the solar power sector,” Nepal pointed out. “We believe there is a need for a revision in the tariff structure as per the case of hydropower projects.”

Despite differing opinions on the existing tariff for solar power among private companies, both the presenter of the report, the National Energy Authority (NEA), and

the government officials agree on the importance of integrating solar power into a mix with hydropower.

During his presentation, the Professor highlighted the aspects of electricity generation and demand, renewable options aside from hydropower, the significance of solar power in electricity production, patterns of electricity use and supply, the cost and efficiency of solar technologies, the availability of solar resources, and how solar power can complement hydropower and energy storage solutions.

Man Devi Shrestha, the secretary at the Electricity Regulatory Commission, explained that the pricing for electricity has been determined with consideration for the consumer while also safeguarding the investments made by the private sector.

The Professor pointed out that the majority of hydropower is still coming from traditional hydropower sources, excluding the Kulekhani cascade 104 MW. Despite an increase in power from independent power producers (IPPs), the reduction in hydropower gen-

eration during the dry season is a concern. There is also a worry regarding the potential increase in electricity demand due to higher per capita electricity consumption, the need for energy-efficient industrial upgrades, and the impact of rising temperatures on electricity demand during the dry season, which is accompanied by a challenge in matching supply and demand.

It was noted that while options exist, there are uncertainties in scaling up solar energy exploitation. Currently, Nepal’s main source of electricity is through sugar industries, which is seasonal and has a capacity of only 6 MW out of a potential 100 MW from 12 mills. Wind energy is at the early stages of development.

Among renewable energy sources, the use of solar energy is on the rise globally, including in Nepal. The Professor noted that the cost of generating solar energy has significantly decreased in recent years, with the generation cost per kilowatt-hour dropping from \$0.445 in 2010 to just \$0.049 in 2022, an 89% reduction. He also mentioned

the increase in the efficiency and size of solar panels, as well as the technology used to enhance solar panel absorption capabilities. It was projected that about 40% of Nepal's land area is capable of producing an average of 1400 kilowatt-hours per kilowatt.

In his proposal for course correction, Professor Pokharel recommended adjusting the limit on electricity production from non-hydro sources. He argued that the existing 10% benchmark hinders the potential for economies of scale and suggests allowing the market to naturally evolve.

"Solar energy offers Nepal a pathway to ensure electricity security at a cost that is both affordable and dependable," said Singh, the Joint Secretary of the Ministry of Energy, Water Resources, and Irrigation. "The government of Nepal has a definitive strategy for solar energy," he added. "As the price of solar panels continues to decrease, it is crucial that investors offer electricity at more competitive rates to consumers. The tariff established by the government is designed to provide investors with profits and to offer consumers relief."

The research indicates that solar energy is a viable and supplementary source for electricity. As the technology's ability to produce and the cost to produce it locally improves, its potential becomes even more significant.

The demand for electricity could



see significant shifts. Should the government approve the private sector's ability to export electricity to India, the landscape would be altered. This scenario is even more likely if the export is necessary (due to commitments), as it would shift the dynamics of the country's electricity supply, emphasizing the speed at which solar photovoltaic (PV) systems can be implemented.

"The information provided is drawn from research carried out under the Promotion of Solar Technologies for Economic Development (POSTED) initiative, a joint effort by the Alternative Energy Promotion Center (AEPCC) and giz," Professor Pokharel noted.

The start of the session

In her introductory comments, Paulina Campos Monteros, the deputy country director of giz, mentioned that the study will assist Nepal in formulating the right energy mix policy based on solar.

Emphasizing the significance of solar and renewable energy sources for ensuring energy security and access, Nava Raj Dhakal, the Executive Director of AEPCC, pointed out that Nepal has given priority to solar energy in its Renewable Energy Policy. Dhakal highlighted that solar is the most practical and readily available option for diversification.

Given the current dominance of hydropower, Dhakal noted that hydropower accounts for approximately 95% of the nation's total installed capacity, with only 5% coming from solar and other renewable sources. He called for a change in this trend.

Even though numerous individuals and organizations have studied Nepal's potential in hydropower, a similar depth of analysis for solar power has been lacking. The study by giz on solar energy stands out as one of the most extensive and credible.



potential investors might reconsider committing to solar projects in Nepal.

In November 2020, the cost of solar energy in India reached a record low of INR 2 per unit through competitive bidding. However, in recent times, there has been an increase in the expenses associated with the installation of solar plants.

