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(Issue Editor)

▶ ADDRESS

Tripureshwar, Kathmandu, Nepal

Tel. : 4266954, 4266955

Fax : 977-1-14266956

E-mail : ifa@mail.com.np

Webpage: www.ifa.org.np

Important National Issues

PM receives credentials from new Chinese envoy

Hon'ble Prime Minister Girija Prasad Koirala received the Letter of Credence from Zheng Xianglin, the newly appointed Ambassador of the People's Republic of China to Nepal, amidst a special ceremony held at the Singha Durbar State Hall on April 19.

This was the first time that an ambassador accredited to Nepal presented the Letter of Credence to the Prime Minister. As per the decision of the Nepal Government based on the provisions of the Interim Constitution of Nepal 2063, foreign ambassadors have to present the Letter of Credence to the Prime Minister. In the past, they used to present it to the King.

Receiving the credentials from the Ambassador, Premier Mr. Koirala welcomed him as the new envoy of China to Nepal. Mr. Koirala expressed the hope that the longstanding friendly ties between Nepal and China would be enhanced and expanded to the areas mutually beneficial to the peoples of both the countries during his tenure.

Presenting the Letter of Credence, the Chinese envoy expressed his happiness at being appointed Ambassador to Nepal and added that he would do his best to further promote the age-old China-Nepal ties. On the occasion, Chief Justice Dilip Kumar Poudel, Speaker of the Legislative Parliament Subash Chandra Nembang, Foreign Minister Mrs. Sahana Pradhan, Advisor to the Prime Minister on Foreign Affairs Dr. Suresh Chalise, Chief of the Army Staff General Rukmangad Katuwal, the Chief Secretary Dr. Bhoj Raj Ghimire, Acting Foreign Secretary Gyan Chandra Acharya, journalists, among others, were also present.

Born in Shandong Province of China in 1954, Ambassador Xianglin has had many assignments in the Chinese embassies abroad. Before receiving his new assignment, the career diplomat served as the Deputy Director General at the Department of Foreign Affairs Management at the Ministry of Foreign Affairs.

Major Highlights

New ADB, WB chiefs appointed for Nepal

Mr. Paul J. Heytens has been appointed as the new Country Director of the Asian Development Bank (ADB) for Nepal. He joined the office from May. Before being appointed as the Country Director, Heytens worked as the principal Agricultural Economist in ADB's South Asia Department. He was responsible for developing rural development projects in many South Asian countries. He holds a Doctor of Philosophy in Development Economics from Stanford University of the United States.

Meanwhile, the World Bank (WB) has appointed Mr. Sujan Goldmark the Resident Representative for Nepal. He will assume his office from June 30.

The American national had been affiliated to the Bank as a private sector development expert in Africa since 1988.

He has already carried out his assignments in the areas of finance, private sector development, and energy in South America and the Caribbean.

He had first come to Nepal as a student when he was 20.

Tryst with Destiny on November 22

The much-awaited elections to the Constituent Assembly (CA) are slated for November 22, 2007 (Mangsir 6, 2064 B.S.).

As per the mandate of the eight political parties, the meeting of the Council of Ministers held on June 24 at Baluwatar residence of Prime Minister Girija Prasad Koirala took the decision in this regard. The decision came after prolonged and hectic discussions and consultations among the leaders of the major political parties.

The cabinet meeting also decided to start processes for the CA elections on a 'War-footing'.

The upcoming elections, which are going to be the first post-conflict polls, will elect a body of the Constituent Assembly. The elected body will write the country's new constitution.

Carter meets Koirala, Nembang, Prachanda, Nepal

Former US President Jimmy Carter met Prime Minister Girija Prasad Koirala at his official residence at Baluwatar on June 14. The two leaders discussed about the ongoing peace process and the upcoming Constituent Assembly elections. Impressed by Mr. Koirala's dedication and contribution to fostering peace and democracy in Nepal, Mr. Carter called him (Mr. Koirala) a hero.

He also met Speaker of the Legislature-Parliament, Mr. Subash Chandra Nembang, Chief Election Commissioner, Mr. Bhoj Raj Pokharel, political leaders Mr. Madhav Kumar Nepal, Mr. Pashupati Shumshere Rana, and civil society leaders.

During the meeting, Mr. Prachanda requested the former American President to take the initiative to remove the Communist Party of Nepal (Maoist) from the US terrorist list.

Mr. Prachanda also told him that his party wanted to enhance diplomatic relations with the international community and ready to discuss all matters at all levels.

The former US President was on a four-day visit to Nepal. He returned home on June 16.

Pakistani journalists call on Foreign Minister

A team of 15 journalists representing the Council of Pakistan Newspapers' Editors, who were on a visit to Nepal, called on Minister for Foreign Affairs, Mrs. Sahana Pradhan at the latter's office on June 15. At the meeting, Mrs. Pradhan informed the team of the ongoing peace process in Nepal. She also expressed views regarding bilateral cooperation between Nepal and Pakistan.

UNHCR chief stresses resolving refugee problem

The chief of the United Nations High Commissioner for Refugees (UNHCR) Antonio Guterres urged all concerned partners to be engaged for a comprehensive solution to the Bhutanese refugee problem in Nepal.

After returning from the refugee camps in Jhapa district of eastern Nepal, he said, "We have to provide all possible opportunities to the refugees, who are languishing in the camps for over 16 years." "Our duty is to explore and provide opportunities, but the decision is of the refugees' themselves," said he at a press conference in Kathmandu on May 22.

Terming voluntary repatriation an important component for permanent solution to the problem, he said, "We believe that voluntary resettlement can also be opportunity for many people." "My appeal to Bhutan is for very constructive and open in attitude," he said.

He said that many refugees preferred to return to their homeland.

He said that he expected positive commitment from the Government of India to help resolve the problem. "I do not have any political objective. My only objective is solution to the problem," he said. According to him, he had very positive and meaningful discussion with Prime Minister Girija Prasad Koirala and other authorities of Nepal. "UNHCR will be working together with the government of Nepal in finding a common way to this complex issue," he said.

During the meeting Premier Koirala said that the resettlement of the refugees in the third countries and the repatriation to their homeland should go hand in hand.

Mr. Koirala also expressed his serious concern over the matter that the Bhutanese government deprived the Bhutanese from the Nepalese origin in Bhutan of their voting rights in a recent election. He also said that he had expected help from India in resolving the Bhutanese refugee problem.

Similarly, Guterres also met Foreign Minister Mrs. Sahana Pradhan and visited refugee camps in Jhapa district. Mrs. Pradhan and the UNHCR Chief focussed their talks on the repatriation of the refugees. She requested Mr. Guterres to pressurise Bhutan for repatriation of the refugees. More than 100,000 Bhutanese refugees have been living in various camps in eastern Nepal over the past 16 years. The United States, Australia, Denmark, the Netherlands and Canada have offered a resettlement programme for the refugees.

He departed for Bhutan on May 24.

Nepal, Haiti establish diplomatic ties

Nepal and the Republic of Haiti have established diplomatic relations. In this regard, Permanent Representative of Nepal to United Nations, Ambassador Madhuraman Acharya, and the Permanent Representative of the Republic of Haiti to United Nations, Ambassador Leo Merores, signed a joint communiqué at the Permanent Mission of Nepal in New York on May 23. With the establishment of the diplomatic ties, both countries aim at promoting and strengthening bilateral cooperation in political, commercial and cultural fields.

Nepal's residential mission to be set up in Israel soon

The Government of Nepal is going to set up the country's residential mission in Israel soon. The Ministry of Foreign Affairs has said that the government has decided to open Nepal's embassy at the level of Charge d' Affaires in Israel. The ministry has believed that the opening of the residential mission would contribute to expanding and consolidating bilateral relations between the two countries.

PM, Lowenkron meet

US Assistant Secretary of State for Democracy, Human Rights and Labour, Barry R. Lowenkron called on Prime Minister Girija Prasad Koirala at the latter's official residence at Baluwatar

on June 1. During the meeting, they discussed the ongoing peace process, current political developments, law and order situation, Bhutanese refugee problem and bilateral relations between Nepal and the United States. Mr. Lowenkron also met Minister for Foreign Affairs, Mrs. Sahana Pradhan at the latter's office at Sheetal Niwas on May 30. At a press conference held in Kathmandu on June 3, he said that the US would strongly support Nepal in the latter's bid to establish peace, consolidate democracy and economic development. "The US wants to see a peaceful, prosperous and democratic Nepal," he said.

Chinese role for Nepal's peace commended

Chief of the United Nations Mission in Nepal (UNMIN), Mr. Ian Martin commended the Chinese role in the peace process of Nepal. Addressing the programme organised by the Asia Society in New York on March 3, he said China had strongly supported Nepal's peace process.

Nepal-India Friendly Building opened

Indian Ambassador to Nepal, Mr. Shiva Shankar Mukherjee opened a Nepal-Indian Friendly Building of the Makawanpur Multiple Campus in Hetauda on May 22. Highlighting the age-old harmonious ties between Nepal and India, Mr. Mukherjee pledged that the Government of India would continue extending its assistance to Nepal in the areas of education, health and infrastructure development.

Nepal-China trade to be promoted

Ambassador of the People's Republic of China to Nepal, Zheng Xianglin said that he would try his best to help promote bilateral trade between the two neighbours. He expressed the commitment at a programme organised by Nepal-China Chamber of Commerce and Industry in Kathmandu on May 22. "I will make efforts to reduce Nepal's trade deficit with China," he said. According to him, the Chinese Government has accorded top priority to maintenance of the Kodari Highway and construction of the Rasuwa-Kerung Highway.

Meanwhile, the Chinese envoy expressed his firm belief that the current peace process in Nepal would be successful and more Chinese investors would invest in the country. He made the remark at the Ninth Meeting of the Nepal-China Non-Governmental Cooperation Forum held on Kathmandu on June 12.

