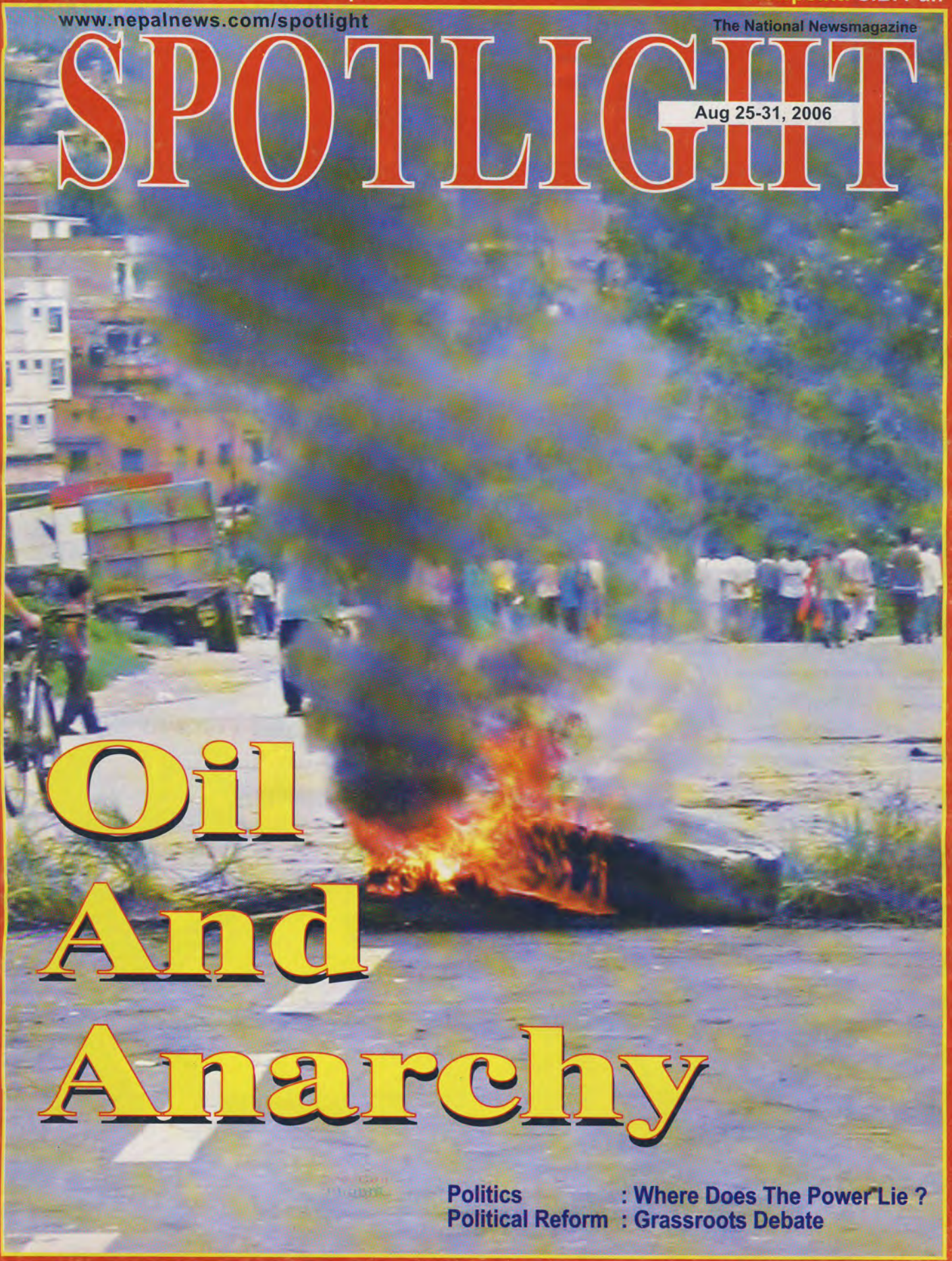


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The National Newsmagazine

SPOTLIGHT

Aug 25-31, 2006



Oil And Anarchy

Politics : Where Does The Power Lie ?
Political Reform : Grassroots Debate

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The King, political parties, parliament, army and rebels: nobody knows where the real power is located

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SPOTLIGHT

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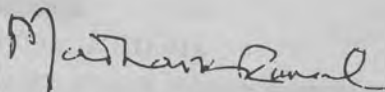
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The countrywide violent demonstration sparked by the preposterous hike in the price of the petroleum products has forced the Seven Party Alliance government to withdraw the hike order. This scandalous behavior of the SPA government has proved beyond a ray of doubt that the price hike was most uncalled for and unreasonable. It became quite obvious that the motive behind the price hike was neither honest nor in the interest of the public or the country. By this heinous antinational anti-people act the SPA government has forfeited the trust and confidence of the people. It has also lost all conceivable validity to stay in power. The government that the people's revolution had catapulted to power was expected to behave in a totally different manner than earlier governments. But, it seems Nepali politicians with easy morals, like the proverbial dog's tail, cannot change their character. If they had even an iota of morality and integrity they should have resigned immediately. But, unfortunately these kinds of words are not found in their lexicon. And they will continue their diehard behavior without any sense of guilt or shame. The Nepal Oil Corporation has earned a great notoriety as the milching cow for corrupt politicians and officials and a much sought organization by such men. And its dealings are not made transparent. Instead of investigating the common charge that the petrol supplied through the various gas stations in the country is so highly adulterated that the motor vehicles are badly affected, the SPA government decided to aggravate the malaise. If the rumors have any truth, the gas stations along with the apex body are making big profits. As such, it is simply beyond human comprehension how the NOC is running in great loss unless it is being openly looted. Since corruption has become a way of life in our country, no corrupt politician will take any action against a corrupt official and will neither make any effort to eradicate corruption. So it will be extremely foolish on our part to exhort the government to look into the matter. All they will do, if they ever decide to do anything, is appoint a committee that will submit its report, which will gather dust and be thrown away after some time. So, since the people have awakened to agitate for their rights and redresses, it is only the people who can achieve results. So, let us exhort the people to take up the issue and do the needful.



Madhav Kumar Rimal

Chief Editor & Publisher



Lack of Close Observation

The cover story 'Nepal's Hard Reality' (Spotlight Aug 18) depicts the picture of Nepal's geographical reality. Though the cover story has revealed the fact and truth, there is lack of author's own perception. The author has collected the information from different angles that has made the story more credible. But so far as I think, the stories must also show the author's own observation and participation. The cover story carries the beauty of the magazine. So, the author must make it more attractive with close observations.

Pramila Niraula
Tinkune

Well Connection of Sub Topic

Being a Nepali reader I strongly support the author to reveal the fact that you have depicted in the cover story 'Nepal's Hard Reality' (Spotlight, Aug 18). The chronological order in the connection of issues is very interesting in the story. The connection of relevant issues has made the story very praiseworthy. As an author you have good idea about how to raise the issue and connect it. UN's role. The sub-topics are all relevant and interesting. The keep the whole story together.

Shiva Raj Adhikari
Old Baneshwor

South Asian Countries Towards Miracle

This is in appreciation to what Dr. AB Thapa has minutely depicted about the potential infrastructure scenario analogous to the ancient Silk Road in the Asian Countries as opined in "Quinghai- Tibet Railway and Kosi Waterway (Spotlight August 18). The initiation taken to develop Kosi Canal Waterway linking Nepal with the seaport which would prevent risks of pilferage, and damage of goods during carriage is a laudable act. Thapa's logic to prefer navigation canal (120km) instead of a natural course (270km) of the Kosi river is undoubtedly far better from the economical point of view. The citing of the Farakka barrage and canal and would-be Narmada canal in addition to navigable depths prevailing in USA and Europe in terms of

dimensions of Kosi canal and locks would provide us with good lessons. His optimistic view that the Kosi navigation can be extended up to Mumbai, Dhaka and other destinations is noteworthy enough. He has arrested the readers' attention by highlighting the marvelous instances of big multipurpose projects developing inland navigation, i.e, Treaty of Versailles joining Rhine river at Neu Breisach in France, Danube Watering Improvement Program with 12 low dams in Austria, and Main- Danube Canal in Germany. Inland waterway is found to have been over 3 times cheaper than rail and over 7 times cheaper than road because of which railway and waterway transportations are among indispensable ideas to meet economic challenges in Nepal.

Dil Bahadur Basnet
Balaju

Praiseworthy Article

The article 'Oil Crisis' was written about the current issue in the present context. The author seems quite updated about the issue. The weekly magazine 'Spotlight' appeared like a daily paper, by covering such fresh news. The news is very credible and accountable because the author has quoted Finance Minister Dr. Ram Sharan Mahat, deputy Prime Minister and Foreign Affairs Minister K.P Sharma Oli and so on. The author seems to have done quite a hard work to remain updated. Hoping the you will keep on reporting like this.

Bunu Marasini
New Baneshwor

Less Information

Profile means addressing one's life history, so that readers find the reality of him/her. But Profile of General Rukmangat Katawal in (Spotlight August 18) is not a profile rather the information of Nepal Army. While reading this profile readers cannot find information about the personal life history of the General. The profile is not animated. It has failed to inform about things related to him. It seems that the profile was written without his interview. Only the collection of information has been included which the general readers already know. That's why the author must labor hard while writing profile.

Akriti Poudyal
Ghattekulo

Man-eater Politicians

Like a man-eater cannot change its character and keeps on hunting human beings even when it becomes old and feeble, Nepali politicians, too, cannot change their character. What they did in the thirteen years of democratic regime, we all know. Even after the people's revolution, they are behaving in similar fashion. In name they are people's representative but in practice they are behaving like autocrats, serving only their own interests. If only we had leaders like Manmohan Adhikari or Bishweshwore Koirala. But these leaders are no comparison to them. They are small men. They are man-eater politicians and the most recent price hike in petroleum products and shameless withdrawal after public hue and cry has proved it once more. When will the poor people of Nepal see their true faces?

Devaki Nandan Ghimire
Lamting Road

Oval Test

The game of cricket is an epitome of gentlemanliness. That's why it is called a gentleman's game. If the players are expected to behave like gentlemen, the umpire is supposed to behave like gentlemen's gentleman. But Umpire Darrel Hair is not a gentleman. He is a racist. And this is not the first time he has exposed his racist character. He must be barred from umpiring cricket games. If the ICC does not act, no team from colored countries should play under his umpiring. He is a shame for the game of cricket.

A cricketer
Kathmandu

“Domestic Efforts Alone Not Enough”: PM Koirala

Addressing party workers in Biratnagar on Sunday, Prime Minister and president of Nepali Congress (NC) Girija Prasad Koirala said that efforts by parliament, parties and the Maoists alone would not suffice to resolve the problems and, therefore, the participation of international community is essential. He hoped that after the UN team arrives and after all forces enter into mainstream of peace process, all petty issues would be settled. Koirala said for him the ‘interim constitution’ was not a priority issue. “Arms management is the number one issue. Once this is settled, all other issues would fall in line,” he said. PM Koirala said that interim constitution would provide a temporary solution and only open the path towards Constituent Assembly. Expressing dissatisfaction over the practice of everyone focusing on interim constitution by pushing aside the CA, Koirala said even the 1990 Constitution could have acted as interim one after the King was stripped off all powers. “If that had happened, we would not have faced these petty issues.” On the issue of ceremonial monarchy, PM Koirala said it was not him alone who was forwarding this idea. “The whole parliament had endorsed it. If they had wanted republic, they could have said so then,” he complained. Koirala added his party would agree if the people chose republic. Likewise, on the issue of party unity, PM Koirala said he was willing to conduct a unity convention within six months and hand over the party reins to anyone who is elected as president. He said he would not stand in the election. Koirala said the unity would mean merger of party organizations from village to central level. *Kantipur daily reports.*

Congress Worker Dies Of Maoist Torture

A worker of NC Dip Narayan Yadav of Baramjhiya, Dhanusha has been tortured to death by the Maoists. The Maoists had abducted him on August 5. He had recently returned to his native after being displaced for two years. According to rights organization INSEC, the district leadership

of the Maoists has owned up responsibility for his death. Congress party and rights organizations had repeatedly called for his immediate and safe release. *Kantipur daily reports.*

US Congress Men Expected

Four US Congressmen are scheduled to visit Nepal in a week. The leader of the delegation will be Jim Kolbe, a Republican Congressman from the state of Arizona. The team will be arriving on Friday and will stay on until August 28. They would meet important persons both in the government and out of it. “They are coming here to have the latest information about what is happening here,” spokesperson for the US embassy said. *The Himalayan Times daily reports.*