In certain areas of the solar market, prices have risen

as much as 18 percent in the past year, according to the report, quoting figures from the Solar Energy Industries Association and Wood Mackenzie.

Malla noted that escalating costs of raw materials are making the operation of solar plants unattractive for the Nepal Electricity Authority, as the authority has opted to lower the prices it is willing to pay to developers.

Business sector has argued that the government needs to create an environment that is predictable to attract investment in the solar energy sector. “The Nepal Electricity Authority could pay current rates to those who have already invested in solar projects while providing lower rates to those who are yet to invest,” suggested Nepal.

Despite advocating for hydropower, the government is also prioritizing solar electricity to ensure a secure energy supply. “The decreasing costs of solar energy over the last ten years have made it a more affordable option for

Thanks to the backing from the Agency for Energy Production and Conservation (AEPC), a collection of projects with a combined capacity close to 100 MW have been built and are now operational in remote locations without grid access.

The Department of Electricity Development (DoED) has authorized the commencement of feasibility studies for the production of solar power across 33 projects, a total of 662 MW.

present Situation in Nepal

The aim of Nepal is to increase the proportion of solar, wind, biomass, and other renewable energy sources to 10 percent within the energy distribution mix by 2030.

Opinions vary on the necessity for Nepal to expand its range of energy sources to secure energy supplies, especially since the country is at risk of earthquakes and landslides, which could interrupt operations of hydropower facilities.

Meanwhile, the business sector

has raised doubts about the government’s dedication to promoting solar energy. “In March, the Nepal Electricity Authority chose to reduce the cost it is willing to pay for solar energy as the state-owned utility plans to source solar power through open bidding,” mentioned Nepal. He mentioned that the authority has set a cap on the rate at which it will purchase solar energy, up to only Rs5.94 per unit.

“Given the decreasing prices of solar energy globally, the Nepal Electricity Authority decided to lower the prices it is willing to pay for solar energy,” stated Ghimire.

However, the producers of solar power are expressing concerns about the increased costs of solar panels and equipment due to global supply shortages and the conflict in Ukraine. “Investors might have to wait for 15 to 20 years to recoup their investments,” said Bharat Kumar Malla, the senior vice-president of the Solar Electric Manufacturers Association Nepal, questioning the government’s support for solar energy. He added that

our nation's energy needs," stated Singh, a spokesperson for the Energy Ministry.

Nepal has a significant potential for solar energy, much of which remains unexploited. The government and the public-private sector must work together to fully leverage this cost-effective renewable energy source.

Solar energy in Nepal offers a promising way to diversify the nation's energy mix. The country's current electricity supply is nearly all dependent on hydropower, which is vulnerable to changes in weather patterns, like shifts in rainfall, and the effects of climate change, such as less snowmelt.

This vulnerability underscores the importance of solar energy in Nepal for stabilizing and expanding the domestic renewable energy supply. Moreover, it introduces the opportunity to develop an energy export economy for the country, which could be crucial in improving the historically low per-capita GDP and the stagnant export sector.

Focusing on investment and growth in the solar sector could be a way for Nepal to enhance its energy security, lower its carbon emissions, and improve the living conditions of its people.

Nepal is believed to have the potential to generate 50,000 TWhs of solar energy each year, which is



7,000 times more than the country uses today. Yet, Nepal's solar energy sector is still in its infancy, and only a small portion of this potential is being utilized. The country currently has around 55 MW of solar capacity, which annually produces over 133 GWh of energy, representing just over 1% of the nation's total electricity output.

The Renewable Energy Subsidy Policy plays a key role in this initiative by providing financial support and incentives to encourage the installation of solar panels by individuals and communities. These subsidies include coverage for various solar technologies, including photovoltaic systems and solar water heaters, making renewable and sustainable energy solutions more widely available to the population.

In addition to subsidies, there has been a push for more support mechanisms, such as tax breaks. These policy initiatives aim to attract more investment in solar

technology, lower the costs of solar projects, and position solar energy as a more competitive option to traditional power sources.

As Nepal moves forward with its solar energy efforts, there are both opportunities and challenges ahead. The growth of solar capacity not only contributes to the nation's energy security but is also a key part of Nepal's strategy to adapt to and mitigate climate change, and a vital step in reducing greenhouse gas emissions.

"The recent drop in solar panel prices, along with innovative solutions like agri-voltaic and floating PV that reduce the need for land use, open the door to a clean, sustainable, and reliable electricity sector in Nepal. However, for the sector to truly flourish, policies must be equitable and create a stable environment for private sector investment," said professor Pokharel.

