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VIEWPOINT
Kikuta Yutaka



FORUM
Hemant Arjyal



OPINION
Sandip Poudel

NEW

SPOTLIGHT

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FORTNIGHTLY



MONETARY POLICY 2024

Bullish In The Stock Market

INSIDE



NEPAL ARMY
New Chief



INTERVIEW
Binayak Shah



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Notes From The Editor



With the formation of a caretaker government led by Nobel Peace Prize winner Muhammad Yunus, the political turmoil in Bangladesh is nearing an end. Though the new caretaker government was formed on the demand of students and agitators, the country is still under the control of anarchists and looting and destruction of public property continues. In his first message to the nation, the newly appointed Prime Minister of Bangladesh has appealed to the people of the country to help him restore the order and bring back the normalcy to hold the election as early as possible. Beginning with the demand for withdrawal of the reservation law and later turning to the resignation of Prime Minister Sheikh Hasin, the student agitation has changed the political landscape of Bangladesh. When the student agitation got out of control with mass uprising, Prime Minister Hasina resigned and fled the country. After ruling the country for almost 17 years and turning Bangladesh into a country of highest economic growth and prosperity, the fall of Hasina was also a sudden and humiliating one. Having maintained a very balanced relations with two rising power of Asia India and China, Hasina was able to lure huge investments from both the countries. Criticized as pro-Indian by Bangladeshis, Hasina maintained her secular credentials. However, minorities did not support her during the crisis. With her departure from Bangladesh, her rule came to an end.

Separated by only 26 kilometers of land, Bangladesh is one of the close neighbors of Nepal and the fall of regime in Bangladesh has also affected the Nepalese politics. Given the unpopularity of the governments and the political leadership, the political leaders who have ruled the country for the last 20 years, ruthlessly sharing power one after another, look nervous. KP Oli Sharma, who takes decision after decision in favor of his party cadres, is irritating the public. Though we have chosen monetary policy as our cover story, we also cover the implications of the turmoil in Nepali politics.

Keshab Poudel

Editor

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Nepal Calls For Calm And Restraints By All In Bangladesh

The Government of Nepal is closely following the recent political developments in Bangladesh. We are deeply concerned about the loss of lives and properties during the protests over the last few weeks in Bangladesh. We convey our sincere condolences and sympathies to the families of those who lost their lives and



wish all those injured a speedy and full recovery. We call for calm and restraint by all and stress the importance of an orderly return to the democratic process.

We are confident that the strong and resilient people of Bangladesh will be able to ensure a smooth transition towards peace and stability. Ministry of Foreign Affairs Singha Durbar, Kathmandu

SAARC Secretary General Calls On The President Of The Republic Of The Maldives

The Secretary General of SAARC, Ambassador Golam Sarwar called on the President of the Republic of the Maldives Dr. Mohamed Muizzu. During the meeting held at the President’s Office, the President welcomed Secretary General and discussed the importance of



collaboration and engagement between the SAARC member states and Maldives commitment to the SAARC process.

Secretary General expressed gratitude to the President and the Government of the Republic of the Maldives for the warm hospitality

Kathmandu- Tarai Fast Track; Dhedre Tunnel Breakthrough - Design & Construction Supervision by Korean Consultant

Park Taeyoung, ambassador of the Embassy of the Republic of Korea to Nepal, addresses the breakthrough

ceremony of Dhedre tunnel held at the construction site of Nepal’s major fast-track project.



Addressing the breakthrough ceremony, Ambassador of the Republic of Korea

to Nepal Park Taeyoung expressed this incredible feat is a testament to the power of international collaboration and the shared vision of Nepal and Korea.

He extended his congratulations to the Government of Nepal and the Nepal Army for their steadfast dedication to this project. Ambassador Park said that expressway is not just a road; it is a symbol of progress, connectivity and the bright future that lies ahead for Nepal. Park share the message of the 50th anniversary of the diplomatic ties between Korea and Nepal.

He also acknowledged and thank the construction teams from China for their invaluable contribution to this project.

Prime Minister KP Sharma Oli announced the breakthrough of Dhedre tunnel heading towards Nijgadh to Kathmandu fast track project on 5th August, 2024. Prime minister addressing a gathering the government is committed to remove the obstacles during construction. Prime minister also emphasised the need to complete the ongoing work rather than starting new projects.

In July 2020, Yooshin Engineering Corporation, Korea Expressway Corporation, Pyunghwa Engineering Consultants Ltd, a Korea JV in association with Garima International Design Association Nepal, chosen as consultant. Consulting services ensure that all activities for the implementation and commission of the Design and Supervision work of the KTF project.

Germany Ambassador Pays Courtesy Call On Foreign Minister

Ambassador of Germany to Nepal, Dr Thomas Prinz paid a courtesy call on Minister for Foreign Affairs Dr Arju Rana Deuba.

At a meeting today at the Ministry, matters related to various aspects of Nepal-Germany



NEWSNOTES

relations along with mutual interests and reciprocal cooperation were discussed, the Ministry of Foreign Affairs said.

KOICA Volunteers Supported Two Schools In Banepa And Lalitpur

KOICA Volunteers supported Chaitainya Secodnary School, Banepa and Pragati Shikshya Sadan Secondary School, Lalitpur

Korea International Cooperation Agency (KOICA) volunteers Ms. Seook Jung and Ms. Haeok Jeong have successfully completed their Korea Overseas Volunteer (KOV) small-scale projects with support from the KOICA Nepal Office.

Ms. Seook Jung, dispatched to Chaitainya Secondary School in Banepa, Kavre, led the project titled



“School is an Art Museum,” focusing on art education.

Ms. Haeok Jeong, dispatched to Pragati Shikshya Sadan

Secondary School in Lalitpur, carried out the project “Creating a Book-Reading School by Building an E-Library and Improving the Library Environment,” related to primary education. Both volunteers were assigned to their respective organizations in 2023.

The primary objective of the project with regards to the Chaitainya Secondary School was to increase student interest in art, enhance creativity, and broaden their experiences by improving the school environment fostering a sense of unity among students, teachers, school staff, and local residents.

Similarly, the primary objective of the project with regards to the Pragati Shikshya Sadan Secondary School was to foster a reading culture, improve class satisfaction, and support the overall growth of students.

Both projects were collaboratively executed by the KOVs and the respective schools. The handover ceremony of the Chaitainya Secondary School project in Banepa was held on July 31, 2024, at the school premises.

Twenty Nepal Government Officers Received JDS Fellowship To Pursue Higher Education In Japan

Ambassador Kikuta congratulated the establishment of JDSAAN and encouraged JDS fellows who will begin their studies in Japan
KIKUTA Yutaka, Ambassador of Japan to Nepal, hosted

a send-off party for Nepal’s government officials who will be studying in Japan under the Project for Human Resource Development Scholarship (JDS) at his official residence in Tahachal today.

The JDS offers Nepal’s young government officials two-year Master’s Degree courses and three-year Doctoral level courses in reputed Japanese universities.

This year, a total of 22 government officials - 20 studying for a master’s degree and two for a PhD - will leave Nepal this month to obtain their degrees in Japan. After completion of

studies, the JDS fellows are expected to engage in formulating and implementing socioeconomic development plans and evolve as leaders in Nepal, as

well as contribute to strengthening of friendly relations between Japan and Nepal.

On the occasion, Ambassador Kikuta extended congratulations to the JDS fellows who had been selected and encouraged them to gain as much knowledge and experience as possible, as well as to deepen their understanding of Japan. Ambassador Kikuta expressed his expectation that they would utilize their knowledge and experience gained in Japan to carry out their work in a steady and reliable manner, and to play an important role in Nepal’s development upon their return to Nepal.

Ambassador also expressed his appreciation for the establishment of the JDS Alumni Association of Nepal (JDSAAN) by JDS returned fellows this year and encouraged JDS fellows to get involved in the JDSAAN’s activities after completing their studies and returning to Nepal. This brings the total number of government officials who have been given the opportunity to study in Japan by JDS to 187, including the 22 JDS fellows who are visiting Japan this month.

This year’s JDS fellowship recipient includes Ms Laxmi Prasai, section officer of Prime Minister and Council of Minister, Lekhnath Regmi, Under Secretary, District Treasury Comptroller officer Kathmandu, Bibek Kumar Sunar Khadka, Section Officer Ministry of Economic Affairs and Planning, Bagmati Province, Ram Chandra Dahal, Section officer, Industry and Commerce Office, Shree Chandra Khatiwada, Under Secretary, Public Procurement Monitoring Office, Sudip Dahal, Tax Officer, Taxpayer Service Office, Khandbari, Ms. Nisha Bhattarai, Section Officer, Lalitpur Metropolitan City, Ms. Sabina Gautam, section officer, Ministry of Physical,



Infrastructure Development and Transport Management, Gandaki Province, Ms. Anjana Rai, Section officer, Election Commission, Santosh Paudel, Section officer, Social Development Office, Lamjung.

Similarly, Ms. Jaya Kala Rai, section officer, Election Commission, Mukesh Kumar Chaurasiya, section Officer, Office of Prime Minister and Council Minister. Ganesh Gurung, Account Officer, Dakchinkali Municipality, Umesh Chandra Lamsal, Planning Officer, National Planning Commission, Mohan K.C, Section Officer, Ministry of Defense, Rajesh Banjara, section officer, Land Management Training Center, Dhulikhel, Binaya Mishra, Under Secretary, Ministry of Law, Justice and Parliamentary Affairs, Ms. Sweta Bhattarai, Under Secretary, Supreme Court of Nepal, Ms. Ambika Raghunani, Section officer, Office of the Attorney General, Kathmandu, Ms. Pratima Pokharel, Section Officer, Office of Attorney General, Kedar Satyal, Under Secretary, Department of Water Resources and Irrigation and Vijaya Bhurtel, under secretary, Ministry of Federal Affairs and General Administration.

Prime Minister’s Request To The Swiss Ambassador To Increase Foreign Investment In Nepal

Prime Minister KP Sharma Oli has requested the government of Switzerland to support the economic



development and prosperity of Nepal by bringing in more direct foreign investors. Prime Minister Oli said that foreign aid will be a catalyst

for the development of Nepal with Swiss Ambassador to Nepal Dr. Danielle Meuwly, who came to the Prime Minister’s residence Baluwatar today for a courtesy meeting. He mentioned that the practice of Switzerland has been established for the development of an inclusive democratic structure and said that the government of Nepal is trying to strengthen democracy and make the state structure accountable to the people of the country.

National Security Adviser Shankardas Bairagi Has Resigned

National Security Adviser Shankardas Bairagi has resigned from the post. He submitted his resignation to Prime Minister KP Sharma Oli on July 24. After Prime Minister KP Sharma Oli expressed his

intention not to hold the post of National Security Advisor, he was assured to be promoted as an



ambassador.

Based on that, Bairagi submitted his resignation on July 9. However, when the names of 19 ambassadors were recommended, he did not participate. But Bairagi has said that he has resigned due to his personal reasons. “I resigned for my own reasons, I resigned because I want to do self-study and other personal work,” he said.

Bairagi, who became the Chief Secretary after becoming the Foreign Secretary, was appointed as the National Security Adviser on May 32, 2080, with a tenure of three months. His office was fixed in the office of the National Security Council.

MCA-Nepal Completes Signing Agreement For All Three 400kV Substations

MCA-Nepal signed the final substation contract agreement with Techno Electric and Engineering Company Ltd. (TEECL), India to construct a US\$38.89 million 400 kV substation in Damauli, Tanahun district. With this, MCA-Nepal has completed the award of contracts for the construction of all three 400 kV substations as part of implementing the Millennium Challenge Corporation (MCC) Nepal Compact. Once completed, the New Damauli Substation will have a capacity of 1000 Mega Volt Ampere, making it one of the largest substations in the country along with the Ratmate Substation for which the MCA-Nepal signed a contract with the same company in June 2024. The New Damauli Substation will serve as a critical point of connection for power flow with the Ratmate, Lekhnath and New Butwal Substations.

Khadga Bahadur Bisht, Executive Director at MCA-Nepal, and Rajiv



NEWSNOTES

Agarwal, Director- Commercial at TEECL, India signed and exchanged the contract in the presence of Minister for Energy, Water Resources and Irrigation Dipak Khadka, U.S. Ambassador to Nepal Dean R. Thompson, MCA-Nepal Board Members, TEECL Managing Director Padam Prakash Gupta and officials from NEA along with MCC and MCA-Nepal officials.