Bardiya Tense After Maoists Killed A Civilian

Locals organized demonstrations and blocked roads condemning the Maoists after their cadres killed a civilian named Sushil Gyawali on August 17 while critically injuring his wife at Madaha of Motipur VDC in Bardiya district. Gyawali, a displaced person who had just returned to his native, was dragged out of his house at night and hacked to death. His wife Mithu also sustained serious injuries while trying to protect her husband. Five Maoist cadres led by its area committee member Dhan Bahadur Tharu and Prabhu Tharu killed Gyawali. Locals managed to nab Prabhu Tharu who has admitted his involvement in the incident. Enraged locals blocked roads and chanted slogans against Maoists. They have called for proper compensation to the family of the victim. *Leading dailies report.*

UN For Nepali Soldiers In Lebanon Force

The United Nations has asked Nepal to contribute peacekeeping troops to be deployed in Lebanon, the Minister for Foreign Affairs KP Oli said. “The UN has asked Nepali peacekeeping troops for Lebanon, but we are yet to decide on the same,” Oli said. He did not disclose the strength of the troops that the country has been asked to provide, but sources

said that the world body has asked for an entire battalion. While a number of countries including Bangladesh, Indonesia, Malaysia and Nepal, are reported to have pledged troops for the expanded peace force in Lebanon, Germany has offered a maritime task force. According to reports, the UN hopes to deploy a 3500-strong force initially within two weeks. Under the terms of the UN ceasefire resolution, which ended the month-long conflict between Israel and Lebanon, the expanded UN force should work alongside the Lebanese army in the south. Nepal has served for the UNIFIL in Lebanon from 1977 to 2002 during which 28,067 soldiers were contributed. *The Himalayan Times daily reports.*

‘Court Obstructs Loan Recovery’

Claiming that their decision hampered in the recovery of loans, five major banks have written a joint letter to the parliament demanding that Supreme Court (SC) judge duo Arjun Prasad Singh and Badri Kumar Basnet be subjected to impeachment. The banks claim that the decision by the two judges six months ago ordering the withdrawal of Mahalaxmi Sugar Mills from the black list of willful defaulters was ‘intentional’ and causes losses to the tune of Rs 1.22 billion. The five banks and commercial institutions include Rastriya Banijya Bank (RBB), Nepal Bank Limited (NBL), Himalayan Bank, Employees Provident Fund (EPF) and Nepal Industrial Development Corporation (NIDC). This is the first time that banks have written such a letter expressing dissatisfaction over judges of the apex court. Chaudhary group owns the Mahalaxmi Sugar Mills. Meanwhile, MPs have expressed surprise over the decision by the judges. Speaking at the meeting of Finance Committee of the House of Representatives, the MPs said the court was becoming major obstruction to loan recovery. They accused the court of helping big houses while ordering the seizure of lands and properties of small debtors. Finance Minister Dr. Ram Sharan Mahat said that the budget had provided two months of time to the debtors after which action will be initiated against willful defaulters. Earlier, he had informed that the total outstanding loans to banks stand at Rs 28.73 billion. *Kantipur daily reports.*

Load Shedding From Sept 1

Nepal Electricity Authority (NEA) marked its 21st anniversary by unveiling a white paper on NEA which showed load shedding starting from September 1 and a cumulative loss of 7 billion rupees by this year. The load shedding is due to 45 megawatt less production of electricity by the Kulkhani project and upcoming closure of one of the Kali Gandaki unit for 50 days for repair and maintenance. The power outage will be for two and half hours a week. Arjun Bahadur Karki, managing director of NEA also stated that if the kulekhani reservoir is not fed by rainfall in future, customers may have to face up to nine hours of load shedding a day by March next year. He also stated that much part of the 7 billion loss to NEA was mainly due to exorbitant power purchase agreement with the independent power producers (IPP) who run Khimti, and Bhotekosi, high interest rates and pilferage. He further stated that for losses to be minimized, the tariff has to be raised, adjustment be made in pricing with IPPs and lowering of government interest rate to 7 percent. This year alone losses stand at 2.47 billion rupees. *Leading dailies report.*

Maoists, JTMM Militants Clash In Siraha

Maoist cadres and Janatantrik Terai Mukti Morcha (JTMM), a breakaway faction of the Maoists, militants exchanged fire for about two hours in Itatar VDC of Siraha district early Wednesday (August 23) morning, reports said. However, there were no reports of casualty on either side but the Maoists are said to have taken under control a JTMM cadre. Hundreds of bullets were fired during the encounter. The encounter occurred in ward no. 8 and 9 when a district level meeting of the JTMM was going on. Reports quoting Shyam, the Siraha coordinator of JTMM, said the clash ensued after hundreds of Maoists suddenly opened fire at JTMM cadres when the meeting was underway. However, Maoist district secretary, Abinash, said the JTMM men first opened fire at Maoist cadres who were on a regular patrol near the Nepal-India border as part of their drive

against Indian dacoits. The Maoists also searched the local houses after the clash, reports said. Recently, the CPN (Maoist) declared a war against the outfit headed by Jai Krishna Goit after its cadres killed two Maoists in Saptari district. Goit left the Maoist party and formed the JTMM two years ago. The armed outfit is active mainly in parts of Siraha and Saptari districts. *Nepalnews.com reports.*

Volunteers Called For Everest Laboratory.

A group of medics is planning to conduct fitness experiments in what they say is the world's highest laboratory – on the slopes of Everest. The experiments seek to find effects of high altitude on human body. According to a report in bbc.co.uk the Xtreme Everest team will comprise medics seeking to use the experiments' findings in critical care treatment. They want 208 volunteers for the 23-day expedition to Everest Base Camp – which is 5300 m above the sea level – early next year. Candidates will need to have a good level of fitness, organizers say. They will take part in fitness experiments which will include using exercise cycles on the base camp. Team leader Dr. Mike Grocott, of University College London's Institute of Human Health and Performance, said, "By observing healthy individuals at high altitude where oxygen is scarce, we can learn about physiological changes that can improve critical care at the hospital bedside because low oxygen levels are almost universal problem in critical care." He said, "Conditions that will be helped by the research range from acute respiratory distress syndrome to 'blue babies', cystic fibrosis, emphysema and septic shock." Volunteers wanting to take part will need to pay 2395 pound sterling, which includes return flights from UK to Kathmandu and 500 pound sterling contribution to scientific research. *The Himalayan Times daily reports.*

UML Wants Issue Of Monarchy To Be Decided By Referendum

The Unified Marxist Leninist (UML) has concluded that the fate of monarchy should be decided by referendum before

the elections of Constituent Assembly (CA). Endorsing the political resolution presented by general secretary Madhav Kumar Nepal, the central committee unanimously agreed to decide the monarchy's fate by referendum. The meeting also decided to form a common 'front' to press for the establishment of democratic republic. It handed over the authority to the Standing Committee to decide about the course and procedures for forming such a front. In his resolution, Nepal has accused Nepali Congress (NC) and Maoists of trying to sideline the UML. It has termed the government as 'status quoits.' *Leading dailies report.*

READ Bags Bill And Melinda Gates Foundation Award

The Bill and Melinda Gates Foundation presented its 2006 Access to Learning Award of \$1 million to Nepal's Rural Education and Development (READ) program, an NGO, for providing no-cost public access to computers and internet to citizens and its commitment to promoting information and literacy. A statement issued on August 21 by the Foundation said, the award is given to READ for providing strategies for communities to develop and maintain access to information over long term. "READ's approach reinforces our belief that public libraries serve a vital function in communities and that by providing access to information and learning, they can make lasting impacts on generations to come," said Martha Choe, director of Global Libraries Program of the Foundation, in the press release. Since 1991, READ has established 39 self-supporting community libraries in Nepal affecting the lives of more than half a million people. The organization provides seed funding to design, build, furnish and stock libraries, train librarians and launch an income-generating enterprise in each community to help pay for the library over the long term. "The success and local support of our program shows the crucial need for greater access to information and technology in the developing world," said Sharad Babu Shrestha, country director of READ. *The Himalayan Times daily reports.*



Kamal Adhikari lifts the first gold medal for Nepal in the Colombo South Asian Games

Gorkhapatra

DEPUTY PRIME MINISTER AND MINISTER FOR FOREIGN

Affairs K.P. Sharma Oli will leave for China on Saturday (August 27) on a weeklong visit. The Foreign Ministry has termed his visit as 'official goodwill visit.' Oli will be accompanied by acting foreign secretary Bhagirath Basnet. Following his visit to China, Oli will leave for Havana, Cuba on September 10 to attend the minister-level meeting of Non Aligned Movement.

KAMAL ADHIKARI HAS LIFTED THE FIRST GOLD MEDAL

for Nepal in the ongoing South Asian Games (SAG) in Colombo, Sri Lanka. He won the medal in 69 kg group of weight lifting. This is the first time Nepal has bagged gold medal in weight lifting in South Asian Games. Adhikari lifted 113 kgs in Snatch and 153 kgs in Clean and Jerk to bag the medal. "I am proud. I had played for the nation," Adhikari said. Meanwhile, Nepal has entered into semi final of the football after defeating Afghanistan by 5-1. Nepal had drawn with India and Bangladesh earlier.

IN A SCINTILLATINGLY ONE-SIDED MATCH, NEPALESE

cricketers trounced Myanmar by ten wickets to enter into the quarter finals of the ACC Trophy 2006 being played in Malaysia. Invited to bat first, Myanmar was bundled out for 10 runs in 12.1 overs. Nepalese batsmen took only two balls to overcome the target. With this win, Nepal has entered into quarter finals. Earlier, Nepal had defeated Kuwait and Hong Kong also.

THE CHAUDHARY GROUP (CG) HAS RAISED OBJECTIONS

at the letter written by five banks requesting for impeachment of Supreme Court (SC) judge duo – Arjun Prasad Singh and Badri Kumar Basnet – for withdrawing Mahalaxmi Sugar Mills from the black list of willful defaulters. The CG has accused that the banks wrote the letter in order to cover up their own weaknesses. The banks – Rastriya Baniya Bank (RBB), Nepal Bank Limited (NBL), Himalayan Bank Limited, Employee Provident Fund and Nepal Industrial Development Corporation – had written the joint letter to the House of Representatives stating that the decision of the judges had caused losses of Rs 1.22 billion. The Sugar Mill was owned by CG and its shares were later transferred to Birendra Kumar Kanaudiya, who is an MP. The banks have charged that the transfer of shares was aimed at escaping from liabilities towards the bank. This charge is vehemently denied by the CG.

AROUND 26000 NON-GAZETTE GOVERNMENT HEALTH

workers halted their works for indefinite period at all Primary Health Centres, Health Post and District Hospitals in order to pressurize the government to fulfill their demand. Central and Zonal hospitals however were not affected with only junior workers not attending the work. Subarna Shrestha, President of the committee formed to launch the protest

stated that even the zonal and central level hospitals will be closed down if the demands are not met. Their main demand includes at least two promotions during a 20 year service period, increased allowances for those working in risky environment, free treatment at all government health institutions, trainings for mid-level health workers and halt to ongoing handover of government health institutions to the community. They are in protest since June 27 and have intensified it with the total halt to fulfill their demands.

MANY COUNTRIES IN ASIA AND THE PACIFIC, INCLUDING

Nepal are not likely to meet the Millennium Development Goal (MDG) targets for universal primary enrolment and a two-thirds reduction in child mortality, says Asian Development Bank (ADB) in its Key Indicators 2006. The bank's flagship annual statistical publication released on August 16 says the MDGs targets won't be realized unless governments rapidly intensify efforts to improve basic education and increase access to primary health care for the poor. "Without a concerted effort to reach the poor, Asia cannot – and will not – attain the health and education-related MDGs," says Ifzal Ali, ADB chief economist. "To sustain Asia's success in reducing poverty, governments must improve education opportunities for the poor, as this is a key driver of movements out of chronic poverty," Ali says. "Health-related shocks can also be catastrophic from a household's perspective, pushing entire families into poverty." Large primary school enrolment deficiencies remain in Pakistan, Azerbaijan, Mongolia, Nepal and Papua New Guinea, according to Key Indicators 2006, which this year includes a theme chapter titled "Measuring Policy Effectiveness in Health and Education."

