

Monthly Bulletin



RIGHTS Nepal

Digital Transformation | Human Security |
Good Governance | Strategic Engagements

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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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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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Human Security

Govt to form a commission to resolve usury victims' woes

The government is all set to form a high-level commission in accordance with the Inquiry Commission Act, 1969 for resolving the woes of usury survivors.

According to the five-point agreement reached between the government and the usury victims committee at the home ministry, the next cabinet meeting will form the commission.

Illegal money lenders have been discovered to be charging the poor, ignorant, and economically vulnerable sector of society excessive interest rates while creating fake financial transaction paperwork, stealing the borrowers' wealth, and abusing the victims under a variety of pretexts. According to Advocate Pankaj Kumar Karna, the ban on land plotting had prevented poor people with small holdings from selling their land and as a result, they were compelled to go to loan sharks to borrow money as banks disburse loans at eight to nine per cent interest rate, which goes up to 17-18 per cent.

Likewise, a committee will be formed under the coordination of the Chief District Officer to routinely hear and redress the complaints of loan shark victims. It will also include the representation of district-based Nepal Police, government attorneys, chiefs of land revenue and survey office, bank and financial institutions and loan sharks' victims.

Good Governance

NA approves bills amending Corruption Control, CIAA

The National Assembly, on April 10, unanimously approved the Commission for the Investigation of Abuse of Authority (Third Amendment) Bill, 2023, and the Corruption Control (First Amendment) Bill 2023. Minister of Agriculture and Livestock Development Beduram Bhusal had presented the proposal seeking endorsement of the two bills and the Upper House of the Federal Parliament approved the proposal unanimously. Both the bills along with the message will now be sent to the House of Representatives.

Earlier, a meeting of the National Assembly had unanimously approved a proposal seeking discussions on the two bills along with the report of the Legislation Management Committee. Replying to questions raised by lawmakers during discussions on the proposal, Minister Bhusal said the Lower House of Parliament will hold intensive discussions on the proposal approved and sent by the National Assembly, further enriching it. Prior to this, lawmakers Jitendra Narayan Dev, Bimala Rai, Suresh Ale Magar and Ram Chandra Rai took part in the discussion on the proposal.

In the meeting, Minister Bhusal presented the Annual Report of the National Information Commission, 2022-23 and the Commission for the Investigation of Abuse of Authority's 32nd Annual Report, 2022-23. The two annual reports were presented on behalf of the prime minister.

Government Unveils Common Minimum Programme

The ruling coalition of 10 parties announced its common minimal program, promising to uphold the constitution, amend it as necessary, improve the democratic-republican order, and implement federalism. In the CMP, the ruling coalition also vowed to eradicate all forms of prejudice and create a society based on justice, liberty, and equity.

The ruling alliance pledged to end the remaining task of the peace process in the next two years and provide compensation, reparation and rehabilitation to conflict victims.

The government will review cases filed against political cadres and withdraw false cases filed against them. The ruling alliance also promised to give injured protesters proper medical attention as well as employment chance for one member of each injured protester's household.

The alliance pledged to pass the federal civil service bill, citizenship bill, education service bill, and health service bill as soon as possible.

The federal government will modify any laws that clash with provincial laws, and it will work with the provinces to enact legislation pertaining to their exclusive rights list. In order to restructure the federal bureaucracy and make it more efficient and cost-effective, a strong commission will be established.

Good Governance

Forex reserves up 12.1pc to \$10.69 billion

The 'Current Macroeconomic and Financial Situation of Nepal' report unveiled by the Nepal Rastra Bank (NRB) on April 11 reveals improvement in foreign exchange reserves in the first eight months of the fiscal year 2022-23 (mid-July, 2022 to mid-March, 2023) with a surge in remittance inflow. Remittance inflows increased by 25.3 per cent to Rs 794.32 billion in the review period against a decrease of 1.3 per cent in the same period of the previous year, as per the central bank report.

The gross foreign exchange reserves increased 12.1 per cent to \$10.69 billion in mid-March from \$9.54 billion in mid-July. Of the total foreign exchange reserves, reserves held by NRB increased 17.8 per cent to Rs 1,215.80 billion in mid-March 2023 from Rs 1,056.39 billion in mid-July 2022. Reserves held by banks and financial institutions (except NRB) decreased two per cent to Rs 156.27 billion in mid-March from Rs 159.41 billion in mid-July. The share of Indian currency in total reserves stood at 23.9 per cent in mid-March.