Dr. Ram Prasad Ghimire, Secretary, Ministry of Finance and MCA-Nepal Board Chair said, “the progress is a good indication of MCA-Nepal’s ongoing efforts to implement the MCC Nepal Compact. The three substations are essential to Nepal’s growing energy sector and will help ensure a reliable power sector to enhance industrial and commercial activities for the economic growth in Nepal.” Speaking at the event Ambassador Thompson said, “Today, standing together with the Government of Nepal, Ministry of Finance, Ministry of Energy, Water Resources and Irrigation, the Nepal Electricity Authority, and MCA-Nepal, I’d like to acknowledge the important role each of you has played in the progress of this project and shaping a brighter future for Nepal.”

He further added, “The MCC Nepal Compact is going to be an important part of our shared success story, working with Nepal to power Nepali homes, power the Nepali economy, create jobs, and reduce poverty through inclusive and sustainable economic growth.”

MCA-Nepal Executive Director Mr. Khadga Bahadur Bisht said, “It is indeed a remarkable milestone to sign all three substation contracts while approaching the one-year anniversary of the launch of the Compact. I would like to acknowledge the support of the Government of Nepal and our key stakeholders – Ministry of Finance, the MCA Nepal Board, NEA and MCC for their continued support.”

Japanese Parliamentarian Delegation Met President Paudel

A delegation led by Takebe Arata, a Japanese parliamentarian, called on President Ramchandra Paudel on Monday.

In the meeting held at the Office of the President-Sheetal Niwas- on Monday, President Paudel said to the visiting Japanese delegation that Nepal had a suitable environment for investment in sectors such as hydropower, tourism and agriculture.

Apprising that the Government of Nepal had recently reformed the law to create an enabling environment for investment, the Head of the State urged the Japanese investors to consider investment in Nepal, according to the Secretariat of President Paudel.

Expressing his gratitude towards Japan’s ‘unconditional and selfless’ support towards Nepal, he thanked for Japan’s support, especially in the areas of infrastructure, agriculture and health.

Mentioning that Nepal’s relationship with Japan was culturally connected through the medium of Lord Buddha, the light of Asia, he viewed that the relationship between Nepal and Japan was strong at a people-to-people level as well.

He further asserted that the two countries shared a close bond due to the fact that both countries express the same voice in the international forums on political agendas such as democracy, human rights and the rule of law, stated the President’s Secretariat.

Furthermore, President Paudel expressed his satisfaction with the performance of the Nepali students returning from Japan after learning skills there.

The Japanese delegation, on the occasion, drew the attention of President Paudel, towards enabling a favorable environment for the Japanese companies willing to invest in Nepal.

They shared that they were happy to meet Nepali students aspiring to travel to Japan for further studies who were eager to return home after learning skills there.



Arata, also Chairperson of the Standing Committee on Judicial Affairs, House of Representatives in Japan, said that the Japanese delegations suggested the government of Nepal for economic decentralization and for creating a favourable environment for such returnees to retain in Nepal and work here. (RSS)

Leela devi Gadtaula Became The First woman Chief Secretary

Leeladevi Gadtaula has been appointed as the Chief Secretary of the Government of Nepal. The cabinet meeting held on Thursday has appointed Leeladevi Gadtaula, who is currently the permanent chief secretary, as the chief secretary.

According to Prime Minister and Council of Ministers Office sources, it was decided to appoint Gadtaula as the Chief Secretary on the proposal of Prime Minister KP Sharma Oli.

She has become the first woman Chief Secretary of Nepal. Gattoula will retire on the 15th of August.

Gattoula will retire due to age limit of 58 years. However, before that, she will take charge as the chief secretary for more than a month.



The first cabinet meeting under the leadership of KP Oli on June 31 decided to make Gadtaula, who is currently the acting chief secretary, as the permanent chief secretary.

After the corruption case was filed in the special court by the Abuse of Authority Investigation Commission, the suspended Chief Secretary Dr. It was decided to transfer Vaikuntha Aryal to the National Planning Commission on June 10th by creating a special post of Chief Secretary in the gazetted special category and transferring him to that post. After that, Gadtaula, the legal affairs secretary in the Prime Minister's Office, automatically got the responsibility of Acting Chief Secretary on the basis of seniority.

BRI Project Will Proceed Only After Detailed Discussion: Foreign Minister Rana

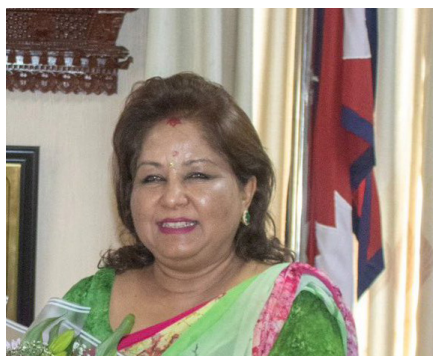
Foreign Minister Dr. Arju Rana said that the Belt and Road Project (BRI) agreement with China cannot be implemented without detailed discussion.

Speaking at the meeting of the International Relations and Tourism Committee under the House of Representatives on Wednesday, she said that a detailed discussion about the project implementation plan is yet to be held.

Minister Rana also expressed her belief that Prime Minister KP Sharma Oli will play an important role in bringing the project to a wide discussion.

She said that after the discussion within the government about the modality in which the project will be carried out, it will be carried out after detailed discussions with the parliament, parliamentary committees and related parties.

Mentioning that there was a wide discussion in the MCC Parliament as well, Minister Rana said that it is necessary



to discuss with everyone while implementing the agreements made by the government with various countries.

Minister Rana said there was nothing to fear about the project. He said

that he will proceed after discussing with all the related parties.

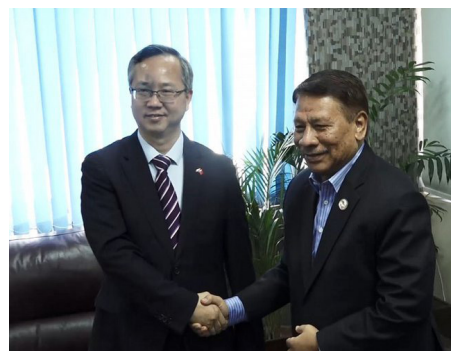
Chinese Ambassador Chen calls On DPM Singh

Ambassador of China to Nepal, Chen Song, paid a courtesy call on Deputy Prime Minister and Minister for Urban Development, Prakash Man Singh, at the latter's office in Singha Durbar on Thursday.

Ambassador Chen congratulated Minister Singh on his appointment as DPM and wished for a successful tenure.

Discussion

on the collaboration between Nepal and China in the areas of urban development took place in the meeting.



The ambassador said that China is willing to assist in the reconstruction of the infrastructure damaged due to disaster of the earthquake in the Rukum and Jajarkot district. He conveyed that China is willing to enhance further bilateral ties.

A Renowned Hotelier Ambika Shrestha Is No More

Hotelier and Heritage Conservationist Ambika

Shrestha passed away at the age of 91. Born

in Darjeeling, Shrestha founded the famous Dwarika Hotel in Nepal.

Dwarika Hotel is known as an artistic style heritage built by architects of Nepal. Ambika entered Nepal after marrying Dwarikalal Shrestha.

Lately she was suffering from cancer.

Ambika, who also played the role of Nepal's Honorary Consulate General for Spain, has made a significant contribution to the heritage conservation campaign.

She was also the chairperson of Nepal Heritage Society.



BUSINESS BRIEF

Nepal Ready To Welcome Foreign Investors, Says President Dhakal

President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) Chandra Prasad Dhakal highlighted Nepal's readiness to welcome foreign investors and the importance of trade facilitation for regional economic growth.

Addressing the BIMSTEC Business Summit 2024 in New Delhi on Wednesday President Dhakal emphasized that recent economic progress in Nepal, supported by significant amendments in eight investment-related laws and the establishment of a Bilateral Investment Agreement framework, has created a favorable environment for foreign investment.

He invited investors to explore opportunities in sectors such as tourism, hydropower, education, and information technology.

He noted that increased trade and investment are essential for economic growth, job creation, and poverty reduction. Dhakal cited the World Trade Organization's suggestion that implementing the Trade Facilitation Agreement could reduce global trade costs by an average of 14.3 percent.

Dhakal called for enhanced cross-border linkages and trade infrastructure among BIMSTEC states to harness this potential.

He proposed improving transport infrastructure, including the BIMSTEC highway and railway systems, and developing a railway project parallel to Nepal's East-West Highway. Enhancing border infrastructure to simplify customs procedures was also emphasized.

To support these developments, Dhakal proposed establishing a BIMSTEC Infrastructure Development Fund. He stressed that improved regional connectivity would benefit all member states and strengthen their collective voice in international forums.

The BIMSTEC Business Summit 2024, organized by the Confederation of Indian Industry, provided a platform for discussing key issues and opportunities for promoting trade facilitation and economic growth in the region.



Nepal Investment Mega Bank Partners With Cimex Inc. To Offer Financing For All Models Of BYD Electric Vehicle

NIMB Bank Limited is excited to announce a new partnership with Cimex Inc. Pvt. Ltd., the authorized distributor for BYD Auto Industry Co. Ltd., Nepal. This collaboration aims to enhance the accessibility of electric mobility in Nepal by providing up to 80 % financing on all

models of BYD electric vehicle.

With this partnership, Nepali citizen interested in purchasing a BYD electric vehicle from Cimex Inc. and its authorized dealers can apply for an auto loan at any NIMB



branch. With the streamlined approval process granted within three working days all eligible customers of NIMB can benefit from this hassle-free experience.

NIMB Bank will offer EV Loans for BYD vehicles at a competitive interest rate, set at the base price plus a 1.00% premium per annum. This initiative is designed to make sustainable and advanced transportation options more affordable and accessible.

The partnership was formalized with the signing of Memorandum of Understanding by Mr. Jyoti Prakash Pandey, Chief Executive Officer of NIMB Bank, and Ms. Sandhya Shrestha of Cimex Inc.

With 272 branch offices and 266 ATMs nationwide, NIMB Bank aims to enhance the initiative to help drive Nepal's shift towards a greener future.

This collaboration represents a significant step in making eco-friendly transportation solutions more attainable for the people of Nepal, aligning with our commitment to sustainability and innovation.

Nepal Government, World Bank Sign US\$100 Million Project to Improve Provincial and Local Roads

The Government of Nepal and the World Bank today signed a financing agreement for a US\$100 million concessional loan from the International Development Association (IDA) to help improve the connectivity, efficiency, resilience, and safety of Nepal's provincial and local road network and strengthen the government's capacity to manage the road network.

The Provincial and Local Roads Improvement Program (PLRIP)-Phase 1 will build and maintain about 3,000 kilometers of all-weather, resilient, and safe provincial and local roads and bridges, benefiting about one million people in Sudurpashchim, Karnali, and Madhesh provinces. It will also strengthen the institutional, management and technical capacity of provincial and local governments to plan, design, construct, and maintain road and bridge infrastructure and improve service delivery.

The financing agreement was signed by the Finance Secretary, Dr. Ram Prasad Ghimire on behalf of the Government of Nepal and the World Bank Country Director for Maldives, Nepal and Sri Lanka, Mr. David Sisen. A separate project agreement was also signed by the Ministry

of Urban Development, the participating provinces, and the World Bank.

“This program will help enhance rural connectivity, improve access to services and markets, and unlock Nepal’s economic potential in an inclusive manner, while reducing travel time and costs for Nepalis,” said Joint Secretary, Ministry of Finance, Mr. Shreekrishna Nepal.

The Government of Nepal recognizes the scale and magnitude of transport connectivity challenges and the need for substantial investment to support provincial and local governments as they adapt to decentralized governance. To address this, the PLRIP will help strengthen rural development and build the capacity of the provincial and local governments to handle complex sector challenges. The first of the three-phase program will target three of Nepal’s seven provinces and four local areas which will be scaled up in future phases.

“The program supports Nepal’s federalism agenda by empowering provincial and local governments and promoting inter-governmental coordination in the transport connectivity sector to help improve the lives of Nepalis through better infrastructure and services,” said David Sislen, World Bank Country Director for Maldives, Nepal, and Sri Lanka.

The program will introduce several best practices including five-year performance-based maintenance along with construction contracts, routine maintenance through self-help groups, community-led complimentary infrastructure, pilots on alternative means of connectivity and rural transport services, approach roads, and an online program monitoring and management system.

NIMB Ace Capital Ltd. Has been Appointed As An Issue Manager Of Nepal Micro Insurance Company Limited

NIMB Ace Capital Ltd. has been appointed as an Issue Manager for issuing total of 22,50,000-units ordinary shares of Nepal Micro Insurance Company Limited (NMIC) to general public at the face value of NPR 100/- each in near future upon SEBON approval.

