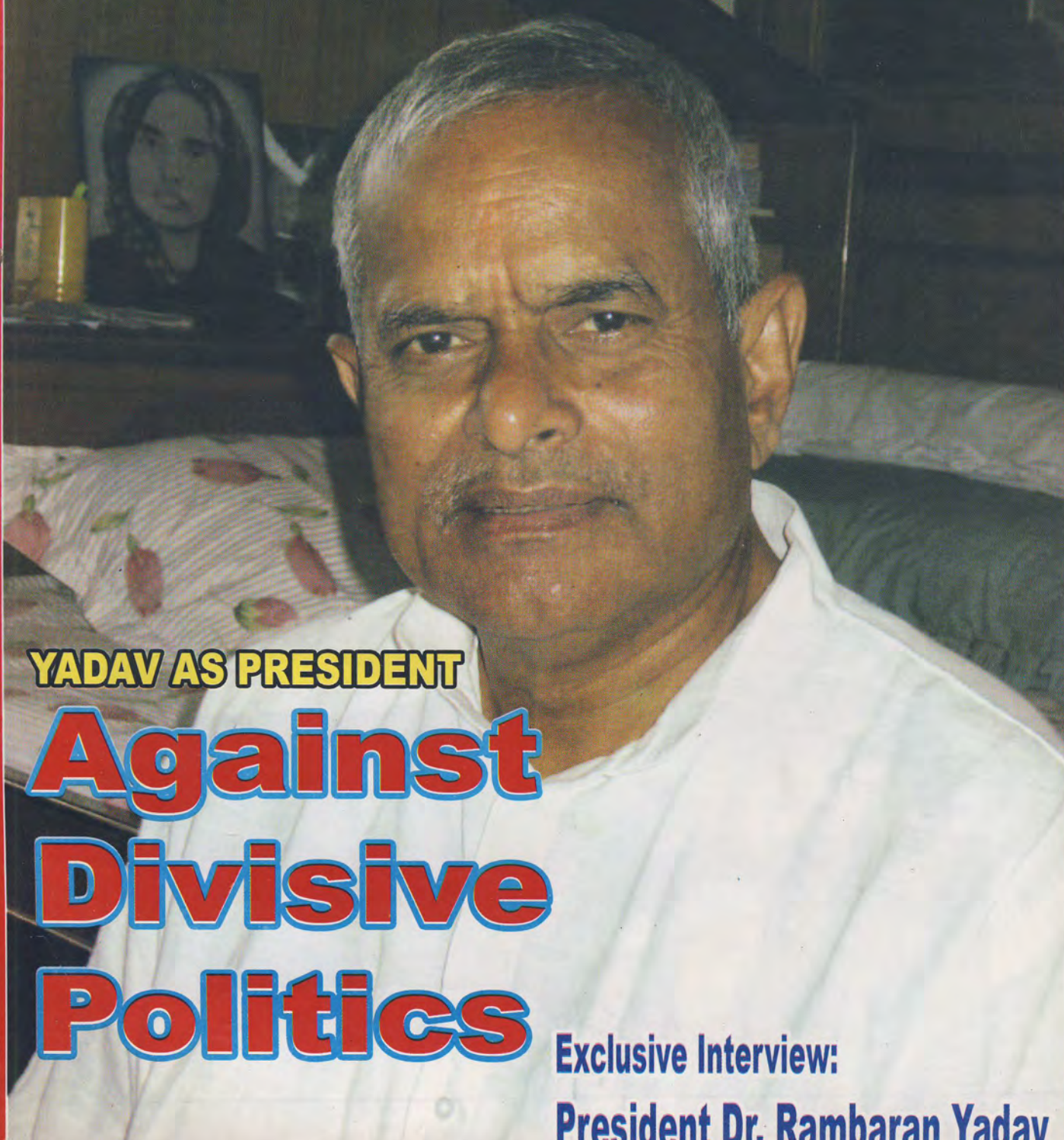


SPOTLIGHT

July 25-31, 2008



YADAV AS PRESIDENT **Against Divisive Politics**

Exclusive Interview:
President Dr. Rambaran Yadav

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Bhutan.....Nu.
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नेपाल इन्भेस्टमेन्ट बैंक बढी सन्दा बढी
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एवं बानी बस्न सकोस मन्नाका लागि सजोरब
प्रस्तुत गर्दछ... **मात्र रु.१ मा**
“ आफ्नै बचत खाता ”
सम्पूर्ण अन्तर्राष्ट्रिय स्तरको सेवा सुविधा सहित ।



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24 HOURS 365 DAYS BANKING SERVICE

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COVER STORY: Against Divisive Politics

The election of moderate Madhesi leader of Nepali Congress Dr. Ram Baran Yadav gives strong message against divisive politics

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ECONOMY: Positive Perspective

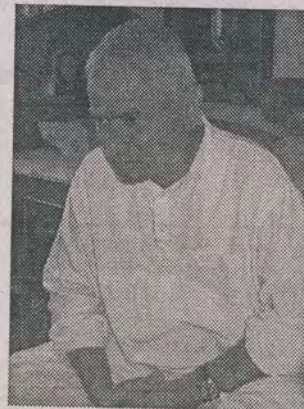
Presenting the latest Economic Survey, Finance Minister Dr. Ram Sharan Mahat paints rosy picture of macroeconomic situation

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SPOTLIGHT

THE WEEKLY NATIONAL NEWSMAGAZINE

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The recently concluded Presidential elections in the Republic of Nepal have given a new twist to Nepali politics. By electing the Tarai Basis to the historic and prestigious posts of President and the V P, they have not only assuaged the centuries old resentment of the Tarai people but further strengthened the trend of alien influence in Nepali politics. It has also exposed the glaring loop holes in the Maoist policy making. The Maoist must have also learnt that arrogance and obduracy do not pay. The uninitiated and inexperienced Maoist leadership seems to be devoid of men of tall stature. Had there been even one, he would have risen to the occasion and sacrificed his personal and partisan interests to safeguard the nation's proud heritage by agreeing to a consensus candidate for the post of the president if only to avoid the strengthening of alien grip in Nepali politics. Had they behaved in a patriotic manner, they would have, not only defended the solidarity of the people but also earned the affection and the respect of the entire countrymen. Now, they have invited hatred which they will get in plenty. If the floating rumors coming from far away Kathmandu are correct and the Maoist have decided not to form the government, it would be a rare wise decision they would have made. The Nepali people would not welcome a government headed by Maoist who is purely self centered and has no love and respect for his country and countrymen. The Maoists have not only failed to achieve their objectives but have also disillusioned all those who had started building castles in the air that they would take them to the El Dorado which did not exist. Not only that it will now be very difficult, if not totally impossible for them, to win back whatever trust and confidence the small section of Nepali society had placed in them. They also seem to be quite naïve not to understand that they are now turned into chaff for those who once nourished them for twelve long years. They should also be able to understand that dreams seldom come true and the world will no more see another Stalin, Mao, Kim IL Sung or even a Fidel Castro. If there is any wisdom left in their leadership, they would start anew and try to win the confidence of the people in the coming elections to the parliament through democratic process. Guns or muscle power might not work them. As for the Tarai Basi Nepalis, our hearty congratulations on this very wonderful achievement. We hope and trust they will not look back but only look forward, unite the whole Nepali community into one strong bond and instill in them the one and only idea of one country and one people. Our very hearty and sincere congratulations to the President Dr. Ram Baran Yadav with a small piece of advice that he should always try to stand on his own legs rather than go piggy back like his colleagues. This only can secure for him the immortality from posterity that he so richly deserves by virtue of becoming the first elected President of the newest but very proud Republic of Nepal.

Madhav Kumar Rimal
Madhav K. Rimal
Chief Editor & Publisher



Key Role

Your cover story on Ten plus Two Education: Competing for Quality (July 18-24, 2008) is very informative as it helps to know how private sector education has been playing important role to promote the quality of education. At a time when all the government colleges are highly politicized and disturbed, the private ten plus two schools have been making differences. This is a right issue and you have brought it out in the right time.

*Joytsana Shrestha
Via email*

Going Private

If we want to see real change in the overall quality of higher education, we must not forget that it is the only private investment that can make a difference (Ten Plus Two Education: Competing For Quality July 18-24). It is very unfortunate to know that there are only a few people who really highlight the positive aspects of the private investment. Most people are cynical and critical to the private investment in the school education. It is true that when one invests money in schools one wants to get return and there is definitely a business interest involved in it. But that also triggers competition for quality, which is ultimately beneficial to the students.

*Sushil Lama
Via email*

Education Is State Responsibility

Your cover story is completely biased as you have promoted the business mentality in the education sector. Education is the fundamental

SPOTLIGHT / July 25, 2008

right of every citizen and the duty of the government is to provide free education for all. If we allow private sector in the education like in the present day, it will definitely ruin our whole education system. Why is the magazine like Spotlight promoting the private sectors' loot in education sector? I hope you will not promote one sided story in future.

*Karma Shrepa
Via email*

False Slogans

It is an eye-opener cover story Decentralized Slogans: Under Centralized Leadership (July 11-17). I don't understand how the political leaders who haven't yet decentralized their political power to the grass root level suddenly will agree on devolution of state power to the grass root. Whether it is the oldest party Nepali Congress or hardcore communist party CPN-Maoist or regional parties like Madhesi Janadhikar Forum or Terai Loktantric Party, all of the leadership have centralized mentality. I have not seen any political party

summoning their central party meeting before taking major decisions. Top leaders single-handedly take such decisions. In such a situation, it is ridiculous to talk about the need to have federal structure in the country.