FIVE PRIVATE INDIAN COMPANIES HAVE SUBMITTED

proposals to invest in hydro power projects in Karnali and Arun region. The separate proposals submitted at the Ministry of Water Resources include investment intentions on big projects of Karnali and Arun basin. According to a ministry source, the Indian companies include reputed corporate houses such as Reliance, JP and JMR. These companies have already invested in hydro power in India and Bhutan. The source said that it is not yet clear which company wants to invest in which project. He added that the government may go ahead if it finds the proposals appropriate. Most of the companies are said to be attracted to Karnali region. According to feasibility studies, hydro power projects totaling 32,000 MW can be built in this region alone. Since this region is closer to Uttaranchal State of India, the companies seem to be interested here.

FIFTY-THREE COMMERCIAL HOUSES HAVE BEEN LISTED

as willful defaulters of loans worth Rs 25 billion from two largest government banks – Rastriya Baniya Bank (RBB) and Nepal Bank Limited (NBL). Their names were made public by governor of Nepal Rastra Bank (NRB) Bijaya Nath Bhattarai while furnishing replies at the Finance Committee at the House of Representatives. Bhattarai said that the financial situation of the banks could not be improved until unless the state took initiative to recover those loans. According to him, 29 commercial houses owe Rs 10.51 billion in outstanding principal and interest amount to RBB whereas 23 commercial houses owe Rs 14.32 billion to NBL. Among the willful defaulters include big corporate houses, big hotels and even sugar mill. The government has taken loan of Rs 7 billion to reform these two banks after they were pushed to verge of collapse. "If the state does not take action, banks would not improve even if you spend Rs 10 billion," Bhattarai said, adding that some of the defaulters are even included in delegations accompanying official visits of prime minister and senior officials. "The state must at least take action against 8 to 10 defaulters," he said. Bhattarai urged parliamentarians to take up this issue in earnest. Meanwhile, businessmen were angered by the revelation of the list of willful defaulters. Saying that the details between the bank and debtor should not have been made public, Chandi Raj Dhakal, president of Federation of Nepalese Chamber of Commerce and Industry (FNCCI), said, "The budget had given two months time and the negotiations were going on as per that stipulation. It is, therefore, inappropriate to have made these things public at this time. This would create crisis of confidence."

“Unless they lay down arms, Maoists cannot be considered as political party.”
Prime Minister Girija Prasad Koirala, talking to reporters, in Biratnagar.

* * *

“The election of constituent assembly is a great opportunity and challenging for every democrat. In this situation the unity of congress will be very important”.
Bijaya Kumar Gachhedar, a central member of Nepali Congress (Democratic), in Annapurna Post.

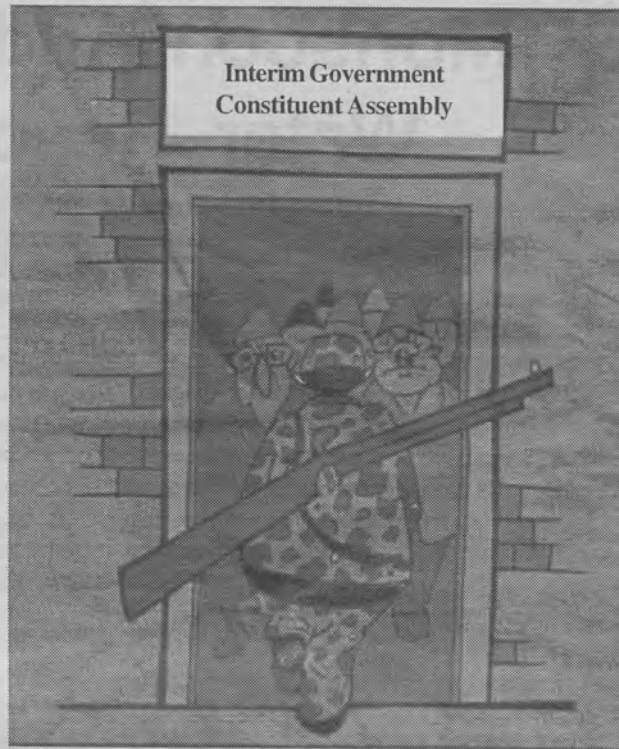
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“The main issue is not arms management. It is how fast we can get rid of monarchy.”
Dina Nath Sharma, a member of the Maoist talks team, while reacting to PM's remarks on arms management and peace process, in The Himalayan Times.

* * *

“Since the major slogan of the people during the April Revolution was for establishing a democratic republic, the country should go for a referendum to decide the monarchy's fate.”
Amrit Bohara, a member of Standing Committee of the UML, referring to the decision of the meeting of the central committee of the party.

* * *



Bimarsha

“Some members of the task force will stay in Nepal till the conclusion of peace process.”
Madhu Raman Acharya, Nepal's permanent representative at the UN mission in New York, informing that the UN is sending the task force to facilitate peace process, in Kantipur.

* * *

“This situation has occurred due to past royal government. Only I am being blamed for no crime.”

Hridayesh Tripathy, Minister for Industry, Commerce and Supplies, refusing to take blame for the hike in prices of petroleum products.

* * *

“I have always favored respectful unification.”
Sher Bahadur Deuba, president of Nepali Congress (Democratic), terming the recent efforts made by Prime Minister Girija Prasad Koirala (for Congress unification) as positive.

* * *

TRANSITION

NOMINATED: Dr Krishna Raj Parajuli, as a president of Ayurveda Therapy Council by the Ministry of Health and Population. **Dr. Dhanik Lal Bharkher, Dr. Sarita Shrestha, Dr. Ram Chandra Pandey and Dr. Shiva Mangal Prasad** are its members.

ANNOUNCED: “Pidit Bidhisasthra”, (Victim Jurisprudence), a book by

Shankar Kumar Shrestha, as the best book of the year in the subject of law.

FELICITATED: Linguist, Professor Bal Krishna Pokharel, social worker **Shanta Pokhrel**, Journalist **Kosh Raj Regmi**, **Gopal Kalapremi**, poet **Krishna Bhusan Bal**, by Chetan Talent Promotion Academy.

ARRIVAL: Jeni Figure, State Minister for Foreign Affairs, of Venezuela, on a two day visit.

REWARDED: Madan Krishna Shrestha and Hari Bansha Achary, senior comediana, by Bhairab Hasyabyanga Puraskar.

Ramesh Tiwari, executive director of Gorkhapatra Daily, by HRA-PP Prasain Best Journalism Prize. Photo Journalist **Bikash Rouniyar, Shraddha Basnet and Devi Prasad Panta**, were also rewarded with the prize.

Professor Hemanga Raj Adhikari, by Gopal Pandey Asim Puraskar.

Monsoon And Nepal's Water Resources

By Dr. AB Thapa

Monsoons are seasonal reversals of wind direction. Torrential monsoon rains lash Nepal, Bangladesh and India in summer when the generally northerly winds of winter are replaced by generally southerly winds. The summer winds contain a lot of water vapor, which often turns into heavy rain storms.

Monsoon wind, that changes direction with the change of seasons, prevails in the Indian Ocean. It blows from the southwest, generally from April to October, and from the opposite direction, the northeast, from October to April. The southwest, or summer, monsoon is usually accompanied by heavy rain in Nepal, Bangladesh and India, constituting the dominant climate event of this region.

The appearance of this wind pattern going back over geological time has been linked, through sedimentary evidence, to the uplift of the Himalayas and the Tibetan Plateau as the Indian subcontinent began to collide with the Asian crustal plate about 20 million years ago. The northern land mass was high enough by about 6 million years ago to cause air rising from the southern land mass to be replaced by establishing this wind pattern.

The South-West Monsoon

The winds of the rainy season in Indian Subcontinent are called the southwest monsoon. They actually follow two generally distinct branches, one initially flowing eastward from the Arabian Sea and the other northward from the Bay of Bengal. The former begins by raining down on the west coast of the peninsular India and rising over the adjacent Western Ghats. The air cools down and loses its moisture-bearing capacity while crossing these mountains. It rains hard on the windward side of this highland barrier. Annual precipitation in parts of this region exceeds 100 inches and is as high as 245 inches at Mahabaleshwar on the crest of the Western Ghats. Conversely, as the winds descend on the leeward side of the Western Ghats, the air's moisture-bearing capacity increases and the resultant rain shadow makes for a belt of semiarid terrain, much of it with less than 25 inches of rain in a year.

The Bay of Bengal branch of the monsoon sweeps across eastern India, Bangladesh and Nepal and, in several areas, gives rise to rainfall in much the same way as along the Western Ghats. The effect is particularly pronounced in the Shillong (Meghalaya) Plateau, where at Cherrapunji the average annual rainfall is 450 inches, one of the heaviest in the world. The Brahmaputra valley to the north also experiences a rain-shadow effect. The problem is mitigated, however, by the adjacent Himalayas, which cause the winds to rise again, thereby establishing a parallel belt of heavy rainfall. Blocked by the Himalayas, the Bay of Bengal branch

of the monsoon is diverted westward up the Gangetic region of India and Nepal, reaching Punjab towards the middle of July.

In the Gangetic Plain the two branches of the monsoon winds merge into one. By the time they reach the Punjab their moisture is largely spent. The gradual reduction in the amount of rainfall toward the west is evidenced by the decline from 64 inches at Calcutta to 26 inches at Delhi and to desert conditions still farther west. Over the northeastern portion of peninsular India, the two branches also intermittently collide, creating weak weather fronts with sufficient rainfall to produce patches of fairly high precipitation.

The North-Eastern Monsoon

Monsoons blow for approximately six months from the southwest and six months from the northeast, principally in Southern Asia and parts of Africa. Summer monsoons have a dominant westerly component and a strong tendency to converge, rise, and produce rain. Winter monsoons have a dominant easterly component and a strong tendency to diverge, subside, and cause drought. Both are the result of differences in annual temperature trends over land and sea.

By August the intensity and duration of sunshine decreases, temperatures begin to fall, and the surge of southwesterly air diminishes spasmodically almost to a standstill in the northwest. In September dry, cool, northerly air begins to circle the west side of the highlands and spread over northwestern India and Nepal. The easterly jet weakens and the upper tropospheric easterlies move much farther south. Because the moist southwesterlies at lower levels are much weaker and variable, they are soon pushed back. The rainfall becomes extremely variable over most of the region, but showers are still frequent in the southeastern areas and over the Bay of Bengal.

By early October variable winds are very frequent everywhere. At the end of the month the entire Indian region is covered by northerly air and the winter monsoon takes shape. The surface flow is deflected by the Coriolis force and becomes a northeasterly flow. This causes an October-December rainy season for the extreme southeast of the Deccan (including the Madras coast) and eastern Sri Lanka. Tropical depressions and cyclones are important contributing factors.

Nepal and Northern India Mostly Without Rainfalls

In most part of India and Nepal sunny, dry, and dusty season begins at the end of the southwest Monsoon season. The driest period comes in November in the Punjab; December in Central India, Bengal, and Assam; January in the northern Deccan; and February in the southern Deccan. Conversely, the western slopes of the Karakoram and Himalayas are then

reached by the mid-latitude frontal depressions that come from the Atlantic and the Mediterranean. The winter rains they receive, moderate as they are, place them clearly outside the monsoonal realm.

Much of India experiences infrequent and relatively feeble precipitation during the retreating monsoon. An exception to this rule occurs along the southeastern coast of India and for some distance inland. When the retreating monsoon blows from the northeast across the Bay of Bengal, it picks up a significant amount of moisture, which is subsequently released after moving back onto the peninsula. Thus, from October to December the coast of Tamil Nadu receives at least half of its roughly 40 inches of annual precipitation. This rainy season extension of the generally dry retreating monsoon is called the northeast, or winter, monsoon.

Another type of winter rainfall occurs in northern India, which receives weak cyclonic storms originating in the Mediterranean basin. In the Himalayas these storms bring weeks of drizzling rain and cloudiness and are followed by waves of cold temperatures and snowfall. The state of Jammu and Kashmir in India and mountain region of the Western Nepal receive precipitation from these storms. But the contribution of the winter rainfall to total rainfall in Nepal is not significant.

Himalayas

The Himalayas comprises one of the mountain areas of the world where water supply from glacier melting plays a significant economic role. They are in effect a huge barrier that arrests the wet monsoons of the Indian Ocean from the south, leaving the interior of the Tibetan Plateau extremely cold and dry and snow accumulations on the glaciers very scant

With the advent of summer, the glaciers release meltwater to swell the rivers and streams. Glaciers melt during the hot months(March to June) and give rise to large summer flows in the Himalayan rivers.