NIMB Ace Capital



and NMIC has signed an agreement regarding the services of Issue Manager for the same. The agreement was signed by Mr. Mrigendranath Rimal, Chief Executive Officer of the issuing company and Mr. Sachindra Dhungana, General Manager of issue manager.

With the aim of offering micro-insurance services to residents of low-income, underserved, and marginalized communities, NMIC has been operating as a non-life insurance provider. The company has been licensed for non-life insurance since 27th of Chaitra, 2079 (Nepalese calendar), and has been dedicated to addressing the insurance needs of these communities since 2080 Baisakh 26.

Global IME Bank, IME and JALTAN Signed A Tripartite Agreement

A tripartite agreement between Global IME Bank, IME and JALTAN, students going to Japan will easily get educational loans

A tripartite memorandum of understanding has been signed between Global IME Bank Limited, IME Limited and Japanese Language Teachers Association Nepal (JALTAN). The MoU was signed by Suman Pokharel, Deputy Chief Executive Officer of the bank, Sushil Thapa, Chief Relationship Manager of IME Limited and Rajendra KC, President of JALTAN.

A tripartite agreement has been reached regarding providing easy educational loans to students who want to go to Japan for higher education.

According to the agreement, the bank will provide educational loans to students recommended by JALTAN for higher education in various universities in Japan.

Likewise, after going to Japan, students can easily send money from Japan to Nepal through IME.



Global IME Bank And Gulf Exchange Company Sign Agreement For Easier Money Transfers from Qatar To Nepal

Global IME Bank Limited has entered into a strategic partnership with Gulf Exchange Company W.L.L., based in Qatar, to facilitate seamless remittance services for Nepalese migrants residing in Qatar.

The agreement aims to provide an efficient and convenient channel for transferring money from Qatar to Nepal. Under the agreement, Nepalese migrants can send remittances through any of the 17 branches of Gulf Exchange Company W.L.L. in Qatar.

BUSINESS BRIEF

Additionally, the remittances can also be sent using the Gulf Exchange Company W.L.L.'s Remittance App, making the process more accessible and user-friendly.



The remitted funds can be collected from all branches of Global IME Bank across Nepal. Furthermore, the partnership extends the reach of remittance services through the 50,000-plus agent network of IME Limited and GME Remit throughout the country. This wide network ensures that recipients, even in remote areas, can easily access the remitted funds.

Nepalese residing in Qatar also have the option to send remittances directly to their own or their family members' bank accounts in Nepal, offering greater convenience and security.

This new agreement with Gulf Exchange Company W.L.L. marks a significant step in enhancing the remittance services for Nepalese migrants in Qatar, providing them with reliable, efficient, and accessible options for sending money to Nepal.

NIMB Ace Capital Celebrates 12 Years Of Excellence

NIMB Ace Capital Limited, a subsidiary of Nepal Investment Mega Bank Limited, proudly marks 12 years in merchant and investment banking. As a licensed Merchant Banker from SEBON, it offers a range of services, including Issue and Sales Management, RTS/RTA, Depository Participant, Securities Underwriting, and Portfolio Management. NIMB Ace Capital has consistently ranked among the top in its field, launching Nepal's first mutual fund scheme in 2014 and its first open-ended mutual fund in 2019.

On this special occasion, CEO Shivanth Bahadur Pande expressed gratitude, stating, "Our success over the past 12 years is largely due to our valued customers and the support of regulators and other partners. This milestone wouldn't have been possible without the dedication and passion of our team. We remain committed to providing the highest returns on investment for our clients in the future."

NIMB Ace Capital manages five mutual funds with over NPR 10 billion in assets and has surpassed NPR 6 billion in Portfolio Management Services, marking its leadership in Nepal's financial sector. With over 4.15 million satisfied customers, the company serves as a share registrar for 57 public companies and has facilitated over 500,000 DEMAT accounts and 200 public issuances.

Chairman of the company, Sachin Tibrewal welcomed guests, while Dr. Nabaraj Adhikari, Executive Director of SEBON, and former Chief Secretary Bimal Koirala praised

NIMB Ace Capital for its exceptional service and extended best wishes for future success.

NIMB Ace Capital is also licensed by SEBON as a Private Equity and Venture Capital Fund Manager. It oversees NIBL Equity Partners, a private equity fund with a registered size of up to NPR 10 billion. NIBL Equity Partners has already invested over NPR 100 crores and is actively building a robust pipeline of future investments while preparing for additional fundraising.

The Executive Director of the Securities Board of Nepal (SEBON), Nabaraj Adhikari, has said that the stock market has a crucial role in supporting the country's economic growth and added that the SEBON was committed to protecting the interest of the investors.

Addressing the 12th anniversary ceremony of NIMB Ace Capital Limited on Thursday, Adhikari said that SEBON was making efforts to address the concerns of fiscal management companies along with regulating and managing the jobs relating to securities and those involved in the field.

Stating that the monetary policy unveiled by the central bank last week has taken the policy to make the stock market vibrant, Executive Director Adhikari appreciated the removal of the cap of Rs 200 million on intuitional share traders.

Likewise, former chief secretary Bimal Koirala stated that the stock trading system should be made secured and reliable.



Global IME Bank And Shashila Motors Signed Agreement Regarding Electric Vehicle Loan

The MoU was signed by Narahari Silwal, Head of Small and Medium, Retail and Agricultural Credit Department of the bank and Santosh Khatiwada, Managing Director on behalf of Shashila Motors.

According to the agreement, the bank will disburse the loan within three working days after submitting an application to the branch office of the bank along with the necessary documents and details for the persons or companies who want to purchase electric vehicles sold by Sashila Motors and the official salesmen of the said company. To promote green financing, the bank has been providing loans to electric vehicles



at affordable interest rates. The bank provides ‘auto loan’ and ‘hire purchase’ loans to individual users for rental purposes.

Considering the convenience of the customers, the bank has been introducing various timely schemes to the customers. The bank has been providing excellent service to its customers from more than 1,100 service centers including 354 branch offices, 379 ATMs, 277 branchless banking services, 68 extension and revenue collection counters and three foreign representative offices.

Regmi Appointed As Chief Executive Officer Of Global IME Bank And Gyawali As Female Board Of Director

Bhagirathi Bhattarai Gyawali has been appointed as the independent/woman director of Global IME Bank and Surendraraj Regmi has been appointed as the chief executive officer.

The meeting of the bank’s board of directors held on Thursday decided to appoint Gyawali as director and Regmi as chief executive officer.

Gyawali, who holds a master’s degree in public administration and economics from Tribhuvan University, has been involved in teaching and various associations for a long time.

Similarly, the committee appointed Regmi, the senior deputy chief executive officer of the bank, as the chief executive officer of the bank with effect from 1st August 2081.

Regmi, who has been in the banking sector for more than three decades, entered Global IME Bank in 2065 from the deputy manager level.



Regmi holds an MA (Economics) from Tribhuvan University and an MBA from the University of Wales, UK.

Regmi is known as an able banker who has worked at Global IME Bank

in the supervisory level of overall banking including credit management, risk and control, banking operations, risk management, compliance, branch operations, general administration, merger management.

Chandra Dhakal Elected HCCN Dean, Economic Diplomacy First Priority

The Honorary Consul Corps Nepal (HCCN) celebrated its Charter Day and convened the 17th Annual General Meeting at Hotel Marriott Kathmandu on Tuesday.

The highlight of the event was the election of Chandra Prasad Dhakal, Honorary Consul of Indonesia to Nepal, as the new Dean of HCCN. Outgoing Dean Vishnu Agarwal handed over the deanship and organization’s logo to Dhakal, marking a smooth transition in leadership.

With 62 Honorary Consuls/Consul Generals representing countries without residential diplomatic missions in Nepal,

HCCN plays a pivotal role in promoting economic, cultural, and diplomatic ties between Nepal and these nations.

Minister for Foreign Affairs Arzu Rana Deuba, the Chief Guest of the event, acknowledged the significant contributions of Honorary Consuls and Consul General in enhancing Nepal’s international relations. She emphasized the importance of economic diplomacy in attracting foreign investment from the represented countries.

Outgoing Dean Vishnu Kumar Agarwal underscored the



values of service, volunteerism, and goodwill that define HCCN’s initiatives.

He highlighted that the Lumbini Conclave on ‘Global Peace and Prosperity’ was successful in promoting message of peace, tourism, trade and mutual understanding among nations. The conclave, organized on the aegis of HCCN, was attended by 19 non-residential ambassadors and mission representatives.

Agarwal also highlighted HCCN’s humanitarian efforts during crises such as the earthquakes in Nepal and the COVID-19 pandemic. He noted the organization’s role in providing humanitarian assistance and facilitating the repatriation of over 5,000 foreign nationals during these challenging times.

In his address as Dean, Dhakal outlined his vision for HCCN, emphasizing its role in advancing economic diplomacy and safeguarding the interests of sending states.

He pledged to strengthen partnerships with the Ministry of Foreign Affairs to capitalize on emerging opportunities for Nepal’s economic growth and development.

“I assure you the HCCN will actively lobby for increased FDI and the signing of BIAs with as many countries as possible. Our efforts will bring substantial investment into Nepal and contribute to our nation’s economic growth,” he said.

Newly elected Dean Dhakal also highlighted the importance of conducive investment climate in Nepal.

“By attracting FDI, we bring in capital, expertise, technology, and global best practices. Our role is to champion Nepal on the global stage, showcasing our strengths to investors,” he said.

The event also marked a digital milestone with the launch of the HCCN website (www.hcc-nepal.org) by Foreign Minister Rana. This platform will enhance transparency and facilitate information dissemination about HCCN’s activities and initiatives.

NEPLI POLITICS

Unexpected agreement

For nearly two decades, political leaders have been unable to decide on transitional justice and the peace process. Suddenly, they agree on terms to pass laws

By A CORRESPONDENT

Whenever there is some political turmoil in Bangladesh, such events have a greater political impact in Nepal. After the liberation of Bangladesh in 1971, Nepal under the new King Birendra amended the constitution to prevent the entry of liberals.

Similarly, the Nepalese successfully launched an anti-panchayat moment after the fall of the military regime in Bangladesh in 1991. Nepal's multi-party constitution and monarchy fell after the rise of Hasina in Bangladesh.

Whether it is a coincidence or the impact of Bangladesh's political upheavals, the leaders of three political parties agreed to bring the Transitional Justice Act to conclude the peace process that began in 2016.

With only 26 kilometers separating them, Bangladesh is a neighboring country to Nepal, and the political changes in Bangladesh have influenced the political landscape in Nepal. The unpopularity of the current government, along with the political leaders who have been in power for the past twenty years, has created a sense of unease among them. KP Oli

Sharma, who consistently prioritizes decisions that benefit his party members, has been a source of public irritation. While our main narrative focuses on monetary policy, we also explore the implications of Nepal's political turmoil.

With each of the three parties pushing its own agenda, the transitional justice bill never reached the full house. However, the leaders of the three parties came closer by directing the committee to bring a new bill.

Prime Minister KP Sharma Oli has said that an agreement on the transitional justice bill is a milestone for Nepal's peace process.

Receiving a report on the political understanding reached at the level of the Task Force for the Completion of Transitional Justice in accordance with the Comprehensive Peace Agreement at the Office of the Prime Minister and Council of Ministers today, the Prime Minister said that with the availability of the document, there should be no confusion in providing a legal basis



for the completion of the remaining tasks of the peace process.

He expressed his commitment that the Transitional Justice Bill will be unanimously approved by the current session of Parliament.

The Prime Minister said the agreement is based on a survivor-friendly approach if we need to amend laws to conclude the transitional justice, which remains as the final segment of the peace process.

“We have experienced a painful past. The country went through a conflict. The country suffered considerable damage. However, there have been positive changes, but again we are justified to conclude the peace process. With the inclusion of all dimensions of conflict-era violence in the peace process, there is no need to leave behind their vestiges,” the Prime Minister said.

According to him, this agreement takes into account the rulings of the respected Supreme Court, international norms and values, and the survivor-sensitive approach. This is a milestone in the peace process. The bill aims to prevent the recurrence of such conflicts. Once the bill is passed by parliament, we will move forward with the formation of commissions based on mutual consultation and consensus,” he added.

“Although there have been various practices in the past, there is no need for violence and lawlessness at a time when democracy has been established,” PM Oli clarified.

He said the incumbent government upholds the value that democracy should be seen as a way of life, and thus he made it clear that he would work for the protection and implementation of the federal democratic republican system.