*Laxmanbabu Chaudhari
London Via email*

Difficult Federalism

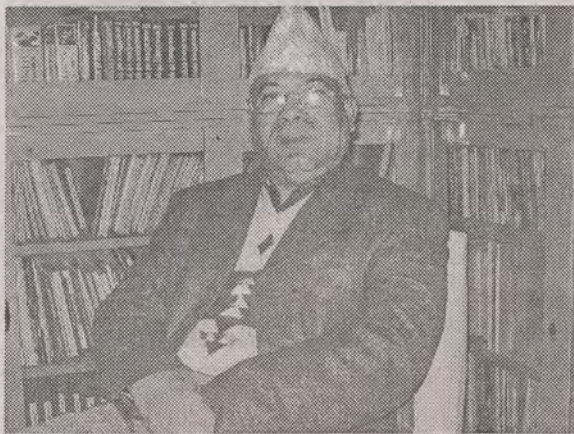
For a small country like Nepal, it is impossible to implement the concept of federalism. Nepal is so small that all of its regions are interdependent to each other. So, carving federal structures will create troubles, which one cannot solve. Another aspect of Nepal's challenge is that the country does not have resources to divide among them. For instance, how the federations will share the natural resource like hydro power and forest and revenue generated from tourism? One needs to discuss all these aspects before taking any major decision on issues like federalism. Federalism is not in itself a bad idea at all but how can one make it feasible for the country remains to be seen.

*Naresh Limbu
Via email*

Interesting Perspectives

I read the interviews of Rajendra Mahato and Ram Chandra Jha very carefully as both persons have their own arguments to strengthen their logic. Compared with Mahato who is very rigid in his stance, Jha seems practical. Jha has very solid logic that there does not exist any Madhes arguing that Nepal can be divided on the basis of languages like Mithila, Abadha and Bhojpuri in terai. I would like to request leaders like Mahato and Jha to think many times before opening their mouth.

*Ashish Singh
Janakpurdam Via email*



New Alliance Is Born; 'President To NC, VP To MJF And CA Chair To UML'

In a sudden shift in political equation, three parties - Nepali Congress (NC), CPN (UML) and Madhesi Janadhikar Forum (MJF) - have agreed to share the three key positions - president, vice-president and chair of the Constituent Assembly (CA). As per the understanding reached at a meeting of the three parties Saturday (July 19) morning, just ahead of the presidential election, UML and MJF have agreed to back NC's presidential candidate Dr Ram Baran Yadav while MJF's Paramananda Jha will get support for the vice presidential slot. Likewise, UML has settled for the chair of the CA. However, the three parties will have to bring few other allies on board to reach the magic number, 298, in order to materialize their agreement. The 'new alliance' was born after the Maoists refused to back both UML and NC candidates for the post of the president, and instead went ahead with its own candidate. Negotiations between the Maoists and MJF leaders this morning had failed. MJF parliamentary leader Bijaya Kumar Gachhedar said after the meeting that his party would not support Maoist presidential candidate, Ram Raja Prasad Singh, as they refused to back MJF candidate for vice presidential slot. *Compiled from reports*

16 Passengers Die When Bus Plunges Into Trishuli

At least 16 people died in a road accident last night at Khaharey area along the Narayangadh-Mugling highway. Another 24 people were injured

when the bus skidded off the road and plunged into the Trishuli River. 21 injured are undergoing treatment at the Bharatpur hospital while seven have been sent to Bharatpur Medical College for treatment. Rescue operation is underway while the deceased and yet to identified. The deceased include two women and three children. The incident took place at around 12 midnight

(July 18). Continued rain in the area has put obstacles in rescue works. It is feared that a number of passengers have drowned and are missing. *Compiled from reports*

Gautam Fumes Against Maoists

Senior UML leader Bam Dev Gautam has accused the Maoists of ending the politics of consensus by refusing to back Madhav Kumar Nepal and Girija Prasad Koirala for the post of president. "This is a historical mistake committed by the Maoist leadership" he said speaking at the Reporters Club Friday. Stating that Nepal and Koirala have contributed immensely for the peace process in Nepal, Gautam went on to claim that the Maoists would face the consequences in time. Gautam further accused the Maoist leaders of betraying the leaders who brought them into mainstream politics and helped improve their image in international forums. He claimed that Maoist chairman Pushpa Kamal Dahal 'Prachanda' had assured to support the candidacy of Nepal for president during the bilateral meeting on Wednesday. However, the central secretariat meeting of the Maoists on Thursday morning decided to back Ram Raja Prasad Singh for the post of president. Gautam also criticized the possible alliance between Maoists and Terai based parties, claiming that such alliance would lead the country to disintegration. *Compiled from reports*

Three Candidates For President; Four For Vice President

Three candidates have been

registered for the post of president and four for the vice president till the fixed time on Thursday (July 17), according to the Election Commission. CPN-Maoist, Nepali Congress (NC), CPN-UML and Madhesi People's Rights Forum (MPRF) have filed the names of their candidates for the president and vice president so far. The Maoist has proposed Ram Raja Prasad Singh for the presidential post and its Constituent Assembly (CA) lawmaker professor Shanta Shrestha for the vice presidential post. Likewise, the NC has registered its General Secretary Dr Ram Baran Yadav as presidential candidate and central member Maan Bahadur Bishwakarma as vice presidential candidate. The UML has proposed the name of Ram Prit Paswan for president and central member Asta Laxmi Shakya for vice president. Paswan hails from the Madhes and belongs to the Dalit community. Similarly, the MPRF has expressed solidarity to the candidacy of Ram Raja Prasad Singh, proposed by the Maoist, for the presidential post. It has registered the name of Parmananda Jha for the vice presidential post. The candidates will be contesting in the elections that will be carried out on Saturday from 11am to 2pm. The Constituent Assembly will announce the country's first president and the vice president on the same day at 5. *Compiled from reports*

Banks Agree To Finance Rs 6 Billion On Upper Tamakosi Project

A consortium of commercial banks have reached an agreement with Nepal Electricity Authority (NEA) to finance Rs 6 billion in the proposed 309 MW strong Upper Tamakosi hydropower project. On behalf of ten banks, CEO of the lead bank Himalayan Bank Limited signed the agreement on Wednesday (July 16). Earlier, the NEA had reached an agreement with Employment Provident Fund (EPF), which agreed to finance Rs 12 billion for the project. The total project cost is estimated at Rs 27 billion of which 70 percent will be financed through loans and 30 percent through shares. This is the first big project being financed with full domestic lending and shares. *Kantipur daily reports*

LPG Supply Runs Dry

The Kathmandu Valley is facing severe shortage of cooking gas, as there had been no import of LPG from Barauni refinery for the last 12 days. Sanwar Mal Agrawal, president of the LPG Industries' Association, said 500 metric tonnes of LPG had been loaded in Mathura station and was ready for delivery to Nepal. But that's just a trickle compared to the average monthly demand of 10,500 metric tonnes. Even after the Barauni refinery, which has been shut, re-opens, LPG supply won't be regularized, as the IOC has told NOC that it would not supply more than 100 metric tonnes of LPG a day for non-payment of its past dues, says Agrawal. Local dealers have already run out of stock and customers are set to face an unprecedented shortage. Nepal Oil Corporation fuel stock too is worrisome, as NOC has imported only quarter of the monthly demand for July. During the first 14 days of July, NOC imported 2,750 kl of petrol while the monthly demand is around 12,000 kl. Likewise, NOC imported 6,700 kl of diesel against the monthly demand of 30,000 kl and 2,000 kl of kerosene against the demand of 10,000 kl. In the past two months, the NOC had been able to import only around 40 per cent of the demand. NOC managing director Digambar Jha said the NOC was not being able to import enough fuel due to fund crunch. He said even loan from banks was not available as it was closing of the fiscal year. "The NOC alone cannot do anything on it," he said, adding that the government should be more supportive to ensure smooth fuel supply. He suggested exempting fuel from VAT and adjusting fuel prices on par with international prices. Based on today's transaction, the NOC is losing Rs 3.46 per litre on petrol, Rs 33.25 per litre on diesel, Rs 23.33 per litre on kerosene and Rs 343.45 on a cylinder of LPG, said Jha.

The Himalayan Times daily reports

Democracy Not Followed In Passing Advance

Expenditure Bill: IFDS

A leading economic think tank has decried the hasty manner in which the

advance expenditure bill was presented and approved through the Constituent Assembly (CA). The Institute for Development Studies (IFDS) has said that denying public debate on the bill is not in keeping with the democratic norms. "An unprecedented event of amending the constitution for an Advance Expense Bill was bad enough. What is worse is that the bill was passed on the same day that it was tabled. What is even worse is that it never underwent public scrutiny, it was never released to the media, and no grievances were heard or asked for," reads a statement by the IFDS. "What is the point in commenting on the Advance Expense Bill or offering constructive criticism on a bill that has already been passed?" asks Dr. Raghav Dhoj Pant, executive director of IFDS. "The only recourse for anybody who thinks the bill is unfair is a bandh or a strike. Has a new politburo emerged or are we reverting back to the Panchayat System? Either way, it does not matter. What matters is that this is not the democracy that we were promised," the IFDS further notes. Minister for Finance Dr. Ram Sharan Mahat had presented the Advance Expense Bill of Rs 73 billion, about 43 percent of last year's budget, on July 14 in order to allow the government to run day to day expense and to collect revenue from the beginning of the new fiscal year (beginning July 16) until it is replaced by a full-fledged budget. *Compiled from reports*

Shamshergunj Rebels Also Face Action

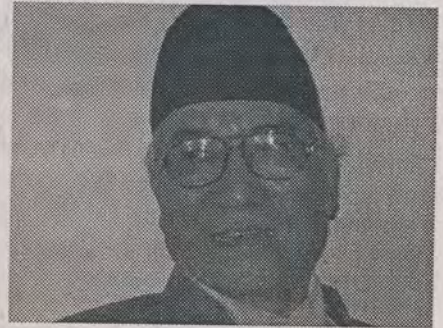
The police have initiated disciplinary action against the policemen who had rebelled at Shamshergunj battalion of Armed Police Force (APF) in Nepalgunj four weeks ago. A team of police led by Superintendent of Police Man Singh Mauni took rebelling APF personnel of Shamshergunj in their custody by taking over the battalion on Monday night. Forty APF men have been suspended and 26 held in detention while 18 were flown to Kathmandu for further investigation. The fresh action was initiated after the government detained 19 policemen of Riot Police Battalion (also in Nepalgunj) under control after they revolted last week. Earlier, the government had held 'talks' with 'rebels'

of Shamshergunj battalion to end their seige. However, as the series of revolt spread and the junior policemen held their senior officials hostage in Riot Police Battalion, the government decided to adopt a tough posture. Consequently, the rebelling policemen of Shamshergunj battalion who had been let off without any action earlier have now been dragged under the disciplinary action.

