

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.**



RIGHTS Nepal

The content of this report is validated as accurate news extracted and summarized at the time of publishing. The report in itself is to be viewed and treated as an unbiased and impartial source of information.

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Digital Transformation

The government website down after cyber-attack

Government websites in Nepal faced disruptions due to a DDoS attack on the DNS server, a recurring issue with unaddressed vulnerabilities. The Information Technology Center struggled to prevent incidents due to expired cyber-security tool licenses. Ongoing problems affected sites like the GIDC, worsened by budget constraints and the proposed abolition of the Information Technology Center. The government's silence on cyber threats raised concerns, while a study revealed APTs, such as the Sidewinder group, targeting government IT systems. Phishing attacks exposed vulnerabilities, highlighting Nepal's outdated technology and delayed upgrades as contributing factors to cyber-security risks.

On Social Media Regulation Bill

Activists and Digital Rights Nepal have criticized the Nepalese government's proposed social media regulation bill, claiming it infringes on freedom of expression and could lead to excessive monitoring of citizens. They argue that existing laws are adequate for regulation, questioning the need for a new, separate law with vague terms. The bill, intended to regulate social media, has also drawn concern from the Asia Internet Coalition, a group of major tech companies. Despite these objections, the government has moved forward with the bill, including guidelines and penalties for violations.

Agreement on an early warning system between Ncell and the Meteorological Department

Ncell has teamed up with the Department of Water and Meteorology to give early warnings for weather-related and water-related natural disasters. Thirteen disasters—including floods, flash floods, rain, lightning, windstorms, storms, avalanches, landslides, snow, cold waves, fire, air pollution, and tornado—are covered under the memorandum of agreement. Since 2016, Ncell has worked to advance the flood warning effort and, via connecting residents in high-risk locations with one another, has effectively prevented thousands of deaths. The partnership covers ten additional weather-related hazards, and Ncell hopes to keep using this approach to shield regular Nepalis from impending calamities. The government and Ncell have been collaborating since 2016 to give those who might be in danger of flooding early warning systems. Ncell sent out more than 9 million advance notices in 2023.

Nepali payment service providers have operating difficulties

Nepal Rastra Bank's report identifies several challenges facing Nepal's payment service providers, such as policy gaps, poor infrastructure, governance issues, and inadequate crisis management. Inspections of 18 providers revealed operational, settlement, and liquidity risks, with less than 10% of payments being digital. Some providers were non-compliant with regulations, leading to central bank actions for violations like non-reporting of e-money. Nepal's liquidity crisis has slowed transaction growth and affected the e-wallet sector, with many providers operating at a loss. Nonetheless, digital transactions are growing, with a decrease in cheque use and an increase in POS, online payments, QR code payments, and mobile and internet banking. The payment system, supported by networks like Nepal Clearing House, Fonepay, and Nepal Payment Solution, offers high-value and retail instant payment services.

Digital Transformation

"Virtual hearing" to improve court procedure accessibility

The Special Courts Act 2059 in Nepal aims to establish legal provisions for the constitution, powers, and procedures of special courts to handle specific cases efficiently. Despite being labelled as 'fast track,' the special court has faced criticism for delays in delivering justice. In response, the court is now preparing for virtual hearings across 77 districts to improve efficiency and accessibility. Virtual hearings involve using high-tech cameras and TV displays, allowing parties to participate remotely. The move is seen as a positive step to increase access to justice, reduce costs, and enhance the transparency of legal proceedings. While challenges such as budget constraints and cyber-security issues exist, experts believe that the virtual hearing system will contribute to a more efficient and accessible justice system in Nepal.