Nepali Congress (NC) President Sher



Bahadur Deuba praised the task force for setting a unique example to the world that Nepalis would resolve their disputes on their own. He expressed his best wishes for the implementation of the consensus forged by the task force.

Similarly, CPN (Maoist Centre) Chairman Pushpa Kamal Dahal “Prachanda” described the Task Force report as a “good work” after the formation of the new government.

He wished that the report would be finalized through the legitimate process of the Parliament, thereby sending the message of peace, stability and development to the Nepali people.

The Political Task Force formed in connection with the Bill to amend the Commission of Inquiry on Disappeared Persons, Truth and Reconciliation Act-2071 BS, today submitted its report to the leaders of the three major political parties.

The report was submitted to Prime Minister and CPN (UML) Chairman KP Sharma Oli, NC President Sher Bahadur Deuba and CPN (Maoist Centre) Chairman Pushpa Kamal Dahal ‘Prachanda’ at the Prime

Minister’s Office and the Council of Ministers at Singha Durbar.

The task force consisted of Home Minister and NC leader Ramesh Lekhak, CPN (UML) Chief Whip Mahesh Bartaula and CPN (Maoist) Janardan Sharma. The report is the culmination of several discussions held by the Task Force on the main concerns and agendas of the Transitional Justice Bill. The bill is under consideration by the Parliamentary Committee on Law, Justice and Human Rights.

A consensus has been forged on a victim-friendly approach on the issues of reconciliation, compensation for the maimed and punishment for the perpetrator during the armed conflict, Minister Lekhak told the Rastriya Samachar Samiti.

Whether coincidental or deliberate, the agreement among the three parties that have ruled the country for the last 17 years on a contentious issue of concluding the peace process at this juncture of crisis in Bangladesh spoke volumes.

New Chief

Lt. Gen. Ashokraj Sigdel Has Been Given the Responsibility of Acting Chief of Army Staff (CoAS)

By A CORRESPONDENT

As its over two centuries old tradition, Lieutenant General Ashokraj Sigdel, who is the senior most in Nepal Army, has been given the responsibility of COAS of Nepal Army.

Having spent his entire career in different positions, General Sigdel takes over the baton of Nepal Army from his senior and CoAS General Prabhu Ram Sharma in the midst of a function at Nepal Army Headquarters. As per tradition, General Sharma is on a month-long leave before his retirement.

As the oldest institution of Nepal, established for the unification of Nepal, it is always a lifelong aspiration of the Nepal Army Cadet to head the institution. This time, General Sigdel is taking up the responsibility.

Government spokesman Prithvisubba Gurung said that the Council of Ministers meeting held on Monday decided to give him the responsibility of the Chief of Army Staff.

The current Chief of Army Staff General Prabhuram Sharma's three-year term ends on September 9. It is a tradition of the Nepal Army to take leave a month before. CoAS General Sharma will go on leave from August 8.

Lt. General Taradhvaj Pandey had resigned after an inquiry into the date of birth controversy. Then General Sigdel took over as CoAS. After there was a controversy about him, the Army Headquarters conducted an internal inquiry and found nothing wrong in



his date of birth.

In a press conference held recently, Nepal Army spokesman Gaurav Kumar KC said that there was no difference in age, certificate number and date of issue between the citizenship certificate that Sigdel first obtained from the District Administration Office, Rupandehi and the 'first copy' that was taken later.

He said there was no difference in the date of birth between the SLC certificate submitted by General Sigdel when he joined the Nepal Army and the certificate issued by the then Suping Multipurpose Campus (now Sainik Residential College).

This opens the door for General Sigdel to become the 45th Commander-in-Chief of the Nepal Army.

Who is Sigdel?

Born in Bhairawa, Rupandehi district, General Sigdel joined the Nepal Army 37 years ago. He has done postgraduate studies in strategic studies from Tribhuvan University and National Defense University of China.

A graduate of the Army Command and Staff College, he has headed the War Operations Department and the Directorate General of Order, Policy and Planning of Jangi Adda.

General Sigdel, who has also served as military secretary to the commander-in-chief, has also worked at the command level of the Covid-19 Crisis Management Center.

No Controversy On Documents

No question on documents and date of birth of CGS Sigdel Chhetri: NA spokesman Brigadier General and

Nepal Army spokesperson Gaurav Kumar KC has claimed that there are no questions on the documents and date of birth of Nepal Army (NA) Chief of General Staff (CGS) Ashok Raj Sigdel Chhetri. While Sigdel will officially become the Chief of Army Staff on September 10, he will take over as Acting Army Chief from August 9, 2024, after COAS General Prabhu Ram Sharma goes on a mandatory one-month home leave.

Speaking at a press conference organized at the Army Headquarters recently to publicize the overall activities of the Army during the last financial year, he said that there were questions in the Parliamentary Committee regarding different dates of birth on Sigdel's educational certificates and citizenship papers, with claims that his age was changed when a copy of his citizenship was obtained.

Earlier, Army Chief General Sharma also told the parliamentary committee that no discrepancies were found in Sigdel's documents. The Army claimed to have verified the documents with the relevant authorities and found no discrepancies.

According to Army Headquarters,



Lt. General Sigdel first obtained citizenship from the District Administration Office, Rupandehi on August 14, 1983. His citizenship certificate did not mention his date of birth, only that he was 17 years old when the citizenship was issued.

Although his citizenship certificate issued on August 14, 1983 states that he was 17 years old. However, Nepal Army Service Regulation-2069 states that if the age difference between the citizenship and education certificates is less than one year, the full date of birth mentioned in the education certificate should be considered valid

and genuine.

Article 77 of the Military Regulations provides for retirement. Clause (5) states, "If a citizenship certificate only mentions the year and another certificate such as an education certificate shows the full date of birth, and the difference between the dates of birth mentioned in these certificates is up to one year, the full date of birth seen in an education certificate or citizenship should be considered as the main basis."

While Sigdel will officially become the Chief of Army Staff on September 10, he will take over as the Acting Army Chief from August 9, 2024, after COAS General Prabhu Ram Sharma goes on a mandatory one-month home leave.

In the Nepal Army, it is customary for the outgoing Chief of Army Staff to take a one-month home leave before retiring and handing over the command to the Chief of General Staff (CGS), the second highest three-star rank. CGS Sigdel was promoted to the rank of CGS in December 2023, he will lead the Nepal Army for three years with some challenges including the completion of the Terai-Madhesh Expressway.



Making Progress

If the government and political parties facilitate land acquisition and allocate sufficient budget, the Kathmandu-Terai, Madhesh Expressway will be completed by 2083.

By A CORRESPONDENT

Despite facing several obstacles including lack of budget, issue of land acquisition and others, Chief of Army Staff General Prabhu Ram Sharma said that Kathmandu-Terai, Madhesh Expressway Will be completed by 2083.

CoAS General Sharma has informed that 36 percent progress has been completed in the construction. He has also announced that the construction of the highway will be completed within the year 2083.

Talking about the tunnel breakthrough program at Dhedre, CoAS General Sharma, who will complete his three year term on September 9, said, “The progress of this project is 36 percent complete, we can organize it within the specified time.

He said that the main challenge is the construction of the tunnel and as this work has been successfully completed, the rest of the work will also be completed within the stipulated time. He said that he was successful in the construction of the tunnel and the knowledge will be shared with the Nepalese engineers. “This is also a message that we can build such structures ourselves,” he said.

General said that land acquisition in Bungmati and Khokna of Lalitpur has been spoiled by politics and said that it should be done by politics.



He informed that the land management work has been completed in other areas except this area.

Under the construction of Kathmandu-Terai Expressway, Dhedre tunnel has been excavated. Prime Minister KP Sharma Oli informed that the Dhedre tunnel has been broken on Kathmandu-Nijgarh side.

With the breakthrough of Dhedre, located in Bakaiya Rural Municipality of Makwanpur, all the tunnels of package number two contracted by Poli Chhangada Construction Company have been broken through.

Earlier, both tunnels of Lendada were excavated. The remaining Dhedre tunnel towards Kathmandu-Nijgarh was

also excavated today.

Finance Minister, Defense Minister, Physical Infrastructure Minister, Chief of Army Staff, Chinese and Korean Ambassadors to Nepal are also participating in the breakthrough program.

The 70.977 km long highway has a total of 10.309 km of tunnels. Among them, Dhedre tunnel is 1691 meters long.

A total of 6 tunnels will be constructed in this project. The longest tunnel of 3355 meters will be constructed at Mahadevdada. According to the Nepal Army, 65 percent of the work has been completed.

According to the army, the overall progress of this project has reached

35.38 percent. According to the decision of 21 Baisakh 2074, the Nepal Army has been given the task of managing the construction of the Kathmandu Terai Expressway. The army is working on it by awarding contracts in different packages.

Currently, work is being done on the road section from 6.5 km to 70.977 km. However, due to disputes, work could not be started on the 6.5

km section from the starting point. An expressway is being constructed from Khokna in Lalitpur to Nijgadh in Bara.

At a time when there are growing concerns about whether the Nepal Army will complete the construction within the extended deadline, the Nepal Army said it is accelerating the pace to complete the task in time.

According to Nepal Army, in the last



fiscal year 2080/2081, an additional 9.84 percent of work was completed.

Nepal Army spokesperson Brigadier General Gaurab Kumar KC emphasized the importance of the annual press briefing and expressed the hope that the media will disseminate the news to the general public.

Assistant Project Director Brigadier General Vikas Pokharel informed that

15.54 percent of the work has been completed in the last fiscal year. He also informed that 5 bridges have been constructed under the project.

Out of 89 bridges, 50 bridges are under construction. Army has informed that 3 thousand 335 trees have been cut down in the last fiscal year.

Till now 31743 trees have been felled. Similarly, 5409 meters of tunnels have been constructed. A total of 6667 meters of tunnels have to be built for the new arrivals.

Project Manager Brigadier General Pokharel informed that the army is working to complete the construction within the stipulated time. The government has extended the time for the second time and has given time to complete the construction in 2083 (March 2026).

With the announcement of CoAS General Sharma, it now seems certain that the project will be completed within the stipulated time.



Monetary Policy Fails To Address Hotel Industry: Binayak Shah

With extensive experience in the hotel and tourism industry, BINAYAK SHAH, President of Hotel Association Nepal (HAN), possesses in-depth knowledge of Nepal's tourism sector. While industrialists and bankers celebrate the announcement of monetary policy 2081, the tourism sector expresses disappointment and frustration. Shah discussed various issues concerning the tourism sector and the newly released monetary policy with KESHAB POUDEL, Here are the highlights of their conversation.

How do you observe tourism sector in Nepal?

Before delving into our discussion, I would like to extend heartfelt condolences and pay tribute, on behalf of Hotel Association Nepal, to the late Ambica Shrestha and Shyam Bahadur Pandey. These two iconic figures in the tourism sector played a significant role in promoting Nepal as a global tourism destination. The passing of Shrestha, the founder of Dwarika Hotel, and Pandey, the founder of Hotel Shangri-La, marks a significant loss for Nepalese tourism during this critical period.

How do you see the state of tourism in Nepal ?

The state of tourism in Nepal is currently facing challenges despite some progress in tourist arrivals post-COVID-19. The number of available rooms now exceeds the number of tourists arriving, indicating a critical situation in the tourism sector. Before we proceed, I would like to extend our heartfelt condolences and pay tribute to the late Ambica Shrestha and Shyam Bahadur Pandey, two esteemed tourism entrepreneurs who made significant contributions to promoting Nepal as a tourism destination. Their passing is a great loss, especially during this critical time. The recent visit of HAN's delegation to Dhaka and China aimed to promote Nepal's tourism, and we were able to engage extensively with tourism entrepreneurs in both countries, thanks to the support of Nepal's diplomatic missions.

How would you describe your visit?

We had a delegation of 75 members in China and a delegation of 21 members in Bangladesh. Following the COVID-19 pandemic, both Chinese and Bangladeshi individuals have shown a keen interest in Nepal. Travel agencies and tourism entrepreneurs in both countries have expressed interest as well. We have received a positive response from both nations. Our delegation conveyed a strong message that Nepal can offer the necessary products for tourists from China and Bangladesh.

What about your visit to China?