HELVETAS-NEPAL'S RIVERBED FARMING

Climate-Adaptive And Resilient

Due to shifts in climate, leading to heightened rainfall, there has been an increase in the frequency of floods and soil erosion in the Rautahat district of Madhesh Province. In collaboration with Helvetas-Nepal, and in partnership with the Friends of Change in Nepal, a local Non-Governmental Organization (NGO), has been working to enhance the resilience and adaptive abilities of farmers, thereby improving their annual incomes and reducing erosion in the flood-prone areas of the Bagmati and Lalbakiya Rivers.

By Keshab Poudel

As people residing along the banks of Bagmati and Lalbakiya Rivers have encountered severe challenges from climate change, affecting both the environment and agriculture, the River Bed Farming Project provided much-needed relief to approximately 1,000 households living in five villages of Rautahat District. Among those benefiting are Umesh Yadav, a 38-year-old man from Bhagbatimai Rural Municipality Ward 3, Rautahat District, Madhesh Province, who has been practicing riverbed farming along the Bagmati River for the past five years. This practice has been a source of income for his family.

Despite Yadav inheriting 6 Bighas (7.2 acres) of his ancestral land from his father, he now only owns 2 Bighas of land. Of the four Bighas, one-third has been submerged by the river, and another third has been covered in sand.

This situation is not unique to Yadav; many families facing the threat of floods and land loss due to climate change have found hope and assistance through the River Bed Farming Project, which has significantly improved the lives of around 1,000 households in Rautahat District.

“Initially, the villages along the river bank were fertile lands ideal

for growing cereal crops and vegetables. However, floods from the Bagmati River have transformed these areas into sandy riverbeds,” stated Santosh Jha, a villager and farmer in ward 1 of Durga Bhagbatimai Rural Municipality. Jha, who cultivates vegetables and watermelon on over 6 Bighas (9.8 acre) of land, earns approximately Rs.800,000.00 (US6000) annually.

Due to climate change, extreme weather events have significantly impacted agricultural productivity in regions like the Terai, including Rautahat district. The intense rainfall that leads to sudden flash floods has caused a substantial loss of arable land, which has in turn

increased the area of damaged soil, making the land less productive.

It is crucial for the agricultural sector in Nepal to adapt to climate change, given that over 66.5% of the population depends on it for their livelihoods.

“Floods have turned thousands of hectares of cultivated fields into river banks through siltation and sand deposition, posing a significant threat to food security and heightening the vulnerability of rural communities,” said Ram Rup Patel, the chairman of Ward 3 of Raj Devi Municipality in Rautahat District.

“The Bagmati river transformed my 10 Bighas of land into its river bed. For years, we merely observed the destruction caused by floods, turning once-fertile soil into a layer of sand and rendering it unproductive.

Although riverbed farming, both formally and informally, was practiced in Kailali and Kanchanpur as early as 2007 and was essentially employed for decades previously, the inhabitants of the Rautahat’s inner areas lacked both the knowledge and skills necessary for such methods.



“During the 2018 support of the Riverbed Farming Project by Helvetas Nepal, which sought to enhance the livelihoods of food security and nutrition, and to diminish vulnerability while increasing the ability to adapt to the effects of climate change and its variability for sustainable living, the deserted land remained unused for commercial purposes,” said Ramshrestha Yadav, Chairperson of Friends of Change in Nepal.

The initiation of the project by Friends of Change in Nepal, a local partner of Helvetas Nepal, and the subsequent programs enabled the strengthening of farmers’ skills in riverbed farming, while also assisting them in adapting to the impacts of climate change through the adoption of climate change-adaptive technologies.

Change in Nepal has also distributing bamboo, trees and lemon grass to plant at the river banks to contain the damage of floods. Under the project, more than 2000 bamboos are planted in the banks of Bagmati and Lalbakiya River. Similarly, other trees also planted with lemon grass in the field.

“President Yadav mentioned that these biological interventions are designed to boost the natural ability of plants to withstand floods and the impacts of climate change. He further noted that as they develop, they will safeguard the earth’s soil.”

The project has carried out various initiatives, during which farmers have learned about resilient crop varieties and technologies to sustainably address climate change. To mitigate the impacts of flooding,





the project has distributed lemon grass and bamboo to farmers at risk from Bagmati floods.