Minister Sharma proposes creating a digital transformation strategy

Minister for Communications and Information Technology, Rekha Sharma, emphasized the need for the 16th periodic plan to focus on digital transformation during a meeting with the National Planning Commission (NPC). She urged the NPC to prioritize digital infrastructure activities, emphasizing that the state should invest in the information technology sector for the country's prosperity. Minister Sharma emphasized aligning the upcoming plan with the Digital Nepal Framework and addressing the poor mentality and planning that hindered development. She advocated for advancing the concept of a project bank with clear modalities for investment from various sources. The discussion involved NPC Members Dr. Prabhu Budhathoki and Dr. Anita Shah Dhungana, along with the Ministry's Secretary Ram Krishna Subedi.

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Human Security

Far West discovers spread of Coronavirus; variations emerging; variations emerging

After a month of zero reported cases, Sudurpaschim province in Nepal is experiencing a resurgence of COVID-19 infections. Eight individuals entering from India tested positive for the virus through antigen tests at the border crossing. Four of them have had their samples sent to Kathmandu for further testing. Health authorities at the Gouriphanta border crossing are advising infected individuals to either undergo 'home isolation' or seek hospitalization, coordinating with the respective municipality. The World Health Organization's recent warning about a new variant of the coronavirus adds to the concerns. In the last three days, the province has reported three new cases, with one person testing positive in the last 24 hours among 76 individuals tested at the Gauriphanta and Gaddachouki border crossings.

Monsoon-displaced individuals in remote Bajura communities are still awaiting rehabilitation after three years

Majhbada and Bhaisikhal settlements in Bajura, Nepal, face severe landslides and housing crises due to heavy rains in October 2022. Despite 39 families seeking refuge with relatives and eight impoverished families remaining in damaged homes, government relocation efforts are slow. Over the past three years, 519 families in Bajura have been displaced by monsoon-induced disasters, residing with relatives, in animal sheds, or tents. Reconstruction for these families has commenced, but delays stem from insufficient funds, with the federal, provincial, and local governments responsible for 60%, 30%, and 10% of the housing reconstruction budget, respectively. The Sudurpaschim provincial government's partial allocation has caused further setbacks, prompting efforts to secure additional funding.

11 Nepalis left behind in Saudi Arabia for six months as they awaited help

Eleven Nepali workers in Saudi Arabia have been stranded for three months due to unfulfilled employment promises by Riyadh Maintenance Kilnic Company. Initially offered jobs as cleaners with a salary of 1200 Saudi Riyals, they received only 200 riyals for three months' food and accommodation. Facing job delays and illegal residency status due to unprocessed akama, they are under stress as the company now offers only food money instead of wages. After complaints, the Nepalese Embassy in Riyadh intervened, demanding the company either fulfil the contract or repatriate the workers. This situation underscores broader issues faced by Nepali workers in Saudi Arabia, such as delayed payments, document issues, and cultural misunderstandings, leading many to leave their jobs.

Nepalese on visitation permits in the UAE see tragedy and despair

Sarita Pahari, a Nepali woman from Surkhet, tragically committed suicide in Dubai after being deceived by a broker who promised her a lucrative job for Rs 250,000. She lost contact with the broker upon arrival and struggled for survival, unable to secure work despite extending her visa. This case sheds light on the exploitation of Nepali youth by brokers in the UAE, exemplified by other instances such as the murder of Madhumaiya Magar and the hardships faced by Jayendra Shah. In 2022, around 250,000 Nepali workers

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arrived in the UAE on visit visas, facing illegal work, low wages, and vulnerability to criminal activities. The Nepali Ambassador to the UAE emphasized the risks for trafficked Nepali women under visit visas, emphasizing the better protection offered under work visas.

Worries grow as the number of dead Nepali migrants rises

The Safer Migration Project reveals concerning statistics regarding the deaths of Nepali migrant workers from Gandaki Province abroad. In the first half of the fiscal year 2023-24, 95 workers lost their lives, with Syangja and Nawalparasi East recording the highest numbers. On average, 15 workers die monthly in various countries, highlighting the alarming situation. The families of deceased workers face challenges in repatriating bodies, with only 44 out of 95 brought back so far. The total number of migrant deaths has risen significantly in recent years. Concerns also arise about illegal migrants facing uncertainties and exploitation. Advocates stress the need for orientation and skills training for foreign job aspirants to protect their rights and safety. The data reveals that around 10% of migrant workers from Gandaki Province are women. Addressing the lack of skills and information, advocates emphasize the importance of providing basic training and knowledge for those seeking foreign employment.