Regarding the visit to China, prior to COVID-19,

there were six daily flights between Nepal and China. However, this number has decreased, highlighting the need for Nepal to enhance air connectivity. Additionally, exploring the Rasuwagadhi road is essential. Our observation indicates that Chinese individuals are interested in visiting Nepal, presenting an opportunity to attract numerous Chinese tourists. During Prime Minister Pushpa Kamal Dahal Prachanda's visit in September last year, China agreed to launch Visit Nepal Year 2025 in China, aiming to increase the influx of Chinese tourists to Nepal. While this initiative is still in its early stages, Nepal can develop comprehensive plans to actualize this goal. This involves enhancing connectivity, facilities, services for Chinese tourists, and more. Furthermore, Nepal should engage in additional promotional activities to showcase Nepal as a premier tourist destination.

The impression of visiting Bangladesh is quite positive, as evidenced by the fact that Bangladeshis are now the fourth largest group of visitors to Nepal. Last year, over 38,000 tourists from Bangladesh traveled to Nepal, and there is potential to double this number. To achieve this, it is essential to enhance connectivity and promotional efforts in Bangladesh. Tourism entrepreneurs in Bangladesh have suggested using taka instead of hard foreign currency for exchange, which could benefit both countries. Nepal currently imports a significant amount of materials from Bangladesh, paying in dollars, but a change in exchange rate could create a win-win situation. Discussions on this matter have already taken place with government officials.

How about your visit to Bangladesh?

The impression of visiting Bangladesh is quite positive, as evidenced by the fact that Bangladeshis are now the fourth largest group of visitors to Nepal. Last year, over 38,000 tourists from Bangladesh traveled to Nepal, and there is potential to double this number. To achieve this, it is essential to enhance connectivity and promotional efforts in Bangladesh. Tourism entrepreneurs in Bangladesh have suggested using taka instead of hard foreign currency for exchange, which could benefit both countries. Nepal cur-



rently imports a significant amount of materials from Bangladesh, paying in dollars, but a change in exchange rate could create a win-win situation. Discussions on this matter have already taken place with government officials.

What are your predictions for the future of tourism activities post-COVID-19 pandemic?

There seems to be a positive trend in the tourism sector, with an increase in the number of tourists arriving in Nepal by air. However, the occupancy rate in hotels is decreasing, and many are operating at a loss.

What do you foresee for the tourism industry in the coming years?

Following the COVID-19 pandemic, the tourism sector has experienced significant growth, with numerous positive indicators emerging. In 2023, approximately 1 million tourists arrived in Nepal via air travel. Over the last seven months of 2024, the average monthly arrival of tourists by air has been 100,000. The number of tourists arriving by road is yet to be determined, although an equivalent number of Indian tourists visit Nepal by road. Furthermore, the influx of world-class hotel brands into the country is on the rise, with new hotels being constructed to increase capacity. However, the occupancy rate is declining. The government has issued licenses for 22 five-star hotels, of which 20 are currently operational. Interestingly, by the end of 2025, more than 22 five-star hotels will be added to the country. Most of these hotels have already been built and are now

operational. With the current capacity to accommodate over 3.5 million people, the current arrival rate of approximately 1.2 million will be insufficient. We are only utilizing one-third of our capacity, which is not enough to break even. A minimum of 40 percent occupancy is required to break even. Despite a few new hotels, the majority of hotels are currently operating at a loss.

What is your opinion on the policy?

The political leadership has shown support, but the bureaucracy has been unsupportive towards the hotel sector. Despite the government making changes to the policy and law during the Nepal Investment Forum last year, the hotel industry was not recognized as a service industry. This decision was politically approved but later removed by the bureaucrats, which is unfortunate. Hotels require significant investment, yet they are not categorized as service enterprises, unlike vegetable shops and motorcycle workshops, which is unjustifiable.

Nepal now has three international airports with the capacity of over 150 million tourists but Nepal depends on TIA. Why doesn't the tourism sector press the government to make Pokhara and Gautam Buddha International Airport operational?

Yes, Nepal currently has three international airports, capable of accommodating over 150 million tourists, yet the country heavily relies on Tribhuvan International Airport (TIA). Despite efforts to push the government for

INTERVIEW

the operationalization of Pokhara and Gautam Buddha International Airport, the government has cited the necessity of an additional entry route from India to make both airports functional. Furthermore, the government has assured ongoing negotiations with India to address technical issues hindering the operation of Gautam Buddha International Airport. The successful operation of both international airports has the potential to significantly transform the country, as evidenced by TIA's projected doubling of passenger capacity to 100 million upon the completion of the current expansion phase. This development is indeed promising.



What Nepal needs to Do?

Nepal has to seek solutions to the operational challenges at Gautam Buddha International Airport, rather than attributing the issues to technical and bilateral factors. Kuwait Airlines has already initiated flights at the airport, and it is imperative for Nepal Airlines and Himalayan Airlines to follow suit. Furthermore, the government should consider incentivizing airlines from Vietnam, Cambodia, Laos, China, and Thailand to commence charter flights by offering them concessional rates. The Civil Aviation Authority of Nepal must play a proactive role in this endeavor. In addition, the private sector should be motivated to take on ground handling responsibilities, and if necessary, the government should explore the option of engaging foreign companies, as this has become a common practice in the industry. Efforts in this direction must be intensified.

How your observation in Bangladesh?

We received a positive response from both countries. Ambassador Ghanshyam Bahandari showed a strong interest in Bangladesh. There is a significant opportunity to attract a large number of tourists from Bangladesh. Our delegation traveled to Dhaka to explore opportunities and engage with tourism entrepreneurs in Bangladesh. Through

our interactions, we anticipate that the number of tourists from Bangladesh will double in the next few months due to improved connectivity.

How do recent air crashed of Saurya Airlines affect Nepal's tourism revival?

As for the Surya Airlines accident, it was a tragic and unfortunate event during a critical time. This incident has raised concerns about air safety at a time when Nepal's tourism sector was making progress. It is likely to have a negative impact on the tourism sector in the coming years.

Nepal must address air safety issues and take decisive actions to prevent future accidents. Additionally, Nepal's presence on the European Union's blacklist for over eight years will likely be prolonged due to this crash, further delaying the possibility of being removed from the list.

At a time when many sectors are jubilant over the recently announced monetary policy, what is your view as the President of Hotel Association of Nepal (HAN)?

As the President of Hotel Association of Nepal, I believe that the recently announced monetary policy has failed to address the concerns of hoteliers. In simple terms, the policy has overlooked the issues faced by hoteliers.

Have you not discussed the issues with the concerned authorities including the Governor and Finance Minister?

The HAN delegation visited all of them and informed them about our issues. We have requested actions such as refinancing and rescheduling of loans, as well as boosting the tourism sector through low interest rates. Unfortunately, the monetary policy has not tackled these concerns. Even the current fiscal year's budget and monetary policy have acknowledged the underutilization of hotel capacity, with occupancy rates below one third. Despite an increase in tourist arrivals and economic activities picking up, the hotels' capacity, which continues to expand, is only around 30 percent utilized. This level is insufficient to cover basic operational expenses. Consequently, the hotel industry is facing losses and struggling to meet regular interest payments to the banks, as highlighted in the statement.

How do you compare the current monetary policy with last year?

The current monetary policy differs from last year's in several ways. Last year, there were provisions for refinancing and rescheduling interest payments to banks, which are not present in the new policy. This has caused confusion among hotel and tourism operators.

The Rot Overhead



BY: HEMANT ARJYAL

The crash that happened, less than a minute after a twin engine jet got airborne and fell within the airport precinct in broad daylight, last week, was bad for Nepal aviation, given the mess it is already in. On initial impression, it is suspected that the one of its engines failed during critical take-off phase giving rise to asymmetrical thrust, that lead to steep banking to the right and eventual crash. Had it not been that low or close to ground, the pilot flying (PF) could possibly have been able to correct the bank and take control. The accident investigation committee may come with its own reasoning and make appropriate recommendations based on its findings. There is a common perception that such recommendations, often, do not get implemented as, big and small, accidents keep happening here frequently and with great many losses of lives. Incidentally, 9N-AME will go down in history as the first Nepal registered jet to crash.

Investigating an air crash is an elaborately complicated process requiring looking at numerous aspects, but the availability of modern flight data recorders (FDR) and cockpit voice recorder CVR has made it possible to make a very detailed post mortem to find the root cause. It is extremely rare to find a pilot survive a major accident. It is sad that eighteen of the nineteen onboard are not with us anymore. Ironically, the committee will have a better insight this time with the captain of the flight to present his case. Similar miracle had happened with a Twin-Otter landing accident at Lula in 2008, where all perished, barring the captain.

As such, recommendations are mostly directed at sectors involved with aviation like regulators, service providers, makers etc. But, at times, they can be directed at agencies at large that have no direct involvement with aviation. For example, incidents/accidents caused by bird strikes can also be attributed to sites like garbage dump that birds get attracted to. An ex-CAAN official, having chaired several investigations, tells that such cases give rise to negative public perception about such recommendations not being taken seriously enough.

But the audio leak of CVR related to YT691/9N-ANC crash of 2023, was far more devastating. With this “bombshell revelation”, perhaps, public has lost the little trust it had in the sector. Both accidents show the casual manner our aviation sector seem to operate while “regulating body” seemingly interested in “other” things than airline safety. It is a serious indictment of the very institution that is primarily supposed to oversee and guarantee flight safety. It is not meant to say that the private airline operators are less culpable. There is a reason why

CVR is not available publicly and always kept under wraps. An air crash investigation is not supposed to find fault with anyone but to suggest ways to avoid such happenings in future. This is precisely what seems to be lacking in our system despite having a cupboard full of accumulated investigation reports. Something is drastically wrong with Nepali aviation as a whole.

Even as the CVR release cannot be condoned, but on the other hand, it may have done more good in shaking foundation of Nepal aviation by exposing the myth that we had “well-trained” pilots at the controls. Following the audio release, this scribe asked two retired senior captains for their comment. Capt1 said > “On a check ride she is being spoon fed. The approach should have a published procedure and all crew members operating to that airport should be familiar with it. This is unfortunate we have a sorry state of aviation standards in this country.” Capt2 said > More s/n (Airport familiarisation) should have been allowed before scheduling for sector check. Normally those kinds of briefing are done during cruise flight just before commencing descent.”

Both of them precisely said the same thing. We can infer the following, the spoon feeding the “pilot flying”, was grossly wrong as she was to show her knack/acumen as a commander in that situation having requisite “assertiveness”. The PM, on the right, was coaching

PF all the time by alerting every step she was to follow while making the approach and she was seen meek enough to be accepting. In a nutshell, this was not a “check flight”, it was more like an instructor with an “unsure pilot trainee”. The next question is; how many such check flights were performed under his command, if they have the records intact, that is? And was he as “helpful” with others as we saw in this case? Will those who were graded earlier, come forward to give their “honest” version?

Even as all that said above may appear exclusively symptomatic to aviation sector, there is a wider rot in the manner the country is governed. The motto everywhere is to make money as quickly as possible and in any way possible, as like in “love and war”. As they say, “the rules of fair play do not apply in love and war.” It is often used to justify cheating at every level possible. And, perhaps, we should make a small amendment making it as “... in love, war and matter related to Nepal aviation”.

Let Lord Pashupatinath have mercy on Nepal, in general, and aviation in particular. Amen!

Hemant Arjyal can be reached at harjyal@yahoo.com





NEPAL MONETARY POLICY 2024

Bullish In The Stock Market

At a time when Nepal was facing an economic recession and there were expectations that the monetary policy would come with new measures. However, the recently announced Monetary Policy 2024 only boosted the stock market with record transactions and share price.

By A CORRESPONDENT

When Nepal Rastra Bank (NRB) unveiled the Monetary Policy for the fiscal year 2024/25, there was joy and expectation that the policy has brought so many changes to facilitate economic activities.

However, the first beneficiary of the monetary policy is the stock market. Historical data shows that the stock market generally has a bearish trend after monetary policy announcements, except for the record year.

Currently, the stock market is expe-

riencing a notable pre-monetary policy rally, driven by bullish investor sentiment and positive technical indicators such as rising moving averages and increased trading volume. Investors are closely monitoring key support and resistance levels to assess the market's future direction. Based on past trends, a post-monetary policy correction seems plausible. However, if the market is to surpass previous records, the current bullish momentum, supported by robust fundamentals and positive technical indicators, could continue

throughout the fiscal year and potentially set new benchmarks.

Over the past five years, the NEPSE index has shown limited growth following monetary policy announcements, with the exception of one fiscal year. From fiscal 2076/77 to 2080/81, the stock market generally experienced a bearish trend after four consecutive fiscal years of monetary policy implementation, with only one fiscal year showing a significant bullish trend.