The glaciers of the Himalayas act as reservoirs of frozen water. They are the fountainheads of several large rivers. Among them are the major rivers flowing into the South Asia the Indus, Sutlez, Ganges, Karnali, Kali-Gandak, Arun, Brahmaputra and few others.

All Nepalese rivers are tributary of the Ganges. The main branch of the Ganges flows through Bangladesh to the Bay of Bengal, while a second branch meets the bay in India, near Kolkata. Both the Brahmaputra and Ganges rivers discharge enormous amounts of water, almost all of it during the monsoon season.

Nepal's Water Resources

There are three major rivers in Nepal. They are Kosi, Gandak and Karnali from east to west. Each of these three rivers has a big catchment area in the Tibet. The snow covered region of the Himalaya falls within their drainage area. There are several important tributaries of each of these three rivers in the mountain region. Such tributaries merge to become one big river before debouching into the Terai plains of Nepal. These rivers get across the Indo-Nepal border after passing through the Terai of Nepal.

They finally merge with the Ganges after flowing across the North Bihar or North Uttar Pradesh in India.

Some years back studies were carried out in the Water and Energy Commission (WECS) to estimate the maximum potential demands for Nepal's surface water resources and to determine how those demands compare to the supplies available. The potential demand for surface water in Nepal is in the order of 1200 cu. m/s. The available supplies of all the rivers at 80% probability factor could be considered to be very close to potential demand in the absence of regulation of runoff. Thus under such condition Nepal will not have any surplus. However, after the regulation of the runoff of all the rivers the available supplies could exceed our potential demand by almost 4 times. Nepal receives an enormous amount of rains during southwest monsoon time just within a short period of two to three months. However, despite such big surpluses, the dry basins like the Kankai, Bagmati, West Rapti would be experiencing water shortages even after the regulation. ■

(Dr. Thapa writes on water resources)

**GNP Against Corruption
In Fuel Price**

"A small coterie of corrupt officials inside the Nepal Oil Corporation are responsible for influencing the caretaker government to increase the price of petroleum products in this unimaginable manner," stated Pushp P. Luitel, president of Green Nepal Party (GNP), condemning the price hike in fuel.

In a statement issued by him, Luitel has said that the Seven Party Alliance government has aggravated the people's hardships by increasing sharply the price of petrol by 25% and diesel by 23%. "Acts of this nature can only be carried out by corrupt officials. Our party demands that the price of oil be decreased immediately," states the press release issued on August 19.

"We also demand the formation of an investigation committee, made up of consumers, students and civil society to lay bare the blatant corruption. The said committee should investigate the financial status of those officials and submit their report to the government," it further states.

The GNP has also called on the reinstated parliament to investigate the "corruption cell, the process of price fixing and the internal inefficiencies within the oil corporation and punish those found guilty of wrongdoing." The party regretted that the previous governments in the past never tried to check the perennial corruption that went on inside the corporation. "Our party would like to warn the present Nepal Government not to fall in the same corruption net," the statement adds. ■

POLITICS

Where Lies The Power?

The King, political parties, army and rebels, nobody seem to know where the real power is located

By KESHAB POUDEL

“This government should be allowed to continue till the elections for Constituent Assembly (CA),” demanded prime minister Girija Prasad Koirala, who was chosen by seven party alliance as their leader following People’s Movement II with a mandate to take any decision. Despite such blanket support, octogenarian leader Koirala is uncertain how long he will be allowed to continue.

“Even if the government instigates us, our cadre will not fire a shot and the party will not return to jungle,” said Maoist leader Prachanda, who claims that he has more than 30,000 armed guerillas capable to cripple the country. Nobody knows why the man of such destructive capacity with cadres under his command is reluctant to break the cease-fire even if they are sidelined.

“The House of Representatives should not be dissolved as it can play important role to facilitate the elections for Constituent Assembly,” said speaker of House of Representatives Subash Chandra Nembang. “We will not create any obstruction in the ongoing political process.”

After the declaration of House, speaker Nembang has, in written

documents, all powers previously exercised by the King. Even he declared the House as the final authority to give seal to the legislations. But, why this man is begging for his tenure?

King Gyanendra has already been confined to the four walls of Narayanhity while the senior army officers are having to run to Rayamajhi Commission to record their statements.

Whether prime minister Koirala, Maoist leader Prachanda or Speaker of

House of Representatives, although they claim to be powerful men in the present state, nobody seems to be holding the decisive state power.

Along with prime minister and speaker, the Members of Parliament are supposed to have the real power of the state following the declaration of HoR but everybody expresses fear that the HoR may be dissolved any time.

Although prime minister Koirala has publicly declared that he will not dissolve the HoR and Speaker Nembang has sided with him, nobody reveals with whom they are afraid of?

At a time when all powerful prime minister Koirala, who was regarded as a supreme leader of agitation and seven party alliance in the HoR, is praying for his tenure, the MPs might know the power which is capable to dissolve the HoR.

In the visible appearance, Maoist leader Prachanda is projected as a strong and powerful politician than his opponents. With 30,000 armed militia at his command, Comrade Prachanda, who has wreaked havoc to the state in last twelve years, however, has shown, by all the sounds and indications, that he is not the real power.

Presently, there is a power vacuum and nobody knows where is the power located as the King, political parties, army, minister and political leaders do not have real state power. Just over twenty four hours after the decision, an unruly but organized mob of few hundred captured the streets and forced government to roll back hike in price of petroleum products.

“After the declaration of House of Representatives, the MPs are supposed to have the real power of the state but



House of Representatives: Who holds the Power?

everyday they express fears that the HoR may be dissolved at any day and at any time," said a political analyst. "If that is the situation, where does the country's power really lie?"

From prime minister Koirala to MPs, they just express fear but they haven't disclosed which power can terminate their existence, dismiss prime minister and make Maoists' weapons defunct. In their public discussions, MPs are not afraid from prime minister and his behavior. Maoists, too, are openly threatening to defy HoR and prime minister but what hampers the Maoist to exercise their brute power.

So far as the prime minister is concerned, he is so helpless that he cannot even choose his ministers. "Prime minister Koirala does not have power to choose ministers of his own trust. The glaring example is the inclusion of a person like deputy prime minister Amik Sherchan who is known for his eccentric statements. He has been appointed definitely not by choice but by the compulsion of prime minister," said the analyst.

"This confusion about the decisive political power in the country must not prolong. The people and its elected representatives must command the confidence of making decisions but that must not be absolute and unhindered. It will not be a democratic system if date expired HoR claims all power. The constitution of Kingdom of Nepal 1990 is still in operation and it should be respected till the CA does otherwise," the analyst argued. "Unfortunately, the legal experts in the country are guided by their political centers for their legal concepts. The drafting committee for the Interim Constitution is making a mockery of the principles of constitutional law. If they can do and undo the present constitution what is left for the costly and dangerous drama of a Constituent Assembly."

Leaders of seven party alliance and their supremo are all the time getting prominence in the news but none of them



Staging Demonstration: People Power

have adequate respect and command either in their own parties or people at large.

In the recent agitation against the price hike of petroleum products, even a group of miscreants attacked the House of CPN-UML leader Madhav Kumar Nepal, who claimed to bring Tsunami a few months ago against King Gyanendra's government. Even prime minister Koirala, who claims to be a powerful organizer, had to choose a safe road while returning from his hometown on August 20.

The position of the King and the army is also at the lowest point of their strength. None of them has the capacity to undo things which they dislike. The people who brought Tsunami in the streets are helplessly watching the unfolding events dictated by few hooligans. Although a group of people in Patan came to street to fight against such hooligans, overwhelming majority of people watched them helplessly.

The judiciary is also helpless in the exercise of its power. Judges of Supreme Court, who have shown the courage to declare high level anti-corruption body null and void constituted by King Gyanendra during his reported tenure as an autocrat, are now showing reluctance to accept the petition filed to challenge the constitutionality of declaration of HoR. Following several rounds of postponement, a single bench finally ordered the court to register it for hearing.

Members of House of Representatives are begging for the continuation of their tenure. The

parliament, the judiciary and the executive organs are the creatures of the Constitution of Kingdom of Nepal 1990 but these organs seem to have forgotten whether this constitution still commands the strength of the fundamental law of the land or not.

The declaration of parliament - which was passed in May - has created confusions about the power as the King and the army have lost their powers and Royal titles. Besides that, many provisions of the constitution

have been violated while enacting laws and making appointments.

Many argue that the declaration of parliament cannot do away with constitution but there is no one to listen to that argument. "The declaration of the parliament has no constitutional validity. There is no jurisprudence in the world where declaration declares the articles of constitution non-functional," said former attorney general and senior advocate Sarbagya Ratna Tuladhar. "Declaration has no constitutional validity."

Along with Tuladhar, almost all previous attorney generals have same view that the declaration has no constitutional validity and it is against the provision of the constitution. "This is a unique experiment in the constitutional practice of Nepal and no such precedence is known to the people in legal profession. Perhaps, this is a political hybrid of totalitarian communist and liberal democrats," said the analyst.

As the Constitution of Kingdom of Nepal 1990 was made non-functional through the HoR's declaration and traditional legitimate power like institution of monarchy was pushed aside, nobody knows where the real power lies.

There is a crucial threat to the country. As all internal powers became powerless through their acts of commission and omission, the state power is located nowhere. "When there is a power vacuum in a small country like Nepal, any power in the close may be tempted to step in and spoil the peace of region in which it will also have to suffer much in all sense," said the analyst. ■

Oil And Anarchy

The furor over the price hike of petroleum products that swept the valley forced the government to roll back the decision. Although for the time being the problem has seemed to settle down, the government is caught in a Catch 22 situation – hike the price and face the public wrath or don't hike the price and face the economic wrath. Years of mismanagement, haphazard pricing mechanism, seen and unseen corruption within the oil bureaucracy, profiteering motives coupled with unprecedented rise in the price of POL products in international market – from \$27 to \$74 per barrel within last three years – have all joined hands to throttle the economies of poor countries like Nepal who can ill afford to increase the price as much as they are ill advised to maintain artificially low price. In this situation, the only viable alternative seems to come out clean. The government must issue a white paper on oil price and management mechanism and tell the people clearly where they stand. It cannot continue to waver on such an important matter. It has to take the people into confidence before taking any more decision.

By SANJAYA DHAKAL

When on Friday (August 18) night news were splashed about the hike in the prices of petroleum products, everyone was caught off-guard. The news itself was widely expected but the scale of hike was beyond expectation of the public. The hike of 11 to 23 percent obviously could not be chewed well by the people.

Rarely has any decision to hike the price of petroleum products been an

easier one to make. From democratic government to royalist ones, every minister worth his salt had to bite the dust when it came to hiking the price of POL products. It was no different for Minister Hridayesh Tripathy. The articulate politician who had earned the reputation of being a smooth operator found himself in a ditch after the cabinet decided to hike the price. As finger-pointing and tongue-lashing started, Tripathy committed another blunder by accusing petroleum dealers for the price rise.

Although the episode did not cost him his job, his reputation has been shattered just as similar price hike decision had shattered the reputation of UML minister Iswor Pokharel – another high profile politician – two years ago.

Oil and anarchy makes for a heady mixture. Since last many years, every decision to hike the price of POL products has been followed by violent agitations by opposition parties, student activists and consumer groups. This time, the level of violence was beyond comprehension. The



Protestors block road: "Price hike unacceptable"

whole Kathmandu valley was forced to reel down to virtual standstill for two full days (August 19 and 20) when demonstrators of every shade laid siege on the streets. Not only the tires were burnt, but even trees were felled to block the streets – a popular modus operandi employed by the Maoists in the past to block highways.

While majority of the people opposed the government decision to increase the oil prices heftily, the government was unable to bear the street pressure. On August 20 afternoon, the government overturned the two-day-old decision and rolled back the price hike.

Hike and Aftermath

Last week, the cabinet had decided to increase the price of petroleum products

as it felt it could no longer bear the growing burden of losses incurred by state-owned Nepal Oil Corporation (NOC). The concerned cabinet ministers had also agreed to take up the issue with the seven parties to avert street showdown. Whether they actually made genuine efforts to convince the seven parties and student activists is not clear.

