

Monthly Bulletin



RIGHTS Nepal

Digital Transformation | Human Security |
Good Governance | Strategic Engagements

Monthly Bulletin

RIGHTS Nepal is a think tank founded in 2020, based in Kathmandu with the mission of focusing on nationwide policies, decisions, plans, actions and their justified need, development and outcome.

This publication has been specifically designed to assess the important events of the past month on the basis of four major pillars: **Strategic Engagements, Good Governance, Digital Transformation and Human Security.**



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For further inquiries, contact: info@rightsnepal.org

Digital Transformation

Secretary among nine charged in payment gateway scandal

The Commission for Investigation of Abuse of Authority (CIAA) has filed a corruption case against nine individuals, including the current government secretary Madhu Kumar Marasini, over alleged corruption in the procurement of Nepal's National Payment Gateway system. Marasini, who is currently the secretary at the Ministry of Industry, Commerce, and Supplies, and others are charged with causing losses of Rs232.75 million to the national treasury by purchasing the software without following due process in 2018, rendering the system unused. This move follows the Corruption Prevention Act-2002, which automatically suspends public officials charged with corruption. The case underscores a recurring issue of corruption in government procurement and financial mismanagement, contributing to significant losses in public funds.

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Human Security

Rising Respiratory Illnesses and Influenza Virus Concerns in Kathmandu Valley Ahead of Winter

Even before the onset of the winter season, major hospitals in the Kathmandu Valley are witnessing a significant increase in the number of patients suffering from respiratory illnesses, many testing positive for influenza viruses such as A(H1N1), A(H3), and B group viruses. Doctors are reporting a doubling of respiratory illness cases, with influenza and other respiratory viruses, including rhinoviruses and adenoviruses, spreading across the country. Those already afflicted with respiratory conditions, like asthma, are at heightened risk of severe illness and even death. Health experts emphasize the importance of early diagnosis and vaccination, particularly for vulnerable groups such as children and the elderly, as timely treatment can significantly impact recovery and prevent the worsening of the disease. Despite the availability of influenza vaccines in Nepal, low vaccination rates persist, especially among these at-risk populations.

Nepali casualties feared in Hamas attack on Israel, says foreign minister Saud

In a recent and unprecedented attack by Hamas inside Israeli territory, at least ten Nepali nationals were reported dead. The attack, which involved thousands of rockets fired by Hamas militants, targeted areas near the Gaza Strip, including a farm where 14 Nepali workers were employed in Kibbutz Alumim. The Nepali Embassy in Tel Aviv has issued appeals for the safety and security of Nepali nationals in Israel and is coordinating with local authorities for support and evacuation. This incident has raised concerns for the safety of the over 4,500 Nepali nationals working in Israel, including caregivers and students, highlighting the need for urgent measures and solidarity between nations in the face of such attacks.

Experts who visited Indian salt factories are likely to recommend lowering iodine content in salt

A recent visit by a team of experts to salt factories in India's Gujarat state has raised concerns about the high iodine content in salt imported to Nepal. The team, which studied the salt-making and iodine fortification processes, is likely to recommend a reduction in iodine levels, as they found excessive fortification beyond the country's requirements. The Salt Trading Corporation in Nepal currently fortifies iodine at 50 ppm per kilogram of salt, well above the World Health Organization's recommended range of 15 to 40 ppm. This higher level, originally mandated due to transportation constraints, may no longer be necessary given improved infrastructure. Excessive iodine consumption in Nepal has been linked to health issues, including hyperthyroidism and non-communicable diseases, prompting the need for adjustments in salt fortification policies and dietary habits.

Black Pest Disease Threatens Rice Crops in Dang District: Farmers Seek Solutions

Farmers in Nepal's Dang district are facing a big problem: a harmful black pest disease is hurting their rice crops, especially the ones with the hybrid rice called 'US 312.' This disease turns the rice grains black, causing big losses and putting the farmers' livelihoods at risk. Even though 'US 312' used to be good at giving high yields and fighting off diseases, this year it got affected by the black pests, worrying the farmers. To tackle this

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issue, a local expert, Man Bahadur Dangi, suggests that farmers try using better non-hybrid seeds. This pest problem isn't just in Dangisharan; it's seen in other parts of the district too, emphasizing the need for stronger seeds to ensure good rice production in the future.