UN monitoring team's visit

The United Nations Electoral Expert Monitoring Team (EEMT) started its visit to Nepal from the second week of June. Established under the mandate of the Security Council Resolution 1740, the team will make several visits to Nepal as part of monitoring the Constituent Assembly election process. The five-member team includes Dr. Rafael Lopez-

Pintor, the team leader from Spain, Ayman Ayoub (Syria), Stefenie Luthy (Switzerland), Antonio Reis (Brazil) and Bong-Scuk Sohn (Republic of Korea). The members of the team, who are appointed directly by the UN Secretary-General, are responsible for assessing the electoral process regularly. The team will report to the UN Secretary-General on the conduct of the elections.

Ian Martin appointed UNMIN chief

Ian Martin was officially appointed Special Representative of United Nations Secretary-General and chief of UN Mission in Nepal (UNMIN) on February 9. "I am delighted to continue working for peace in Nepal and honoured by the responsibility given to me by UN Secretary-General Ban Ki-moon, to ensure that UN has been carrying out its responsibility of making the peace process a success," said Mr. Martin at a press conference organised in Kathmandu following his appointment. He said that Nepal had made considerable progress in the peace process in a short span of time. He, however, warned that building lasting peace would not be an easy task. "Much remains to be done to hold the Constituent Assembly elections in a free and fair manner," he said.

Maoists register 3,428 weapons, 30,852 troops

The chief of UN Mission in Nepal (UNMIN), Ian Martin said UNMIN was not in a position to state whether the Maoist People's Liberation Army (PLA) registered all its weapons or not. Making public a report on the registration of PLA combatants and weapons on February 23, he informed that the total number of PLA weapons registered, so far, in the seven cantonment sites stood at 3,428, while the total troops registered was 30,852. Regarding the allegations that the Maoists continued holding arms by violating the Agreement on Monitoring of the Management of Arms and Armies (AMMAA), he said that UN arms monitors would investigate them.

OHCHR urges for talks

United Nations Office of the High Commissioner for Human Rights-Nepal (OHCHR-N) called for immediate dialogue between the Government of Nepal and the agitating parties to prevent further violence and loss of lives in the eastern and central Terai. In a press statement issued on February 2, OHCHR-N stated that it was deeply concerned with the violence and the increased death toll and injuries.

US welcomes Maoist decision, statute

The United States welcomed the decision of the Communist Party of Nepal (Maoist) to dissolve all its structures of paralleled government. "The US welcomes the Maoist's move to dissolve its local level paralleled government

structures and participate in the coalitions at local level," said James F. Moriarty, US Ambassador to Nepal while addressing a press conference at American Centre.

Meanwhile, the United States hailed the promulgation of the Interim Constitution-2063. In a statement, the US Embassy expressed the hope that the new development would pave way for holding free and fair elections to the constituent assembly.

UNSC's Nepal resolution

A meeting of the UN Security Council unanimously adopted a UK-sponsored resolution that authorised the world body to establish a UN Mission in Nepal. The proposal in this regard was forwarded by UN Secretary-General Ban Ki-moon.

'Indian leaders not in favour of monarchy'

General Secretary of the Communist Party of Nepal (Unified Marxist-Leninist), Mr. Madhav Kumar Nepal said that India and Indian leaders were not in favour of monarchy in Nepal. The UML chief made the remark upon his arrival in Kathmandu after completing his nine-day visit to India. "The ruling as well as the opposition parties in India are not in favour of monarchy. They are for consolidation of *lok tantra* in Nepal," he said. Terming his visit very fruitful, he said that India pledged assistance to Nepal. Quoting Indian Prime Minister Dr. Manmohan Singh, he said the progress of Nepal would be in the interest of India.

Another member of the delegation, Mr. K.P. Sharma Oli, Standing Committee Member of the UML and former senior Deputy Prime Minister, said that the visit was very fruitful and successful. According to him, the visit has contributed a lot to deepening understanding the current situations, and feelings and concerns of each other.

Similarly, the visit of the UML leaders also helped in further strengthening the friendly ties between the two countries.

Likewise, Standing Committee Member of the party and Former DPM Bharat Mohan Adhikari also expressed his satisfaction over the outcomes of the visit. He also expressed the view that the visit has enhanced bilateral relations between the two neighbours.

Pandey appointed Advisor to Foreign Affairs

The Government of Nepal appointed Mr. Udaya Raj Pandey the advisor to Minister for Foreign Affairs, Mrs. Sahana Pradhan on June 10. The Government has also assigned the Ministry of Foreign Affairs (MoFA) to look into the works associated with the Non-Resident Nepalis (NRNs).

Bangladeshi delegation calls on Foreign Secretary

A delegation of the Foreign Service Academy of the Republic of Bangladesh paid a courtesy call on Mr. Gyan Chandra Acharya, Acting Secretary at the Ministry of Foreign Affairs (MoFA), at the latter's office at Sheetal Niwas on April 8. Bangladeshi Ambassador Mr. Imtiaz Ahmed was also present on the occasion.

During the meeting, talks were held on various bilateral issues in a cordial atmosphere. IFA's Executive Director Prof. Dr. Gopal Pokharel and Deputy Executive Director Ms. Anjan Shakya were also actively involved in the discussion.

Under Secretary of MoFA, Mr. Prdhumna Bikram Shah, expressed his satisfaction over the entire bilateral friendly relations between the two peoples.



India calls Bhutanese refugee problem an int'l issue

India has changed its voice on the Bhutanese refugee problem by calling it an 'international issue.' Since the beginning, India had been terming the Bhutanese refugee crisis as an issue between Nepal and Bhutan. Following his meeting with Chief Minister of West Bengal Mr. Buddhadeb Bhattacharjee on June 9, Indian External Affairs Minister Mr. Pranab Mukherjee said that the refugee stalemate had become an international problem.

According to news reports, Mr. Mukherjee said that it was an international problem and that the government of India was trying to work out a solution. But he did not specify what type of solution India was working out. The 45-minute long meeting of the two Indian leaders in South Kolkata was concentrated on 'solving' the Bhutanese refugee stalemate problem 'creating law and order problem in West Bengal.'

SAARC visa to 50 journalists from each member state

The meeting of SAARC Council of Ministers held in New Delhi on March 3 took a decision to issue directives to the concerned officials to complete necessary procedures to provide "SAARC Visa Stickers" to 50 journalists of each member country of the regional body.

The meeting also decided to make the visa procedures of the SAARC member countries more liberal. Disclosing the decisions of the meeting, Nepal's Foreign Minister Mrs. Sahana Pradhan said that the Summit had aimed to expanding multilateral trade for the progress of the region and implement the decisions.

Acting Foreign Secretary, Mr. Gyan Chandra Acharya said that India had presented the concept of enhancing network of

relations, while Nepal proposed a "Multi-Model Transport" facility at the meeting. Besides, the meeting decided to develop a mechanism for establishment and operation of SAARC Food Bank.

Koirala, Fore discuss arms management

US Under Secretary of State for management Henry H. Kissinger called on Prime Minister Girija Prasad Koirala on March 10 and held discussions on a wide range of issues, including arms management, ongoing ethnic violence and the American government's recent views on Nepal. Ms. Kissinger blamed the Communist Party of Nepal (Maoist) for being irresponsible toward their past commitments. She emphasized the need for giving continuity to the monitoring of arms. She also said the United States was assured that there should be peace and security in Nepal. She urged one and all to contribute positive assistance for restoring peace and security in the country.

Highlighting the continued failure on the part of the CPN (Maoist) to shun violence and the growing ethnic tensions, she said that the US government was worried by such trends. Showing 'deep concerns' over Mr. Prachanda's public statement that the royal palace was plotting to murder top officials at the US Embassy and blame it on the Maoists, she urged the Maoist leadership to share the information regarding it with the security bodies.

Meanwhile, US Ambassador to Nepal, Mr. James F. Moriarty said that he was stunned by Mr. Prachanda's statement. Earlier, at a conference entitled "Peace and Development, Post Conflict: Challenges and Opportunities" in Kathmandu, the American envoy praised the Maoist supremo for his attempt to join the mainstream political system. He also expressed his eagerness to shake hands with Mr. Prachanda before leaving Nepal in July.

US to start process of resettling refugees

US Ambassador to Nepal, Mr. James F. Moriarty said that the Government of Nepal allowed the United States to begin the process of resettling Bhutanese refugees in his country. "We will work with the Government of Nepal, and other countries, who are willing to receive the Bhutanese refugees," he said. The US Government is planning to set up offices in Kathmandu and Jhapa in soon to initiate the process of resettling the refugees.

Meanwhile, US Ambassador to Nepal, Mr. Moriarty discussed with the Bhutanese refugee leaders about the details of his country's programme of resettling at least 60,000 refugees. At a meeting held at the US Embassy in Kathmandu on June 14, he told them that they should have freedom to make well-informed, independent decisions regarding their future without any fear and intimidation.

Norwegian help in Nepal's peace process

Norway has expressed solidarity to Nepal's peace process and supported efforts to hold the Constituent Assembly (CA) elections. During his two-day visit to Nepal (March 7-8), Norwegian Minister for International Development Cooperation, Mr. Eric Solheim called on Prime Minister Girija Prasad Koirala at the latter's official residence at Baluwatar on March 7. Mr. Solheim said that his talks with Mr. Koirala regarding Nepal's peace process were interesting. The objective of his visit was to extend necessary cooperation to democratisation, and peace process in Nepal.

The Norwegian Minister also met the CPN (Maoist Chairman Mr. Prachanda (Pushpa Kamal Dahal). Meanwhile, the Norwegian government agreed to provide a grant assistance of Rs. 130 million to Nepal for boosting the country's ongoing peace process. The assistance amount will be deposited in the Peace Trust Fund established by the Government of Nepal to implement the Comprehensive Peace Accord between the government and the CPN (Maoist).

Japanese support to peace bid in Nepal hailed

Japan's Vice Minister for Foreign Affairs, Mr. Masayoshi Hamada paid a courtesy call on the then Minister for Culture, Tourism and Civil Aviation, Mr. Pradeep Gyawali on the sidelines of the High Level Segment of the 4th Session of the UN Human Rights Council in Geneva on March 14. During the meeting, Mr. Gyawali apprised the Japanese Vice Minister of the ongoing peace process in Nepal and appreciated Japan for its continued support.

Similarly, on behalf of the people and the Government of Japan, the Japanese Vice Minister extended felicitations on Nepal's impressive success in the ongoing peace process.