Russia to reimburse the relatives of those who died in combat, says Minister Saud

Nepal's Foreign Minister NP Saud has announced that Russia is willing to compensate the families of 13 Nepali nationals killed while fighting in the Ukraine war. Families of 113 Nepalis in the Russian army are seeking information. The compensation amount is estimated to be around Rs 7 million, and the Nepali government has requested it to be sent to the Nepali Embassy in Moscow. Efforts are underway to secure the release of five Nepalis captured by Ukraine. Diplomatic notes to Russia had sought a halt to Nepali recruitment, repatriation of recruits, and return of bodies. Nepal has stopped issuing no-objection letters for jobs in Russia and Ukraine to prevent further recruitment and is cracking down on middlemen facilitating such activities.

Possible flu-Covid combination behind "mystery disease" which killed three people in Mugu

An outbreak of a mysterious viral fever in Mugu district, Nepal, has led to three deaths and over 200 infections in villages of Soru Rural Municipality. Swab samples tested positive for Influenza A(H1N1), influenza B, and COVID-19. The Ministry of Health deployed a team to address the situation, emphasizing concerns about increased mortality risks due to the presence of multiple viruses. Infected individuals show symptoms like headaches, muscle aches, loss of appetite, fatigue, and sweating. Health authorities recommend preventive measures, including avoiding crowds, wearing masks, frequent handwashing, and maintaining social distance. Overlapping symptoms of H1N1, influenza B, and Covid-19 raise concerns about confusion and misdiagnosis. Major hospitals report a rise in respiratory illness cases, highlighting the need for precautions, particularly during the winter season when respiratory viruses are more active.

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Good Governance

Government suspends labour licenses for Ukraine and Russia

The Nepali government has suspended labour permits for Russia and Ukraine due to the ongoing conflict between the two nations and the resulting deaths of Nepali citizens serving in the Russian army. The Department of Foreign Employment announced this decision to prevent further incidents amid reports of at least 10 Nepalis killed in the conflict and an estimated 150-200 serving in the Russian army. The suspension remains in effect until further notice. The Prime Minister acknowledged the involvement of Nepalis in both Russian and Ukrainian forces, but the exact numbers are unclear. Efforts are underway to repatriate Nepalis from Russian forces and rescue Bibek Khatri, a Nepali captured by Ukraine.

Procedure for harnessing large hydropower in the park

The Nepalese government has updated its policies to allow larger hydropower projects, exceeding 100 megawatts, in national parks and reserves. This change from the previous limit of one megawatt is outlined in the 'Procedure for Providing Infrastructure Construction Land in Protected Areas, 2080'. The new policy includes specific guidelines for water release during dry seasons based on the project's size and sets varied compensation rates for land acquisition in different regions. The goal is to promote larger hydropower developments while considering environmental and community impacts. A facilitation committee will manage land acquisition, ensuring the process aligns with these new regulations.

Government establishes a group to look into electricity tariff obligations

The National Development Council added 25 new members, chosen from various local bodies and agencies, as decided by the Council of Ministers. The government also amended the list of recognized martyrs in the Nepal Gazette to include previously omitted individuals. In other decisions, Purushottam Khanal resigned as Chairperson of the Nepal Telecommunications Authority (NTA), with Nabaraj Adhikari appointed as the Acting Chair. A committee, led by the Secretary of the Ministry of Communications and Information Technology, will select a new NTA Chair. Additionally, a probe into power tariff dues issues for dedicated and trunk line services is being launched, headed by former Supreme Court Justice Girish Chandra Lal. The cabinet also instructed relevant agencies to restore power supply to industries affected by unpaid dues.

