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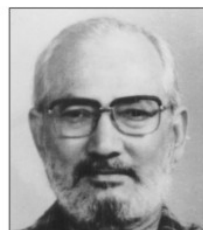
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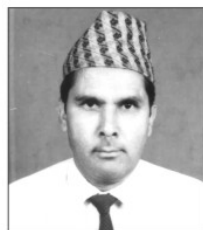
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Foreword

The Nepal Council of World Affairs is a national forum for deliberation and interaction. Naturally, it needs to be prepared to play a constructive role in rendering services to the country in its own way. Domestic situation and international developments come up before it as matters of a larger concern with which the interest of the Nepali society may be closely connected. In such circumstance the Council should ponder to make its continued presence felt in doing some thing useful.

In the past two years Nepal has seen the political development of the historic importance. Of course, the successful holding of the election to the Constituent Assembly on April 10, 2008 and the declaration of Nepal as a Federal Democratic Republic subsequently are a quantum leap forward on the political front. Undoubtedly, those would go down in the history of Nepal as events of ground breaking dimension with a greater implication for a future Nepal. Predictably, the constitution the popularly elected representatives are set to frame soon would have its own rightful place in making Nepal a truly people- driven democracy, not experienced ever before. Naturally, the Council would have to pay its highly deserved attention to the constitution making process with a view to see what contributing role it can play to this politically important process in directing Nepal towards a genuine democracy for the common people.

As an organization not only concerned with the domestic issues but also primarily with the international understanding and cooperation, the Council should as well act in drawing attention of the international community toward this epoch making political process.

To date, the Council has established friendly and cooperative contacts with the similar institutes of India, China and Pakistan as well. To further expand such relations beyond our immediate neighbourhood it needs to initiate projections to stretch its hand to the similar institutes of South East Asia to come close to and understand each other. For this to move ahead, approach needs to be made step by step in enlarging its relations with other sister organizations with the help of the capability and resources available at its disposal.

Undoubtedly, the Council is the oldest social organization with its own prestige at home and its good image abroad. It would not be an exaggeration to remark that the Council has attracted the attention of the people endowed with quality and capability to lead it and enhance its activities in the past in a credible way. To keep this desired trend going the proper way the sense of harmony and working together and understanding in a congenial atmosphere is the need of the hour to take the Council to a greater height for its further advancement. We believe that all the interested members would come forward to help the Council make further progress and get to what its objectives have intended to materialize.

We express our thanks to all the concerned people who have extended cooperation for this publication to appear as projected. Also hearty thanks are due, in particular, to the authors of articles for their selfless efforts and contributions.

In conclusion, we must extend our gratitude to all the members of the editorial board without whose appreciable work this publication would not have been possible.

- Executive Committee

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Editorial Board

PRIME MINISTER'S ADDRESS TO THE COUNCIL

On February 18, 2008, the Council celebrated its 61st Anniversary (Diamond Jubilee Closing Ceremony). On the occasion the Rt Hon'ble Prime Minister Girija Prasad Koirala was the Chief Guest and the Hon'ble Foreign Minister Sahana Pradhan was the guest of honour.

As Chief Guest the Rt. Hon'ble Prime Minister made an important speech and interestingly, he urged the Council to come up as an intellectual forum of the country and made the following observation as well.

The Council is an important institution of Nepal which is playing a significant role in the field of foreign relations of Nepal. He wished to see the Council emerging as a prominent think tank of Nepal especially on the concerns of foreign policy. The Council should be an independent institution without political motivation that could help to yield productive result. In the prevailing context the world has been experiencing as itself being transformed into a global village. As a consequence, the role of the Council should also grow. He suggested to form a special unit to study current world events and form its own views. Currently, events happening around our region and the world over have its impact over Nepal. Similarly, it is equally important to analyse current Nepalese events and its effect over the country. He stressed the need to make its own views based on the factual study and get them published periodically in the papers, which would be beneficial to the government as well as other institutions. The views may help the Government of Nepal to formulate its foreign policy. He emphasized the point that national economy and foreign policy should go together. Also he asked the Council to submit the proposal as stated in its objective. His government is ready to provide support whatever and whenever it is needed. Finally, he said that he was looking for the constructive support from all the council members to make the upcoming election to the Constitution Assembly a success. He urged all the dissident Madhesi and other groups to come to the negotiation table for solution to their genuine problems.

On the occasion, the Hon'ble Foreign Minister Sahana Pradhan, the Guest of Honour, addressed the Council and highlighted various aspects of Nepal's Foreign Policy.