Deal signed

Danish Ambassador to Nepal, Mr. Finn Thilsted and Finance Secretary, Mr. Vidhyadhar Mallik signed the agreed minutes of the annual technical consultations between Nepal and Denmark in Kathmandu on May 30. The annual consultations aimed to discuss the status, challenges and future of various activities within the bilateral development cooperation.

Nepal, India power exchange meet held

The eighth meeting of Nepal-India Power Exchange Committee concluded in Kathmandu on June 7. The delegates from the two countries agreed to increase power exchange. India has agreed to upgrade the Duhabi-Kataiya transmission lines by October 2007. After the upgradation of the transmission lines, power supply to Nepal would increase by 40 MW. The additional power supply is expected to help Nepal in addressing the power shortage crunch during and resultant loadshedding during dry season.

According to the new power exchange agreement, Nepal can sell up to 40 MW of power to India through the Gandak-Ramnagar transmission line during raining season at commercial price. The Nepalese delegation was led by Mr. Arjun Bahadur Karki, the Managing Director of the Nepal Electricity Authority (NEA), while the Indian delegation was headed by Mr. V. Ramkrishna, who is the member of the Central Electricity Authority of India.

MoFA assures security of foreign diplomats

The Ministry of Foreign Affairs has assured the foreign diplomats and diplomatic missions of adequate security. At a meeting with a team of the representatives of the foreign diplomatic missions in Nepal on June 8, Hon'ble Minister for Foreign Affairs Mrs. Sahana Pradhan said that the government would provide security to diplomatic missions and residences. Mrs. Pradhan said that the Ministry of Foreign Affairs, the diplomatic community and the concerned security bodies of the government would work together to ensure security of diplomats and diplomatic missions. She asked the diplomatic missions to inform the government about the visit of any of their personnel and they should be ready to cancel their visit if needed.

Meanwhile, she said that Nepal's foreign relations were moving ahead as per the UN Charter, Panchasheel, principles of non-aligned movement and world peace. She made the remark while addressing the 60th anniversary of Nepal Council of World Affairs (NCWA) in Kathmandu.

2nd phase of PLA verification begins

The second phase of verification of the People's Liberation Army (PLA) of the Communist Party of Nepal (Maoist) started from June 19. Led by Mr. Mike Tuman, the 120-member team of the United Nations Mission in Nepal (UNMIN) interviewed 150 Maoist combatants in the camp of Ilam.

The combatants were asked about the number of battles they fought, the places where the battles took place and their knowledge of handling weapons. According to UN, PLA personnel below 18 years will not be allowed to stay in the camps after the verification.

An estimated 9,000 PLA personnel under 18 years have been staying in various Maoist camps across the country.

Meanwhile, UN Secretary-General Ban Ki-moon welcomed the start of the second phase of verification process of the Maoist army personnel. The world body chief said that it was a crucial stage of the implementation of the Agreement on Monitoring of the Management of Arms and Armies.

SAARC report proposes improved connectivity

In line with the declaration of the SAARC Summits, the regional organisation's Multi Modal Transport Study has proposed that Nepal build four regional-level roads and two railway lines connecting other member states. The report also suggested that Nepal should improve the infrastructure of the Tribhuvan International Airport (TIA) and upgrade the Bhairahawa airport.

As per the plan okayed by the Islamabad Summit of the regional body held in 2004, a task force was formed to upgrade transit and communication facilities within the region. The road network, as proposed by the report, is expected to be instrumental in increasing Nepal's access to sea ports of the other member countries. Fourteen out of a total of 18 identified road networks are in operation. In Nepal's context, a proposal for the Kathmandu-Birgunj-Kolkata-Haldiya road was forwarded. The 1,323-kilometre road could be beneficial for Nepal in developing Birgunj as a dry port.

Similarly, the Kathmandu-Kankadbhitta-Fulbari-Mangola-Chatgaon road is the second proposed road link. The 1,394-kilometre road connects Nepal with Bangladeshi ports of Mongla and Chittgong. The Kathmandu-Nepalgunj-New Delhi-Bagha border-Lahore-Karachi link and the Kathmandu-Bhairahawa-Sunauli-Lucknow are the other proposed road links for Nepal.

China interested in Nepal's peace process: Envoy

Chinese Ambassador to Nepal, Mr. Zheng Xianglin said that China has been interested to actively participate in the ongoing peace process of Nepal.

Speaking at a face-to-face programme organised in Kathmandu on June 20, the Chinese Envoy informed that a high-level Chinese political delegation, which is visiting Nepal in July this year, would discuss how China can best help Nepal's peace process.

Talking about Chinese assistance to Nepal's economic development, said that the northern neighbour had provided 1.7 billion Chinese currency for economic development in Nepal until recently.

Regarding the request for providing the petroleum products to Nepal, he said that Nepal and China were holding consultations. Responding to a query, he also said that China respects the Nepalese people's choice regarding monarchy in Nepal.

Dennis returns home

Mr. John Dennis, visiting British Foreign Ministry Additional Director for South Asia, met Prime Minister Mr. Girija Prasad Koirala at the latter's official residence at Baluwatar on June 20. During the meeting, they held discussions on the upcoming Constituent Assembly (CA) elections, law and order situation in Nepal and issues of bilateral cooperation.

The British official arrived in Kathmandu on May 18 with a view to assessing Nepal's peace process. He also called on leaders of various political parties, government officials, representatives of foreign agencies and human rights workers.

Upon completion of his three-day visit, he returned home on June 20.

Samuel appointed Deputy Chief of UNMIN

UN Secretary-General Ban Ki-moon appointed Mr. Tamrat Samuel senior, United Nations Political Affairs Officer, his Deputy Special Representative for Nepal and Deputy Head of the UN Mission in Nepal (UNMIN) on June 20.

Samuel has served the world body since 1983, most recently as Senior Political Affairs Officer responsible for the South Asia region within the Department for Political Affairs, according to the UN Headquarters. He was closely involved in the conceptualization and operationalization of the current UN role in support of the Nepalese peace process. Mr. Ian Martin is the head of UNMIN and Special representative of the UN Secretary-General.

National seminar on "SAARC: A Vision for the Future and SAARC: Nepalese Perspective"

Organised by Institute of Foreign Affairs (IFA)

A one-day national seminar on "**SAARC: A Vision for the Future and SAARC: Nepalese Perspective**" was organised by Institute of Foreign Affairs (IFA), in association with the Ministry of Foreign Affairs, at the Hotel Himalaya, Lalitpur on March 27, 2007.

The seminar, which was held on the eve of the 14th SAARC Summit, was focussed on implementing the charter objectives of the regional body. Experts from various fields attended the seminar, which was formally inaugurated by the then **Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, K. P. Sharma Oli**. Mr. Oli was also the Chief Guest at the opening session.



Opening Session

Chief Guest Mr. Oli inaugurated the seminar by lighting a traditional lamp. Delivering his opening address, Mr. Oli said that the third decade of SAARC was termed as the decade of implementation. He said poverty reduction was still a formidable challenge in South Asia and called the member states for a concerted action.

Terming SAFTA (South Asia Free Trade Area) as an important milestone for the regional progress, he said that it had brought great hopes to the member states. He, however, showed his serious concern over the dismally low trade volume (5%) of the region as compared to other economic blocks. He emphasised the need for rapid socio-economic transformation of the region by identifying and implementing regional and sub-regional

projects in all possible sectors of the SAARC. He called for the regional body to focus on connectivity and encourage people-to-people contact for enhancing business confidence.

Delving on social evils, he said terrorism, drug trafficking and trafficking in women and children, money laundering and other trans-national crimes must be brought under control through concerted efforts. Highlighting the region's energy deficiency, he stressed the inter-connectivity of power grids and development of trans-border gas and oil pipelines. He also called for exploring and utilising the unlimited hydropower potential in Nepal to meet the region's ever growing energy demand.

Delivering his address, **Acting Foreign Secretary Mr. Gyan Chandra Acharya** expressed the view that SAARC had

many opportunities and challenges. According to him, if the challenges were dealt with prudently, the region would be a world model. He shed light on the importance of promoting regional cooperation for the overall development of the entire region. He said that the country like Nepal should look for strong bilateral relationship, maximisation of national interest through regional cooperation and enhancement of overall interest.

In his welcome address, **Prof. Dr. Gopal Pokharel, Executive Director of IFA**, laid focus on the implementation of the objectives of SAARC and called for furthering regional cooperation. He, however, said that despite having geographical proximity and almost similar historical background, development activities and foreign policies, SAARC member states had not been able to move ahead hand in hand to promote mutual areas of interest.

He was of the opinion that even after completion of two decades of its establishment, SAARC had not been able to come up as a strong regional body. He emphasised that if SAARC were to deal effectively with the emerging uncertainty and chaotic political and economic scenario in mitigating the sufferings of the people, there was no policy option left but to globalise trade policies based on the cooperative strategies.

Highlighting the significance of political freedom in the region, he said that the regional organisation had to adopt poverty alleviation as an important agenda. He also urged the member states to formulate suitable technological policies to minimise economic disorder. He emphasised the need for devising suitable mechanisms to ensure effective delivery.

Earlier, welcoming the Chief Guest, distinguished guests and other invitees, **Ms. Anjan Shakya, Deputy Executive Director of IFA**, said that regionalism both as concept and policy was gradually gaining ground with the realisation of its collective goals worldwide.

Highlighting important charters of SAARC, she said that the regional organisation was unable to create feasible outcomes for which it was created. Ms. Shakya added that SAARC needed to be a viable instrument of peace, good neighbourly relations and vehicle for socio-economic transformation in the region.

Talking about reduction of poverty and economic progress in the SAARC, she said that SAARC member states had to share their experiences. She highlighted that trade, in a broader sense, needed to be promoted through mutual agreements on cross-border movement of people and goods, improvement of infrastructure and strengthening mutual trust through holding dialogues and providing assistance. Emphasising the vital role of SAARC in the overall progress of the region, she urged the member states to promote the people's wellbeing in the region and raise their living standard by accelerating economic growth, social progress and cultural development. She was of the opinion that the region needed to be more vibrant and dynamic to fight against all the emerging issues at all times.

She also stressed the need for strengthening connectivity among the member states to promote mutual cooperation and assistance in economic, social and scientific fields.