The NOC announced new wholesale price, following which the private dealers fixed retail prices. As per this decision, the retail price of petrol increased from Rs 67.25 per liter to Rs 84.28. Likewise the prices of diesel, kerosene, aviation fuel and cooking gas were increased from Rs 53.15 to Rs 59.08 per liter; Rs 47.65 to Rs 59.21 per liter; Rs 55 to Rs 76.38 per liter; and Rs 900 to Rs

1000 per cylinder respectively. Immediately after this unprecedented high increase in price was announced, all hell broke loose.

After the people came out in streets burning tyres and vandalizing public properties, almost all political parties, including the ruling ones, and their sister organizations along with the Maoists condemned the price hike.

Strange enough, the ruling parties not only condemned the decision but also sponsored a resolution in the parliament asking the government to review its decision. As accusations started to fly thick and fast, Minister for Supplies Hridayesh Tripathy was caught in the eye of the storm. In an effort to save his skin, Tripathy claimed, "The dealers have fixed retail price haphazardly." He also spoke against the practice of providing 3 percent commission to the dealers. "This situation has occurred due to past royal government. Only I am being blamed for no crime," he complained.

This reaction was to generate another follow-up agitation by the dealers who closed down their pumps for two days even after the government rolled back the price hike. Shiva Prasad Ghimire, president of Nepal Petroleum Dealers Association rejected charges made by the Minister saying that the latter made the remarks without understanding the technical aspects of the sector. "This is the result of appointing a person without knowledge as minister," he added.

It was only on Wednesday (August 23) that the petroleum supplies started smoothly ending the week-long turmoil.

Loss And Mismanagement

The government has been claiming that it had no option but to increase the price because the NOC was bearing heavy losses and unable to pay back dues of over Rs 8 billion to its supplier Indian Oil Corporation (IOC).

Last week, Finance Minister Dr. Ram Sharan Mahat said, "We are incurring losses of Rs 11 billion. We have to pay dues of Rs 8 billion to the Indian Oil Corporation (IOC) alone," he said. Two weeks ago a five-member team of IOC officials led by its commercial general manager M. Nene had visited Kathmandu to press for payment of dues at the earliest.

The IOC officials expressed their inability to bear huge outstanding dues for a long time.

According to reports, the NOC, which used to be one of the most profit-making corporations in the past, has continued to run downhill posting accumulated losses to the tune of Rs 16 billion in past four years alone.

The unbridled escalation of crude oil prices in the international market, utter mismanagement of NOC, leakage, corruption, profiteering and lack of scientific and transparent mechanism for price adjustment have caused the situation to deteriorate to this extent.

What Next?

Many experts have said that the time has come for dealing with this problem in a packaged manner. "The oil problem needs to be resolved in a package. Only increasing the price will not suffice," said Dr. Shankar Sharma, former vice chairman of the National Planning Commission (NPC).

According to him a package including automatic price adjustment mechanism; means to check pilferage, leakage and mismanagement; control of irregularities and corruption along with identification of alternative fuels are needed to deal with the problem in a sustainable manner.

In fact, after the chaos in the streets, the cabinet has formed a three-member committee headed by former Finance Secretary Bhanu Prasad Acharya to prepare a detailed report for price adjustment of petroleum products in accordance with international price trend, fiscal and management reforms of NOC, and suggest an effective mechanism for smooth supply. Other two members of the committee include Purushottam Ojha, joint secretary at Prime Minister's Office and Shiva Nath Pandey, chartered accountant of Nepal Rastra Bank (NRB).

But similar committees had been formed in the past as well. Two years ago, the government had formed a committee headed by Dr. Sharma. His report stated that the NOC can reduce losses from administrative overhead cost (by 10%), technical losses (by 50%) and shrinkage and, thereby, save around Rs 200 million a year. According to Dr. Sharma, these sorts of losses and irregularities

constitute less than 5% of the total losses incurred by the NOC.

The report suggests not allowing the price difference in Nepal and India (border side) to exceed 10 percent at present. It has recommended that this difference be brought down to 5% in next price adjustment. As a monopoly supplier/importer, NOC could have lesser incentives to become as efficient as desired by the people. Another factor that is contributing to the NOC losses is the adulteration of the fuel—particularly the practice of mixing diesel and petrol, which is triggered by the existing policy of maintaining large price difference between kerosene and diesel.

Some experts, student activists and consumer groups are also demanding that the government withdraw taxes on petroleum products. It is reported that even as NOC is suffering from over Rs 20 million loss daily, the government is collecting around the same amount daily as taxes on POL products. Taxes like VAT, excise, special duty and local development tax are imposed on different petroleum products. According to NOC, there is loss of Rs 9.9 per liter in petrol at the current selling price whereas the government collects Rs 26 as taxes on them. Likewise, in diesel, the loss is Rs 11 per liter and the tax, too, is Rs 11 per liter. In kerosene, the loss is Rs 8.21 per liter and tax is Rs 3; in aviation fuel the loss is Rs 5.8 and tax is Rs 10; and in cooking gas the loss is Rs 189.25 per cylinder while the tax is Rs 200.

However, the government still does not seem prepared to withdraw taxes on POL products. It feels that at this juncture when international financial institutions like Goldman Sachs are predicting that the price of crude oil could further rise from existing \$72 per barrel (1 barrel is equal to 159 liters) to \$100 and beyond, doing away of taxes could further limit its ability to absorb the price shocks.

As such, the most viable option before the government is to make its position transparent and introduce scientific price adjustment mechanism to ensure that domestic prices can fall and rise along with the fluctuation in international market. In

the long-term, the country must reduce its dependence on POL products and explore alternative energy sources like hydropower and renewable energies such as solar plants, biogas and so on.

Interestingly, even though their price fluctuation draws strong public reaction, the use of POL products in Nepal is very low. Even now, overwhelming mass of Nepalese population depends on traditional sources for energy. According to economic survey reports, of the total energy consumption, only 9 percent is derived from the POL products. At present, 87% of the total energy consumption is fulfilled by the traditional sources like fuel



Deserted streets: Aftermath of price hike

wood, animal dung and agricultural wastes. Commercial sources include POL products, coal (2%) and electricity (1.6%).

However, although their volume in terms of total energy consumption is low, national economy is quite sensitive to the price of POL products. Any hike in their price is bound to be followed by rise in transport cost, which in turn leads to increase in prices of all kinds of consumer goods. Therefore, the government would also do well to consider seriously the implications of sharp increase in petro prices given the high inflation (9 percent) and low growth rate (2 percent) in the country. ■

POLITICAL POLARIZATION

New Opening

Asking for a space for ceremonial role for monarchy, prime minister Girija Prasad Koirala opens a new political front

By KESHAB POUDEL

“The monarchy should be given the ceremonial role as this was endorsed by all seven parties,” said prime minister Girija Prasad Koirala. “All the leaders supported the declaration of House of Representatives. If one wants to wait for people’s verdict (on monarchy), one has to wait for the elections for Constituent Assembly, which will decide the fate of monarchy.”

At a time when all communist parties including the CPN-UML declared to lobby for Loktantrik Ganatantra (Democratic Republic), Nepali Congress leader and prime minister Koirala has charted a new course inviting polarization in the national politics.

Some of the miscalculations and actions of King Gyanendra, who wanted to do many things in haste even out-stepping the role of constitutional monarchy, has put the institution into controversy. King Gyanendra’s greatest misfortune was to go into a direct rule which was bound to fail with a devastating effect upon the country as well as the respectability of the crown.

“In a very short period, the institution of monarchy came into serious controversy. It has been the tradition in Nepal that people forget and forgive and again restored the same faith and reverence. History of this country has numerous examples of this attitude of the people toward crown,” said an analyst. “Girija Prasad Koirala, as a pragmatic politician, has rightly sensed the lesson of the history and, therefore, is arguing for the respectable face for the King also. The whole moderate opinion of the country is

being wisely reflected by the prime minister at this critical juncture. It is not only as a sympathy for the crown but also for his own interest.”

Just a day before prime minister Koirala’s announcement in Biratnagar, CPN-UML central committee decided to go for Loktantrik Ganatantra demanding the referendum on monarchy before the election of Constituent Assembly. After this declaration, CPN-UML gave up the ideology of its popular leader Madan Bhandari’s multi people’s democracy



Koirala: At the Center-stage of Debate

—which is at par with the Constitution of the Kingdom of Nepal 1990.

“Our party will demand the vote for Republic in Constituent Assembly. We want to settle the question of monarchy through the referendum before the elections for CA,” said CPN-UML leader Madhav Kumar Nepal.

As CPN-Maoist—which has armed cadres—has been struggling for the Republic for quite a long time, CPN-UML will inevitably have to compete with armed Maoists for their cause. Instead of asking for referendum on monarchy, the CPN-UML should have demanded the

referendum for the present constitution, which would have safeguarded its distinct position.

“We don’t want to see any role of monarchy in the interim constitution. The people have already given verdict for the republic state. I don’t think there require any referendum,” said CPN-Maoist leader Dev Gurung differing with the views of CPN-UML. “CPN-Maoist is the first party which had raises the issue of republican. This is our slogan,” he said.

The country is heading for a new polarization. All the liberal democratic political forces within the country are on one side and all other brands of communists are coming closer in their programs though they don’t have mutual trust and cooperation.

“If this polarization between democratic forces and communist forces are accommodated in the democratic practice, that would have a positive sign to build up democratic institutions again,” said the analyst. “If they fall into the trap of external forces, their position will be no better than a proxy force and thus put the country again into turmoil. In this dilemma of the internal forces, it will be counter productive for any power to step in the conflict and try to promote security interest.”

As a leader of Nepali Congress—centrist liberal democratic party—prime minister Girija Prasad Koirala has rightly chosen the party’s space for coming day political polarization. From violent communist party to other small outfits and a section

of vocal civil society have already occupied the space for Republican, while Nepali Congress leader Koirala has chosen the position of ceremonial monarchy. This is where Nepali Congress—which has powerful competing voices for republican through leaders like Narahari Acharya and for ceremonial monarchy through Sujata Koirala—will have solid backing from republican to monarchists in coming polarization.

Despite all his differences with King Gyanendra, Koirala, in his last leg of political career, has decided to carry the slogan for ceremonial monarchy. ■

“We Have No Contact With The Chinese Government Yet”

—PRACHANDA

Even as the fate of the proposed interim government remains uncertain, speculation about the induction of the Maoist rebels into it has not ceased. A major hurdle in the way of bringing the rebels into the government is widely believed to be the reservations of the international community. As key countries continue to suspect the motive of the not-yet-disarmed rebels, the top Maoist leader, PRACHANDA, spoke at great length with the BBC's Nepal correspondent, SUSHIL SHARMA, on regional and international issues, in his first exclusive interview on foreign relations. Excerpts:

What do you think is the main challenge of Nepal's foreign policy?

The old feudal regime believed in Prithvi Narayan Shah's belief that Nepal is a yam between the two boulders. But this geo-political situation is our strength not weakness. If this is handled rightly we can give a strong message to the international politics.

My question was: what exactly is the main challenge of the foreign policy?

Our backward culture and thinking combined with the feudalism and their alliance with the American imperialism. Our challenge is to break that alliance.

You said that being sandwiched between the two big neighbours is an advantage not a disadvantage. What advantage?

We can send a message to the world through interaction with the world's two most populous countries – India and China. Such a message can be effective and fruitful for the entire mankind.

But experts say that Nepal is a grass between the two elephants. If the elephants fight, the grass is crushed. Even if they make love, the grass is crushed...

I don't agree. Prithvi Narayan Shah's theory of seeing Nepal as a yam between the two boulders is a symbol of weakness. But Nepal is dynamite between the two boulders. It could explode and break all boulders into pieces, if any external forces try to intervene, dominate or intimidate Nepal at this age. If it exploded, it can affect many.

Where is the threat of interference and intimidation from – the north or the south?

At the outset of our movement and experiment for peace and change in Nepal, we thought that India had a positive role. Gradually, the southern neighbour's role has not been that positive. There is a tendency in a way or another to put pressure on Nepal and dominate it. Yes, I am pointing to India, the south.

So, the threat is more from India than China?

It is not appropriate to be that straight. I would rather say that the Indian rulers have lately expanded collaboration with the US rulers. The American pressure

and the vested interest of India's hard-line faction have merged as a hurdle to Nepal's independence and self-determination.

Oh, probably that's why there had been reports of China sending you olive branches, lately....

China had traditionally been backing the king as a factor of stability. But the people's movement against the monarchy and the feudalism in the recent times capped by the 19-day agitation in April may have forced the Chinese government to reconsider its old policy. Having said that let me make it clear that we have no contacts with them as yet.