Setikhola hydropower plant starts generating electricity

The Setikhola Hydropower Project in Parbat district, Nepal, has begun generating electricity with a 3.5 megawatt capacity, completing its development in five years. The project features a canal headwork in Paiyun Rural Municipality and a powerhouse in Bihadi Rural Municipality, connected by a 3,600-meter pipeline. The electromechanical work was conducted by China's Asia Pacific Project, with pipeline construction by K and K Builders and civil construction by The Brothers Builders Kathmandu. The project's total cost exceeded Rs 1.1 billion. Power from the project will soon be supplied to Nepal's national grid, following a signed power purchase agreement with Nepal Electricity Authority. The project received financial backing from Siddhartha Bank Limited and Garima Development Bank.

Good Governance

First quarter's GDP increased by 3.2% due to increases in mining and a decrease in commerce

In the first quarter of the fiscal year 2080/81, Nepal's economy grew by 3.2%, as reported by the National Statistics Office. This growth is lower than the government's target of 7% and multinational agencies' projection of around 4%. The first quarter's growth represents a slight contraction from the 4.3% growth in the previous quarter. Significant growth was observed in the mining and quarrying sector (15.8%), largely driven by the sand gravel segment linked to construction, which itself expanded by 11.4%. The financial and insurance sector also saw a notable increase of 13.2%, attributed to rising deposits, loans, and insurance premiums. The accommodation and food service sector grew by 11.7%, while the retail and trade sector experienced a contraction of 1.4%, impacted by a decrease in commercial goods despite overall import growth. Real estate transactions showed a modest rise of 2.2%.

Government royalties from hydroelectric projects reach Rs 3.15 billion

The Nepal Electricity Authority (NEA) has collected over Rs 3.15 billion in royalties from operational hydropower projects. This is part of their routine process of deducting royalties while paying power developers. Additionally, the Electricity Development Department, led by Director General Chiranjivi Chataut, has instructed some developers to pay outstanding royalties for the fiscal year 2079/080 BS. Projects failing to pay will be pursued by the NEA, with the royalties intended for local communities affected by the projects. The Department's total revenue for the fiscal year 2079/080 exceeded Rs 4.31 billion, including Rs 1.15 billion from license fees, Rs 8.7 million from penalties and confiscations, and Rs 4.2 million from arrears. In the first half of the current fiscal year, the Department has already collected Rs 595.5 million in royalties and Rs 162.4 million from licensing.

Government considering eliminating limits on hydro capacity

The Nepal government is considering a policy revision, led by Sandeep Kumar Dev, to remove capacity restrictions on hydropower projects. This decision is influenced by India's pledge to buy 10,000MW and Bangladesh's interest in 4,000MW of electricity from Nepal. Previously, the Nepal Electricity Authority limited hydropower development to projects that could maintain full capacity for at least 4.8 months a year (Q40 projects). The new policy would allow for greater optimization of hydropower projects, potentially increasing Nepal's capacity well above the current standards. This change is aimed at maximizing Nepal's hydropower potential, estimated at over 72,000MW, in line with its goal to generate over 28,000MW by 2035.

New guidelines for obtaining visitation visa

The Ministry of Home Affairs in Nepal has relaxed its travel policy for citizens with visit visas, making it easier to travel abroad. This new policy, announced by Deputy Prime Minister and Home Minister Narayankaji Shrestha, requires travellers to have a valid visit visa, two-way air tickets, at least 6 months remaining on their entry permit or on-arrival visa, hotel booking, and proof of relationship for stays with relatives. While this eases previous strict regulations, the Ministry cautions against using visit visas for employment purposes, highlighting the legal risks and potential for exploitation. It advises travellers to secure work permits for employment and to be vigilant about the risks, especially for women, in labour destination countries, promoting a more informed and safer approach to international travel.