Working Session

The inaugural session of the seminar was followed by the working session. The working session was divided into two parts. In the first part of the session, eminent scholar **Prof. Dr. Shreedhar Khattry, former Executive Director of IFA**, presented a working paper entitled "**SAARC: Vision for the Future**." The first part of the working session was chaired by **Dr. Prasksh Sharan Mahat, former Minister of State for Foreign Affairs**. In the second part, **Acting Foreign Secretary Mr. Gyan Chandra Acharya** presented his paper on "**SAARC: Nepalese Perspective**." The second part of the session was chaired by **Mr. Ram Hari Joshi, former Education Minister**.



Paper Presentation

Presenting his paper, Prof. Dr. Khattry suggested that certain infrastructures like energy, and transportation should be developed, without which economic growth was impossible in SAARC. He also highlighted free trade, liberalization, non-tariff barriers, and significant linkages of SAFTA with private sector investment. He called for the member states of the regional body to focus on regional connectivity to give a boost to the region's economy. However, in the case of Nepal, the veteran scholar recommended some vital mechanisms to compensate revenue losses and attract more private investments, as the free trade alone failed to yield much.

He said that the region was full of fertile minds but the governments and inter-governmental institutions were not able to recognize their ideas. Emphasising the need to strengthen the institutional mechanism, he urged the regional organisation to bring it to the people's level. Pinpointing the weaknesses of the regional organisation, Prof. Khattry said that SAARC was very weak in terms of inter-state linkages due to lack of proper monitoring of policies and programmes.

FLOOR DISCUSSION

From the floor, experts from various fields made their comments on the paper. **Dr. Mohan Man Sainju, former Vice-Chairman of the National Planning Commission (NPC) and former Ambassador**, said the author neglected the role of NGOs in the region's development efforts. He was also of the view that the regional organisation's policies, plans and programmes had to be made implementable. The author agreed with the points made by Dr. Sainju in terms of making SAARC's programmes, plans and policies implementable.

Commenting on Dr. Khattry's paper, Prof. Dr. Soorya Lal Amatya said the paper portrayed only rosy pictures and blamed him for laying much focus on the achievements made by India. Dr. Amatya further said that the author didn't highlight political situation of the region.

In response to these queries, the author agreed that his presentation was a little bit rosy. According to him, he was simply trying to present the hard facts, the trends and the difficulties all together in his presentation. Prof. Khattry said that if the difficulties were not looked at minutely, the potential would not be realised. He expressed the view that the future could not be understood without having realised the past. In terms of his emphasis on India, he said it was automatic, as the country was powerful in the region. He even said that India was unsure of its power and felt that it was always undermined by its neighbours. In regard to political situation of the region, the author conceded the fact that he didn't mention about the political situation of Nepal, Bangladesh, Sri Lanka and Afghanistan. However, he said that when he mentioned Bangladesh's corruption, present situation and governance, that would obviously indicate the political situation of the region as a whole.

Dr. Keshav Raj Jha, former Ambassador, raised a question regarding observers of the regional body. In response to the question, the author said that the SAARC made a mistake in trying to get countries like the USA, Japan and the rest as observers. He called it a false start on the part of SAARC. He suggested that they (observers) had to be dialogue partners rather than observers. The author asked how the member states of the regional organisation would deal with Japan, the United States (US), the European Union (EU), South Korea, and China by making them simply passive listeners. He further counteracted what the importance of observers would be when they were not allowed to speak in the forum. He suggested that South Asia should attract others for political security and economic reasons.

Mr. Lal Babu Yadav, a lecturer of Patan Campus, asked what the Indian role for developmental activities in the SAARC was. Answering his query, the author said that being a

larger power, India was always put in a very difficult situation. He said that when India made any proposal in South Asia, it would be blamed for having hegemonic ambition, if not, it would be labelled as lack of leadership. He said that the real challenge for India was to bring about changes in others' attitude towards it, change its working procedures and diplomacy.

Dr. Kamal Krishna Joshi, Chairman of University Grants Commission and former Vice Chancellor of Tribhuvan University (TU), raised different issues related to SAARC University, mutual recognition of the degrees of all the universities in member countries, inclusion of SAARC chapters in school level curriculum of member states and establishment of Center of Excellence. The author agreed with Dr. Joshi's views and lauded him for his interesting comments.

Ms. Indira Shrestha asked whether there was provision of women scholarships in SAARC University in general and throughout the universities of the region in particular. Responding to her question, he clarified that many people in Nepal were unaware of the availability of scholarships. He said that there were so many scholarships available like RCSS scholarships, Mahabul Haq Award, Kodikara Award, Asia Fellowship Program, South Asia Women College, etc.

Mr. Ima Baru, representative from Pakistani Embassy, commented on the exclusion of economic progress by Pakistan in the paper. Then Dr. Khattry asked him to go through the study done by PIDE and SAFTA. The author accepted that Pakistan's economic progress could not be neglected. He informed that Pakistan, which was almost zero once in Foreign Exchange Reserve, had gone up very high now.

Prof. Dr. Ananta Raj Poudyel asked about the bilateral issues that were discussed in the past SAARC Summits. Answering his query, the author said that several serious bilateral issues were discussed in the Summits. He also informed that a number of issues had emerged and agreements were made out of them. He further disclosed that since the last few years, bilateral issues had crept into official discussion at SAARC forums.

Mr. Bishwa Kanta Mainali, President of Nepal Bar Association (NBA) claimed that the member countries had given low priority to SAARC. Accepting his insightful comment, the author said that it was useless to conduct seminars just only on the eve of the SAARC Summit. The member countries had to discuss and debate about it regularly on specific issues. In response to 'curtailing dependency', the author said that there was dependency due to Nepal's political weakness, incapability and internal problems.

Mr. Dev Raj Dahal, chief of FES, Nepal, commented on the deficit of political willpower among the member countries

of SAARC. Accepting his genuine comment, Prof. Khattry highlighted that Mr. Dahal's thoughts were very provoking and useful and would continue to remain useful in future, too.

Ms. Indu Acharya, a lecturer of TU, raised a question of establishing SAARC University in Nepal and the dictatorship of India in the provision of scholarships in the university on the basis of population. In response to her comment, the author said the proposal report was not prepared by Indian but by Bangladeshi. In regard to the location of the university, he said that there were certain criteria to be fulfilled for that and Nepal could not do it.

Prof. Rabindra Khanal had a question on the mechanism that would lead us to the people or grassroots institutions. He was informed that there were apex bodies and recognized bodies at the SAARC level which worked as grass-roots institutions. He further elaborated that there were various organizations in SAARC demanding recognitions which was quite a challenging task for the SAARC and its governments to manage properly.

Dr. Shreedhar Gautam, Associate Professor of Patan Multiple Campus, wanted to know about distribution of economic growth in the region. The author said that his paper was not focusing on specific issues like economic matters rather it was general in nature.

Chairman's Remarks

Chairman of the session, Dr. Prakash Sharan Mahat offered his concluding remarks. Thanking all the guests and participants, Mr. Chairman said that the vision and strategy for third decade of the SAARC was pertinent. He also made a very important remark on the progress made by SAARC, the challenges and opportunities of SAARC and the strategies which should have been adopted to combat the challenges by the association in the days to come. Dr. Mahat revealed the fact that the economic growth achieved by the SAARC (especially by India, Bangladesh and Pakistan) was not due to regional cooperation but due to the impact of globalization, liberal trade policy they had adopted and the investment friendly environment there. He also mentioned that in 1990, even India had less than 6% economic growth. He was quite optimistic about Nepal's economic growth (6%) and said that the country would progress soon if there were investment friendly environment.

Dr. Mahat also said that the smaller countries like Nepal would be benefited from bigger India if there were real and tangible cooperation in terms of trade transportation (both air and surface), energy, investment and technology.

14th SAARC Summit held in New Delhi

Meet stresses peace, prosperity and regional connectivity

The 14th Summit of the South Asian Association for Regional Cooperation (SAARC) was held at Bigyan Bhawan in New Delhi from April 3 to 4, 2007.

With its expansion and formal induction of Afghanistan as its eighth member and inclusion of five other countries-- China, Japan, South Korea, America and the European Union-- as observers, the summit of the regional organisation was different from the previous ones.

At the inaugural session of the summit on April 3, the heads of state and government from the regional body expressed their serious concern over the common problems being faced by the member states. The South Asian leaders also focussed their attention on peace, stability and prosperity of the region.

Addressing the inaugural session, Prime Minister Mr. Girija Prasad Koirala emphasised the need for narrowing down the ever widening gap between haves and have-nots in the region.

Laying his focus on poverty, Mr. Koirala expressed the view that poverty had to be tackled through exploring and utilising the available resources properly.

Delving on the success of the ongoing peace process in

Nepal, he said that the Seven Party Alliance (SPA) government had brought the Communist Party of Nepal (Maoist), who had waged a decade-long armed conflict, into the political mainstream.

Sharing many ups and downs he had faced while trying to bring the Maoists into the political mainstream, he said many had advised him not to hold talks with the Maoists. "It was a gamble that I made in my five decade long political career," he said.

He added that he had gambled with the belief that even if an individual failed in his endeavours, a nation could never fail. "I gambled for the sake of peace and stability," he said. Earlier, Indian Prime Minister Dr. Manmohan Singh had declared open the summit.

On the occasion, leaders of various states attending the summit as observers, had made their commitments to working in concert with the SAARC member states for the peace, stability and prosperity of the region.

The leaders stressed the need for enhancing inter-state links and giving a fillip to investments to expedite the region's all round development.

The 14th Summit adopted a 30-point declaration.

Koirala, Singh hold talks

Prime Minister Girija Prasad Koirala, who was in New Delhi in connection with participating in the 14th summit of the South Asian Association for regional Cooperation (SAARC), held talks with his Indian counterpart, Dr. Manmohan Singh at the latter's residence at Race Course on April 2. The two leaders held consultations on Nepal's ongoing peace process, criminal activities in the bordering Terai areas of Nepal and the Bhutanese refugee problem.