Compiled from reports

Presidential Election Heads For Run-Off; Jha Is Elected Vice Prez

The meeting of the Constituent Assembly (CA) held Saturday (July 19) night officially declared that Paramananda Jha has become Nepal's first vice president, winning the election held on July 19. He was a Madhesi Janadhikar Forum (MJF) candidate. CA



chairman Kul Bahadur Gurung announced that Jha has been elected vice president bagging 305 votes, beating his nearest rival Shanta Shrestha of CPN (Maoist) who garnered 243 votes. However, two presidential frontrunners – Dr Ram Baran Yadav of Nepali Congress and Maoist-backed candidate Ram Raja Prasad Singh – failed to gain 298 votes needed to be elected to the post. Gurung announced that Dr Yadav bagged 283 votes while Singh ended up with 270 votes. Twenty-four votes were invalid. With no presidential candidate mustering majority votes, there will be re-election for the president. Gurung said the re-election will be held on Monday (July 21). 578 out of 594 CA members registered in the voter list had cast their votes. Five fringe parties including Nepal Workers and Peasants Party, Rastriya Prajatantra Party (Nepal), Rastriya Janamorcha and CPN (Unified) boycotted the voting. *Compiled from reports* ■



President Dr. Ram Baran Yadav taking Oath of his office

Gorkhapatra

A Memorandum of Understanding was signed on July 17, 2008 by the Embassy of India, Kathmandu with District Development Committee, Kaski and Shree Janapriya Multiple Campus, Simalchaur, Pokhara for providing a grant assistance of Nrs.26.27 million for construction of four storied building and provision of furniture for the campus under the India-Nepal Economic Cooperation Programme. According to Indian Embassy Press Released, established in 1991, Shree Janapriya Multiple Campus at Simalchaur is the only community based institution in Pokhara affiliated to Tribhuvan University and Higher Secondary Education Board of Nepal. The Campus is providing education upto Bachelor's degree to about 2500 students, about 35% of which are girls.

This is the fifth educational project undertaken by the Government of India in district Kaski in recent years and overall, is among more than 280 large and small projects currently being implemented under the India-Nepal.

SIXTEEN-DAYS AFTER HER HUSBAND ex-crown prince Paras Shah left the country for Singapore, former princess Himani Shah Thursday (July 17) left Nepal to join her husband. The former princess, along with her three children, boarded a Silk Air flight to Singapore at one this afternoon. Police escorted Himani to Tribhuvan International Airport. Former crown prince Paras Shah left Nepal on July 1 to find a good school for his children and home for his wife. The former royal couple went to Singapore to admit their three children in to a school in Singapore.

PRIME MINISTER GIRIJA PRASAD KOIRALA said that the government would book the Maoist cadres, involved in murder of Koteshwor businessman Ram Hari Shrestha as soon as possible. Speaking at a meeting with the members of the government commission who reached Baluwatar to submit the report on Ramhari's murder, PM Koirala said that the guilty persons would be punished as per the recommendation of the panel. The commission also presented the 150-page report on the case. The probe commission chairman Rajendra Bhandari said that the report recommends strong action against Chitwan

former Supreme Court justice, Bhandari, to investigate the case on May 22.

IN THE FISCAL YEAR 2064/65, the authorities has approved issuance of high volume of shares in the public. According to Securities Exchange Board of Nepal (SEBON), shares worth Rs 11.56 billion have been approved for public issuance in this year – which is three times more than a year before. In fact, till now the SEBON has approved Rs 23.46 billion of public shares. Meanwhile, the total market capitalization value has reached Rs 350.23 billion.

UNITED NATIONS HAS SOUGHT CLARIFICATION from government on the scope of any future support by United Nations Mission in Nepal (UNMIN). In a new report presented before the UN Security Council, secretary general Ban Ki-moon says he does not believe that current monitoring arrangements (management of arms and army personnel) should be necessary for much longer. The Secretary-General notes that there is a "broad consensus" among the country's political parties and civil society that a continuing UN political presence and monitoring of arms and armed personnel "remain important to the completion of the peace process, and in particular to a successful transition regarding the integration and rehabilitation of Maoist army personnel." Government had recently written to the UN asking it to extend the UNMIN term by another six months in smaller size. "The key requirement now is not the continuation of monitoring arrangements so much as the transition to a durable and permanent solution. The United Nations' monitoring role must thus be understood in the context of immediate efforts to reach decisions on the underlying issues, which the United Nations will assist as requested," the report says. The Secretary General has also asked UNMIN chief Ian Martin to seek further clarification from the government about the scope of support it would like to receive from UNMIN before submitting his formal recommendation to the Security Council on the Mission's future. UNSG proposed one-month extension of the UNMIN term for the Mission to give the government time to respond to his request. ■

NEPAL'S UNIFICATION AGAINST COLONIALISM

•Mrs. Laxmi Thapa

At a time when almost the whole South Asian region was being swiftly converted into the colony of the European countries, Nepal was able within a very short time to rise from a scratch to be a formidable Himalayan power. The build up of Nepalese strength brought her into a collision with the colonial power of that time. Colonial power Great Britain had good reason to fear that if the Nepalese build up continued for some time, the colonial rule of Britain could soon come to an end in South Asia much the same way as in the North America a short time before.

Nepal bravely fought against the British to defend

freedom. True martyrs like Bhakti Thapa without the slightest hesitation laid down their life to ensure that our country will be spared the humiliation of being enslaved by colonial power Great Britain. Nepalese people of present generation should be proud of our glorious past and they must draw inspiration from the great sacrifices of our ancestors.

Extortions and Cruelties

Historian HG Wells has written about the British rule in India at great length. The text from his book {History of the World} has been reproduced here. Englishmen at home were perplexed when presently the generals and officials came back to make dark accusations against each other of extortions and cruelties. Upon Clive, Parliament passed

a vote of censure. He committed suicide in 1774. In 1788 Warren Hastings, a second great Indian administrator, was impeached and acquitted (1792).

How India Suffered

Jawaharlal. Nehru has expressed in an extremely touching way the pitiable condition of Indians under the British rule in this famous book "The Discovery of India" first published in 1946. He has written that the Indians were living in enslaved condition in their own

country until 1947 when India became a free country. The text from his book is presented hereinafter.

"In Bombay there is a well-known club which did not allow and so far as I know, does not allow, an Indian (except as a servant) even in its visitors' room, even though he might be a ruling prince or a captain of industry."

"Racialism in India is not so much English versus Indian; it is European as opposed to Asiatic. In India every European, be he German, or Pole, or Rumanian, he is automatically a member of the ruling race. Railway carriages, station retiring-rooms, benches in parks, etc., marked "Europeans Only". This is bad enough in South Africa or elsewhere, but to have to put up with it in one's own country is a humiliating and exasperating reminder of one's enslaved condition."

"Bengal had the first full experience of British rule in India. That rule began with outright plunder and a land revenue system which extracted the uttermost farthing not only from the living but also from the dead cultivators."

Jawaharlal. Nehru has expressed in an extremely touching way the pitiable condition of Indians under the British rule in this famous book "The Discovery of India" first published in 1946. He has written that the Indians were living in enslaved condition in their own country until 1947 when India became a free country. The text from his book is presented hereinafter.

“A gold lust unequalled since the hysteria that took hold of the Spaniards of Cortes’ and Pizarro’s age filled the English mind. Bengal in particular was not to know peace again until she has been bled white. It was pure loot. This process was called trade later on but that made little difference. And it must be remembered that this lasted, under various names and under different forms, not for a few years but for generations.”

Worst Days in Nepal’s History

It was early 1810s. Great Britain was the most powerful country in the whole world. Its vast empire stretched across all five continents. At that time it was ruthlessly

expanding its empire in the South Asian Sub-continent. Britain was tempted to make Nepal also its colony. Nepal was attacked without formally declaring war. Britain hoped that Nepal could be quickly subdued in a blitzkrieg invasion.

The British actively began preparation for the war from the time when F.R. Hastings- Earl of Moira landed in In-

dia as Governor General and Commander-in-Chief in 1813. The actual declaration of war against Nepal is recorded as 1 November, 1814, though the war began from middle of October. The decision to declare war had been made six months earlier so the territorial dispute appears to be only a pretext. British force had marched into Nepal across a frontier of more than 1500 km to attack at several points at the same time. The eastern British flank was moving north from the Teesta area whereas the farthest western flank from the Sutlej river area. It was virtually a modern type warfare extended over a period of three calendar years and necessitating to protect the entire region

bordering the enemy held territory. The British invasion force, in comparison with Nepalese, had absolute superiority in cavalry, pioneers, and at least the superiority of 10 times in infantry and 100 times in artillery. They also had the advantage of maneuverability in movement of their fighting force.

Needless to say that those were the worst days in the history of our country. The war stretched over a period of three calendar years in sharp contrast to the expectation of the British Government. Nepal bravely defended its independence. Britain was forced to abandon its grand design to enslave

It was early 1810s. Great Britain was the most powerful country in the whole world. Its vast empire stretched across all five continents. At that time it was ruthlessly expanding its empire in the South Asian Sub-continent. Britain was tempted to make Nepal also its colony. Nepal was attacked without formally declaring war. Britain hoped that Nepal could be quickly subdued in a blitzkrieg invasion.

Nepal though we lost some of our territories.