“During my tenure of two years as the Mayor of Rajdevi Municipality, I realized the significance of the Riverbed Farming techniques taught by the local partners of Helvetas Nepal to our farmers. Every year, the Bagmati river was eroding a significant portion of our fertile land. In response, we initiated some natural remedial measures, such as planting lemon grass and bamboo in collaboration with Friend of Change,” said Bikhari Prasad Yadav, Mayor of Rajdevi Municipality.

With the technical assistance provided by the project, numerous impoverished and marginalized farmers have begun to generate income. Mayor Yadav further stated that due to the project, farmers have also been educated on utilizing underutilized resources from the riverbed and its banks of Bagmati and Lalba-

kiya rivers, in addition to enhancing their production skills on reclaimed soils.

The project has also assisted farmers by providing seeds, tree plant, fertilizers, and irrigation equipment, including the installation of deep bore wells and sprayer tanks. Das,

a participant in learning adaptation technologies throughout sessions and field trials at field schools, mentioned that the lemon grass and bamboo plantations have remained unaffected by the floods. The bamboo has even helped in preventing

soil erosion.

For Laddu Das and his team from Bhagbatimai Rural Municipality ward 1, introducing vegetable cultivation on river beds was a novel concept, and thus, he initially lacked confidence. However, following the capacity-building training sessions that bolstered his confidence, Das has now successfully grown vegetables such as cucumber, pumpkin, bottle gourd, and even achieved a bumper crop of watermelon. He is content with the outcome, having harvested and sold vegetables and watermelons worth Rs.500,000.00 from two bighas (3.4 acre) of land.

Ramshrestha Yadav, the head of Friends of Change Nepal, mentioned that the farmers have adopted bio-fertilizer Jholmol (Liquid fertilizer) as a novel approach beneficial in reducing production costs and enhancing crop yield and earnings. Yadav added that his organization has provided bamboo to farmers, who have expanded their cultivation to over 10 bighas of land to safeguard the rich soil. He reported that these bamboo plants have matured and are currently flourishing.

Rampad Das from Bhagbatimai





Rural Municipality ward 1 shared his experience, stating, “I’m venturing into vegetable cultivation on riverbeds for the first time with a small patch of land. However, the increased revenue from vegetable sales has boosted my confidence. I aim to cultivate vegetables on three Bighas of riverbed next year and would appreciate support from this initiative for vegetable seeds and fertilizers.”

Similar to Das, individuals without land in Rautatha have significantly boosted their earnings by cultivating crops in the eroded soil of dried-up riverbeds. During the rainy season, the rivers Lal Bakiya and Bagmati overflow, inundating the surrounding agricultural lands.

Following the monsoon rains, a dry spell ensues, exposing the fertile soil of the riverbeds for four to five months. In Rautahat district, Helvetas Nepal, in collaboration with Friends of Change Nepal, a local NGO, has been instrumental in ensuring that the soil remains viable for farming during these months.

The dried-up riverbeds of the Bagmati and Lalbakiya Rivers have become hotspots for agriculture,

primarily focusing on watermelons, pumpkins, cucumbers, and tomatoes. Over 967 households from 40 groups, predominantly belonging to impoverished, landless, or land-scarce communities, have seen significant improvements in their income levels through riverbed agriculture.

“This approach has been instrumental in achieving green growth adopted to the climate change, particularly in reducing the risk of poor

and landless from climate change related disaster and food security,” said Hari Gurng, Team Leader Helvetas Nepal River Farming Project. “The project aims to end poverty and hunger, fostering economic development, and promoting gender equality.”

Through its efforts in Rautahat, Helvetas Nepal, supported by the local NGO Friends of Change Nepal, leverages its extensive experience in creating employment opportunities.

“Riverbed farming is viewed as a viable solution to increase household incomes and improve food security for those who are landless or lack access to sufficient land in the Terai region of Nepal. Adjusting to shifts in weather patterns presents significant obstacles, especially for agriculture,” said Dr. Prabin Manandhar, Country Director Helvetas-Nepal.

The effectiveness of agriculture river banks of Bagmati and Lalbakiya rivers has demonstrated itself as a climate-resistant technique to reduce the impact of unfavorable weather conditions.



जनसंख्यालाई शक्ति र साधनको रूपमा उपयोग गरौं

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- लैङ्गिक समानता कायम गरौं,
- सीमान्तकृत र लोपोन्मुख अवस्थामा रहेका जनसंख्याको संरक्षण गरौं,
- व्यवस्थित बसोबास गरौं र गराऔं,
- अव्यवस्थित बसोबासबाट पर्यावरणमा पर्ने प्रभाव न्यूनीकरण गरौं,
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