On July 24, 2019, Governor Chiran-

jibi Nepal announced the monetary policy for the fiscal year 2076/77. This announcement initially resulted in a modest uptick of 6.90 points in the NEPSE index, which rose to 1284.07 points. However, this was followed by a prolonged downtrend characterized by consecutive lower lows and lower highs. It took 176 days for the NEPSE to return to the 1284.07 level. During this period, the index experienced a significant decline of 182.53 points to a low of 1102.46 points.

This policy significantly increased market liquidity and fueled excessive credit flows into the stock market. While the expansionary monetary policy spurred credit growth, its broader economic benefits were limited and led to significant deleveraging.

Although the country's central bank has cut the bank rate and the deposit overnight rate, what the policy has changed in the stock market, where the market has been bullish since last month, setting the new record.

A positive circuit breaker has been imposed in Nepal Stock Exchange (NEPSE) index almost every day since the announcement of the new monetary policy.

NEPSE informed that trading was closed for 20 minutes on August 7 as NEPSE index increased by four percent in one minute and 31 seconds after the start of today's trading.

The positive effect of the monetary policy of the current fiscal year 2081/82 has been seen in the capital market.

After almost three years of decline, the new monetary policy has given new life to the stock market. With the announcement of the policy,

Monetary Policy Eases Managing Capital Fund Stress

The monetary policy has introduced some flexible provisions for managing the pressure on the capital funds of banks and financial institutions. For this purpose, the NRB has adopted the policy of encouraging the use of capital fund instruments and new instruments.

The provision of the existing 1.20 percent credit loss to be made on good loans has been reduced and maintained at 1.10 percent. Similarly, the NRB stated that the provision related to the risk weighting applied to the purchase and sale of loans will be reviewed.

It is stated that the existing limit of Regulatory Retail Portfolio (RRP)

tained at 6.5 percent from 7 percent and the policy rate has been fixed at 5 percent from 5.5 percent," NRB Governor Maha Prasad Adhikari said while unveiling the policy.

However, the deposit rate, which remains the floor of the interest rate corridor, has been kept unchanged at 3 percent. The provision of permanent liquidity facility in the bank rate has been continued and the conditions for providing liquidity will be made flexible, the NRB said.

Similarly, the existing provision relating to compulsory cash ratio and authorized liquidity ratio to be maintained by banks and financial institutions has been continued.



has been increased from Rs. 20 million to a maximum of Rs. 25 million.

A provision has been made whereby the banks and financial institutions, while calculating the 'Tier 2 Capital', may calculate the appropriate 'reserve amount' in the regulatory reserve as Tier 2 Capital, remaining under the provision of the Capital Adequacy Framework-2015, in such a manner that the total capital fund is not double the primary capital fund.

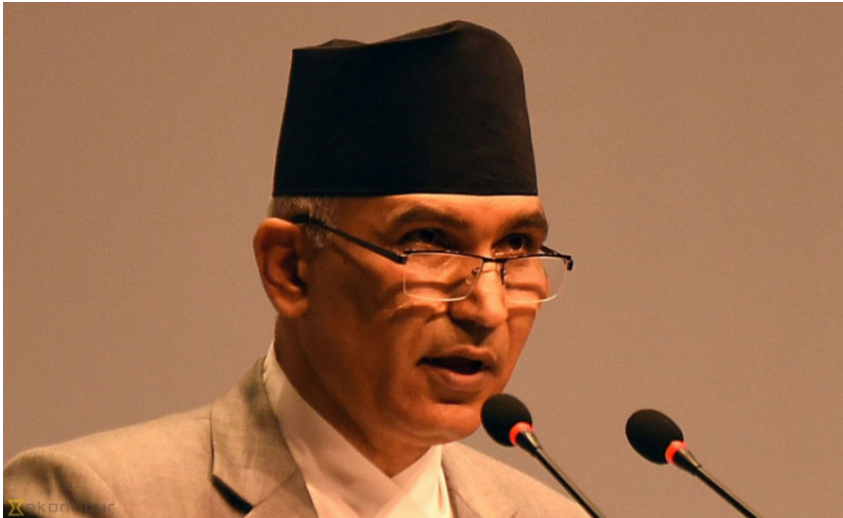
"The ceiling of the bank rate in the interest rate corridor has been main-

Announcing the monetary policy for the fiscal year 2024/25, Governor Adhikari said that the monetary policy has been cautiously geared towards flexibility to make the economy vibrant keeping in view the ease of prices and the status of the external sector.

Similarly, the policy has emphasized on improving the flow and quality of credit to the productive sector. A regulatory system has been formulated to maintain fiscal stability.

How Dynamic Monetary Policy

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Nepal Rastra Bank has announced the monetary policy for the current fiscal year with an aim to make the country's economy more dynamic. In the monetary policy announced by Governor Adhikari, the direction of prudent and flexible monetary policy has been continued to make the economy dynamic.

“Based on the analysis of the situation, keeping in view the comfortable price and external sector situation, the direction of prudent and flexible monetary policy has been continued to make the economy dynamic,” it says in the monetary policy.

The monetary policy has made regulatory arrangements to maintain financial stability while emphasizing on lending to the productive sector and improving the quality of credit.

The Governor official informed that the monetary policy and regulatory policy have been aligned to facilitate credit disbursement without adversely affecting the overall economic stability.

The objective of the monetary policy is to manage liquidity and direct the flow of credit to the productive sector in order to help achieve the economic growth rate of 6 percent as estimated by the government in the budget for the current fiscal year.

Similarly, the growth rate of broad money is projected at 12 percent and the growth rate of credit to the private sector at 12.5 percent.

Nepal Rastra Bank (NRB) has unveiled a monetary policy for the current fiscal year with the aim of encouraging microfinance institutions to merge.

The monetary policy has given priority to protecting the interests of clients and addressing complaints regarding the services provided by these institutions. NRB Governor Adhikari said that necessary regulatory arrangements would be made to protect the interests of customers based on international best practices.

The monetary policy has made arrangements for timely review of regulatory arrangements related to interest rates on loans and service charges taken by microfinance institutions, as well as rescheduling of loan by paying a certain percentage of interest for customers who are unable to pay their loans to the microfinance institutions due to situation.

Further arrangements would be made to encourage those microfinance institutions to work by limiting their scope of work in a certain province and place according to the monetary policy. (RSS)

The bank rate of the upper limit of the interest rate corridor has been maintained from 7 percent to 6.5 percent and the policy rate from 5.5 percent to 5 percent.

Relief for developers

The monetary policy has given various concessions to the builders including extension of the interest payment period till mid-December 2081 and not blacklisting them only on the basis of bounced cheques.

Ease of capital

To ease the capital management of banks and financial institutions through monetary policy, the exist-





ing loan loss provision of 1.20 per cent for good loans has been reduced to 1.10 per cent. Similarly, the regulatory limit for retail portfolio (RRP) has been increased from Rs. 20 million to Rs. 25 million.

Revisions to current lending guidelines

It is mentioned in the monetary policy that the current capital loan guidelines will be amended to extend the period for adjusting the loan through 'variance analysis' and will be applicable from July 1, 2082 and to review the limit of Rs. 1 crore for micro, domestic, small and medium enterprises.

Limit on institutional share mortgage loans removed

For institutional investors, the existing limit of Rs. 200 crore for the loan provided by banks and financial institutions in the form of margin securities has been removed. The personal limit of Rs 15 crore has been retained.

Classification of Loans

The system of classification of NPAs into good category only after six months has been modified and classification of NPAs into micro-monitored category for six months has been introduced and the system of classification of NPAs into good category only after that period has been introduced.

Unsecured loans

The monetary policy has also included the provision of unsecured loans for foreign employment in the budget of the current fiscal year.

Similarly, the National Bank has also adopted a policy to facilitate loans to the agricultural and innovation sectors.

Legislation

Issues such as the drafting of the Asset Management Law and its submission to the government and the preparation of guidelines on artificial intelligence (AI) are included in the monetary policy.

Management of the cooperative and microfinance sector

In order to solve the problems of savings and credit cooperatives, the monetary policy states that the National Bank will support the implementation of the system of refunding the amount up to Rs. 1,000.

Rastra Bank has also stated that it will coordinate with the Government of Nepal to formulate the necessary laws for the establishment of a separate mechanism for the regulation and supervision of savings and credit cooperatives. Similarly, arrangements have been made to merge microfinance institutions, reschedule loans and revise service charges, and pay more attention to customer grievance redressal.

Import relaxation

The existing limit of facility available for import of goods through draft and TT has been increased from USD 35,000 to USD 50,000. Similarly, the existing limit for import under Document Against Payment and Document Against Acceptance has been increased from USD 60,000 to USD 100,000. With these regulations, it is expected that the

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import of goods will increase somewhat.

Payment limit from dollar account will be increased

It is mentioned in the monetary policy that the limit that can be spent from convertible foreign currency accounts opened in Nepal will be increased. Similarly, the National Bank has also taken a policy to facilitate the existing arrangements related to foreign exchange facilities available through passports. It is

that the liquidity management and credit disbursement will be directed to the productive sector in order to help achieve the economic growth of six percent.

For the current fiscal year, the growth rate of detailed money supply will be 12 percent and the growth rate of credit to the private sector will be 12.5 percent, the National Bank has predicted.

No blacklisting for bounced checks



said that the existing list of foreign currencies that can be exchanged to facilitate activities such as remittance flow, visit, trade etc. will be reviewed.

Payment System Reform

It is mentioned in the monetary policy that the infrastructure and institutional structure necessary to fully operationalize the National Payment Switch. Similarly, organizations dealing with payment, clearing and settlement will be transformed into public limited companies.

Emphasis on credit expansion

For the current fiscal year 2081/82, it is mentioned in the monetary policy

The National Bank has adopted a policy of revising the existing credit information and blacklisting instructions to amend the rules of blacklisting based on bounced checks and restriction of banking transactions.

Similarly, if the institution invested by private equity and venture capital is unable to repay the loan for any reason and is blacklisted, it is mentioned in the monetary policy that the private equity and venture capital that invests will not be blacklisted.

Bonds will be counted as sector loans

The monetary policy of the current fiscal year has provided that energy-related bonds can be counted as

sectoral loans. In order to increase investment in the energy sector, the monetary policy mentions that investment in energy-related bonds, including energy bonds issued by the specialized organizations related to the energy sector, should be invested in the energy sector and can be calculated within the specified limits.

The sentiment of the monetary policy seems to be focused on increasing demand: FNCCI President Chandra Prasad Dhakal

Chandra Prasad Dhakal, President of Federation of Nepal Chamber of Commerce and Industry, responded that the monetary policy has tried to address the current market problem..

He said that although most of the arrangements will be made through guidelines, the policy spirit will be flexible and demand will increase.

He said that the 12.5 percent credit expansion, reduction of provisioning for good loans, efforts to address problems in the construction sector and facilities provided to the manufacturing industry are good.

Though the monetary policy has already come out with over enthusiasm on the stock market, it remains to be seen how the policy will help in accelerating the economic activities in the country.

Despite the appreciation from the business communities, economists and members of parliament raised the questions on promoting the stock market and supporting it through various concessional provisions.

JDS Project Has Been Able To Continue Because Of Your Support



BY: KIKUTA YUTAKA

It is my great pleasure to welcome you all to my residence here. I would like to start by congratulating all of the JDS fellows for their successful passing through the selection process.

I would also like to congratulate the recent establishment of Alumni Association, JDSAAN. I have no doubt that the initiative of JDS returned fellows is highly valued for further strengthening Japan-Nepal relations. I hope that all JDS fellow being sent off today will actively participate in the activities of JDSAAN after coming back.

I know that there are only about 10 days left before you leave Nepal. I just hope your preparations are going well. Some JDS fellows might feel a little nervous about study in Japan. It is a big step, and you will have to study hard to get your degree. But Japan is becoming increasingly popular as a destination to study abroad, especially for Nepali students. So, I am confident that you too will enjoy a good learning environment in Japan.

More importantly, your experience will definitely contribute to the development of Nepal. As you are aware, the large-scale outflow of young generation in recent years could cause some challenges for Nepal at large in the medium and long term. This is just my personal feeling but I feel the new coalition government has started thinking not only how to facilitate Nepali youngsters to go foreign land but how to encourage them to return back to Nepal in the future.

You are government officials. Your experiences, skills, technology and management know-how gained in Japan should be utilized for the future of Nepal. I am saying that Japan's assistance is not a charity, but it is the investment for the bright future of Nepal. You are beacon of hope. You will surely play an important role for Nepal's development. You should do it, and you can do it.