Nepal in Forefront

We have good reason to be proud of our glorious past though our generations failed to live up to the greatness of our ancestors. World marvels at the bravery and sacrifice of our ancestors, who succeeded in defending our country from falling into the clutches of the colonial powers. Nepal is among very few countries in Asia and Africa that could protect themselves from being enslaved by colonial powers. At that time there was no other country to help us. Our country alone had to face the intruder many times superior to us in strength. In this struggle a large number of patriotic Nepali sacrificed their life. ■



Presenting UNCTAD report: Dismal Performance

UNCTAD REPORT

Low Among LDCs

A recent report by the UNCTAD points out that Nepal is faring worse even within the LDCs club

By SANJAYADHAKAL

A latest UN report has pointed that Nepal has fared badly even among the 50 Least Developed Countries (LDCs).

"Nepal itself continues to remain an outlier alongside other Asian LDCs that have enjoyed higher rates of growth over recent years and are making faster progress in transforming their economies away from a dependence on commodities towards manufacturing and services," says the press release issued by the United Nations Information Center referring to the latest report on LDCs by UN Conference on Trade and Development (UNCTAD).

"On current trends, the report suggests Nepal could be more than 50 years away from graduating from the LDC group," the release adds. Launching the report subtitled "Growth, poverty and the terms of the development partnership," Robert Piper, UN Resident

Coordinator for Nepal, underlined the importance of the Nepal government making the right policy choices to place Nepal on track to faster and more equitable growth.

"We need a much greater sense of urgency amongst all those responsible to get Nepal out (of the LDCs club). Only effective economic policies that create employment, increase agricultural productivity and reduce dependence on commodities can ensure that growth — when it comes — will translate into poverty reduction. One third of Nepal's population continue to live in some of the worst conditions to be found on the planet," Piper said.

Presenting the findings of the report, Dr. Shankar Sharma, former vice chairman of National Planning Commission (NPC), said that in the last three years, the average GDP growth of Nepal stood at 2.8 percent — way below

the average of LDCs at 7.6 percent.

The UNCTAD report states that exceptional economic performance in some of the world's poorest countries has failed to reach broad populations; even as the global food crisis will likely worsen situation.

The highest rate of economic progress in the world's 50 least developed countries (LDCs) in the last 30 years has not been enough to prevent their total number of poor from increasing, the report reveals.

Three fourths of those living in these nations continue to survive on less than US\$2 a day. Recent rising food costs are threatening to undercut the modest progress achieved, the report adds.

The report finds that the main reasons strong economic growth fails to translate into hefty improvements in well-being are the types of growth and the models of development that LDCs have been following. "These approaches mean only limited segments of the population benefit from economic expansion. Job creation has been limited, which deprives most people of direct increases in their earnings. Another factor making social progress difficult is strong population growth."

The report says that while foreign aid can help mobilize domestic resources so that they spur economic progress, such aid is not an engine for long-term development.

"Domestic resources, talents, and ideas have to be the basis for that. Employing foreign aid to catalyze the process and matching it to local conditions requires that LDC governments — which know these conditions best — assume the leadership role."

At the local launch of the report in Kathmandu, Robert Piper, UN Resident Coordinator for Nepal underlined the importance of the Nepal Government making the right policy choices to place Nepal on track to faster and more equitable growth. He also underlined the vital role Nepal's donors must play in supporting Nepal in these efforts. "This is one club Nepal really doesn't want to be a member of" said Robert Piper on the occasion of the launch. ■



Road Infrastructure: Solid foundation

ECONOMY

Positive Perspective

Presenting the Economic Survey report, the Finance Minister paints a rosy picture of the macro-economic situation

By SANJAYA DHAKAL

While he made presentations on the achievement of economy last week, Finance Minister Dr. Ram Sharan Mahat had one big message.

I am leaving behind the economy with sound indicators based on which the new government can catapult the transformation – he seemed to say.

“Though there are huge challenges

for the next government to meet the aspirations of the people, tame inflation, check intimidation and threats against the business community, provide security for investment and push the plummeting exports up, the present macro-economic indicators are looking bright,” he added.

He stated that the economic growth rate of 5.6 percent achieved this Fiscal Year at the basic price is the record high over the past eight years.

The latest Economic Survey suggests that the agriculture sector registered a growth rate of 5.65 percent, which is the highest since Fiscal Year 2050/51. Similarly, the growth rate of 5.57 percent in non-agriculture sector is also the highest achieved since Fiscal Year 2056/57.

Accordingly, savings and investment rates have also increased, with the ratio of Gross Domestic Savings to the Gross Domestic Product standing at 11.5 percent against 9.7 percent in the last Fiscal Year. Such a ratio of Gross National Savings has reached 32 percent up from 28 percent a year ago. Similarly, total investment in relation to GDP went up to 32 percent from 28 percent a year ago.

The government report says that the expansion of economic activities, reforms undertaken in the tax system, encouraging compliance by taxpayers and strengthening of the revenue administration have all contributed to the mobilization and collection of revenue at a significant level. As per the revised estimate, revenue mobilization at the end of the current Fiscal Year is expected to increase by 22 percent with a collection of around Rs. 107 billion against a target of Rs. 103.66 billion. The ratio of revenue to Gross Domestic Product will thus reach 13 percent with the revenue growth rate 22 percent this year, making one of the highest since Fiscal Year 1993/94.

“Mobilization of foreign aid, a major source of financing development

projects, remained encouraging during this Fiscal Year. Agreements totaling the amount of Rs. 57.6 billion have been concluded to date compared to the agreements totaling Rs. 37.2 billion at the end of the last Fiscal Year, pointing thus to the marked increase by 54.1 percent."

The report published by the Ministry of Finance points out that the total outstanding public debt—both domestic and external—has decreased significantly. Till mid-February 2008, it stood at Rs. 324 billion, whereas it had totaled Rs. 329 billion at the end of Fiscal Year 2005/06. Ratio of the total public debt to the Gross Domestic Product at the end of Fiscal Year 2006/07 decreased to 44.1 percent from that of 50.3 percent at the end of earlier Fiscal Year. Showing a further decline, such a ratio is estimated to come around 40 percent at the end of the current Fiscal Year. Ratio of outstanding foreign debt to GDP is around 26.3 percent.

As usual, the remittance earnings have been a major saving grace for the economy. "In the first 10 months of the current Fiscal Year, the remittances received from the Nepalese working abroad has increased by 35.3 percent and reached Rs. 109 billion compared to the similar period of the last Fiscal Year. Likewise, during the same period, income from the tourism sector has increased by 83.2 percent and reached over Rs. 15 billion. Despite the sharp rise in commodity trade deficit due to the slackness in export and surge in import, the current account of the external sector has remained steadily positive. Accordingly, the balance of payment surplus has reached Rs. 20 billion in May 2008, compared to Rs. 7 billion in May 2007. As a result, the foreign exchange reserve is Rs. 197 billion in May 2008, which is sufficient to import goods for 10 months and half."

The major challenge remained the spiraling rate of inflation, which at the latest estimate has reached 11 percent

on year-on-year basis on the eleventh month of the fiscal year 2007/08.

The price hike in petroleum products, food and other commodities in the international market has naturally impacted the price situation in Nepal. "The average annual inflation rate has reached 7.1 percent in June 2008, compared to 7.8 percent and 6.7 percent, respectively, in June 2006 and June 2007. Taken on point to point basis, the annual increase in inflation has reached 11 percent in June this year, compared to 4.5 percent in June 2007 and 9.1 percent in June 2006. The current trend of inflation has certainly posed us a challenge of ensuring price stability in the country."

The Government has had to invest Rs. 6.67 billion (in 2007/08) for meeting the recurring losses of Nepal Oil Corporation which has been caused by failure to adjust the local price of petroleum products in line with rising international prices. Similarly, the Government had to bear the additional cost of Rs. 5 billion because of the repeated expenses for the Constituent Assembly elections, increased spending for peace and security, discharging the liability created due to financial compensation, implementation of the 23-point understanding, increased relief costs, and accumulated financial liabilities passed on by the previous Governments. "Despite this, we have been able to keep the rising expenditure within the budgetary limit through a careful and prudent budget management," said Dr. Mahat.

According to the report, total public expenditure for the current Fiscal Year was budgeted at Rs. 169 billion. However, the revised estimate shows that such expenditure will stand at Rs. 162.6 billion with the recurrent expenditure of Rs. 95.63 billion, capital expenditure of Rs. 52.31 billion, and principal payment to Rs. 14.7 billion. It is estimated that the recurrent expenditure and capital expenditure will increase by 24 percent and 31.6 percent



FM Dr. Mahat: Different spin

respectively this Fiscal Year compared to the last Fiscal Year.

"We have been able to maintain fiscal balance due to increased mobilization of non-borrowing instruments. The share of grant in total foreign aid has increased and reached 66.7 percent. The ratio of fiscal deficit of the government to Gross Domestic Product has stood at 3.9 percent as in the last Fiscal Year which falls well within the approved limit of 4.25 percent as targeted by the Three Year Interim Plan," said Dr. Mahat.

Meanwhile, even though the government did not bring a full-fledged budget, the Nepal Rastra Bank (NRB) is preparing to bring out a full-fledged monetary policy within a week or two.

"By law, we have to bring the monetary policy. We can adjust it once a new full-fledged budget comes out," said Krishna Bahadur Manandhar, acting governor of the central bank.

He, however, conceded that in the absence of budget, the monetary policy will lack the guidelines to hinge on when bringing out policies. The monetary policy this year assumes greater significance as it is coming amid spiraling rate of inflation. ■

"Whether One Lives In Himlal, Madhes Or Pahad, We All Are Nepalis"

- President Dr. Ram Baran Yadav

In his modest apartment located at Bagdole, Lalitpur, which has suddenly become a center of attraction, there is a crowd of well-wishers and supporters. The newly elected president **DR. RAM BARAN YADAV** is busy meeting with people from various walks of life. Just a few hours before taking oath of office, Dr. Yadav, who had worked as a medical attendant of Nepali Congress leader B.P. Koirala during his last days, gave an exclusive interview to **KESHAB POUDEL**. In the half-an-hour-long interview, Dr. Yadav stressed the need for reconciliation among all the political forces and all the Nepalis people living in different parts of the country. Excerpts:

Nepali Congress Party to which I belonged has been struggling institutionally for more than 60 years to establish democracy in Nepal.