Kidney problems found more common among Nepali migrant workers than non-migrants: Study shows

A study conducted by Bournemouth University in the United Kingdom, in collaboration with Green Tara Nepal and other organizations, has revealed that Nepali individuals who returned from working in Gulf countries and Malaysia are more prone to kidney problems, high blood pressure, diabetes, and obesity compared to those who have not ventured abroad for employment. The research, encompassing 718 returning migrant workers and 720 non-migrant individuals, highlights a 5.8 percent decline in glomerular filtration rate (a crucial kidney function indicator) among migrants, as opposed to 3.6 percent in non-migrants. Additionally, the study found higher levels of creatinine in the blood and identified kidney problems in both groups. Notably, protein levels in the urine were higher among non-migrants.

Inflation pushing the cost of living northwards

Nepal's economy is currently grappling with a recession, marked by a significant inflation rate of 8.19 percent and a decrease in exports by 7.8 percent, contributing to a reduced trade deficit of 4.7 percent. Despite these economic challenges, there is a noteworthy 22.1 percent increase in remittances, helping to maintain a balance of payments surplus at Rs 53.61 billion. The foreign exchange reserves have slightly improved, reaching Rs 159.90 billion. In terms of government finances, expenditures have reached Rs 131.14 billion, while revenue collection stands at Rs 141.08 billion, with tax revenue contributing Rs 127.96 billion and non-tax revenue amounting to Rs 13.12 billion. Additionally, provincial governments are actively involved in resource mobilization, with a total of Rs 21.16 billion, including grants, central government transfers, and their own revenue.

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Good Governance

Nepal is permitted to sell electricity on India's real-time market beginning at midnight on Saturday

India has granted Nepal permission to sell electricity generated by two hydropower projects in its real-time energy market, marking the first time India has granted project-specific approval for such sales. This development allows Nepal to participate in India's Real-Time Market (RTM) and trade electricity in a more flexible and immediate manner, helping manage supply and demand fluctuations. Initially, Nepal plans to sell 25 MW hours from each of the two approved projects. This move comes after India previously allowed Nepal to sell power in its day-ahead market, and the two countries have also engaged in bilateral electricity trade agreements.

A major accomplishment, plans have been made to provide citizenship to the 50 million Nepalese who do not dwell in the country: PM Prachanda

Prime Minister Prachanda announced the provision of non-resident Nepali citizenship for 50 million non-resident Nepalis, citing it as a significant achievement. He highlighted the struggle to include this provision in Nepal's constitution and the subsequent legal arrangements to make it a reality. He also mentioned the reduced foreign investment limit, legal arrangements for non-resident Nepalis to invest in the secondary market of securities, and the implementation of social security based on contributions. The Prime Minister expressed confidence in the unity and strength of leadership within the Non-Resident Nepalese Association during their National Convention.

Mustang will receive 500 million, according to the Prime Minister

Prime Minister Pushpa Kamal Dahal Prachanda has announced that nearly 500 million will be allocated to Mustang district to address climate change impacts. He stated that Nepal's government is dedicated to preserving the unique cultural and geographical heritage of Mustang. Prachanda emphasized the global significance of climate change and its severe consequences in the Himalayan region. He raised the issue at international forums like the United Nations, warning of potential disasters if the Himalayas are neglected. Prachanda intends to further address this matter at the COP-28 climate conference.

PPA of Marsyangdi, with a 90 MW capacity and a 6-year power generation aim

The Marsyangdi River project in Nepal has completed its Power Purchase Agreement (PPA) for a 90-megawatt capacity with a semi-reservoir. The agreed electricity rates are 8.40 rupees per unit in winter and 4.80 rupees in the rainy season. The PPA was signed by Nepal Electricity Authority Executive Director Kulman Ghising and MA Power Chairman Anup Acharya, with Prabal Adhikari, Director of the Electricity Trade Department, handing over the contract. The project, located in Bhanu and Palungtar municipalities of Tanahun and Gorkha districts, will generate 184.67 gigawatts in winter and 377.93 gigawatts in the rainy season. The company is obligated to achieve the commercial production target by 22 Baisakh 2086. Anup Acharya, the company's president, mentioned that the project's environmental assessment study is in its final stages, and financial arrangements with both Nepali and foreign investors are in progress.

Good Governance

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Strategic Engagements

PM Dahal receives a call from MCC CEO Alice

Prime Minister Pushpa Kamal Dahal had a visit from Millennium Challenge Corporation (MCC) CEO Alice Albright on October 03 morning. The MCC projects and other facets of Nepal-US collaboration were discussed, according to the PM's secretariat. The MCC CEO met with KP Sharma Oli, Chairman of the CPN (UML), as well as Shakti Bahadur Basnet, Minister of Energy, and Prakash Jwala, Minister of Physical Infrastructure and Transportation, on Monday (October 02). The leaders talked about strategies for successfully implementing the MCC projects at the discussions. MCC CEO Alice is now celebrating MCC's entry-into-force in Nepal.