During the eight months of 2022-23, merchandise imports decreased 19.1 per cent to Rs 1,058.39 billion against an increase of 38.6 per cent a year ago. Destination-wise, imports from India, China, and other countries decreased by 17.6 per cent, 21.7 per cent, and 21.4 per cent, respectively. Imports of petroleum products, sponge iron, chemical fertiliser, gold, and other stationeries, among others, increased whereas imports of transport equipment and parts, medicine, MS billet, telecommunication equipment and parts, and silver, among others, decreased in the review period.

At the same time, merchandise exports slumped by 29.1 per cent to Rs 104.80 billion against a surge of 82.9 per cent in the same period of the previous year. Destination-wise, exports to India and China fell 37.5 per cent and 4.9 per cent, respectively, whereas exports to other countries increased six per cent. Exports of zinc sheet, cardamom, particle board, woollen carpets, polyester yarn and thread, among others, increased whereas exports of soyabean oil, palm oil, oil cakes, textiles, silverware and jewellery, among others, decreased in the review period.

The total trade deficit narrowed 17.9 per cent to Rs 953.58 billion during the first eight months of 2022-23 against a surge of 34.5 per cent in the corresponding period of the previous year. The export-import ratio decreased to 9.9 per cent in the review period from 11.3 per cent in the corresponding period of the previous year.

Based on the imports of eight months of 2022-23, the foreign exchange reserves of the banking sector is sufficient to cover the prospective merchandise imports of 10.9 months and merchandise and services imports of 9.4 months.

Balance of payments defined as the difference in total value between payments into and out of a country over a period was at a surplus of Rs 148.11 billion in the review period against a deficit of Rs 258.64 billion in the same month of the previous year.

Strategic Engagements

Nepal-China diplomatic consultation mechanism meeting held

The 15th meeting of the Bilateral Diplomatic Consultation Mechanism between the foreign ministries of Nepal and the People's Republic of China was held in Beijing on April 7. Foreign Secretary of Nepal, Bharat Raj Paudyal and Vice-minister of Foreign Affairs of the People's Republic of China, Sun Weidong led their respective delegations to the meeting.

The Vice-minister of China admired Nepal's consistent adherence to 'one China' policy and respect for the five principles of peaceful coexistence while Foreign Secretary Paudyal appreciated the Chinese policy of non-interference and respect for Nepal's sovereignty, territorial integrity and political independence.

Both sides took stock of the existing Nepal-China bilateral relations and cooperation and deliberated on ways to further expand and consolidate cooperation in various areas, including the exchange of bilateral visits, economic cooperation, promotion of trade, investment and tourism, building connectivity, strengthening cooperation in the fields of agriculture, education, culture and people-to-people relations, among others.

The meeting also reviewed the progress of different infrastructure development projects under China's grant assistance as well as Chinese-contracted projects and agreed to expedite the implementation of the projects so as to complete them in time. With a view to reducing the trade deficit, Foreign Secretary Paudyal proposed preferential treatment of Nepali primary products such as tea, coffee, herbal products, cooked buffalo meat, and other agricultural products. The Chinese side agreed to encourage Chinese investors to make investments in mutually beneficial areas.

Nepal assumes the chairmanship of LDCs at the UN

Nepal assumed the chairmanship of the global coordination bureau of Least Developed Countries for three years at a ceremony organised at the UN Headquarters, in New York on April 6th. Ambassador and Permanent Representative of Nepal to the United Nations Amrit Bahadur Rai presided over the handover ceremony.

Issuing a press release, Rai commended Malawi for successfully leading the group amidst the vortex of multiple crises resulting from the pandemic, climate change and geopolitical tensions to food, energy and financial woes that had harsh effects on the LDCs. He shared Nepal's commitment to work in the spirit of solidarity with LDC members, the UN system, and development partners to safeguard and promote the collective interests of LDCs.

As the LDC Chair, Ambassador Rai said effective implementation of the Doha Programme of Action would remain a top priority.

In addition, he expressed Nepal's commitment to work for poverty reduction and sustainable development, securing enhanced international support measures for graduating countries, building resilience to climate change and disasters, climate financing, enhancing trade and investment opportunities, and addressing gender and social inequalities.