Have you lately met any Chinese leader, official or diplomat?

No, there has been no face to face meeting with any official. I had had a meeting with a Chinese professor only. Apart from Professor Wang, no Chinese official has met me.

Despite being a communist state, China never backed your cause. Instead, it continued to provide military assistance to the royal regime even as you branded the army as “royal American army”.

The point is: since the days of Mao, China saw the palace and the monarchy as a factor of stability. Mao even publicly described the Nepalese king as more progressive than the Indian prime minister. Chinese policy may have been inspired by Mao's thought since then. As for the arms assistance, China may have given some assistance to the royal regime, but it is the US which had a role in encouraging the (royal) Nepal army against the people.

How can a country situated so far away play a role here?

I think the US has a global strategic interest in seeking to derail our movement. We also suspect that the US and India have been collaborating to come here under a design. That has worried us even more.

When China backed the king politically and militarily, you did not see this as interference in Nepal's internal affairs. But when the US and India provided similar assistance, that is branded interference. Are not you contradicting yourself?

No, not at all. Fulfilling a formality as a neighbour is one thing. In reality, it is India and the Indian army which had been in the forefront in safeguarding the royal regime and assisting the Nepalese army. I suspect that India still wants to protect the monarchy. I have the feeling that it is trying to keep the monarchy through different channels. I don't believe that India favours the abolition of monarchy.

Isn't anti-Indianism a hollow nationalism?

I don't agree. Yes, this had been the case in the past. The feudal tried to give the impression that anti-Indianism was synonymous with nationalism. It was

“I think the US has a global strategic interest in seeking to derail our movement. We also suspect that the US and India have been collaborating to come here under a design. That has worried us even more.”

used as a tool, against democratic forces. What is important is not anti-Indianism but the fact that India should also understand the new realities.

You always talk about the possibility of "Bhutanisation" and "Sikkimisation" of Nepal, but what about the specter of "Tibetisation" given the rising power and ambition of China?

China is not likely to give priority to such issue, given its stupendous economic growth. Tibet may be a sensitive issue to China and it may be worried about any outside provocation there, but I don't think that China would seek to expand beyond the Tibetan borders. The hypothetical fear of Tibetisation is nonsense.

You have been advocating self-determination of the Nepalese people through autonomous regions. Do you support a similar self-determination in our neighbouring countries? Should China give such right to the people of Tibet, and India to the people of Kashmir?

Definitely. When we are calling for self-determination for different indigenous people in Nepal, the Kashmiri people should also get such a right and the right to decide their fate themselves. Not only that, the people in the (insurgency-torn) north-east India should also be let to decide what they want. However, let me make it clear that self-determination does not mean separation (from the state).

What about Tibet? The Tibetans should also be given the right to self determination?

Yes, of course. But we think that the autonomy that the Chinese government has given there is in accordance with the aspiration of the Tibetan people.

You don't think the same about Kashmir?

No. Such autonomy has not been given in Kashmir.

The northern neighbour, China, is a permanent member of the UN security council. Now, the southern neighbour, India, is also seeking a permanent seat in the influential UN body. Do you think that India should become permanent member of the UN security council?

As it is, no. India has to first reconsider some of its present policies towards smaller neighbours. It presently follows what is known as Nehru doctrine under which it seeks to intimidate, interfere, expand its influence and dictate its terms on its neighbours. If India reconsidered such a policy then it would indeed deserve a seat in the UN security council.

What about India's Shashi Tharoor's bid to succeed Kofi Anan to the top UN executive office?

Given the present Indian policy, I don't think that this region would benefit from an Indian becoming the UN secretary general.

As regards the northern neighbour, China has recently started a train service linking Beijing with Lhasa. There had been talks about expanding it to Khasa on our borders and then onwards to Kathmandu as well. Will it benefit Nepal or the accompanying security concerns will harm us?



Nepal has so far leaned towards the southern neighbour due to the economy, open borders, transport and communication etc. This has put us in a disadvantageous position vis-à-vis India which, instead, is in a position to take undue advantage. In view of this, the train service from Beijing to Lhasa and beyond, to Kathmandu, would benefit Nepal in particular and the entire region in general. It would do no harm.

India seems to be concerned that China would gain a strategic advantage in the region and pose security threat.

The concerns are unfounded. If India can build roads, trains, transport network in its territory around Nepal, how can you question China doing the same? That is not justified.

Has not Nepal become a victim of a contest between the two big neighbours, India and China?

Yes. Unhealthy competition between them has affected Nepal. Other smaller countries and even the people of India have also been affected. If they started a healthy competition and moved towards friendship, not only the Nepalese people but the people of the entire region including India and China would also benefit.

Talking about the US, it has branded you as terrorists just as it branded Bin Laden's Al Qaida. Both you and Al Qaida are vocal critics of the US. So, do you support the Al Qaida attacks on the West including the US targets?

Never. Bin Laden's attacks on innocent people the world over under a blind religious garb are terrorist activities which we strongly condemn. But it is the US which is a bigger terrorist than Bin Laden in the sense that it was the US which created him during the war against the Soviet Union in Afghanistan. As far as our relations with the US are concerned, we are not going to fight against it. Nor are we capable of such a fight. It is not that we do not want to have relations with the US once we go to power. All we want is to wage an ideological resistance against the US muscle-flexing in the world.

There have been persistent concerns that Nepal has turned into a playing field of international powers. Some even fear that Nepal's existence and future as an independent country is in danger. Do you share such fears?

Yes, we are definitely concerned over an upsurge in the activities of the international powers. But I don't believe that this alone will endanger Nepal's existence. Nepal, with 25 million people, is not a too small country. There are more than a hundred countries which are smaller than us.

The issue is not just about the existence, but more about the fears that Nepal could become another Iraq, Afghanistan or Lebanon.

I don't share such fears. It is not easy for the US to invade us, like it did in Afghanistan and Iraq. If India and China have such designs that would also not succeed, because forces have already emerged here on their own to counter such designs. ■

"If India can build roads, trains, transport network in its territory around Nepal, how can you question China doing the same? That is not justified."

CA AND POLITICAL REFORMS

Grass-roots Debate

The level of debate in districts have increased both in quality and quantity

By SANJAYA DHAKAL in Dhankuta

She proudly claims that although she knows nothing about politics, she is a 'big housewife' who has been managing the affairs of her home quite effectively.

Parvati Rai is a representative of increasingly vociferous ladies who now not only understand their rights but are

"Transition and Constituent Assembly," Parvati Rai made some eloquent remarks also on CA. "Four months have passed since they started talking about CA. I guess they would spend another two, three years doing this," she said.

Bishnu Kala Rai is another lady who has strong views on the political developments happening in the country. "The new constitution that we are going



Parvati Rai: Impressive Ideas

demanding them as well. "The government has money to spend on various activities but when it comes to helping women, they say they have no money. Why don't they give resources to help women who constitute 52 percent of population?" she exclaimed.

In the same breath, she also demands rights to indigenous people. "Unless the state involved indigenous community in the nation-building, there would be another war," she cautions. Speaking at a program to discuss about

to write must restructure this state. The equal partnership of women must be ensured at decision-making level in all fields of the state," she said.

Hima Devi Basnet is a lady lawyer based in Dhankuta. She deals with issues like CA, electoral process, political reforms and restructuring of the state as well as any of the hotshot constitutional advocates based in Kathmandu. "We should adopt mixed system of electoral system. Decentralization is only limited on paper till now. Without arms

management, we cannot take a single step forward. Resolve citizenship problem before CA elections. Guarantee rule of law. Dissolve the parliament after promulgating interim constitution," she says in a breath.

These ladies of Dhankuta represent a brigade of well-informed citizenry residing in far-flung districts of the country.

At a time when the country is heading towards the elections of Constituent Assembly to write a new constitution, the presence of such ladies in districts provide a hope for this nation, especially when many educated persons even in capital valley are saying that they know very little about CA.

The knowledge of CA and making informed-choices would definitely lead the nation to a peaceful, prosperous and democratic destiny. Otherwise, the exercise of CA would prove to be futile if the citizens are not aware enough about what it means and how it can shape the future of their nation and well-being.

Apart from women, people representing oppressed community like Dalit are also coming forward with clear convictions. "We will not tolerate symbolic involvement of dalit any more," said Rabindra Nepali, a Dalit community leader in Dhankuta, pointing to the last-minute nomination of one Dalit member in the Interim Constitution Drafting Committee (ICDC). "We demand 25 percent reservation for Dalit - 20 percent based on their population and 5 percent extra as interest of accumulated oppression that they have suffered in the past," he stated.

Sita BK, a Dalit woman leader of People's Front, demands implementation of all commitments towards inclusion. "Still, we sense that they are pushing women behind," she said.

The strong remarks by local people on issues ranging from arms management to federal/unitary debate and from reforms within political parties to monarchy/republic debate show sea-change in political awareness among the people in far-flung regions.

"I was quite amazed by the quality of debate. Even though I hail from this district, I did not know that people here

had become so much aware. Everybody seems to have their opinion on all political issue. And they are quite expressive as well," remarked Udaya Nepali Shrestha, a former law secretary, who had presented a concept paper on "Transition and CA" at the one-day interaction program held in Dhankuta on August 18.

The program was organized by Civil Society Alliance for Political Reforms (CiSAPR) with the cooperation of National Democratic Institute (NDI). The CiSAPR is a network of five NGOs including Center for Studies on Democracy and Good Governance (CSDG), Pro Public, National Association of VDCs, Nepal (NAVIN), Nepal Law Society (NLS) and Society for Constitutional and Parliamentary Exercises (SCOPE).

"We have been organizing similar programs to generate public debate on vital issues of CA in all five regions of the country," said Krishna Man Pradhan, president of CiSAPR and executive director of NLS. According to him, the quality of debate has vastly improved from east to west. "We organized similar interaction programs in Kanchanpur and Dang. There also people were quite interactive and had lots of queries," he said, adding that the primary motive of



Bishnu Kala Rai: Strong Convictions

the interaction is to strengthen the political parties from local to central level. "It is the duty of civil society organizations to facilitate the dialogue process among the common people, activists and local party organizations," he added.

The CiSAPR is organizing the district level interactions on CA and the period

of transition in keeping with its ongoing campaign to create mass awareness on vital issues of political importance.

Elaborating the significance of facilitating the dialogue, Pradeep Thapaliya, executive director of NAVIN, said, "This period of transition for a nation is just like an attack of cold on a human being. It marks a vulnerable phase fraught with all kinds of dangers. Just like a person is susceptible to other dangerous infections when he/she is weakened by cold, the period of transition also opens up similar vulnerabilities in case of a nation state. Therefore, all stakeholders must concentrate on remaining alert to avert such disasters from striking the nation. And holding such public dialogue does just that." Thapaliya said the interaction was aimed at easing the path towards the elections of CA. According to him, the CiSAPR has been conducting public hearings, interactions with youth leaders and local party organizations for the purpose.

Along with the necessity of mass mobilization by political parties, such interactions facilitated by the civil society would create necessary pressure to conduct CA elections in a free and fair atmosphere.



Participants at the Program: Active Engagement in Debate

BOOK

Gender Promotion

Dr. Meena Acharya's book discusses the efforts of women development

Despite various efforts of governmental and other agencies to improve the living condition of women, overwhelming majority of Nepalese women are still living in miserable state. From social discriminations to other kinds of inequality, there are still a lot to be done to bring changes in the lives of rural women.

Being a renowned economist, Dr. Acharya has made efforts to analyze the conditions of women by discussing the efforts made for women development. Although the English version of this book was published a long time ago, the translation has been released recently to cater to the wider audience.

In her book, Dr Acharya discusses many issues like the concept of gender, what are

basics of gender and basis of program analysis. From historical perspective to the present state of women, Dr. Acharya has traced all efforts to discuss women's role in the society.

In early days, women issues were taken under the welfare approach and the programs were directed to increase women participation in education, health and other social welfare programs. According to Dr. Acharya, these were the priority programs for women.

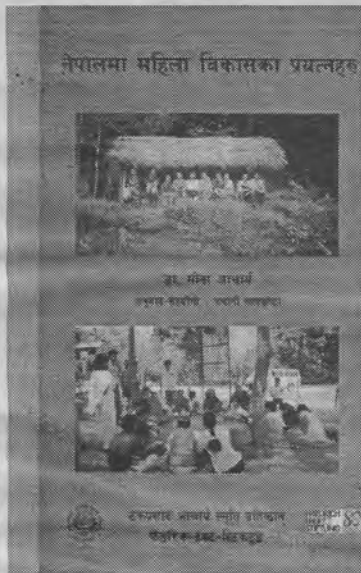
After the declaration of first international women conference, the focus shifted towards women in development. There are growing realization that only making progress in health and education sector are not alone enough to bring drastic change in the life of women particularly labor force as women contribute large proportion of labor work in agriculture sector in developing world.