At the meeting, Mr. Koirala said that the criminal activities in the Terai region could cause serious impact on Nepal's peace process besides giving rise to conflict and insecurity, and the dams built in the border areas affected Nepal,

according to Dr. Suresh Chalise, Advisor to the Prime Minister on Foreign Affairs. Expressing his commitment to cooperate as far as possible for resolving the problems put forth by Mr. Koirala, Indian Prime Minister Dr. Singh said that he would direct his officials to immediately initiate necessary works not to allow any criminal activities in Terai to control dams.

The Indian Premier also expressed his firm belief that the induction of the Communist Party of Nepal (Maoist) in the interim government would be instrumental in materialising the peace process. He also said that he was positive about resolving the Bhutanese refugee problem even if it were a bilateral issue between Nepal and Bhutan



A National Seminar on "Different Dimensions of Bhutanese Refugee Problems: Implications and Lasting Solutions"

Organised by Institute of Foreign Affairs (IFA)

A half-day national seminar on "**Different Dimensions of Bhutanese Refugee Problems: Implications and Lasting Solutions**" was organised by IFA at the Hotel Malla, Lainchaur, Kathmandu on 21st May, 2007. As the title suggests, the major objective of the seminar was to explore and understand the different facets of the Bhutanese refugee problem, analysing its varied implications and seeking solutions to the problem. The seminar also aimed at collecting opinions on the refugee issue from various scholars from different fields.

The seminar was divided into two parts-- inaugural session and working session.

Inaugural Session

The inaugural session was chaired by **Prof. Dr. Gopal Pokharel, Executive Director of IFA**. **Hon'ble Minister for Foreign Affairs, Mrs. Sahana Pradhan** graced the opening ceremony as the **Chief Guest**, while the **Guests of Honour** were **Mr. Gyan Chandra Acharya, Acting Foreign Secretary, His Excellency Mr. Abraham Abraham, Country Representative of UNHCR**, and **Mr. Thinley Penjore, a Bhutanese representative**.

Hon'ble Minister Pradhan inaugurated the seminar by lighting a traditional lamp amidst an august gathering of the representatives of the Government of Nepal, the diplomatic community, scholars, refugee representatives and journalists.

Addressing the inaugural session, Mrs. Pradhan assured that she would exert her every effort in the coming days to help resolve the Bhutanese refugee crisis. She said that Nepal has always urged the Government of Bhutan to allow the exiled people to return their country when the latter was preparing to enter into a democratic political system. She said that repatriation step would really be commendable commitment of Bhutan in conveying the message to the

whole world that the country was transforming itself towards democracy. She appreciated the friendly gesture of the Core Group countries (the USA, Canada, Australia, Norway, Denmark and The Netherlands and New Zealand) to resettle the Bhutanese refugees. She, however, opined that the third country resettlement must not be the seal of approval to the policy of not allowing the exiled Bhutanese citizens back to their homeland. She also said that the process of third country resettlement and repatriation should go hand in hand.

Delivering his speech, Acting Foreign Secretary Mr. Acharya said that the Bhutanese refugee issue came on top among various refugee issues in the world. Criticising the heinous act of Bhutan, Mr. Acharya said that procrastination policy on the part of the Drunk Kingdom was the cause of creating refugees and prolonging the problem. He said that the problem of Bhutanese refugees was not created out of vacuum, but it was a creation of its policy.

He added the policy should be dealt with so that there would be refugee in South Asia. Shedding light on the role of India and international community in resolving the problem, he said that the former had to play a constructive role. Recalling the past 15 rounds of bilateral talks between Nepal and Bhutan, he accused the Bhutanese side of always appearing with unclear vision and policy.

Focussing on a durable solution to the refugee problem, he said that the basic aim of the Nepal Government was repatriation with dignity and security. He, however, said that Nepal would not intervene if the refugees voluntarily opted for third country resettlement.

The Country Representative of UNHCR, Mr. Abraham Abraham said that the time had come for all to be more creative and objective to resolving the longstanding refugee problem. Talking about the previous efforts, he said genuine and sincere efforts were made by different sectors to find a durable solution to the crisis. Calling for urgent solution to the problem, he said living in camps for 16-17 years was a long period.

Pleading for the refugees' rights to choice, he urged all the stakeholders to realise their desires and aspirations and help address the problem. Depicting a pathetic and difficult camp life of refugees, he called for durable solution at the earliest possible.

He said that the UNHCR 's mandate to protect and to find solution would always be the most outstanding part of its role. However, the UN body would not dictate or influence anybody to undertake third country resettlement, host country integration or repatriation. He said it depended on the people's decision. He suggested that the problem should not be looked at from political line. He believed that the problem would be looked upon more closely from the humanitarian angle to put an end to the sufferings of the people.

Speaking at the session, Mr. Thinley Penjore termed Bhutan 'a human zoo' where the people lived a dictated and docile

life under the elusive policy of '*Diglamnamza*', the so-called etiquette of life. Coming down on the Bhutanese King, he called the King solely responsible for refugee making and living by declaring legacy for the new regime. In response to Bhutan's remarks labelling the refugee camps as 'terrorist breeding ground', he blamed Bhutan for its state act of terrorism that rendered a large section of its citizens stateless, homeless and discriminated.

He disclosed the fact that outsiders visiting Bhutan were handled with utmost care to ensure that they were properly guided to keep them away from exploring innocent people and knowing the reality of the people's life. Regarding the Indian role in the refugee problem, he believed that a slight movement by Delhi would make a great difference in helping to bring about an amicable solution to the refugee imbroglio.

He said neither Bhutan was ready to take its citizens back nor anybody from other countries came forward to help bring Bhutan to the negotiation table. According to him, the three options (local integration, repatriation, and third country resettlement) should take place simultaneously for the durable solution. He warned that the problem would be much more costly even to the entire SAARC countries if timely measures were not taken to address the issue. He was of the opinion that the third country resettlement proposal was a temporary measure to relieve the protracted refugees. He, however, said that it was the right of every person to choose their destination.

Earlier, welcoming the Chief Guest, Guests of Honour, scholars and other invitees, Dr. Gopal Pokharel, Executive Director of IFA, said that democratic changes in Nepal in 1990 sensitised the Bhutanese monarchy and the Druk Kingdom adopted an ethnic cleansing policy and evicted more than 107,000 people.

Recalling the several rounds of futile talks between Nepal and Bhutan, Dr. Pokharel said it had been the endeavour from the Nepalese side to explore all the avenues possible for solving the humanitarian problem in a peaceful manner so that the refugees could repatriate to their homeland with honour and dignity. He added that the bilateral talks proved to be inadequate to resolve the problem and the issue was internationalised. He opined that the refugee problem would be solved forever if Indian showed a little magnanimity.

Appreciating the invaluable assistance provided by UNHCR, FAO and other organisations, he said the problem became further complicated when both the governments agreed to categorise the refugees into four categories in October 1993. He expressed his doubts whether the third country resettlement programme would be a durable solution or not.

At the end of the opening session, **Ms. Anjan Shakya, Deputy Executive Director of IFA**, extended a vote of thanks. Ms. Shakya said after the global upheaval of democratic movement, which took place particularly in 1989 and 1999, brought a different situation to Nepal and Bhutan.

Citing the root of the problem, she said when Nepal entered into the multi-party democratic system in 1990, the Royal Government of Bhutan was afraid of the growing awareness level of the people and started evicting its own citizens from the country.

She further said that the Bhutanese government's such a move was a part of its ethnic cleansing campaign adopted in the name of its citizenship policy to forcibly evict the politically conscious and advanced section of the society.

Referring to the Indian role in the issue, she said that India helped them to cross the territory of India and thrown into Nepal. She added that Nepal might have made mistakes in its negotiation with Bhutan, but it had been trying since the beginning to resolve the crisis at the earliest possible. She expected that the outcome of the seminar would be useful to resolve the crisis.

Working Session

The working session was divided into three parts. The first part of the session was chaired by **Chairman of the School of International Studies, Jawaharlal Nehru University (JNU), New Delhi, Prof. Mahendra P. Lama**. Altogether three working papers were presented in the session. **Mr. Prakash A. Raj, former official of UNHCR in Pakistan**, presented his paper entitled "**Durable Solution for resolving Bhutanese Refugee Problem**" in the first part of the session. The second part of the session was held under the chairmanship of **Prof. Dr. Gopal Pokharel, Executive Director of IFA**. In that part, **former Hon'ble senior Deputy Prime Minister and Minister for Foreign Affairs, Mr. K. P. Sharma Oli** presented his comprehensive paper on "**Different Dimensions of Bhutanese Refugee Problem, Its Implications and Solution.**" Similarly, **Mr. Dhruva Joshy, former Executive Director of NARC**, presented his paper entitled **Repatriation or Expatriation? Refugee Rigmarole on the Last Shangri-La.**" The third part of the session was chaired by Prof. Ananda Aditya.

Paper Presentation

Presenting his paper, Mr. Prakash A. Raj was of the opinion that the Bhutanese refugee problem remained unsettled due to failure of the Nepalese foreign policy. He also warned that Bhutanese refugee problem could lead such kind of situation to other countries of South Asia as well if it was not addressed on time.

Blaming India for not showing interest in resolving the Bhutanese refugee crisis, he said that India was trying to stay away from the problem by calling it a bilateral issue between Nepal and Bhutan.

He said India benefitted tremendously from water resources of Bhutan and the former did not pressurise the latter to resolve the crisis. Considering the real situation, he said that all the people would not be repatriated and urged to go for other options (especially the third country resettlement) to seek solution to the impending crisis.

Floor Discussion

Participants from different walks of life raised their queries on the paper of **Mr. Prakash A. Raj**. Commenting on the paper, **Mr. Sambhu Rana** asked what would be their fate if the exiled Bhutanese became stateless. Answering the question, the author said that UNHCR was working and would be working not only for refugees but also for the stateless people.





Another participant **Mr. Sunil Poudyel** asked why Nepal was not seen serious in resolving the issue. Agreeing with Mr. Poudel's view, Mr. Raj stressed the need for Nepal to be more serious about it.

Similarly, **Prof. Kapil Shrestha** urged Nepal to ratify the statute of International Criminal Court (ICC) and demand the King of Bhutan and his ministers to be tried under crime against humanity. In response to Prof. Shrestha's proposal, the author said that Bhutan also signed on Child Rights Convention, so it would be possible to make the Druk Kingdom accountable for human rights violation.