You have reached to the highest position of president, which you might not have imagined before. How do you feel after becoming the first president of Nepal?

As a human being, it is the happiest moment in my life. Looking at the road ahead, however, I don't have much excitement. I know many people will not believe in my statement. We are here to establish a democratic system in Nepal and we have struggled for such a long time to establish and institutionalize democracy. Nepali Congress Party to which I belonged has been struggling institutionally for more than 60 years to establish democracy in Nepal.

What will be your first job as the president?

My first duty is towards protecting the constitution. I am a custodian of constitution. The challenges now are how to follow the constitution and protect it. Under my constitutional obligation, I need to play the role of a referee to make politics fair and free. I have to be confined to my constitutional role and obligation.

At a time when none of the political parties have absolute majority in the Constituent Assembly, there are signs that political parties will engage in making and breaking of government? What role will you play amid such situation?

There is a clear cut provision in the constitution regarding the formulation of the government. After the amendment of the constitution by Constituent Assembly, there is a clear cut provision in making/breaking the government. According to the constitution, the parties need to develop political consensus among them. If they fail to develop

consensus, then the party will form the government which has majority in the CA.

Whom you will invite?

Since no political party has majority, the mandate of the people is such that all party should go together. One of the important jobs of CA is to institutionalize democratic republic, formulate the constitution on time by wrapping up the politics of violence and hold the elections on time to provide the stable government in Nepal. These are the mandates given by the people.

You have spent almost all your life in Nepali Congress and you became president as a candidate of Nepali Congress, how can one believe that you can accommodate all political parties? There is NC in your blood.

As a worker of democratic Nepali Congress Party, we fought to establish universally accepted democratic norms in the country. Like my party I firmly believe in multi party democracy, rule of law, individual freedom, fundamental rights, freedom of press and human rights. Within these universally accepted values of democracy, I sacrificed my life for nationalism, democracy and socialism.

How do you accommodate other?

I don't think any political party will have any problem on these values of nationalism, democracy and socialism. Even those who have been raising the slogans of regionalism, ethnicity and castes find equal treatment in the democratic system. We 25 million Nepalese have chosen 601 members as our representatives. When we failed to find consensus, we decided to go for election to choose a president.

How do you look at your elections?

I was chosen by the representatives of 25 million people. Even my contender had contested the election and chosen the democratic path. Even the parties whose candidates lost the election reconciled with Democratic Party. This helps to advance democratic culture. Through the democracy culture, we have entered into a new phase of political process where people of different castes, regions and ethnicity will have equal opportunity. History has bestowed on me a great responsibility to lead Nepal as representative of all Nepalis. If the country will succeed, I will automatically succeed.

As a person who spent his entire his life in Nepali Congress, don't you think that your conscience will



be influenced by Congress while taking major decisions?

Every human being has certain weakness. One cannot overcome such weaknesses one hundred percent. Now that I have been entrusted the responsibility of Nepal, I have to give up my weaknesses. As a president, I have to rise above the party and personal interest to bring all the forces together. That will be my first duty.

Violent groups in Terai have been creating a lot of problems and some are even raising communal and separatist slogans. How will your election as a first president of Nepal from Madhesi community make a difference? What formula do you have to prevent the country from disintegration?

I am not here to give new formula. We have already made our system more inclusive. The adoption of proportional representative system is

one of them. As you know, democratic system is itself an inclusive system. If we practice it for a long time, democratic system will bring equality and opportunities to all. Of course, Nepal is yet to be one hundred percent inclusive but it is gradually going to be inclusive.

How do you see the CA?

This CA shows how inclusive it has become where all the ethnic groups and communities from Himal, Pahad and Madhes are represented. Even during the last 10-12 years of democratic practice, there was a gradual wave of inclusiveness. Had democratic system stabilized in the last fifty years, the country would not have been forced to see these kinds of tendencies of regionalism and ethnicity.

How do you make the system more inclusive?

Only through the democratic practice, we can make the whole system inclusive. If we continue to

As a president, I have to rise above the party and personal interest to bring all the forces together. That will be my first duty.

practice democracy generating economic opportunities, this kind of tendency will automatically die. As far as the Madhesi problem is concerned, only democracy can address such problems. As a Nepali, we need to rise from regionalism, communalism, and ethnicity to make our Nepal prosperous. Whether one lives in Himal, Madhes or Pahad, we all are Nepalis. We are now in the age of modernity where one can get equal opportunity through the practice of democracy.

Nepal is in a big crisis for its existence. Don't you think so?

Of course, the situation is fragile. We Nepalese have certain inherent quality as we are known for the spirit of accommodation. For centuries, we have a long history of accommodation. The discrimination on the basis of religion, ethnicity and caste is created by human beings. We have two stocks of people in Nepal: Aryan and Mongol. Whether one lives in Madhes or Himal, all of us are Nepalis. In between the geography and races of these people, the nation got its boundary in 1816.

How do you solve the problem of national crisis?

Every aware people want to see Nepal as an independent nation between Asia's two great countries. All the leaders are aware about the need to make this country prosperous and developed as an independent nation. I firmly believe that we can solve all the problems faced by the country including regionalism, ethnicity and caste.

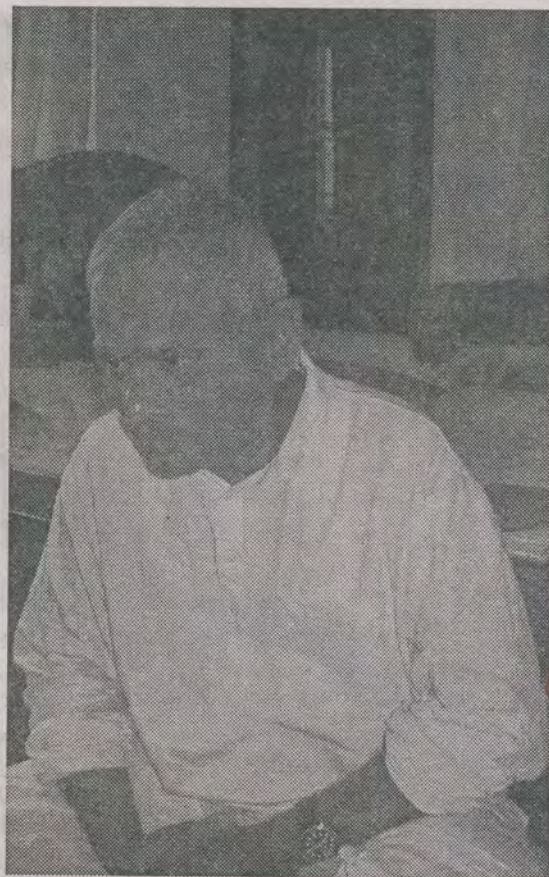
You are a follower of B.P. Koirala who always preached for the need of national reconciliation, which your party has already abandoned. What do you say?

There is a need adjust certain things in accordance with the situation. The global situation at present is different than that was in the past. B.P.'s nationalism is based on reconciliation of all the forces including the King because there was monarchy at that time. Monarchy has been removed because of the role of the king.

How you are practicing the national reconciliation?

Even now we can reconcile with all the forces. Even the king can contribute to national reconciliation as a commoner. There is space for all. As a citizen of Nepal, I became president. Our party still follows the policy of national reconciliation propounded by B.P. Koirala. Of course, political context has changed now.

As per the present constitution, president of the country will be the Supreme Commander of Nepal Army. How do you see the role of Nepal Army in coming days?



Nepal Army has gradually grown as a democratic institution and army has been supporting the present democratic set up. Now CA is the highest body represented by people. It state different bodies like Army, government, judiciary, and legislature. The army men are also our brothers and sisters.

How do you observe the role of army?

They also desire welfare of the state. I am constitutionally the supreme commander of the Army and I have to look after their problems and difficulties. We need to protect and preserve the national and international image of the institution of army.

At a time when there were demands for mass inclusion of Madhesi in Nepal Army, yourself a person of Madhesi origin has become the supreme commander of the army. How do you look at it?

All these major issues will be addressed by Constituent Assembly. All the issues will be debated and addressed by CA. We have committed to make army institution more inclusive. I am committed to protect the interest of Madhesi as well as other communities. I don't want to go out of track now.

As an active political worker, how will you remain silent spectator as a president? Is it possible for you?

I am taking up the responsibility of the president. I will abide by the Interim constitution of Nepal. ■

I am constitutionally the supreme commander of the Army and I have to look after their problems and difficulties. We need to protect and preserve the national and international image of the institution of army.

DR RAMBARAN YADAV'S VICTORY

Against Divisive Politics

The election of Dr. Rambaran Yadav, who has a long association with mainstream Nepali Congress Party with his own clear political stand in favour of national integration, as the first president of Nepal, will have a major psychological impact to fill the gulf created between the Pahadi (hill dwellers) and Madhesi (plains people) communities. At their own initiative, Pahadi community accepted Madhesis for top two positions of Republic Nepal. For Maoists, the election delivered a clear cut message that they cannot form the government alone without building consensus with other mainstream political parties like Nepali Congress and CPN-UML. This is an outcome of centuries-old assimilation existing in Nepal between various ethnic, regional and linguistic groups. Along with bringing the Maoists and other political parties together to draft a new constitution, newly elected president will also need to play a role to reduce tensions and hatred generated against various ethnic groups

By KESHAB POUDEL

After winning the elections of president on second round of voting on July 21, 2008, the first and foremost thing Dr. Ram Baran Yadav did was he paid a visit to

Pashupatinath temple and Basantapur where he worshipped Goddess Kumari and Lord Ganesh giving the message that he believes in harmony and continuity.