In your future life, you may face stagnation and sometimes setback. But, you have friendly and reliable alumni members around you. Count on them for help, assistance, advice and encouragement. In Japanese, they are you "Senpai." And in the future, you will in return help your junior JDS fellows as their "Senpai."



I would also like to express my gratitude to all the guests who are attending this reception. The JDS Project has been able to continue because of your support and cooperation, as well as the excellent performance of JDS returned fellows in Nepal after the completion of the program. In this regard, I look forward to signing the Exchange of Note for the next generation of JDS as soon as possible.

Finally, I wish all of you good health, success and happiness and hope that all guests gathered here today will enjoy interacting with JDS fellows over Japanese food and sake.

KIKUTA Yutaka is the ambassador of Japan to Nepal. Excerpts of his statement delivered at the JDS Fellows Send-off Party on 2nd August, 2024.

EU'S ERASMUS SCHOLARSHIP

Opportunities for Nepali

The European Union grants Erasmus + scholarships to 33 Nepali students for post-graduate education in Europe

By A CORRESPONDENT

Although several countries offer scholarship to young Nepali students, the European Union's Erasmus + scholarships very unique and different in terms of quality, need of Nepal and full funding. As in the last year, 33 Nepali students are selected to pursue post-graduate education in Europe's high quality education institutions in different subjects.

The European Union has awarded a full scholarship to 33 Nepali students (19 men & 14 women) to pursue two-year Erasmus + Master's programmes in Europe starting in the 2024/25 academic year. With this latest announcement, more than 500 students have benefitted from a Master's scholarship while 300 other students and staff have benefitted from international credit mobility under the Erasmus programme.

Worldwide, 2603 students from 137 countries have been awarded scholarships this year for Erasmus Mundus Joint master's degrees. These Masters degrees are study programmes delivered jointly by several European Universities, offering students the chance to learn and live in several European countries in their pursuit of a prestigious degree. In addition, the students receiving a scholarship are fully funded, including tuition, travel from their home country, and a monthly allowance.

2024 also marks the 20th anniversary of the Erasmus Mundus Joint Mas-



ter's programme, a milestone that underscores the programme's positive impact on students, higher education institutions, and countries beyond the EU. These scholarships, awarded by the European Union, exemplify the EU's ongoing commitment to fostering educational opportunities and international collaboration.

The Erasmus+ program is a flagship initiative of the European Union, designed to support education, training, youth, and sport in Europe and beyond. By enabling students from diverse backgrounds to experience high-quality education in a multicultural environment, the program contributes significantly to personal development, academic excellence, and

the building of lifelong international networks.

The European Union is the largest global donor in education with its Erasmus+ program. The new Erasmus programme's budget for 2021-2027 totals 26.2 billion Euros, compared with 14.7 billion euros for the previous seven-year cycle of 2014-2020. With this substantially increased budget, Erasmus+ will be even more inclusive, more digital, and greener!

The Delegation of the European Union to Nepal together with the Erasmus Mundus Association Nepal organized a Pre-Departure Orientation (PDO) for the new scholarship recipients on 7 August. The students received essential information about living and

studying in Europe, cultural integration, and the academic expectations of their respective institutions.

Alumni of the Erasmus+ program shared their experiences and insights, providing valuable guidance to the new scholars. This peer-to-peer interaction is expected to inspire and motivate the scholars as they embark on their educational journey.

The main subject areas of their choice are Plant Breeding, Decentralized Smart Energy System, Smart Cities & Communities, and International Master of Science in Fire Safety Engineering, Agriculture, Environment and Society, Erasmus Mundus Joint Master Degree in Geo-Information, Waves Acoustics Vibrations Engineering Sound, Transition, Innovation and Sustainability Environments.

Welcoming the awardees, EU Ambassador to Nepal, H.E. Veronique LORENZO, said, “The Erasmus+ scholarships not only offer Nepalese students a chance to gain world-class education but also strengthen the educational ties between the EU and Nepal.”

“This initiative reflects the European Union’s broader commitment to supporting the education sector in Nepal, contributing to the nation’s development through knowledge exchange and capacity building, and lifelong people to people friendships” she added.

She said the Erasmus scholarship is unique in that it allows for degree mobility and recognition of joint or multiple diplomas in the EU and beyond. She wished the scholarship holders all the luck and professional and personal growth in their exciting academic journey and hoped to see them returning to Nepal to contribute to bridge the human resource gap.

The Erasmus+ scholarships also provide opportunities for Europeans to undertake short-term studies and teaching in various universities across Nepal.



Sristi KC completed her Erasmus Masters in Dance Knowledge, Practice, and Heritage, between 2015 to 2017. She founded the organization ‘Blind Rocks’ upon returning home after her studies abroad and says her experience and study in Europe has helped her to manage her organization efficiently. “I am immensely grateful for the Erasmus scholarship, which has helped me transform daily and continues to do so. Today, I am proud and honored to serve as the Vice President of the Erasmus Nepal Chapter, allowing me to grow, learn, and share my experiences with others,” Shristi says.

Representatives of the EU Member State Embassies based in Kathmandu and New Delhi also participated both in person and online in the programme and answered the queries of students. Those present were—Ms Shweta Kapoor, representative of the New Delhi based Embassy of Czech Republic, Mr. João Marques Mendes, representative from Portuguese Embassy, Riina Riika Heikka Finnish Ambassador to Nepal, Jean-Baptiste Lesecq, chargé d’affaires.i. at the French Embassy in Kathmandu, Mr. Jean-Baptiste Lesecq, Aliko Koutsomitopoulou, Greek Ambassador to India, Marie Bruckmayer, First Secretary at the New Delhi based Austrian Embassy and. Prabin Rana from Campus France.

In addition, the Erasmus National focal points and representatives from the Tribhuvan University, Purwanchal University, Lumbini University and Pokhara University also attended the PDO this year.

The European Union has been supporting the education sector of Nepal for more than 20 years and supporting access to quality education is one of the EU’s core commitments. The EU’s current contribution of over 53 million Euros to ‘Quality Education for All’ will support the implementation of the government’s School Education Sector Plan (2022 – 2032) which has as an overall objective to contribute to a well-educated and skilled society in Nepal, able to play an active role in the social and economic development of the country. Moreover, improving girls’ education is another priority for the EU as the impact of educating girls extends far beyond literacy. Educated women are key to breaking the cycle of poverty, contributing to better health, reduced fertility rates, and overall community development.

Future Prospects For Skills, Enterprise And Job Creation In Nepal: Lessons From Nepal's RERP



BY: SANDIP POUDEL

Sustainable job creation for youth and an enabling business ecosystem help attract private sector investment and mobilize local resources for enterprise development. This is a key priority for the government, development agencies and business organizations to address unemployment. In Nepal, several initiatives have been taken over time by the respective stakeholders. Recently, the Ministry of Industry, Commerce and Supply (MoICS) of the Government of Nepal and the International Fund for Agricultural Development (IFAD) completed the implementation phase of the Rural Enterprise and Remittance Project (RERP) in Madhesh and Koshi Provinces. Under the economic development component, there was a subcomponent on decent work, where about 29,500 youth were trained in various skills for gainful employment according to labor market demand in different sectors such as agriculture, construction, mechanical, electrical, electronic, service and garment. This was done in collaboration with local governments, private sector and private training providers with technical assistance from HELVETAS Nepal.

Through these skills development initiatives, RERP has been successful in retaining 79 percent of the skills graduates in the labor market, with 32 percent of the youth starting their own businesses through business services. These new entrepreneurs also create additional employment opportunities. It has been observed that integrated and collective efforts in collaboration with government and private market actors lead to successful enterprise development, which requires combined business services.

Politically Nepal operates under a federal system where roles, responsibilities, duties and rights are divided among three levels of government: local, provincial and federal. Local governments are closest to the people and provide basic public services at their doorsteps. Therefore, cooperation and partnership with local governments is a critical success factor to increase ownership and institutionalize processes.

As a pilot, two local governments in Madhesh Province (Hariwon and Barahathwa) and two others in Koshi Province (Itahari and Duhabi) were selected based on their in-

terest in envisioning how to establish market-driven vocational skills development programs, leverage remittances in enterprises, and use the knowledge and skills of returnees for overall local economic development. The vision includes supporting local governments in industry-led skills development planning, increasing the production and productivity of local resources (including agriculture) through effective business service mechanisms, and developing an enabling business ecosystem for private sector investment.

A total of 2,800 people in four communities were interviewed and contacted to develop a people-centered strategy development process for market-driven technical education, vocational skills, and enterprise development strategies. Meanwhile, the project conducted a tracer study of the training batches of 2019 and 2020, involving 15,000 young people. Both studies aimed to document the current scenario and demand for skills development, employment patterns, and possible business opportunities, and to gather evidence-based feedback for designing technical education, vocational skills, and business development strategies in the changing federal context.

Key informant interviews, focus group discussions, secondary data analysis, report and desk reviews, validation workshops, contextual analysis, and resource and industry observations were the methodologies used. Data were collected using the KoBo tool. Approximately 14 stakeholders were identified from each community, including unemployed youth, returnees, lead farmers, production groups and cooperatives, entrepreneurs and their business associations, private and public training providers, skills graduates, trainers, left-behind family members, community leaders, and local governments for validation and context-specific strategy design.

Some key findings relevant to like-minded organizations such as government policy makers, development organizations, and programs and projects related to skills development and enterprise promotion are summarized below:

- The overall employment rate of skills development programs in 2019 and 2020 was 79 percent. Only 32 percent

of skills graduates were able to establish self-employment or enterprises, often receiving business services from other agencies. Combined business services, such as business planning, financial services, market access, and legal and tax support, are essential to turning their ideas into self-employment and enterprises.

- Sixteen local governments in Koshi and Madhesh provinces have successfully implemented and funded skills development programs using results-based financing and monitoring systems, showing tangible results in job creation and enterprise development. However, a strong monitoring framework and policy guidelines are needed at the local level. A defined results-based payment modality helps to ensure the proper use of financial resources.

- Women's participation in non-traditional occupations will increase from 16 percent to 24 percent between 2019 and 2023. Joint efforts by local governments and the media, special support packages for women, and sensitization and awareness initiatives are supportive factors. However, job placement in non-traditional sectors is only 34 percent, indicating that a one-size-fits-all approach for women in skills and enterprise development is not effective. Tailored support packages are needed.



- Many skills graduates suggested revising the current modality of training delivery. They recommended incorporating multiple skills, skill upgrading, rotational skills, technology-based skills, e-learning, and practical applications into the skills development program as a pilot.

- Technical skills combined with business support services and soft skills are crucial for self-employment and entrepreneurship. It is essential to design separate skills training packages for wage employment and self-employment/entrepreneurship.

- Most skills graduates reported that the current curriculum does not meet the emerging market and technology needs. It needs to be updated and adapted in the mechanical, electrical, construction, hospitality, agriculture and service sectors.

- Privately run training providers are key players in technical skills, enterprise and job creation. However, their capacity and governance need significant improvement. Areas for improvement include procurement of services, monitoring and data systems, follow-up services, ethical business practices, instructor capacity, proper use of curricula and lesson plans, timely payment of suppliers, and social and gender accountability.

- Interviews with 240 returnees in the four communities revealed that 50 percent were employed, 24 percent were unemployed and looking for work, only 17 percent were self-employed, and 3 percent were planning to return to work abroad.

- Interestingly, about 50 percent of the returnees had learned new skills while working abroad, but 82 percent did not use these skills (in Duhabi and Itahari). This suggests that existing interventions for economic reintegration of returnees are inadequate. A timely review of interventions is needed to address these issues and to capitalize on their knowledge and skills for enterprise development as an opportunity.

Context-specific skills and economic development strategies are critical for job creation and enterprise development in collaboration with the private sector and government. Collaboration with local governments and private sector actors is essential to provide relevant skills training and business support services for local economic development. This integrated effort helps to retain skilled workers, promote entrepreneurship, and improve employment outcomes, ultimately driving economic development and job creation.

Note: The author was actively involved in the entire research and study process, including research planning, data analysis, and report preparation. The findings summarized above were used to prepare technical education, vocational training, and enterprise development strategies for four municipalities in Madhesh and Koshi provinces.

HELVETAS NEPAL'S RIVERBED FARMING

Shift From Overseas To Local Farming

The introduction of riverbed farming (RBF) in eastern Nepal has not only brought financial stability, but also significantly reduced the number of people seeking work abroad in Jhapa and Morang districts of Koshi province.

By KESHAB POUDEL

In the past decade, foreign countries were the main destination for the youth in Mandal Tole Kankai Municipality ward 6 of Jhapa district and the rural areas of Rangeli, Morang and Kanchanpur.