Raising his query, **Prof. Dr. Soorya Lal Amatya** said that Nepal had done its justice to the exiled Bhutanese by allowing them to be resettled in the third countries. Dr. Amatya said had India been positive on the issue, the problem would have been solved easily. Accepting Dr. Amatya's points, the author said that the problem would have already been solved, if India had shown a little interest in the Bhutanese refugee issue. **Mr. Lal Babu Yadav**, a lecturer of Patan Multiple Campus, asked the author to clarify the meaning of 'Bhutanese people of Nepalese origin'. The author replied that they were Nepali speaking Bhutanese people, whose forefathers were taken from Nepal by the then government of Bhutan.

Chairman's Remarks

Chairman of the session **Prof. Mahendra P. Lama** said that Bhutanese refugee problem was one of the most protracted refugee issues in the world. Pinpointing where things had gone wrong, Prof. Lama said that Bhutan had always been very clear since the beginning that it would not take its people back from the refugee camps.

Recalling a number of ploys that Bhutan has used to prolong the crisis, he said the first one was '*Tsa-Wa-sum*' meaning country, people and the king respectively. The real meaning of the dictum was that despite having a citizenship of Bhutan, one cannot be a Bhutanese national. He said that it was a very peculiar concept where the distinction was made between citizenship and nationality.

Prof. Lama said that Bhutan again came up with another ploy telling that the people who left the country were all the anti-nationals. As yet another ploy, the Government of Bhutan brought BODOs into Bhutanese jungles in order to say that Bhutan as well had presence of ULFAs & BODOs on the borders of Kantapuri jungles to threaten India in case of intervening in the Bhutanese refugee issue. He also said that Bhutan even proposed India to take a district from Bhutan for resettling the refugees permanently.

Prof. Lama also said that, as another ploy, Bhutan came with the issue of four categorization of refugees which was nowhere found in the world. The last ploy that Bhutan has been hatching is mock or squidly guided democracy.

Commenting on the Nepal's side, Prof. Lama said that Nepal extended its friendly hands in providing security and protection to the exiled Bhutanese on the humanitarian ground. However, in reality, Nepal had never been serious in giving solution to the Bhutanese refugee crisis. Taking example of Nepalese diplomats visiting India to pressurise the latter for resolving the crisis, Prof. Lama said that Nepal appeared with ten or more different agendas in one single basket. Nepal never visited India with a single refugee issue.

Prof. Lama blamed India as the main culprit in the entire drama of making refugees. He further said that it had violated the principle of international laws and norms by denying asylum to the evicted Bhutanese. Prof. Lama said that in spite of giving asylum, India packed them and loaded them in trucks and threw them across its border.

In the context of third country resettlement, he said that it was one of the likely solutions to the impending crisis. Welcoming the friendly gestures of the Core Group Countries, Prof. Lama urged them to make the conditions of resettlement clear before taking the refugees. He stressed resettling the refugees as the evicted Bhutanese citizens but not as the stateless group.

Forwarding other likely solutions, Prof. Lama urged the Bhutanese King to give pardon to the entire evicted population of Bhutan. He also called for forming an independent commission with representatives from different parts of the world, which would investigate the refugees as Bhutanese and non-Bhutanese in the camps, to facilitate the process of repatriation and third country resettlement. While concluding his remarks, Prof. Lama said that if the problem were not solved in time, it would be one of the greatest threats in the whole South Asia and its implication would be more in Nepal.

Paper Presentation

While presenting his paper, former Hon'ble senior Deputy Prime Minister and Minister for Foreign Affairs, Mr. K. P. Sharma Oli highlighted some pathetic conditions of the Bhutanese people languishing in different camps of Jhapa and Morang districts of Nepal. Describing the objective situation of the problem, Mr. Oli said that Bhutan did not show any interest in repatriating its citizens back despite Nepal's several efforts and requests. He said that Nepal might not have been very cautious in bilateral talks, but it was always wishing to reach a consensus and conclusion to find solution to the problem. He also mentioned that in around 1990, the world community was highly influenced by people's movement against tyranny in favour of democracy and human rights and it was natural to have that influence in Bhutan as well. Mr. Oli also said that, in reality, it was the problem of Druk regime and its citizens and there was no reason for Nepal to involve itself in the problem. He disclosed the fact that Nepal gave entrance to the refugees on the humanitarian ground and being the intimate friend of Bhutan.

Speaking on the impact of refugee problem in Nepal (especially at the local people), the former minister said that the people at the local level had undergone psychological, cultural, environmental and mental pressure. He also blamed Bhutan that it was actively involved in forwarding wrong information to the world telling that the people living in the camps were not Bhutanese but Nepalese.

Emphasising the durable solution to the problem, he said that dignified and safe repatriation was the only solution. However, he also said that if repatriation were not possible, Nepal should also go for other options (especially third country resettlement). He also alerted against Bhutan's drama of democratization.

Floor Discussion

Following Mr. Oli's paper presentation, scholars from various fields raised their queries. In response to **Mr. Sunil Poudel's**



question regarding Nepal's failure in diplomatic negotiations with Bhutan, Mr. Oli refuted it and said that Nepal had high prestige in the world in comparison with Bhutan. Mr. Oli counteracted if it were a good diplomacy on the part of Bhutan to evict its own citizens.

Similarly, **Mr. Shree Ram Upadhyaya** asked whether Nepal could adjust the Bhutanese languishing in the camps in Nepal itself. Responding to his query, former minister Mr. Oli said that Nepal was not in the position to integrate them in Nepal.

Another participant **Mr. Som Pudasaini** asked about the steps ahead to be taken by Nepal in resolving the rigmarole of Bhutanese refugee issue. Mr. Oli said that repatriation of the refugees was the only durable solution to the problem. He also said if repatriation was not possible, Nepal had to go for the option of third country resettlement, too.

Mr. Bidyapati Mishra, a news reporter from Bhutan News Service, asked how the Nepali members of Joint Verification Team (JVT) agreed on declaring children of 4-5 years as 'terrorists' in Khudunabari camp. In response to this query, Mr. Oli said that he wanted to seek durable solution to the problem by learning lessons from the past experiences rather than blaming one another for the past mistakes.

A Bhutanese refugee leader **Mr. Bala Ram Poudel** inquired why Nepal could not give up bilateral talks and involve third party (either refugee representatives or the UNHCR or India) in the negotiation. In his response, Mr. Oli said that India remained indifferent on the issue and always said that the problem was a bilateral issue, and in the case of involving refugee representatives and the UNHCR, Bhutan did not want to do so.

Similarly, a lecturer from Patan Multiple Campus **Mr. Babu Ram Singh Thapa** raised a question of India's vested

interest of lingering the refugee issue. Answering Mr. Singh's question, Mr. Oli said that had India been interested to solve the refugee problem, it would have been solved easily and quickly.

Remarks of the Chairman

Chairman of the session **Prof. Dr. Gopal Pokharel, Executive Director of IFA**, said that he fully agreed with the remarks made by **Prof. Mahendra P Lama**. In the earlier session, he said that in around 1990, the world community was highly influenced by people's movement against tyranny in favour of democracy and human rights and it was natural to have that influence in Bhutan as well. He further said that the movement sensitised the Bhutanese monarchy and adopted an ethnic cleansing policy and evicted its more than 107,000 innocent citizens. Speaking on the several rounds formal and informal talks between Nepal and Bhutan, Dr. Pokharel said that Nepal always tried its best to explore all the avenues possible for solving the humanitarian problem in a peaceful manner. He also added that if India showed a little magnanimity, the refugee problem would be solved forever. He was doubtful about proposal of third country settlement and said that whether the third country resettlement programme would be a durable solution or not.

Chairman Dr. Pokharel also highly appreciated former senior Deputy Prime Minister and Minister for Foreign Affairs, Mr. Oli for his comprehensive presentation.

PAPER PRESENTATION

Mr. Joshi, while presenting his paper, said that the rigmarole of Bhutanese refugee issue was one of the most protracted and neglected issues in the world. He also made clear that the exiled Bhutanese had lived all of their lives in Bhutan, but they were forcibly evicted from their homes in Bhutan in 1990 when Royal Government of Bhutan (RGB) introduced a highly discriminatory citizenship policy targeting the ethnic Nepali community. Highlighting the Bhutanese King's conspiracy against its citizens, he said the then King annulled the 1958 Citizenship Act and promulgated another one in 1985 with the consultation of India. Mr. Joshi also said that from the beginning, the RGB avoided talking about the refugees with the lame duck excuse that they were not Bhutanese nationals. However, to eschew censure from the international community, Bhutan did skillfully engage itself in the bilateral talks, but it never lost a single opportunity to delay or cancel the meeting whenever possible. He blamed the government of Nepal for its weak foreign policy. In order to resolve the crisis, he urged for adopting the policy of Advocacy, Diplomacy and Lobbying (ADL) in international platforms. He also advised Nepal to immediately nullify the bilateral talks and form a High Level Task Force (HLTF) on a permanent basis

until an amicable solution was reached. Mr. Joshi called for Nepal to convince India to participate in the negotiation process. Showing his disagreement regarding the division of refugees into four categories, he suggested that refugees should be divided only into two groups-- Bhutanese and non-Bhutanese. Similarly, he emphasised the need for Nepal to internationalize the issue even if it was not solved through trilateralisation (Nepal, Bhutan and India) process.

Floor Discussion

Prior to the Chairman's remarks, a number of participants from the floor raised their questions. **Mr. Shree Ram Upadhyaya** urged the Nepali people to provide some sort of help like recreation facilities from the to strengthen people-to-people contact. Appreciating his comments, Mr. Joshi said that those activities should be accelerated soon. **Ms. Guna Laxmi Sharma**, the head of District Health Office Kathmandu, if Nepal had made Bhutanese refugee issue a begging bowl. Denying her comment outright, the author said that it was nothing more than a filthy blame. He further said that Nepal wanted to see the problem solved as soon as possible. Similarly, **Mr. Hari Prasad Adhikari Bangale**, a representative from Bhutanese Refugee, the Camp Secretary of Beldangi II, urged the Government of Nepal and the Core Group Countries to accelerate the resettlement process as soon as possible considering the deteriorating situation of the camp life. The author said that if the exiled Bhutanese were interested for third country settlement, they would be allowed for the third country resettlement, too. He further said that unless there was change in Bhutan, the people would not be repatriated.