Dr. Yadav's 308 votes against 282 of

Maoist-backed candidate Ram Raja Prasad Singh has given the message that Maoists no more hold the trump cards in politics.

In the first round of election held on



Oath taking Ceremony : New chapter begins

July 19, Dr. Yadav had secured 283 votes against his nearest rival Singh who got 270 votes – 15 short of magic number of 298. But, Dr. Yadav emerged victorious in the second round.

Although he is from Janakpur, southern plain or heartland of Mithila culture, newly elected President Dr. Yadav indicated that he respects the values and traditions of Nepal and wants to keep these harmonious relations intact.

Having joined Nepali Congress politics in 1981 and served as a medical attendant of Nepali Congress leader B.P. Koirala who was at the last stage of his cancer in 1982, Dr. Yadav has rose to the highest office.

It was a stroke of fate that Dr. Yadav was amply rewarded as the president when the country was observing B.P's death anniversary. Perhaps, destiny has rewarded him for his service to B.P. Koirala at his last moment.

Sixty-one-years-old Dr. Yadav is a politician of his own standing. Born in a poor farmer family in Dhanusha district, he contested the CA election against one Madhes one Pradesh slogan and tested his political stand in the direct election where he was elected with thumping majority defeating the candidate of Terai Madhes Loktantric Party. Even after the election, president, Dr. Yadav has firmly held his political views.

"My victory is a victory of all the communities of Nepal. We have to live together as a nation," said newly elected president Dr. Ram Baran Yadav, a widower. "I will fulfill aspiration of all the people," newly elected president Dr. Yadav told Spotlight on Monday night. Although his party has seen many ups and downs in its history, he continuously followed the same line of party and remained loyal to same group.

Patch-up Efforts

Although it was surprising for many within Nepali Congress, Dr. Yadav's victory backs NC stand of integration and nationalism. This election gave sober message to separatist movement in terai that the country has not lost its social harmony existing between various groups.

With the election of two Madhesi candidates for the post of president and vice president (Parmananda Jha), the



PM Koirala casts his vote: Laying new ground

efforts have begun to control damage in terai where there was much hatred brewing between two communities.

Although vice president Jha, who has served more than three decades in judiciary serving up to temporary judge of Supreme Court, was elected as a candidate of Madhesi Janadhikar Forum which is stressing for single Madhes as a federal state, he too has a long democratic credential.

"I am very close to the ideology of Nepali Congress but Madhes agitation put me in the second-top position of the country," said vice president Jha. "I will dedicate my time to country's peace and harmony."

Nepal has centuries-long history of harmony. "Inherent quality of Nepalese people is that they have been living in harmony within a multi-ethnic, multi-

religious and multi-linguistic social environment for ages. None of these groups have absolute majority over others and thus all were bound to live in homogeneity. There were attempts to inflict hatred and animosity against each others for ulterior interest but it again failed to bring out aggravated bitterness in an open and democratic society," said a political analyst.

"Nepal does not have any history of ethnic clash as they are all transplanted from elsewhere. Such hatred is not in accordance with the Nepali ingenuity."

For Dr. Yadav being a person of Madhes origin was a plus point but he got elected by his political stand and proved that his political stand had a popular support.

Inclusive Parties

Just as two presidential and vice presidential candidates of Madhes won

the election by the votes of Pahadis and many Pahadis have also won the election by the votes from Madhesis. All the mainstream parties in Nepal consist of persons of various ethnic, lingual and regional groups.

Now CPN-UML has proposed Subas Nemwang, a person belonging to indigenous group, as a candidate for the chairman of Constituent Assembly.

These experiences have shown that it is neither viable nor correct decision to divide various communities against each other. The election results reveal that all the communities are in favour of social harmony and integration.

Dramatic Moment

Nepal's politics have seen dramatic turn in the last one week. After surprise breaking of the alliance between two communist parties CPN-UML and CPN-Maoists at the last minute on 17 August, the new political alliance was forged on July 19 between Nepali Congress, CPN-UML and MJF altering the entire political course.

Although Maoists blame other parties for breaking the alliance, nobody understands what compelled the revolutionary extreme leftist party to support the extremely rightist candidate for president.

Maoist leaders show they have more intimate relations with Ram Raja Prasad Singh than prime minister Girija Prasad Koirala or CPN-UML leader Madhav Kumar Nepal who had sacrificed everything to establish Maoists as a mainstream party. However, Maoists awarded them by ending their political career. While so doing, Maoist leader Prachanda, who was all along projected as the first president of Nepal, too, lost the chance to form the government with solid backing.

Disclosing his long relations with Maoists, Ram Raja Prasad Singh, in his recent interview to Nepal weekly Magazine, said that he handed over all his weapons to Maoist leader Prachanda including his armed rebels to continue armed struggle.

"Maoist leader Prachanda invited me in all his important programs since he joined the open politics. I supported him while he was underground in India." This indicated the old association between



Ramraja Prasad Singh : All time loser

Janabadi of Ram Raja and Maobadi of Prachanda.

All Are The Losers

Although every political party holds the view that they have defeated other, actually they have themselves suffered in the dramatic political events of the last one week when an unexpected dark horse finally emerged as the winner for country's top post.

"One of our successes is that we are able to block prime minister Girija Prasad Koirala and CPN-UML general secretary Madhav Kumar Nepal from being the first president of Nepal," said CPN-Maoist leader Matrika Yadav. "Our candidate has lost but we won the elections."

By defeating Koirala and Nepal, Maoists have also lost a chance to form the government on its own. Had they contested the election in alliance with CPN-UML, both the parties would have won the game. "Maoists have paid the price for making us fool and betraying us in the last minute," said Ishwor Pokharel.

Although prime minister Girija Prasad Koirala, former CPN-UML general secretary Madhav Kumar Nepal and CPN-Maoist leader Prachanda jointly fought to finish king Gyanendra,

ultimately they have paid the price one by one. To retain their political position, they have made all kinds of holy and unholy alliances but such alliances only served the interest of those who wanted to oust them. Finally all of them are losers. If that is so, who is the winner?

All the political leaders have shown there is no meaning of ideological commitments. Extreme leftist CPN-Maoist backed Ram Raja Singh siding with the followers of single Madhes province like Terai Madhes Loktantrik Party, Nepal Sadbhavana Party and other smaller regional fringes sacrificing their own close ideological ally CPN-UML.

Nepali Congress and CPN-UML sided with regional party like Madhesi Janadhikar Forum to defeat Maoist candidate. In real politics, they all gave up their stand for the sake of power. One of the main losers was the Maoists, who have lost an opportunity to form the government and lead the country.

Although the election result may have brought some uneasy course in politics, one of the positive aspects of election of president and vice president was that it can create psychological environment to bridge the gap among two major communities Madhesis and Pahadis - giving strong signals against separatists of terai. ■

“We Have Lost A Moral Ground To Stake A Claim To Form The New Government”

-Pushpa Kamal Dahal ‘Prachanda’

We discussed for several days to formulate the common program. But the deadlock came when CPN-UML leaders pushed the name of Madhav Nepal for president which our party completely rejected.

After his party's candidate was defeated in the presidential election, CPN-Maoist leader **PUSHPA KAMAL DAHAL ‘PRACHANDA’** addressed a press conference at his party parliamentary office in Singhadurbar on Tuesday (July 22). Dahal spoke to **KESHAB POUDEL** while he was returning to his office room. Excerpts:

As you said, Maoists have lost a moral ground to form the government. Do you mean your party will not stake a claim to form the next government?

Of course, the defeat of our candidate for the president and vice president elections revealed that we don't have majority in the parliament. Thus, we have lost a moral ground to stake a claim to form the new government. However, it does not mean that we will not form the government in future when the situation favours us.

If the president invites you to form the government, what will you do?

I have already told you that the new president has to invite the three party alliance leaders to form the new government as their joint candidate has won the election.

At a time when other party leaders have been stressing the need to form national government under the Maoist leadership, why has your party decided to stay out of power politics now?

Since the three party alliance, which we see as unholy, proved their majority in the Constituent Assembly, it will be immoral for us to stake claim.

Won't your decision hamper in formation of national government?

Our decision to sit in the opposition bench is neither to walk out from the government nor to create trouble in future. If the situation comes when Maoists alone will be given opportunity to form the government, our party will consider it.

Will you form the government in case the new alliance breaks?

We can stake claim to form the next government once this alliance breaks. We have not closed the door to form the government. We are open to form the government.

Is there any threat to peace process after your

decision not to form the government?

We are committed to peace process. However, our people's army has not got salary for past three months and they are losing patience. Whatever the situation, we will abide by the peace process. There is no threat to peace process.

How about the process of constitution making?

Of course, the new political equation has created some uncertainty and trouble in constitution making process but CPN-Maoist will continue to play constructive role during the constitution making.

How did your alliance with CPN-UML broke the last minute?

We have tried our best to forge leftist alliance. We discussed for several days to formulate the common program. But the deadlock came when CPN-UML leaders pushed the name of Madhav Nepal for president which our party completely rejected. We don't have any bad relations with Nepal. We were even considering supporting Nepal.

Then, what happened?