Good Governance

Completion of the Nilgiri II hydropower project

The Nilgiri Khola II Cascade hydropower project, with a 71 MW capacity, is now complete in Narchang, Myagdi. Upendraraj Gautam from Nilgiri Khola Hydropower Company Limited announced the project's status, making it the largest in Myagdi. Power generation testing is underway by directing water into the 4,275-meter-long tunnel from Chotepa to the Dovelna powerhouse. Concurrently, the Humkhola Dam and Chotepa Power House of Nilgiri I are nearing completion, with equipment installation ongoing. The Nilgiri I project has reached 80 percent physical progress. Both projects, costing Rs 13 billion, are run-of-river initiatives, and the electricity generated by Nilgiri is integrated into the central grid through the 220 KV Dana sub-station, connected by a 7.4 km transmission line.

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Strategic Engagements

IGC meeting after three years

The Secretary-level Inter-Governmental Committee (IGC) between Nepal and India, focused on trade, transit, and unauthorized trade, is reconvening after a 3-year break caused by the COVID-19 pandemic. The agenda for the upcoming meeting, overseen by Ramchandra Tiwari from Nepal's Ministry of Industry, Commerce and Supply, will include issues like technical certificates for indigenous products and India's anti-dumping and countervailing duties concerns. The IGC usually meets annually but was disrupted due to trade deficits and transport issues. Additionally, a technical meeting of the Inter-Governmental Committee (IGSC) is scheduled. The meetings aim to address the significant trade deficit Nepal has with India, which is its largest trade partner, and to renegotiate the trade agreement with India to better favor Nepal.

Saudi Arabia begins collecting employee biometrics without obtaining Nepal's consent

Saudi Arabia implemented a mandatory biometric registration process for Nepali workers without the Nepalese government's consent, causing controversy. The process, set up in Thapathali, Kathmandu, requires workers to pay Rs 730. This unilateral decision by the Saudi Arabian Embassy, not communicated to the Nepali Ministries of Foreign Affairs and Labor, has been met with serious concerns and protests from the Nepal Foreign Employment Professionals Association. The Association criticized the financial burden on workers and urged manpower companies to refrain from sending workers for biometrics, awaiting a response from the Saudi Embassy.

Chinese leader calls on Vice President Yadav

Shi Yugang of the Yunnan provincial committee, Communist Party of China, met with Vice President Ramsahay Prasad Yadav on January 06, during a three-day visit to Nepal from January 04. Discussions covered bilateral relations, including diplomacy, cooperation, trade, and tourism. Vice President Yadav expressed satisfaction with the growing ties, highlighted by Prime Minister Pushpa Kamal Dahal's visit to China. He sought Chinese assistance in enhancing Nepal's production capacity and expanding trade. Yadav expressed optimism about commercial flights between Pokhara and Chinese cities. Shi emphasized the importance of the Nepal-China relationship, focusing on people-to-people connections, expressing confidence in continued strengthening of ties.

Officials from Nepal and India discuss their collaboration in energy industry

The 11th meeting of the Joint Steering Committee on Power Sector Cooperation, attended by officials from Nepal and India, was held in Chitwan, Nepal on January 06. The meeting, co-chaired by Pankaj Agrawal from India and Gopal Prasad Sigdel from Nepal, focused on various aspects of energy cooperation, including power trade, hydropower projects, and transmission lines. This follows a recent long-term power trade agreement between the two countries. Key outcomes include the approval of cross-country energy trade through 132 KV and lower transmission lines, and the inauguration of three new 132 KV transmission lines by the Indian and Nepali foreign ministers. These lines increase the transmission capacity between India and Nepal to 1,400 megawatts. Additionally, the meeting agreed to organize the first meeting of the Joint Water Development Committee, building on progress from the India-Nepal Joint Approach Paper.