Chairman's Remarks

Chairman of the session **Prof. Ananda Aditya** said that the Bhutanese refugee was a political issue and he urged the concerned parties to seek a peaceful political solution. Seeing fragmentation and division among the refugee leaders of various parties and organizations, he suggested that they should be united to fight against the autocratic regime of Bhutan. Giving example of the *Jana Aandolan II* of Nepal, he hinted at creating awareness and solidarity among the evicted Bhutanese. Emphasizing the role of India in resolving the crisis, the Chairman said that the leaders of Bhutanese community should go with strategic vision and plan by breaking the past trends. Regarding the proposal of third country resettlement, Prof. Aditya advised them to see both pros and cons of the proposal.

At the end of programme, IFA Executive Director Prof. Pokharel expressed his sincere appreciation and thanks to the chief guest Minister Madame Pradhan, all the paper presenters, distinguished participants and all those who contributed in making the national seminar a success.

Private sector urged to invest in hydropower

Earlier, the then Deputy Prime Minister and Minister for Foreign Affairs, Mr. K.P. Sharma Oli said that Nepal was committed to carrying out the role of a facilitator in developing necessary infrastructures and formulating policy framework to boost private entrepreneurship in the country's hydropower development.

Expressing the view that investment in water resources was an investment in good and civilised life, said Mr. Oli said that proper development of water resources would help accelerate economic growth and help raise the living standard of the people and shape a bright future of the country.

Mr. Oli made the remark while addressing at a seminar on "Empowering Nepal-Connecting Markets", which was jointly organised by the Embassy of the United States of America, Nepal-USA Chamber of Commerce and Industry and USAID in Kathmandu on the 2nd November 2006. Highlighting Nepal's hydropower potential as enormous, he said that Nepal had been able to harness only 0.6% of the total capacity so far.

He was of the opinion that hydropower was such an area where Nepal could work in a win-win situation, get full return of the capital invested timely and use modern technology for marketing the power and distribution to gear up the pace of development.

Emphasising the need for the development of clean energy, he said that the harnessing of

hydropower would reduce dependency on traditional sources of energy, including the petroleum products.

Calling for foreign investment in Nepal's hydropower sector, he said the government would do everything possible to facilitate entrepreneurs and help develop and forge partnership with them in the development of water resources for mutual benefit.

He also stressed the need for increasing investment in the rural areas to mainstream excluded and marginalised groups.

Meanwhile, Mr. Oli, while addressing the Power Summit 2006 held in Kathmandu on September 7-8, said that the government recognised the development of hydropower as a vital part of Nepal's socio-economic development. He proposed that Nepal and India continue talks on power agreement to start the real business. Lauding the support of the donor communities such as USAID and NORAD, he said Nepal had developed considerable local capability to develop and regulate electricity. He also informed that Nepal had developed a reasonable community-based rural electrification model, which was doing well and being emulated elsewhere in the region. Recently, after he return from India, Mr. Oli disclosed that India would build a 207-MW hydropower project in Nepal and that would benefit the latter upon its completion.

A National Seminar on "Water Resource Management of Nepal: A Strong Means for Sustainable National Development"

Organised by Institute of Foreign Affairs (IFA)

A one-day national seminar on **"Water Resource Management of Nepal: A Strong Means for Sustainable National Development"** was organised by IFA at The Hotel Malla, Lainchaur, Kathmandu, on 7th June, 2007. The main objective of the seminar was to bring together hydropower experts, policymakers and diplomats for discussing Nepal's hydropower potential and its management challenges. The seminar was divided into two parts, namely inaugural session and working session. The working or technical session was also divided into two parts-- First Session and Second Session.



Inaugural Session

Minister for Foreign Affairs, Mrs. Sahana Pradhan graced the opening session as the Chief Guest, while **Minister of State for Water Resources, Mr. Gyanendra Bahadur Karki** was the Special Guest. Chaired by **Prof. Dr. Gopal Pokharel, Executive Director of IFA**, the session was participated in by **Acting Foreign Secretary of the Ministry of Foreign Affairs (MoFA), Mr. Gyan Chandra Acharya**, representatives of the foreign diplomatic missions in Nepal, water resource and hydropower experts, resource persons, scholars, journalists, among others.

Hon'ble Minister Mrs. Pradhan formally opened the seminar by lighting a traditional lamp. In her inaugural address, Mrs. Pradhan emphasised the need for Nepal to go for non-polluting alternative forms of energy like hydropower, wind energy and solar power.

She said that the country's huge water resources must be harnessed and developed for meeting the growing energy demand at home and in the neighbouring countries. She said the development of small and medium scale power and irrigation projects could bridge the gap of local demand in

a sustainable manner. Shedding light on the investment in hydropower generation, she called for the participation of international power developers.

She said that cross border inter-connection of power grids and harmonisation of standards was a prerequisite for power trade with India and possibly beyond the SAARC. She stressed the urgency to develop a clear vision and strategy based on a rationale choice and national political consensus in order to derive sound economic benefits from the otherwise wasted resources.

Focussing on the need for judicious use of the enormous volume of water resources, she said that Nepal had to build up more confidence in the technical and economic aspects of hydropower projects in the spirit of bilateral and regional cooperation. She also said that Nepal needed to forge deeper understanding with neighbouring countries to reap mutual benefits in an equitable and sustainable manner.

Delivering his address, **Mr. Gyanendra Bahadur Karki, Minister of State for Water Resources**, viewed that Nepal needed to make best use of water resources for national development.

Stressing the importance of the utilisation of water resources in Nepal, he said that the country should accord top priority to that vital sector. He informed that Nepal has generated about 280 MW more hydropower after the restoration of multiparty democracy in 1990.

He concluded that Nepal could move ahead in the path of economic prosperity and improved living condition of the people only through the development of hydropower.

Speaking at the function, **Mr. Gyan Chandra Acharya, Acting Secretary of MoFA**, strongly called for forging national consensus on the use of natural resources in Nepal. He equated the water resources of Nepal to human resources of Singapore and oil of the United Arab Emirates (UAE). He also emphasised the need for a broader national vision for the optimum utilisation of the country's immense water resources.

He was of the opinion that Nepal needed a comprehensive plan for management, protection and use of water resources for national development.

Earlier, in his welcome address, **Prof. Dr. Gopal Pokharel, Executive Director of IFA**, was of the opinion that Nepal's vast water resources needed to be harnessed properly so as to meet the energy demand not only of the country and to gear up its economic growth but also to fulfill the energy deficit of South Asia.

Exploring the reasons for the lack of sufficient harnessing of water resources in Nepal, Dr. Pokharel blamed the successive governments in Nepal for failing to introduce a more investment-friendly policy to attract more foreign investors. He suggested that the country should realise the past mistakes and come up with more effective policies based on national interest and consensus.

Talking about the people's rising expectations after the restoration of popular democracy in Nepal, he said that the government was unable to address even the basic needs. He warned that the nation could face greater challenges ahead if timely measures were not taken to solve the burning problems. He observed that the development of hydropower alone could help give a boost to the national economy and development.

Delivering her vote of thanks to the Chief Guest, the Special Guest and other invitees, **Ms. Anjan Shakya, Deputy Executive Director of IFA**, said that the seminar would be successful only when the Nepalese diplomatic missions abroad could convince and motivate more foreign investors to invest in Nepal's potential hydropower sector.

She informed that the outcome of the seminar would be made available even to those Nepali ambassadors who were not present at the gathering. She anticipated that the process of the nation's economic development and social progress would start gaining momentum together with massive investment in hydropower sector.

Working Sessions

(First Part)

The working sessions were followed by the inaugural session. The first part of the working session was chaired by **Mr. Surya Nath Upadhyaya, Secretary General of Water Resource Development Institution, and former Chief Commissioner of the Commission for Investigation of the Abuse of Authority (CIAA) and Secretary at the Ministry of Water Resources**. Three working papers were presented. **Dr. Govind Nepal, Associate Professor, Department of Economics, Patan Multiple Campus**, presented a paper on "Current Issues and Desirable Future Course of Action in the Hydropower Development of Nepal" **Dr. Sandip**





Shah, the President of IPPAN (Independent Power Producers' Association, Nepal), and Mr. Gyanendra Pradhan, Member of Core Group, Nepal Chamber of Commerce, presented their papers on **"Status of Nepal's Power Sector- In Regional Context"** and **"Hydropower for the Development of Village and Nepal"** respectively. **Mr. Kush Kumar Joshi, Vice President of FNCCI**, also made his observations on the country's water resources and hydropower policies.

Paper Presentation

In his paper, Dr. Nepal has portrayed various hydropower projects and contribution of electricity to sectoral energy consumption in Nepal. His paper has also touched upon varied issues of Nepal's hydropower sector. He has highlighted inefficiency of Nepal Electricity Authority (NEA), restructuring or unbundling of NEA, license holding practices, delayed power purchase agreements and investment in hydropower sector as major issues.

He has also proposed a future course of action for expediting the country's unlimited hydropower potential. The proposed future course of action include role of NEA, private sector and community, a regulatory body of Power Purchase Agreement (PPA), power tariff fixation and pricing of monopoly services, license binding system and wider investment framework.

In his paper, the author has said that the legal and political environment should be reset making it compatible to new political consensus and economic reality in order to make the hydropower sector a vehicle for socio-economic transformation of Nepal.

Dr. Shah's paper is focussed on sustainable power sector development, barriers to private sector involvement, national and regional power trade and international scenario.

He has also highlighted some objectives of Nepal's power-sector reform programme like reducing costs, attracting private investment, maximization of public revenue, creating energy security in an environmentally and socially sustainable manner and optimising power plants with possibilities of exports on sustainable power sector development.

Under the barriers to private sector involvement, the author has pointed out lack of political and policy stability, insecurity of investment, lack of single window system, finance, regulatory regime and risk mitigation covering market as barriers of hydropower development. Similarly, he has mentioned financial risks and lack of dispute resolution mechanisms as other obstacles to the development of hydropower in Nepal. Besides, other constraints of private sector involvement in power development are commercial issues.