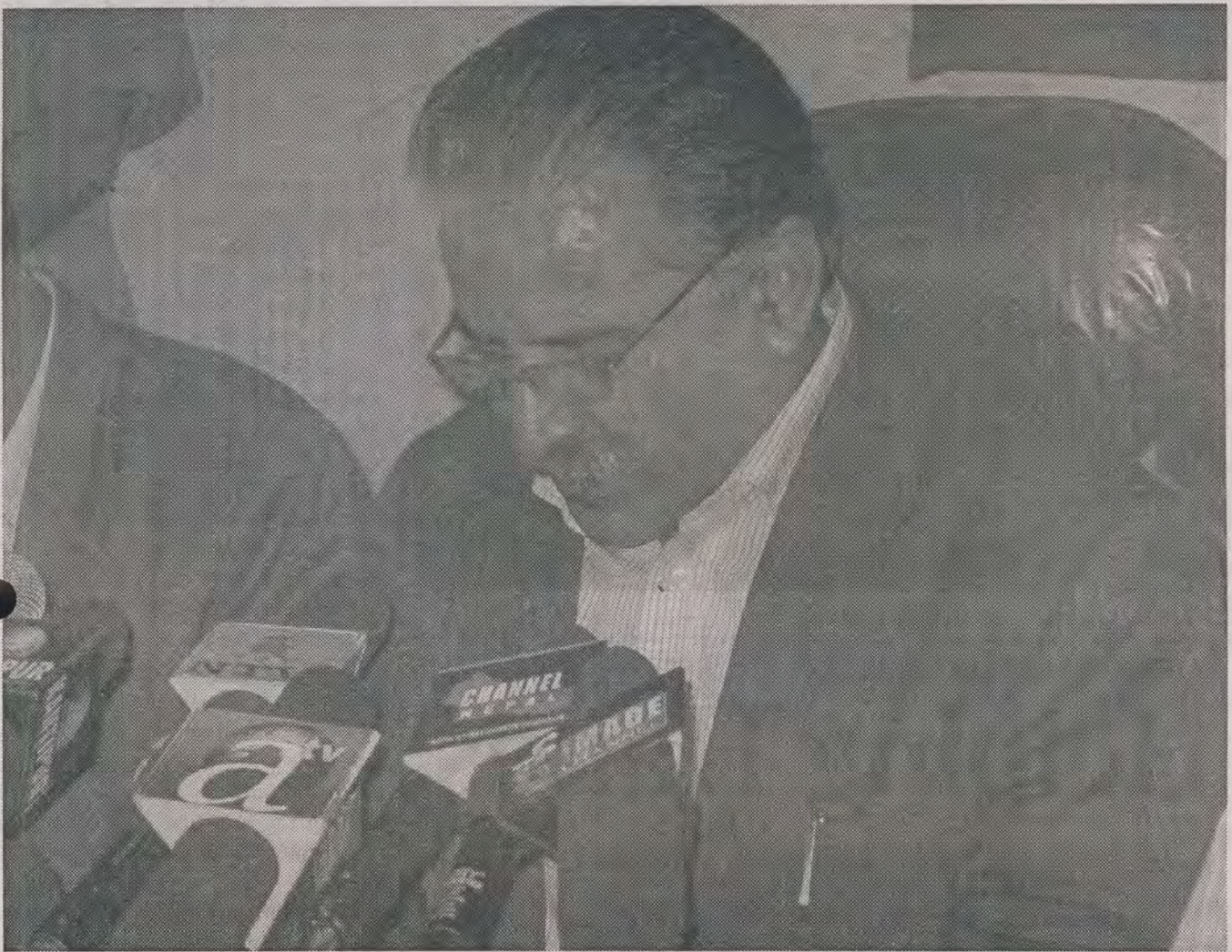
The CPN-UML demanded the Home ministry, Finance Ministry and Defence Ministry along with president. How can we accept such demands of power sharing? How could we agree on such unreasonable demand of CPN-UML?

As you said Nepali Congress, CPN-UML and Madhesi Janadhikar Forum alliance is unholy and unethical, how can you feel proud for the victory of a Madhesi candidate in the president who was backed by them? Is that not a contradictory stand?

It is not contradictory. CPN-Maoist is very proud to say that it is because of us that a Madhesi got elected for the president. Since our party has been pushing the agenda for inclusive and autonomy and self respect for Madhesis, it is a matter of pride to see a Madhesi leader as a president. So far as the alliance is concerned, it is unholy, unethical and foreign-backed alliance.

Who do you mean by saying they are foreign-backed?

Don't try to open my mouth. It is open secret for all of us which power is meddling in our internal politics. In the last few years, the external element



has been actively playing role in our politics taking this or that side from time to time. I can say our nationality and sovereignty is under a great threat and all nationalist leaders need to unite together.

UML leaders have come out openly saying that your party broke the alliance at the last minute after meeting Indian ambassador and Indian officials at your residence. What do you say?

Of course, we discussed many issues with Indian ambassador and Indian officials whenever they visit me to pay a courtesy call. It is an open fact that all the political leaders meet with Indian diplomat and officials. So far as CPN-UML's accusation is concerned, it is baseless.

Have you felt any pressure from Indians to support particular candidate for president?

Some Indian officials indirectly hinted us to support Girija Prasad Koirala for the president but we rejected that idea. Ram Raja Prasad Singh was our own candidate.

How is your party's relation with India?

Our party's relations with India are very cordial

like in the past.

Your statement is full of comments regarding foreign power's interference and intervention. Which country is your finger directed at?

Every one knows which country is meddling in Nepalese politics. It is an open secret.

You termed the alliance of NC, UML and MJF as unholy and unethical. What about your alliance with Terai Madhes Loktantrik Party, Nepal Sadbhavana Party and others?

We have not made any alliance with them like the three parties. These parties supported our candidate Ram Raja Prasad Singh on their own. Even RPP supported our vice presidential candidate.

MJF has already staked a claim for the prime minister in case your party gives up the claim. You may have another reason to rejoice. Because of your decision another Madhesi is going to lead the country. How do you look at it?

I have already given the reason behind our decision to remain in opposition. As three parties have already joined hands. ■

These parties supported our candidate Ram Raja Prasad Singh on their own. Even RPP supported our vice presidential candidate.



Japanese Minister in town: Helping Hands

FOREIGN SUPPORT

Helping Hands

Senior officials from UK and Japan assure of continued cooperation to Nepal in coming days

By A CORRESPONDENT

Last week, two senior officials from the United Kingdom and Japan came calling to Kathmandu. The ministers from the two largest donor countries both assured of continued support to Nepal in its path towards development and prosperity in the coming days.

Japanese Vice-Minister for Foreign Affairs Osamu Uno was present in an occasion where an agreement to finance expansion of a critical road infrastructure was signed.

Japan has agreed to provide a grant assistance of Rs 1774.74million to the Government of Nepal to be utilized for the improvement of Kathmandu - Bhaktapur Road (Koteshwor-Suryabinayak, 9.1 KM) by widening existing 2 lanes to 4 lanes with intersection improvements as well. This

project is estimated to be completed on March 31, 2011.

Japanese Ambassador to Nepal, Tatsuo Mizuno, and Secretary of the Ministry of Finance, Rameshore Prasad Khanal, signed the agreement to this effect and exchanged notes on behalf of their respective governments, in Kathmandu, on Thursday (July 17). Finance Minister Dr Ram Saran Mahat was also present at the signing ceremony. The Japanese grant will be used to procure equipment and services necessary for implementation of the project. The Project will also take into consideration advanced traffic engineering so as to enable smooth traffic movement as well as protect commuters from traffic accidents.

Apart from this, the Japanese minister also held meetings with top leaders

including Prime Minister Girija Prasad Koirala and Maoist chairman Pushpa Kamal Dahal 'Prachanda.' Foreign Secretary Gyan Chandra Acharya told reporters that the PM had briefed the Japanese minister about the peace process. "And he said that the politics of cooperation and understanding will have to continue," Acharya quoted the PM as saying.

UK Minister's Visit

The British Foreign Office Minister for Africa, Asia and the UN, Lord Malloch Brown also visited Nepal last week.

In his two-day visit, he held a whirlwind meetings with senior leaders. In each of the meetings he stressed on the politics of understanding and urged the parties to work together on forming a constitution, which will include restructuring the state.

Talking to reporters before his departure on July 19 morning, he said, "The recent elections were a key milestone in the peace process and the parties should be congratulated for coming together and making a joint commitment to peace and democratic values."

The British minister said the new government must take the initiative to deliver peace and security, economic progress and development. "This is the time to ensure that all parties confirm to democratic norms and cooperation to bring an immediate end to violence and intimidation, to tackle corruption and deliver accountable government", Brown said.

Stating the progress on the future of the two armies (NA and PLA) is crucial for securing long-term peace in Nepal, Lord Brown said parties should reach an early agreement on how to manage this key issue in order to build trust and create a security force that is appropriate to Nepal's needs. Commenting on public security, Brown said, "Security bodies and courts must be empowered to deliver security and justice - this is not the job of freelance organizations like armed groups in Terai and the Maoist youth wing YCL." ■



British Minister (left) with Rajendra Khetan: Information evolution

BRITISH COUNCIL

Access to Online

From book keeping library, the new British Council has been turned into IT-based learning center

By A CORRESPONDENT

In early phase, British Council served as a library with wide range of collections of books of various areas. As the global market of knowledge moves from traditional book-keeping to Information technology, the council, too, has moved toward IT-based learning center.

According to British Council, the new learning center is aimed at teachers, as well as young professionals studying on British Council courses and those seeking access to study opportunities in the UK. It will provide constantly updated on-line materials- with more than 9,000 e-books on educational and allied subjects, and more than 700,000 articles from academic and search journals from the UK and other countries.

"This new Learning Center represents one of the most important additions to information resources in Nepal in recent years," said John Fry, the

British Council Director for Nepal.

"The center, with access to over 12 million sources of high-quality information, with high speed band width for users, will help lead Nepal into a new age of information. It will accept as a key resource in areas crucial to the country's future development, such as technical and vocational education training, capacity building for English language teachers, and providing access for professionals in other areas of education."

Inaugurated by British foreign minister for Asian, African and the UN affairs Lord Malloch-Brown, the Council will provide service as a new on-line resource center.

"The center has access to hundreds of thousands of on-line documents from universities and other institutions not formally available free-of-charge to standard users of the internet. Because

of this, it will become an invaluable resource for helping to build Nepal's professional base."

As the British Council has pre-paid access to a number of virtual learning packages, the new Learning Center will provide facilities unavailable elsewhere in Nepal. Access will be through paid membership and through participation in British Council projects in Nepal.