China expects that agreements be carried out by Nepal

China is waiting for the implementation of bilateral agreements and memoranda of understanding (MoUs) signed with Nepal during Prime Minister Pushpa Kamal Dahal's recent official visit. These agreements focus on Nepal's welfare, development, and connectivity with China through initiatives like a cross-border railway. The railway is seen as a crucial step to boost Nepal's trade, tourism, and exports to China. Additionally, there are commitments to collaborate on agriculture, industrial parks, medicinal herbs, and the establishment of a Science and Technology University in Nepal. The professor emphasizes the need for Nepal to create an environment for the successful execution of these agreements, as China expects all countries it partners with to uphold their commitments.

China welcomes 15 different varieties of Nepalese medicinal plants

China has opened its doors to import 15 medicinal herbs from Nepal for use in Chinese medicine production. This agreement was reached through the signing of the Protocol of Phytosanitary Requirements between the two countries. Nepal has long faced non-tariff barriers when exporting its products to China, especially in the agriculture and medicinal herbs sector. The 15 herbs include *Phyllanthi fructus*, *Paridis rhizoma*, and others. The aim is to penetrate the Chinese market and gradually increase herb exports, with hopes of expanding the range of exportable medicinal herbs in the future. However, officials emphasize that signing protocols alone may not be sufficient, as other requirements and bureaucratic hurdles may still exist. Additionally, China has shown willingness to expedite the approval process for exporting cooked buffalo meat products from Nepal, though this process may take time due to disease control and other prerequisites.

A three-day visit to Nepal by an Australian parliamentary delegation

A delegation led by the Speaker of the Australian House of Representatives, Milton Dick, has embarked on a three-day official visit to Nepal, marking the first-ever Australian Parliamentary Delegation visit to Nepal in the history of their diplomatic ties. The delegation aims to strengthen parliamentary engagement and bilateral relations between the two countries. They will meet with key Nepali parliamentary figures, including House of Representatives Speaker Dev Raj Ghimire and National Assembly Chairman Ganesh Prasad Timilsina. Additionally, the visit includes a focus on Australian-funded aid projects in Nepal, showcasing Australia's partnership in areas like governance, climate change response, agriculture, and support for people with neurodevelopmental disabilities.

Strategic Engagements

The Cabinet approves the signing of labor agreements with Germany and Romania

During a recent Cabinet meeting in Nepal, significant decisions were made, including the approval of bilateral labor agreements with Germany and Romania, bilateral talks on air service agreements with Switzerland and Rwanda, and the establishment of a bilateral consultation mechanism with Malaysia. The Finance Minister's delegation was granted permission to participate in a London investment summit, while several legislative changes were made, including the scrapping of the National Sports Talent Award Work Procedure and the approval of Special Court Regulations. Bills related to health sciences university management and construction materials were introduced. Organizational restructuring at the District Coordination Committee and the approval of temporary officer-level positions under the Ministry of Health and Population were also on the agenda. Deputy Attorney General Lokraj Parajuli was promoted and assigned to the Commission of Investigation on Enforced Disappeared Persons. The government accepted a significant concessional loan from the World Bank for health services and grant assistance from Switzerland for innovation-related projects in Nepal.

The "Third China Tibet Trans-Himalayan Forum" takes place in Tibet

Chinese Foreign Minister Wang Yi praised the strong friendship between Nepal and China during a meeting with National Assembly vice Speaker Urmila Aryal in Tibet. Wang highlighted the resilience of their relationship and the cooperation between the two countries, emphasizing their commitment to equality and common success. Wang also discussed the importance of recent high-level visits between Nepal and China and expressed China's willingness to support Nepal's development. He mentioned the Himalayan Pan Forum as a vital platform for regional connectivity and environmental cooperation. Vice President Aryal acknowledged the expanding areas of cooperation between the two nations and their mutual support on important issues. She stressed Nepal's commitment to the 'One China Policy' and highlighted the strengthening of Nepal-China relations through high-level exchanges. In addition, the article mentions the participation of representatives from 35 countries in the third China-Tibet Trans-Himalayan Forum, with Lynch City in Tibet having a sister city relationship with Pokhara in Nepal. Nepal showcased a special cultural performance during the event.