Strategic Engagements

Chair of Irish Upper House in Kathmandu

Jerry Buttimer, the Chairperson of Ireland's upper house, is on a five-day visit to Nepal at the invitation of National Assembly Chair Ganesh Prasad Timilsina. Upon arrival, Buttimer met with Timilsina to discuss mutual interests, and Timilsina requested his assistance in lifting the European Union's ban on Nepali Airlines. During his stay, Buttimer is scheduled to meet with President Ramchandra Paudel, Prime Minister Pushpa Kamal Dahal, and other officials in Kathmandu.

Nepal requests revisions after the trade pact with India automatically renewed

India and Nepal engaged in talks in Kathmandu to review their bilateral trade and transit treaty, seeking to address various trade-related concerns. Discussions focused on improving border infrastructure, railway cargo management, and resolving issues like India's export bans on certain food items affecting Nepal. Nepal raised concerns about anti-dumping duties on its jute products and the impact of India's duty-free agricultural exports. The meetings aimed to balance the significant trade deficit Nepal has with India, explore expanding trade routes, set up food testing labs at border points, and improve market access for pharmaceuticals and Ayurvedic products. Both nations are working towards bolstering their trade relationship and reducing Nepal's trade deficit.

Nepal's position against duty-free imports of agricultural products from India

Nepal and India have agreed to restart the process of amending their commercial treaty. The decision was made during the India-Nepal Inter-Governmental Sub-Committee (IGSC) meeting on trade, transportation, and cooperation in Kathmandu. The initiative to amend the treaty began in 2018, but disagreements and a diplomatic rift caused delays. The main issues for Nepal include the impact of cheap Indian agricultural produce on Nepali farmers and a demand for duty-free access for industrial goods with 20% value addition. The current treaty, in place since 2009, has faced criticism for its impact on Nepal's trade deficit with India. The recent agreement aims to resume discussions and conclude the treaty renewal process.

PM Dahal travels to Uganda during NAM's battle for relevance

Prime Minister Pushpa Kamal Dahal of Nepal is headed to the 19th Non-Aligned Movement (NAM) Summit in Kampala, Uganda. The summit, involving around 200 countries, focuses on global challenges like conflict, climate change, and economic issues. Despite its foundation as a neutral group during the Cold War, NAM's relevance is debated today, with criticisms about its effectiveness and shifting priorities of member states. Nepal remains committed to NAM principles, and Prime Minister Dahal plans to discuss ways to enhance NAM's role in contemporary global issues. Critics, however, see NAM as increasingly dominated by certain developing countries and question its future significance.

Strategic Engagements

Issues with projects handed over to Chinese companies

Chinese companies, prominent in road infrastructure contracts, face issues with slow progress and missed deadlines in Nepal. The 113 km Narayangadh-Butwal road section contracted to China State Construction Engineering Company experienced delays, prompting a termination warning. Despite promises to expedite work, the contract was extended twice. Other projects, including tunnels on the Kathmandu Terai/Madhesh Expressway, also face delays. Concerns arise about Chinese firms not meeting timelines, impacting various road construction initiatives. China urges cooperation with Nepali political parties, emphasizing economic, infrastructure, and cultural collaboration while discouraging Nepal's alignment with China. The joint consultation aims to enhance understanding and strengthen China-Nepal relations.

India's plan to purchase an extra 400 MW of power

India has proposed purchasing an additional 400 MW of electricity from Nepal for five years during the Barkhayam season, following a recent long-term electricity trade agreement. This offer extends the existing 200 MW agreement, focusing on supplying Haryana province. The Nepal Electricity Authority is reviewing the proposal, subject to conditions such as Indian approval for specific hydropower projects. The move aligns with India's goal to buy 10,000 MW of electricity from Nepal in the next decade. Additionally, both countries are nearing a higher-priced power purchase and sale agreement (PPA), aiming to secure a more stable market for Nepal's electricity exports. Meanwhile, Nepal's private sector urges the withdrawal of the 'Electricity Bill, 2080,' advocating for amendments to align it with the Electricity Act of 2049 and ensure a streamlined process through a robust one-door system in the Ministry of Energy.

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