This is a first kind of a book, which discusses all various aspects of life of women, their social structures, status and overall economic conditions. From the early phase of discriminatory approach to the next phase of women's rights, Dr. Acharya also discusses the issues of gender and gender relations.

In the last few years many books have already been published discussing and analyzing the problems of women, this is first kinds of its book which explains all different aspects of women's problem in Nepal.

Although the women consist of more than half of the population of Nepal, they are yet to be treated equally. Thanks to the education, the urban women have better opportunities but the large number of rural women are yet to enjoy equal status.

Translated into Nepali, this book is helpful for those students and scholars whose understanding of English language is not good. Published under the support of FES, this book provides detailed aspects of Nepal's development process. At a time when everyone is talking about the need to improve the status of women, this book provides information about the current status and ways forward.



Effort at Promotion of Women in Nepal

By: Dr. Meena Acharya

Translated by: Bhawani Sapkota

Published by: Tanka Prasad

Acharya Memorial Trust and

Friedrich Ebert Stiftung,

Kathmandu

Price: Undisclosed

Pages: 77



Better Life is Democracy

Author: Padma Poudel

Pages: 141

Published by: Padma Poudel

Price: Rs. 250 (Individual) and Rs.400

(Institutions)

Democracy And Life

Padma Poudel tries to explain what absolute democracy means

Although universally democracy does not carry any adjective, here every one has his or her definition of democracy. They want to qualify it by adding inclusive or absolute or People's democracy. And democracy carries different meanings for them.

Despite differences over the definition, all of them agree that democracy provides better life for all. Based on this concept, author Poudel has written a number of articles highlighting how democracy makes for a better life.

In democracy every body wants everything. Poudel argues that democracy ultimately means better life. From discussing about the role of political leaders to philosophy of Madan Bhandari and Constituent Assembly and restructuring of the state, the book consists of twenty different articles.

Published in various newspapers at various times, these articles show the diversity in the ideas of the author. He has compiled those diverse articles to publish the book. He also discusses core issues of Mallik Commission and reinstatement of local bodies.

Although this is a compilation of articles, the book is interesting to read in the sense that it helps to understand the background of democratic development of the country.

Proposed Nepal Power Sector Ordinance 2006

Some Musings

By SB PUN

Preamble: Surprisingly, unlike previous closed-door government-only affairs, the proposed Drafts of the two Power Sector Ordinances 2006 (*Establishment and Management of Electricity Regulatory Commission and Development and Management of Electricity Sector*) did undergo a series of public discussions and debates among various power sector stakeholders. This was during the tenure of the previous governments and the intention was to enact these two Power Sector Ordinances immediately. The then government did form a committee that had representatives from such stakeholders like the NEA, Independent Power Producers, Nepal Consumers' Association, Winrock International, Nepal Water Conservation Foundation etc. No doubt, such open and transparent discussions were very positive signs and the government should be complimented for this commendable work. But exactly how much listening the then government would have actually done in the enacted form could not be demonstrated. The following musings are, thus, an outcome of some of those discussions on the proposed power sector ordinance 2006.

Nepal Electricity Regulatory Commission (NERC):

The preamble of the previous Draft (*Chaitra 2061*) stated that the Nepal Electricity Regulatory Commission (NERC) "will insure that all electricity transactions occur in a transparent manner and that while promoting exports maintain a requisite balance with the country's internal needs. The Commission will regulate the price and tariff of electricity, establish a competitive electricity market and insure that electricity services are reliable, accessible to all, safe and of standard quality". The Revised Draft (*Kartik 2062*), however, withdrew the words "promoting exports" and reworded it with "maintain a requisite supply and demand balance within the country" while retaining the rest of the preamble. The prerogative to approve export/import of electricity has, thus, been retained by the government. It is pertinent to note that the government did not mandate the Electricity Tariff Fixation Commission (ETFC), formed in 1994, to review and approve power purchase agreements (PPAs) concluded by NEA with the independent power producers (IPPs). One does not know whether this was unintentional or intentional to give the IPPs more freedom to play. While the IPPs hired the globe trotting hourly-dollar-crunching expatriate lawyers, NEA took recourse to local inexperienced, indigenous lawyers. With the lessons from the Khimti and Bhotekoshi "take or pay" tariffs, the government has now mandated NERC to prescribe the terms of PPAs, review and when necessary even issue instructions for modifications of all future (*not existing*) PPAs.

A ticklish situation that is brewing on the Nepal power sector is that while West Seti's storage 750 Mw peaking power would be sold to India at US Cents 4.90 per unit only, the supposedly cheaper run-of-river Khimti and Bhotekoshi energy costs, for internal domestic needs, are already over US Cents 7.0 per unit! That is, Nepal's own resource is costing far dearer to its own citizens than the people across the border. NERC should ensure that such anomalies do not occur on all future PPAs. This must not be left at all to the mercy of the all mighty market forces. On this sensitive export/import issue, the need to do further "due diligence" through more public vetting is very much warranted.

On the issue of the NERC Member Recommendation Committee, the previous Chaitra 2061 Draft had Secretary/Ministry of Water Resources as the Coordinator and Executive Director/Water and Energy Commission (WECS) as the member-Secretary. That the lead ministry should want to dominate the Recommendation Committee is not a new phenomenon. What is commendable is that the government did listen to

the stakeholders' inputs and the Kartik 2062 Revised Draft now has the Vice-Chairman/National Planning Commission as the Coordinator with Secretary/MOWR merely as the member-Secretary. The Governor/Nepal Rastra Bank and the representative/Electricity Consumers, who were unfortunately missing in the previous draft, have also been incorporated as members. This has widened the horizon of the Recommendation Committee that would recommend suitable candidates as Chairman and members to the Nepal Electricity Regulatory Commission.

NERC has also been given the mandate to review and approve the Least Cost Generation Expansion Plan (LCGEP). So far, this all important LCGEP study was the responsibility of NEA. With the power sector restructuring requiring NEA to un-bundle and become one of the competing generators, this onus has now been thrust on the WECS' shoulders. WECS, whose present job is macro-management of the country's water and energy resources, should not have been burdened with such micro-management responsibility. Many analysts believe that this onus should, instead, have been transferred to the Department of Electricity Development (DOED) that already has a privatization wing for promoting electricity development and a project study wing for project planning.

NEA Unbundling:

Nobody questions the need for the 9,540 strong NEA to be an efficient, financially healthy, lean and thin, pro-reform utility. What analysts really question is the timing and objectives of NEA unbundling. The Nepal power sector has a tiny installed capacity of about 612 Mw with NEA having 450 Mw (*inclusive of the 55 Mw thermal plants*) and the private sector already operating a sizable 148 Mw hydel plants. The proposed ordinance for the Development and Management of the Electricity Sector envisages NEA unbundling into three separate entities (*generation, transmission and distribution*) and to be independently operational within a year. This "right sizing" of NEA to the level of Butwal Power Company (BPC), Khimti and Bhotekoshi would be very much relished by such players like Australia's Snowy Mountain Electric Corporation (SMEC) and India's National Hydro Power Corporation (NHPC). When the issue of chipping in equity for the export oriented very attractive 300 Mw Upper Karnali cropped up, the 14.0 billion Rupees revenue earning NEA was not in a position to chip in more than 26% of the equity. NHPC, a Government of India undertaking, was naturally keen to chip in the rest of the entire 74% equity. It is worthwhile to ponder how much equity the "right sized" NEA would be able to chip in on good projects.

Such an overwhelming equity majority, in the hands of the larger country, would be counter-productive to the badly needed confidence building measures this region badly requires. In the Laotian 1,086 Mw Nam Theun II hydroelectric project dedicated for power export to Thailand, Laos was content with 25% equity. Laos had no problem with Thailand's 40% equity (*public sector EGAT 25% and private sector 15%*) as the international player, EDF/France, had that moderating 35% equity at stake also. If such equity equations fructify in the ASEAN region, then what is obstructing this in the SAARC region? It is these kinds of Laotian partnerships that should be explored to develop Nepal's vast water resources potential. Nepal's 1992 acts and policies did envision such equations. Unfortunately despite these acts and policies precious little megawatt of power has materialized in the last 14 years. What has gone amiss? That an unbundled "right-sized" NEA, as envisaged by the

Power Sector Ordinance 2006, would usher in a flood of FDIs into Nepal's hydropower sector would be very difficult to envisage.

Department of Electricity Development (DOED) Licensing & Royalty:

The revised 2006 Power Sector Ordinance still suffers from lack of competition in acquiring survey and generation licenses. The complaints that the private developers have in their pockets, through the MOU route, the licenses of practically all the hydro project sites of Nepal have not been addressed by the ordinance. This past trend of "*license ma othara basne*" has now been officially condoned by permitting sale or transfer of license by paying a prescribed fee to the government. In 1999, DOED had floated an unprecedented 22 number of hydropower projects totaling 4,500 Mw for private sector competitive bidding. There were no takers for four projects totaling 940 Mw, four more projects worth 687 Mw (600 Mw Budhi Gandaki, 30 Mw Chameliya, 27 Mw Rahughat and 30 Mw Kabeli) were removed for development by various donors like India, South Korea and World Bank, six other projects totaling 1,480 Mw were sanctioned for studies and finally eight projects worth 1,420 Mw (402 Mw Arun III, 305 Mw Upper Arun, 60 Mw Kankai, 301 Mw Dudhkosi, 101 Mw Tamor-Mewa, 176 Mw Andhi Khola, 51 Mw Likhu-4 and 24 Mw Budhi Ganga) were approved for development. Seven years down the road, what has become of all those projects sanctioned for studies and approved for development? What does the scorecard indicate? There is a need for the government to do some genuine soul-searching as to what were the deficiencies that prevented these projects from moving forward. Has the proposed ordinance taken due cognizance of these deficiencies? At a time when load shedding is staring the country in the face, we are silent witness to the floundering of the small 30 Mw Kabeli project earmarked for execution under the World Bank's Power Development Fund. DOED was created essentially to promote electricity development. It is in times like the present load shedding period that the government sorely needs the services of DOED.

On the sensitive issue of royalty, the proposed Ordinance has attached a Schedule wherein royalties for domestic and export projects are differentiated. Export oriented run-of-river and storage projects, in the initial period, are levied a royalty of 7.5% and 10% respectively of the energy sold in the same currency as the electricity sale. After fifteen years of commercial operation, this royalty for run-of-river and storage projects increase to 12% and 15% respectively. A footnote to this Schedule explains that for projects under 1,000 Mw, constructed on "*non-commercial basis*", in lieu of the royalty in cash, the Nepal Government shall take 15% of the power based on monthly capacity and energy generation. There is, however, a subtle catch here. This Schedule of the Revised Ordinance refrains from defining what "*non-commercial basis*" means. The previous Chaitra 2061 Ordinance had included this quaint clarification: *For the purpose of this Section, "non-commercial basis" means the electricity produced with the involvement of a corporate body owned by the foreign country's Government and exported to the same country.* At the stakeholders' forum discussions, this "*non-commercial*" classification was vehemently objected to and yet it has continued to remain in the ordinance stubbornly. The lame excuse is that this was a policy approved by the Parliament in BS 2058 and accordingly passed by the government. If one is to compare the 750 Mw Snowy Mountain/West Seti and the 600 Mw Budhi Gandaki/National Hydro Power Corporation, then one gets to know which developer qualifies to be the "*corporate body owned by the foreign country's Government and exported to the same country*". This then clarifies which developer pays Nepal the royalty in cash and which in kind i.e. energy only! Is this the government's espoused policy of the "*level playing field*" for all?

Another important point to note is that the States in India, where hydropower plants are located, get 12% of the generated energy free, in contrast to Nepal's 7.5%, from the very beginning of commercial operations even from the run-of-river projects! After fifteen years of operation, Nepal's Schedule of the revised Ordinance has 12% royalty

for export oriented run-of-river projects while the export oriented storage projects have 15% royalty. Apparently, this means that the Revised Ordinance has, in all its wisdom, captured downstream benefits in India from export oriented storage projects by levying a mere additional 3% royalty! Is this additional 3% royalty all that Nepal should incorporate for submerging its scarce valuable lands, flora and fauna besides displacing her citizens for the benefit of people across the border in India? Is the Nepal government genuinely satisfied with this additional 3% royalty? Such vital and sensitive issues would need to be debated in an open and transparent manner.