The conclusion of the 15th consultation between Nepal and India

The 15th meeting of the Nepal-India Bilateral Consultative Group on Security Issues (BCGSI) took place in Pokhara, Nepal. During the discussions, a wide range of security-related topics were addressed, including mutual security, defense supplies, training, capacity building, joint military exercises, exchanges, expeditions, adventure activities, and cooperation in disaster management and information sharing. The Nepali delegation was led by Bhriugu Dhungana, Joint Secretary (South Asia) from the Ministry of Foreign Affairs of Nepal, while the Indian delegation was headed by Shri Anurag Srivastava, Joint Secretary (North) from the Ministry of External Affairs of India. Both delegations included officials from their respective Ministries of Defense, Foreign Affairs, Home Affairs, as well as representatives from the Indian Army and the Nepali Army. The BCGSI, established in 2003, serves as a crucial institutional mechanism to enhance bilateral defense and security cooperation between India and Nepal.

Strategic Engagements

The Kalapani visit of Indian Prime Minister Modi

Indian Prime Minister Narendra Modi visited the Kalapani region, including the Nepalese land of Jolingkang encroached by India. He performed prayers at Jolingkang and visited Mount Kailash. Discussions with locals about Nepali encroached land Gunji and general interactions with villagers were planned. Modi also met with Indian security officials and deployed forces in the Kalapani region. Later, he visited Jageshwar Dham in Almora district. Nepal had no official information about Modi's visit to the border area, and entry to these places was restricted. Uttarakhand Chief Minister Pushkar Singh Dhami accompanied Modi on the visit.

India and Nepal concur to lower the height of the Saptakoshi dam

Nepal and India have agreed to reduce the height of the proposed Saptakoshi High Dam due to concerns in Nepal about potential land inundation. The dam's height will be lowered from 337 meters to 304.8 meters, reducing its hydropower generation capacity from 3,000MW to 2,300MW. The move is expected to address concerns about displacement and environmental impact. Additionally, the re-regulation barrage will be relocated upstream, and the plan to construct canals to transport water from the Saptakoshi to India for irrigation has been rejected. A detailed project report will be prepared within 30 months, focusing on various aspects. The project has faced public opposition due to fears of land inundation, which has led to these revisions.

While China prepares its infrastructure, Nepal awaits the reopening of the Korala border

Nepal and China celebrated the opening of the Lizi-Nechung port near the Tibet border during Prime Minister Pushpa Kamal Dahal's visit to China in late September. However, the border remains closed for regular trade due to the pandemic. Nepal is ready to reopen the border, and China will decide on a date for this. The port, located near Korala in Mustang district, is equipped with infrastructure, and its opening is expected to boost economic and social development in Tibet and enhance China-Nepal connectivity. Nepal awaits Chinese support to improve facilities on its side of the port, as currently, there is minimal infrastructure. The Lizi-Nechung port has historical significance as a trade hub for Himalayan residents, and both nations agreed to open it during President Xi Jinping's visit to Nepal in 2019.

Talks between US Secretary of State Blinken and Foreign Minister Saud

Nepal's Foreign Minister NP Saud and US Secretary of State Antony J. Blinken met in Washington D.C., discussing bilateral relations, regional and global issues. They expressed contentment with the current state of relations and committed to expanding cooperation in shared interests. Saud emphasized Nepal's development priorities and sought increased US support in trade, investment, food security, and the IT sector, including the Nepal Trade Preference Programme and Millennium Challenge Compact. Blinken voiced support for Nepal's democratic progress and pledged ongoing assistance. They also talked about collaboration in international forums and global affairs, including the Middle East situation. This marks the first foreign minister-level visit in nearly five years, involving meetings with US officials and engagement with the Nepali-American community. Foreign Minister Saud is set to return on November 5.

Strategic Engagements

Baroness Penn and Finance Minister Dr. Mahat have a conversation

Finance Minister Dr. Prakash Sharan Mahat met with British Treasury Lords Minister Baroness Penn in London. During the meeting, Dr. Mahat requested British investment in Nepal's renewable energy sector, emphasizing the UK's role as a significant development partner. He also sought increased British investment to mitigate the impact of climate change in Nepal. Baroness Penn assured continued UK support for Nepal's economic development and expressed a commitment to support Nepal in the field of 'green finance,' encouraging British private sector investments in Nepal's green energy sector. The Ambassador of Nepal to the UK and the Deputy Chief of Mission also attended the meeting. Dr. Mahat's visit to London is in connection with a high-level investment conference organized by the Embassy of Nepal. During the conference, he emphasized the government's commitment to ensuring the security of foreign investments and simplifying the repatriation process for foreign investors' profits. The process of country credit rating has been initiated to enhance Nepal's investment environment.

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