However, with the advent of RBF and the subsequent increase in income, there has been a noticeable return of youth from Mandal Basti, Rangeli and Kanchanpur who are now engaged in river farming.

With income from RBF surpassing that from overseas countries such as Malaysia and the Middle East, families are now more inclined to keep their youth and invest in the agricultural sector, particularly river farming and vegetable production.

“It has become clear that there is no need for young people to seek employment abroad. My two sons returned from Malaysia two years ago and found that their earnings here were significantly higher than in Malaysia,” said fifty-five-year-old Vidhya Mandal. “We now want more young people to contribute to the agricultural sector here to promote the expansion and growth of riverine and vegetable

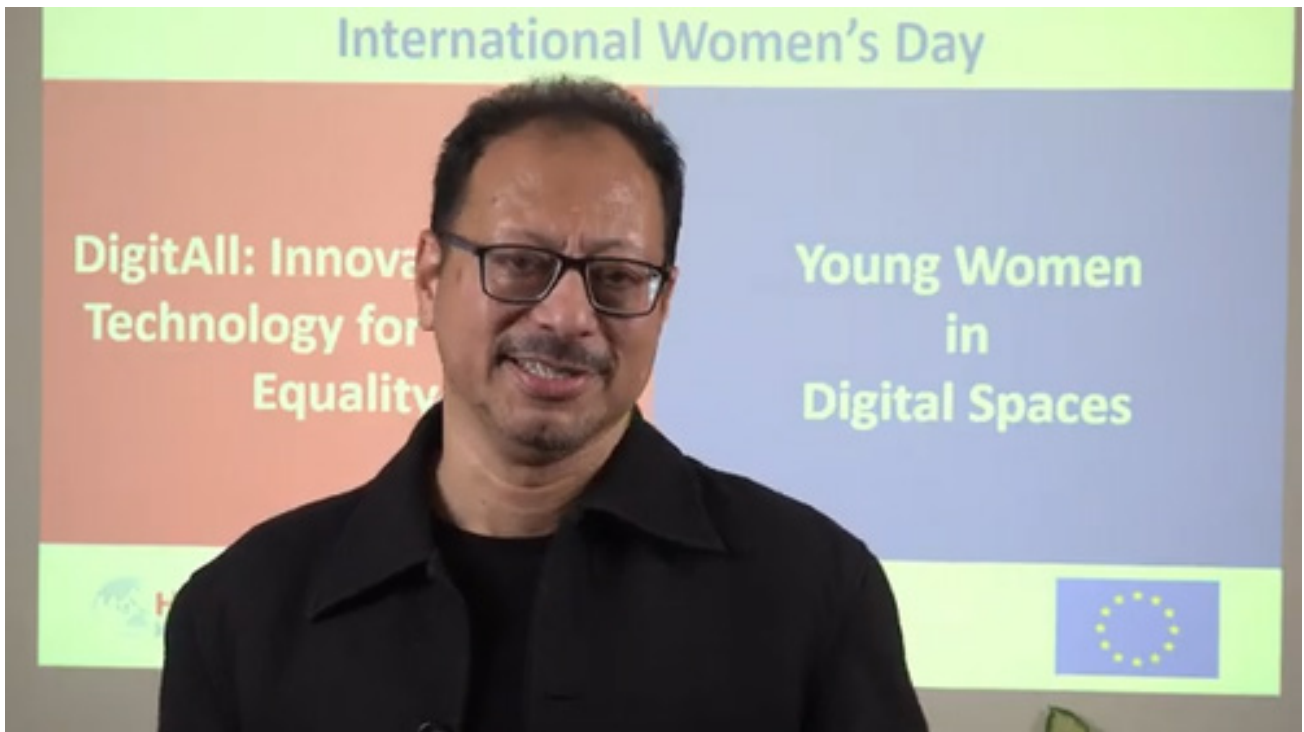
farming.”

Despite the continuing trend of young people in the villages of Rangeli in Morang seeking employment abroad, there is a noticeable decline in this practice. The superior income potential of RBF and vegetable farming has led to a shift in preference, making these local industries the first choice

for many youth.

Chetan Mandal, 65, of Rangeli Municipality Ward No. 6 Rangeli, who led a group to establish the RBF Group in 2014 and is now retired, is ecstatic about the situation. His eldest son, Dhiraj Kumar Mandal, 28, is now fully dedicated to RBF and vegetable farming, choosing to stay in Nepal





rather than work in the Gulf.

Mandal has faced many challenges throughout his life, but sees himself as a pioneer in RBF who has earned recognition and respect. “When the opportunity to earn more money at home becomes available, it seems natural for individuals to make that choice. My son is now taking the lead,” said Chetan Mandal.

Local Resource Person Janardan Mandal, a resident of Mandal Basti, Kankai of Municipality Ward 6 of Jhpa District, shared that about 22 youths after returning from Gulf countries and Malaysia have never returned to these countries. All of them are now engaged and earning good income from RBF.

Dhiraj Kumar Mandal, the eldest son of Chetan Mandal, has been operating on 20 kathas of land on the banks of Bakhara and Kisan rivers and has also leased two bighas (one bigha equals 1.65 acres) of private land at an additional rent of Rs. 20,000.00 per bigha.

“Our location near Hulaki Rajmarg offers us a wide market, with vegetables being sold even in the Rangeli bazaar and in a nearby Indian border town.

However, we have to travel to Biratnagar to sell watermelons due to the high demand,” said Mandal.

“In the youth group, I am one of ten others who have joined the RbF project. Our group used to work successfully, but it has become dysfunctional. At present, 50 households are involved in farming along the riverbed,” said Chetan.

As trained LRPs, members of the first group, along with other farmers, continue to seek guidance from the senior mandal on agricultural matters, including crop selection, seed types, fertilizers, and recommendations for pesticide use against insects.

“This year, our crops along the riverbed, especially in the sandy areas, were severely affected by new insects. Many villages came to my father for advice. Now there are about 50 youths, most of them returning migrants, engaged in agriculture,” Mandal said.

Mandal mentioned that migrants are engaged in agriculture. This trend is not limited to Koshi province, as youth in Sudur Paschim are also opting for RBF instead of foreign employment.

For example, LRP Balbir Chaudhary from Kanchanpur district in Sudur Paschim province stated that about 45 youth in 3 groups have decided not to seek foreign employment as they find satisfaction in the income generated from RBF and vegetable production in their kitchen gardens.

Chaudhary added that the young people are earning around Rs.300,000 (USD 2000) per year in their hometowns, eliminating the need to go abroad.

“Helvetas-Nepal provided us with support, such as seeds and equipment, and liaised with the municipality and the district agriculture office. After the Helvetas-Nepal project ended, we did not receive any support from the municipality,” says Chaudhary.

“I am able to cover the monthly school fees of Rs.4000.00 (USD 30) for my two sons, who are studying in an English Boarding School, as well as their bus, books, attire, and family household expenses, despite having a large family of 11 individuals.”

“Due to income from RBF, I am not worried about the monthly school fees for my children or the household ex-



penses. As I am expanding my farm beyond the riverbank, my earnings are set to increase.”

Challenges

Riverbed farming, however, comes with its own set of risks. Rain and flooding can damage our crops. “Last year, I had to harvest my watermelons a week earlier than usual due to a flash flood in the river on May 18. This resulted in a loss of around Rs.15, 000.00 (USD 120).”

Tanaka Acharya, an agriculture technical officer in RBF project under Forum For Rural Welfare and Agriculture Reform for Rural Development (FORWARD NEPAL), a national NGO and local partner of Helvetas-Nepal, mentioned that more than 500

youths who were previously aspiring for foreign employment and over 200 returnees are involved in RBF in Morang and Jhapa district. He also stated that there is potential to engage even more youth with the necessary technical and other support.

To mitigate these risks, many farmers

are now renting more land for vegetable cultivation. Previously, I managed just 3 Katths of land on my own, but last year, I leased out 2 bigahs of land.

I have also hired one individual on a monthly salary of Rs. 12, 000.00 (USD 900). I find the need for someone to be employed throughout the year.

With the new rented land, I am now cultivating on 2.5 bigahs and 20 Katths by the riverbank. My current crop includes Bottle Gourd (Lauka), Tite Karela Bitter gourd), Cucumber, Pumpkin, Beans, Brinjal, Watermelon, and various others.

Farmers from our group, on average, earn a net profit of Rs.25,000.00 (USD 200) per season for cultivating 1 Kattha of land. With a successful harvest, an individual can earn around Rs.300,000.00 (USD 2,200) per year.

The income from our crops is largely dependent on crop quality. If the crops are free from insects/pest and look healthy, it means a good yield. My last harvest was very successful, and I managed to earn Rs.30,000.00 (USD



2,500) from 10 Kattha of crops by the river.”

In 2013, when Helvetas Nepal initiated efforts to promote river bed agriculture, it was a novel concept with a small number of participants and ample riverbanks available for cultivation. The early successes of those who started farming in the riverbeds drew more individuals to adopt this method of agriculture.

However, as more people became interested, the available land on the riverbed farming of Lunia and Lohana rivers became increasingly scarce. Previously, individuals were growing vegetables on as much as 2 bighas of land, but now, many have reported having to farm on just 1 to 10 hectares. For instance, Mandal, who has 10 hectares of land himself and his father has an additional 10, had to rent out 3 hectares of private land to continue his vegetable farming operation.

The allure of river bed agriculture continues to grow due to the lucrative income it offers. Unfortunately, the introduction of new insect infestations has significantly impacted crop production.

Despite these challenges, the attractiveness of riverbed farming remains, thanks to the profitable nature of the practice. This year alone, scores of returnee youth have leased land on nearby riverbanks to grow vegetables and watermelons, earning as much as they earned in foreign employment.

The Riverbed Farming Project was once a prominent initiative of Helvetas-Nepal. As Nepal grapples with youth unemployment and a significant number of young people seek opportunities abroad, Dr. Prabin Manandhar, Country Director of Helvetas-Nepal, believes that promoting RBF is an ideal strategy to retain and engage youth.

This success story is particularly noteworthy given that around 450,000 Nepalese return from abroad each year, seeking a more stable life and

economic security in their homeland. The areas of Kankai and Rangeli have emerged as key sites for reintegration, offering these returnee migrants the opportunity to use their skills and income in the agricultural sector, particularly riverbed farming.

This project, originally started by Helvetas Nepal 16-17 years ago by Indian migrant farmers in Sudur Paschim, was Nepal’s first attempt to formalize

Gurung, who is in charge of the Riverbed Farming Project, first came up with the idea of persuading local authorities, including Village Development Committees (VDCs) and District Development Committees (DDCs), to lease public land to landless or land-poor families, allowing them to grow vegetables during different seasons for a fixed period of time,” said Hari



and institutionalize River Bed Farming (RbF) in 2006. Starting with a trial involving 670 families in 2006, the initiative has expanded to cover 10,000 households in the districts of Kailali and Kanchanpur in the far west of Nepal and other terai districts of Nepal - now within the federal system of Sudur Paschim Province.

The agreement to lease the riverbeds has also been extended to include privately owned land and other entities such as community forest user groups. By the end of 2013, Helvetas had reached 4462 households that are landless, land-poor or affected by frequent flooding, with a target of nearly 7900 households by 2018, with 50% of the participants being women.

The Helvetas Nepal team, led by Hari

Gurung. This initiative began in Sudur Paschim Province and has since become a critical lifeline for many families with no or limited access to land, covering 21 districts in the Terai and Madhesh regions.

The involvement of returning migrants as well as hopeful young migrants has shown that riverbed farming is more than just a project that has helped certain impoverished households in the Terai to improve their way of life. It is, in fact, a project that aims to achieve Nepal’s long-term goal of integrating more and more returnee migrants into the country and providing them with sustainable employment opportunities.

बाढीपहिरोबाट जोगिऔं

जथाभावी सडक निर्माण र वन विनाशले बाढीपहिरो निम्त्याउने हुँदा:

- वृक्षरोपण गरौं, वनजंगल जोगाऔं, बाढीपहिरो नियन्त्रण गरौं।
- पहिरोको जोखिम भएका क्षेत्र तथा नदी किनारमा रुख, बाँस, निगालोजस्ता भू-क्षय रोक्ने खालका विरुवा रोपौं र संरक्षण गरौं।
- बस्ती तथा समुदायको रक्षा गरौं।
- बाढी आएको सूचना तल्लो तटीय क्षेत्रमा दिऔं।

बाढीपहिरोबाट आफू पनि बचाउँ, अरुलाई पनि बचाऔं।



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