Hydropower Royalty in Indian States:

It is imperative to note how royalty is tackled in India. For hydroelectric projects in Himanchal Pradesh on Build, Own, Operate and Transfer (BOOT) basis, the private developer "*shall provide 12% free power to the Government of Himachal Pradesh as a royalty in lieu of surrender of Hydel potential of the State*". Himachal Pradesh also reserves the right to "*have first option to buy remaining power. If the Himachal Pradesh Government foregoes its option of purchase of power from the project free power will be required to be provided to the Government of Himachal Pradesh @ 15% for the first 12 years and @ 20% for the remaining Agreement Period.*" This clearly indicates that if the developer exports Himachal Pradesh power to other Indian States then the Himanchal government seeks a royalty of 20% free power! Nepal should take note of this.

The other Indian State, Uttaranchal, has as its policy for hydropower projects over 100 Mw in the private sector: *Twelve percent (12%) of electricity generated shall be made available free of cost to the State during the entire life of the Project. This free power will be in addition to the amount received at the time of allotment.* "On top of this royalty, the developer would have to pay electricity duty "*applicable as per law.*" This is Rupees 0.05 per unit which is shared between the Centre and State on a 40:60 basis. Another interesting policy of Uttaranchal State is that while the developer of the project has the right to sell power outside the State "*If anytime the State requires additional power, the concerned organization of the State, may purchase electricity from the project on terms and conditions to be decided mutually by the developer and the concerned agency.*" The State has given priority to its own use and has accordingly reserved this right. We, in Nepal, should learn "*a few tricks of the trade*" from these two Himalayan States of India!

Besides the royalty, two other interesting conditions that Nepal could also ditto Himachal Pradesh and Uttaranchal are: *i) Executive/non-executive officers and daily waged workers shall be employed from within the State through Employment Exchanges. Employment from outside the State shall only be permissible if requisite persons are not available within the State. ii) Developers shall have to reimburse the amount spent by the government on survey, investigations and infrastructural works of the project along with compound interest @ 16% per annum.* Some analysts assert that Nepal has, so far, spent nearly half a billion US dollars on water resources studies alone. If we follow the reimbursement policy of these two Himalayan States in India then there could be some replenishment to our coffers to conduct more studies.

Multipurpose Projects in Nepal:

It was unfortunate that, at a time when Parliament did not exist, development of large complex multipurpose projects in Nepal were included in the Ordinance. That the Indo-Nepal Mahakali Treaty's Pancheshwar DPR has failed to materialize in the last ten years is before everyone. The treaty taught Nepal valuable lessons on the nuances of prior use water rights, downstream benefits, avoided cost principle on electricity pricing, cost sharing in proportion to the benefits accrued and the bitter acrimony over what accrued benefits truly entail. What Nepal has yet to learn are the nuances of rehabilitation, resettlement and compensation of people displaced by large multipurpose projects besides the submergence of her valuable lands, flora and fauna. On compensation,

the Ordinance merely spells out "as per the prevailing laws". This means the prevailing Land Acquisition Act 1977 (amended 1991) that was enacted to expedite Nepal's own domestic development works and Not International Multipurpose hydropower projects. India has already accumulated a formidable inventory of knowledge from Bhakra through Kosi, Gandak, Hirakud and Narmada to Tehri. In contrast, Nepal's displacement and compensation experiences on Kulekhani, Marsyangdi and Kali Gandaki are miniscule and implemented tardily.

With the Pancheshwar DPR in abeyance, India and Nepal have embarked on another ambitious project, the Sapta Kosi Sun Kosi Investigation. In January 2006, the Indo-Nepal Joint Project Office – Sapta Kosi Sun Kosi Investigation has invited proposals for conducting EIA Study of Sapta Kosi High Dam Multipurpose Project and Sun Kosi Storage-cum-Diversion Scheme. Strangely, this Environmental Impact Assessment Study is to be conducted ONLY in the Nepalese territory. Nepal knows that India is in a great hurry to implement the Sapta Kosi High Dam Project. This storage dam, besides substantially mitigating the annual flood havoc in Bihar, is a major component of India's River Linking Project to divert augmented waters to India's drier west to finally link up with Kamali. If the cost of the project is to be apportioned according to the accrued benefits, like in the Mahakali treaty, then Nepal has the right to know all accrued benefits downstream in India. With a number of Joint Project Offices in Nepal only and strangely NONE at all in India, another acrimony over the benefits, like in the Mahakali, is definitely in the making. During the 10,800 Mw Karnali/Chisapani Multipurpose Feasibility Study funded by the World Bank, Nepal had problems over data availability downstream in India on the Karnali basin. When the 24 volume US\$ 18 million feasibility report was availed to India in 1989, she had grave reservations on benefit assessment. India argued that irrigation and flood control benefits from Karnali/Chisapani were negligible to her despite the four fold increase in the dry season Karnali flows. As such, India wanted only the power benefits to be accounted for, again arguing that capacity benefit from the project was negligible. In other words, Nepal was required to foot the entire cost of the US\$ 4.89 billion Karnali/Chisapani project.

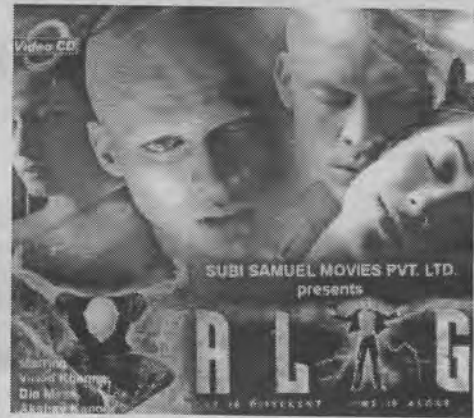
Final Note:

To conclude, water is Nepal's principal natural resource. It is imperative that the use of this natural resource is optimized for the benefit of not only the present Nepalese but also the future Nepalese generations to come. At a time when there was no sitting Parliament, the Ordinance, in the name of Power Sector Restructuring, was toying with the whole gamut of Nepal's water related issues. Was this truly the Ordinance's objectives? Many believe that the Ordinance should have, instead, focused on the present crisis of how to rid the country from the vicious wrath of load shedding. Multipurpose projects, at the present moment, are not Nepal's priority. Even the National Planning Commission has forecasted a mere export of 400 Mw by the year 2017. The Ordinance, however, gave the impression that the country was in a hurry to usher in the three multipurpose projects: Pancheshwar, Sapta Kosi and Karnali/Chisapani that would embrace all downstream benefits by levying a mere additional 3% royalty. On the under 1,000 Mw projects operated on non-commercial basis, the Ordinance is overtly biased towards India's corporate bodies. Surprisingly, it is the present sitting Parliament that passed this policy in 2058. It is, therefore, high time that the Parliament debate again whether this policy is relevant in the present context.

On NEA unbundling, while the Ordinance took the faster, more radical and revolutionary approach, a better option that many believe is the slower evolutionary approach. Let us not forget that traditional Nepalese wisdom reflected in the proverb "Lata ladchha ek baldyang, batha ladchha tin baldyang". Crippled as we are by the decade old civil strife, does Nepal have the luxury of taking such a radical plunge as envisioned by the Nepal Power Sector Ordinance 2006? In the present changed political context, the need to thoroughly review and vet this Power Sector Ordinance 2006 will be very much in Nepal's interest. ■

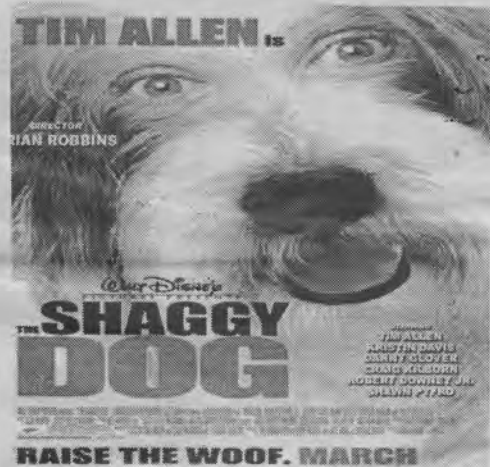
(Pun is a former managing director of Nepal Electricity Authority)

CINEMA



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- Phir Hera Pheri*
- Chup Chup Ke Fanna*
- The Killer*
- Omakara*
- 36 China Town*
- Gangstar*
- Krish*
- Alag*
- Goalmaal*



English

- Shaggy Dog*
- She's the Man*
- Down in the Valley*
- House of Dead 2*
- Hale Light*
- Tuespasseus*
- Kidulthood*
- Over the Hedge*
- The Boston*
- Madea's Family Reunion*

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RAM KRISHNA DHAKAL

Master Of Voice

Dhakal has traversed a long path to establish himself as a prominent singer of the country

By KABI ADHIKARI

When a young lad in his pre-teens sang songs of Narayan Gopal two decades ago, many had thought that this boy was a dark horse.

So, when Dhakal literally grew as a singer in the public domain, nobody was really surprised. But the degree of success he has attained has taken even his ardent fans by surprise.

Two decades ago, when he started singing in a melodious voice, he used to attract a fair number of crowd. Within this period, he has managed to scale new heights. Dhakal, today, has a huge fan following not only among youngsters but also ladies and elders alike. Because of his melodious and powerful voice, there are many who compare him with the original master of Nepali modern songs – the late Narayan Gopal.

The success he has earned as a singer was because of his struggle since childhood. He did not know that he would one day achieve such success in this field.

Born on July 23, 1974 in Nijgadh, Bara, Dhakal is gifted with a soothing voice and a flair for singing. His talent in music got a fertile ground to be nurtured. At his very early age he used to sing songs that would easily catch the attention of many people. Without feeling shy, he used to sing songs in front of his teachers, colleagues and relatives.

As a young boy, he had keen interest in music since his childhood. He used to listen to the songs of Narayan Gopal especially. Bhaktaraj Acharya, Deep Shrestha, Prakash Shrestha, are some of

his favorite singers. With their songs and inspiration of his teachers, friends and others, he participated in school level contests. Dhakal used to sing touchy songs with melodious voice while participating in 'Cultural Programs'. The trend of participating in the contests



Dhakal: Star Singer

continued and Dhakal earned more shields and awards.

"Hamro Sundar Sansar Thiyo" was his first song to have been recorded. It was composed by Dinesh Subba. The popularity of his first song, profoundly changed his career dynamic. He made progress by leaps and bounds in the subsequent years. With popular songs 'Orali Lageko Harinko Chal Bho', 'Man Paraune Hajar Bhetinchhan' one after another, he never had to look back.

Impressed by the popularity of his songs, producer of Nepali feature film 'Jhajalko' approached him. His first playback song 'Jindagile Yasari Dhoka Diyoki' became even more popular.

More and more producers and musicians started approaching him. Within the next few years he was already an established and sought after playback singer. To date, Dhakal has lent his voice to songs in more than 100 Nepali feature films.

Although he has sung only around 100 songs as playback singer, Dhakal has sung a large number of other songs. He has already sung more than 800 songs and released 11 solo albums including

Dhakal Sumadhur Saanjh- 1989, Ashirbad-1994, Aashish-1996, Asha-1998, Dhakal Sumadhur Saanjha-II 1998, Aarohan-1999, Ashirbaad-2000, Agraha-2001, Aadhar-2002, Aashraya-2004, and Aagaman-2006.

After about 20 years of his formal entry to the music industry, Dhakal has recently come out with his latest album 'Agaman'. While inaugurating Agaman at BICC Hall, funds were collected in favor of 'Bhaktapur Cancer Hospital'. Showing his attachment with social causes, he helped raise more than five lakh to help cancer-struck people.

As a prominent singer, he has traveled to 40 districts out of 75 districts of Nepal. Likewise, he had the opportunity to visit various countries like United States, United Kingdom, Japan, Korea, Hong Kong, Brunei, Qatar, Malaysia, Dubai, and so on to show concerts.

Apart from singing, Dhakal also tried his hand in acting. As a central character of Aashirbad, a Nepalese musical feature film, he also played in films. But acting does not seem to be his cup of tea. Dhakal, however, is one of those artistes who is busy in advertisement sector also.

In recognition to his contribution to Nepali music, Dhakal has been felicitated by several awards and medals.

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