The author has also identified some key impediments on national and regional power trade. They include lack of political willpower, infrastructure, funding, market access and supportive legal and regulatory framework. He has demanded that power be treated as a commodity. The author has also said that hydropower was a capital-intensive industry bearing high risk. In the paper, he has made some recommendations for the improvement of power situation. They are: provision of proper incentives and policy stability, treatment of power as a commodity. Similarly, he has stressed the need for delinking hydropower sector from water issues, transparency in information dissemination, decision making and time-bound solutions and involvement of all stakeholders on key issues.

In his paper, Mr. Pradhan has focussed his attention on the overall situation of energy demand and consumption pattern in Nepal. According to him, traditional forms of energy consumption account for about 87%. Under this, fuelwood covers about 78%, agricultural waste (4%) and animal dung (6%). The commercial sector consumes only

about 12% of the total energy consumption. Coal accounts for 2%, petroleum products 9% and hydroelectricity 1.69%. The author has also projected a picture of load shedding that would be loaded to the people in the days to come. He has mentioned in his paper that in Marga to Ashwin 2068-2069, the load shedding would go up to 17 hrs. per day than that of Marga to Jestha, 2064-2065 eleven hours a day.

He has also shown the required amount of hydroelectricity to be imported in the nation for eliminating load shedding even after 220 kW interlinks are being completed. According to him, in 2065-2066, net import of 210GWh of hydro electricity would be necessary even if new P/P is completed, which is equivalent to Rs. 1,680 million cash outflow. As of the 10th Five Year Plan (2002-2007), about 40% of the total population has access to electricity at present and the percentage is expected to increase up to 55 in 2007. Similarly, current per capita electricity use (in KWh) is 60% and it is projected to reach up to 100% in 2007. To get rid of electricity deficit in the nation, he has rightly forwarded the AOP Plan i.e, awareness in the short term, optimisation in the medium term and planning in long term.

On the occasion, Mr. Kush Kumar Joshi, Vice President of FNCCI, made few comments on the papers. Giving example of Bhutan's progress in electricity, he urged all the concerned authorities of Nepal, especially NEA to consider electricity as a commodity. Likewise, he had also opined for political stability in the country for having desirable economic growth. Emphasizing on the need of private sector's investment in hydro electricity, he opined for national consensus on the policy formulation and strategy set up. Similarly, he had strongly suggested for economic diplomacy to be maintained by our diplomats outside Nepal.

Floor Discussion

Experts from various fields made their comments on the paper in the floor discussion. Mr. Prakash A. Raj, a former UNHCR representative in Pakistan, was of the opinion that Nepal needed to adopt the policy of developing hydropower as a commodity and stressed the need to follow the power development model of Bhutan.

Responding to Mr. Raj's queries concerning the use of hydropower as a commodity and Bhutan's model, paper presenter Dr. Nepal said that about 60% people in the Druk Kingdom were still compelled to live in darkness. In another query as to why NEA has been a loss making organisation, the author said that it was due to over staffing.

In response to Mr. Raj's question of security for investors of hydropower sector, Dr. Shah said that there was confusion in Nepal's policy whether foreigners were allowed to invest in this sector or not. He expressed the view that Nepal should start with small hydropower projects in which local investors could be attracted.

Dr. Shah emphasised the need for Nepal to explore the Indian market where there were many power buyers and sellers. He

said that Nepal should make proper negotiations with them. Addressing the various queries raised from the floor, Mr. Pradhan said that Nepal had been and would be unable to tap the Chinese market because of unfavourable topography.

One of the participants from the floor opined that more power projects like Chilime should be developed with local investment. Commenting on this view, Mr. Pradhan lobbied for reducing prices of electricity.

Mr. Pradhan also accused political leadership in NEA of paralysing the organisation and demanded for its autonomy.

In a demand put forward by Dr. Shankar Man Singh, an expert from Nepal Chamber of Commerce, to reduce VAT (value added tax) and income tax, Mr. Pradhan said that there would be no national saving with the reduction of VAT and tax.

Chairman's Remarks

Upon conclusion of the floor discussion, Chairman of the session Mr. Upadhyaya made his remarks on the experts' papers as well as the comments from the floor. He was of the opinion that the nation had to adopt a strategic vision and concrete policy to explore hydropower in Nepal. Appreciating the proposal of Prof. Dr. Mohan Prasad Lohani to submit some genuine and concrete recommendations to the policymakers, Mr. Upadhyaya said that such suggestions would help give a boost to the hydropower and the process of socio-economic transformation of the people. Regarding the issue of delinking hydropower from water resources, Mr. Upadhyaya expressed his doubts.

He was also in favour of treating hydropower as a commodity. However, he was sad that the policymakers were lacking transparency and clear vision and strategy for the development of this vital sector.

He agreed with the view that policy instability and not-so-secure environment had discouraged the potential investors to invest in the country's hydropower sector.

Second Part

The second part of the working session was conducted under the chairmanship of Dr. Deepak Gyawali, former minister and interdisciplinary analyst and coordinator for Core Group of Nepal Chamber of Commerce. At the session, three experts-- Mr. Radhesh Pant, President of Nepal Bankers' Association, Dr. Jeevendra Jha, General Manager of NEA, and Mr. Keshav Dhwoj Adhikari, Senior Divisional Engineer at the Ministry of Water Resources-- presented their working papers. Mr. Pant, Dr. Jha and Mr. Adhikari presented their papers entitled "**Prospects of Hydropower Development in Nepal**", "**Role of NEA in Development of Hydropower in Nepal**" and "**Policy Problems of Water Resources Sector and Probable Solutions**" respectively.

Paper Presentation

Presenting his paper, Mr. Pant stressed the importance of Nepal's hydropower development that would contribute to the country's overall economic growth. He said that India was

interested in importing hydropower on Availability Based Tariff (ABT) for which Nepal and India needed to discuss and resolve the issues of mutual benefit.

He said that Nepal needed to add new generation capacity promptly for the development of hydropower. His main focus was on attracting more private investment in hydropower to fill in the gap. Considering the huge Indian power market, he called for establishing India as an energy hub. He said both the neighbouring countries would benefit from hydropower of Nepal through improved efficiency and joint efforts. He further suggested that the process of increasing the Purchasing Power Parity (PPP) of the people should be initiated for hydropower generation. He also was of the view that domestic investment in hydropower generation through capital market should be encouraged and mobilised.

In his paper, Dr. Jha asked the government to improve its community-based electrification policy. Further elaborating the issue, he said that the communities were making unfair practices, as they purchased energy at a subsidised rate from NEA and sold it to the customers at an average NEA tariff.

He also drew the government's attention towards electrification in the remote rural areas so that the situation of the underprivileged lot could be uplifted.

Indicating some of the major problems of hydropower development such as resource crunch, socio-political problems, license trading and gap between demand and supply of energy, he stressed the need to improve operations system and formulate appropriate policies.

Presenting his paper, Mr. Adhikari called for national political consensus before starting any hydropower project. The author also said that the concept of water diplomacy should be adopted and practised while dealing with India and other neighbouring countries.

He said that the officials at the Ministry of Foreign Affairs of Nepal were showing very dismal performance while dealing with water-related issues. He suggested that the MoFA employees should be given proper orientation on water and other issues of national interest.

He urged for the provision of private sector's involvement in land reclamation and water disaster management efforts. He was of the opinion that power generation could not be possible from remittance, as it was insufficient to invest.

Floor Discussion

Experts from various fields raised their queries on the papers. Mr. Shankar Man Singh made his query on restructuring of Nepal Rastra Bank (NRB) and investment of NRB in rural electrification. Answering his query, Mr. Pant said that the NRB could be restructured if found necessary. On the issue to investment by NRB in hydropower, he answered that the bank had no large fund. He informed that if the financing in hydropower could be checked, there would be sufficient profit margin. Dr. Jha said that NEA was in fund crunch and

could not address the issues related to NEA on time. Mr. Shyam Basnet from the floor asked to invest in research works. Responding to Mr. Basnet, he said that the association invested a lot in this sector. He further assured that the association would invest in research works in the near future too.

In response to Dr. Shankar Man Singh's query regarding improving public-private partnership in power generation, Mr. Adhikari called for formulating rules and regulations to encourage private sector to invest in natural disaster management.

Answering another question of Dr. Singh, Mr. Adhikari revealed that 12% of the total royalties generated from the local level was allocated for local development. Mr. Adhikari also said that the political leadership should have strong commitment and long-term vision and planning to accelerate the process of economic development. In regards to yet another query from the floor, he stressed the need for both Nepal and India to harness water resources for mutual benefit.

Chairman's Remarks

Chairman of the session Mr. Gyawali made his remarks on the papers of experts as well as the comments from the floor. He opined for providing training to the officials of the Ministry of Foreign Affairs so that it would be easy for them to deal with their India counterparts while settling water related issues. Similarly, Mr. Chairman also stressed to look at the policy but not at the projects while launching any project in Nepal. In case of India, he was of the opinion that Nepal could not locate the market properly and set strategic vision. He stressed enhancing cooperation with India for water but electricity. Speaking on the issue of security, he said that it had no impact on water. Mr. Gyawali also said that it was a big failure of Nepal to recognize the politics of water. He suggested that Nepal's parliament should settle water politics logically.

Vote of Thanks

Extending his vote of thanks, **Prof. Dr. Gopal Pokharel, Executive Director of IFA**, said it was high time that the government and private sector learn from the past experiences and move ahead accordingly. Highlighting the rationale of organising the seminar, Dr. Pokharel said that it aimed just at understanding the national interest in the issue. He informed the participants that IFA would submit the outcomes of the seminar to the Ministry of Foreign Affairs.

At this juncture of our history which envisages restructuring of the society, ensuring inclusion to every section and segment of the Nepali society, which is marginalised and neglected till now, and forge an alliance for equity and social justice, it is imperative to have a paradigm shift in our thinking and approach in our development endeavours. At the end, the Executive Director thanked all, especially the chief guest, the guest of honour and all paper presenters and the participants for their active support to conclude the session successfully.