Equipped with 35 computers, the center will play a central role in the British Council's program in Nepal, including in English language training for teachers, school links to the UK and technical and vocational education training. It will also provide a forum for workshops, presentations and discussion groups amongst those actively working to improve education and English language capacity in the country.

It is expected the center will be used by over 10,000 people a year. But the objective is much wider: by acting as a base for spreading knowledge and best practice in education internationally, best placed to act as multipliers in wider Nepali society, benefits will impact on far wider audience. "We have already used the center to train 21 Nepali teacher trainers. These trainers have already given training to 210 primary teachers in rural schools in Baglung, Kailali and Solukhumbu. Over the next three years, thousands of rural teachers will be trained, and tens of thousands of young children will be the beneficiaries," said John Fry.

According to John Fry, by concentrating on training trainers, the center has enormous potential to spread knowledge and latest learning techniques across Nepal. Our ambition is that in the next three years, its impact should be felt across Nepal's education system and improve the learning prospects of hundreds of thousands, even though those using the facilities are unlikely to be above 30,000. ■

BOOK

Foreign Aid

The book highlights effectiveness and analysis of foreign aid to Nepal

By A CORRESPONDENT

Despite certain drawbacks and political and economic attachment, foreign aid has played a very important role in overall social and economic transformation of Nepal. When the country opened its door to outside world in 1951 following the political change, Nepal had virtually nothing.

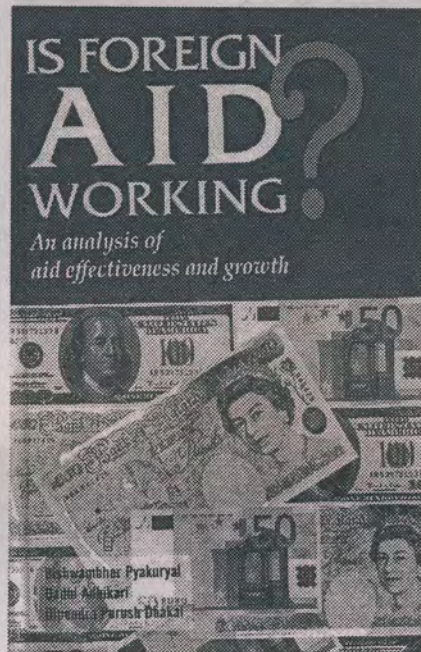
From the making of new political institutions like executive, judiciary and legislative to building infrastructures like roads, hydro powers, education, drinking water, health and know how of banking system, the contributions made by foreign aid have been extremely important.

Even after fifty years of going through processes of all kinds of development, the country is yet to have resources to mobilize the revenue to support the education, health and other social sectors. If the donors do not offer generous support, Nepal's half of the development projects will be stopped.

Of course, many foreign aid come with attached agenda but it is the government policy and its bargaining power, which gives them the leverage. For a least developed country like Nepal, there is a very nominal leverage.

The effectiveness of the foreign aid is determined by its own strength. A country like Nepal has very little choice and thus forced to accept all kinds of terms and conditions. So, there is mixed result of foreign aid in Nepal.

"Globally, foreign aid regime shows a mixed result both as a success or failure story. In Nepal, our findings reveal



Is Foreign Aid Working?
An analysis of aid effectiveness and growth

By: **Bishwambher Pyakuryal, Dadhi Adhikari and Dipendra Purush Dhakal**

Pages: 118

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that, in general, foreign aid is successful because it has generally contributed to economic growth. Foreign aid has been increasingly contributing to the national financial requirements over the years," write authors in the executive summary.

Although more than five decades have passed since Nepal opened its door to foreign aid, Nepal has received enormous volume of foreign aid in its overall economic development and transformation of social system.

Nepal developed its foreign aid policy just in 2002.

Written by three prominent persons Dr Bishwambher Pyakuryal, Dadhi Adhikari and Dipendra Purush Dhakal, the book talks about the foreign aid policy of Nepal and its implications.

After Eugene Bramer Mihaly's book on Foreign Aid and Politics in Nepal, a Case Study, Pyakuryal, Adhikari and Dhakal's book is first-of-its-kind, which analyses aid effectiveness and growth. They analyse the institutional capabilities, mode of foreign aid as well as its effectiveness in society. Authors discuss the way of utilization of foreign aid in Nepal and its internal linkages with the Institutions.

With the complete data of foreign aid in Nepal in the last five decades, authors have drawn the conclusion of effectiveness of the foreign after analysing the projects and programs implemented in the country.

At a time when some left-leaning intellectuals have been making efforts to discredit the contribution made by generous aid by foreign countries, the authors objectively discuss all different aspects of foreign aid. "Although the quality of aid has increased after the implementation of Foreign Aid Policy, there are still some serious problems associated with the management of aid," write authors.

For scholars, donors, academicians and students of economics, the book is very useful. ■

“The Maoists betrayed us in the last moment.”

Jhal Nath Khanal, general secretary of the Unified Marxist Leninist (UML), accusing the Maoists of breaking the alliance.

“There can be no understanding when they forward the name of top leaders for president.”

Prachanda, Maoist chairman, clarifying why his party could not back UML's former general secretary Madhav Kumar Nepal for the position of president.

“When they announced their own candidate for vice president, we were shocked.”

Sarat Singh Bhandari, leader of Madhesi Janadhikar Forum (MJF), claiming that the Maoists broke its alliance with his party by forwarding its own candidate for vice president.

“I am surprised that I could be elected to such a high position in a short time since I joined politics.”

Parmananda Jha, vice president-elect, who had joined politics through Madhesi Janadhikar Forum (MJF) after retiring from judicial service last December.

“The Maoists have committed a historic mistake.”

Bamdev Gautam, standing committee member of the UML,



responding to the breaking of alliance between the Maoists and the UML.

“We will launch movement if Maoists are forced to keep out of government leadership. The nature of such movement could be armed or unarmed.”

Netra Bikram Chand, senior leader of Maoists, speaking at a program in Birgunj.

“The key requirement now is not the continuation of monitoring arrangements so much as the transition to a durable and permanent solution. The United Nations' monitoring role

must thus be understood in the context of immediate efforts to reach decisions on the underlying issues, which the United Nations will assist as requested.”

Ban ki-Moon, UN Secretary General, in his latest report on Nepal presented at the Security Council.

“We expect Gurkha armies would remain as an organ of British army in the future too. But Nepal government is to take decision in this regard. We would talk to the government here if necessary.” Lord Malloch Brown, British Foreign Office Minister for Africa, Asia and the UN, responding to a query by journalists.

Janabhawana

TRANSITION

ELECTED: Parmananda Jha, leader of Madhesi Janadhikar Forum (MJF), as the vice president of Nepal, by Constituent Assembly. He bagged 305 votes against 243 votes bagged by Maoist-nominee Shanta Shrestha.

BAGGED: In the first phase of presidential election, Nepali Congress (NC) general secretary bagged 283 votes against 270 votes by Ram Raja Prasad Singh, a Maoist-nominee.

RETURNED: Lord Malloch Brown, British Foreign Office Minister for Africa, Asia and the UN, after completing his two-day visit to Nepal.

Osamu Uno, Japanese Deputy Foreign Minister, after completing his short visit to Nepal.

RANKED: President with the highest protocol ranking, followed by Prime Minister, Chief Justice, Constituent Assembly chairman and vice president, by the cabinet meeting.

FIXED: Shital Niwas, the current building housing the Foreign Ministry, as the President's Office and Bahadur Bhawan, a section of the building currently housing the Election Commission, as the Vice President's Office.

APPOINTED: Dr. Ram Hari Aryal, as the Secretary at the President's Office, and Ram Chandra Man Singh, as the Secretary at the Vice President's Office, by the government.

MITHILA ART

Unique Forms

Mithila Art has a traditional glory and importance in Nepalese context

By A CORRESPONDENT

Mithila Art has a long history and glory in Nepal. Although it is the oldest form of folk arts in the world, it is yet to get due place in the world's art arena. In recent years, many efforts have been made to make it popular but it is still in early stage.

With an aim to promote and popularize Mithila art, a group of people have recently formed Mithila Artists Society. Unlike other folk arts,

From diversification of subjects to the use of various colors, Mithila art maintains its traditions and themes evolved in the Mithila Pradesh ranging from east of Bagmati up to Kosi region of east in Nepal and larger parts in the Indian state of Bihar.

From festivals to social and other rituals, people living in Mithila region practiced these traditional forms of arts. People have their original way

Mithila art is said to have evolved since the time of king Janak after whose name comes the name of the place Janakpur. This place is also birth place of Sita, the consort of Lord Rama. Naturally, various legends of Ramayana dominate the theme of Mithila arts and paintings.

been establishing itself as important folk arts of Nepal, a group of Mithila artists organized a first group Mithila art at a gallery in Thamel. As a large number of visitors visited the exhibition, the artists were very enthusiastic.

Although Nepal's culture and traditions evolved around Kathmandu valley for centuries, Mithila art and culture has always been a part of it. From Lichhivi to Malla and all other rulers' period, there have been so many influence of Mithila art in local life and culture.

The pieces in this exhibition have been created using various media from oil to acrylic and form canvas to silk. As every other Mithila art, the subject matters range from the daily life of people to special occasions like marriages; there are also a couple of creations depicting particular scenes from the Ramayana.

From red to green and blue and white, the artists have used all kinds of colors. The artists use varieties of colors to depict their themes. They have used vibrant colours in sharp contrast to each other.

Mithila art is said to have evolved since the time of king Janak after whose name comes the name of the place Janakpur. This place is also birth place of Sita, the consort of Lord Rama. Naturally, various legends of Ramayana dominate the theme of Mithila arts and paintings.

Inaugurated on July 18, the exhibition will be on till July 25. ■

Mithila art has its own unique form of representing its subject and the whole way of presenting the creation.

of thinking which is based on the local legends and traditions.

At a time when Mithila art has

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