NEPAL COUNCIL OF WORLD AFFAIRS

AT A GLANCE*

Introduction

The Nepal Council of World Affairs was established in 1948 as successor to the then established institution, Nepal Council of Asian Affairs, with the objectives to maintain good relationship and increase cooperation with different countries of the world and especially with the friendly nations of Nepal and provide information about Nepal to the international community, and to make Nepalese citizens aware of the international developments. It is one of the oldest non-governmental organizations in Nepal organized under the initiative of a group of senior civil servants, diplomats, scholars and men of letters to provide forum for exchange of views among the different elite groups within the country and visiting dignitaries from abroad.

The Council intends to serve as an intellectual forum for exchanging knowledge and promoting contacts and interaction among persons of national and international importance and contribute to peace by promoting mutual cooperation among the nations of the world and act as a source of disseminating information and knowledge about international trends and events and contribute to human welfare and development by creating awareness.

The Council is the first non-political and non-profit organization of its kind in Nepal. It conducts various activities in order to obtain its objectives. It encourages study and research in support for world peace and international understanding, organizes talks programmes and addresses. The Council is also a public forum for visiting Heads of the State and Government, Foreign Ministers and other dignitaries of the different countries of the world. It also organizes seminars, workshops etc. to exchange opinion among the renowned academicians, authors, journalists and other important persons and institutions as well as publishes the journal and other documents. To

* This article has been prepared by Mr. Komal Bagale, the Administrative Officer of NCWA.

meet these objectives, the Council may establish branches and support committees in the different places of Nepal and abroad if the need is felt. Its present Head Office is located at Harihar Bhawan, Lalitpur.

The Council conducts its activities with the funds raised from its members, grants in cash or kind and donations made by the Government.

Ever since its establishment in 1948, the Council has organized several talk programmes on wide-ranging issues such as the reviews of Nepal's foreign policy, disarmament, United Nations, SAARC, democracy and human rights, peace and security and terrorism. Apart from several Heads of State and Government, Foreign Ministers of friendly countries and eminent scholars and academicians have also addressed the council.

Objectives

To contribute to peace by promoting mutual cooperation among the nations of the world.

To perform as information centre of world events.

To contribute to human welfare and development by creating awareness.

Areas of Activity

Organizes addresses and talk programmes for visiting dignitaries and scholars.

Organizes seminars / workshops on international understanding, global events and issues of national concern.

Publishes its journal and exchanges publication with other institutions

Organize activities/programmes that enhance awareness and understanding among the nations.

Address by the Prominent Personalities

The Council in the past had made special arrangements for addresses by highly distinguished visiting personalities and dignitaries

Presidents: Rajendra Prasad (India), Dr. Radhakrishnan (India), Zakir Hussain (India), Zia-ul-Haq (Pakistan)

Prime Ministers : Jawahar Lal Nehru (India), Chou En Lai (China), Indira Gandhi (India), Tunku Abdul Rahman (Malaysia), Morarji Desai (India), Mr. P.V. Narsimha Rao (India), I.K. Gujral (India), Dr. Helmut Kohl, Chancellor of the Federal Republic of Germany, Shaukat Aziz (Pakistan)

Prime Minister of Nepal : Mr. Tulsi Giri, Mr. Surya Bahadur Thapa, Mr. Lokendra Bahadur Chand, Mr. Girija Prasad Koirala, Mr. Sher Bahadur Deuba.

Dignitaries : Chester Bowles, Swaran Singh, V.K.R.V. Rao, Dr. Henry Kissinger, Dr. Zbigniew Brzezinski, EEC President Mr. Gaston Egmont Thorn, UN Secretary Generals-U Thant, Dr. Kurt Waldheim, Mr. Javier Perez de Cuellar.

Distinguished Personalities : Mr. Keneth Dadzie, Chief of UNCTAD, Abul Ahsan, First SAARC Secretary General, I.K. Gujral, Foreign Minister of India, Ross Daniels, Chairperson of Amnesty International, Adria Rus Mooy, Executive Secretary of ESCAP, M.S. Gill, Chief Election Commissioner of India, J.N. Dixit, Foreign Secretary of India, Mord Ghaleeb, Foreign Minister of Egypt, Nihal Rodrigo, Secretary General of SAARC; Ambassador Dev Mukharji of India, Ambassador Zeng Xuyong of China, Ambassador Vladimir V. Ivanov of Russia, Ambassador Avraham Nir of Israel, Ambassador Frank Wisner of USA, Scholar Dr. Vernon L.B. Mendis, Ambassador James F Moriarty of USA, Ambassador Keith George Bloomfield of UK, Ambassador Shyam Saran of India, Ambassador Sun Heping of China, Ambassador V.V. Nazarov of Russia, Ambassador Andrew Hall of UK, Mr. Ian Martin, Special Representative of UN Secretary General, Resident Representative of UN Matthew G. Kahane, Ambassador Dan Stav of Israel, Ambassador Zamir Akram of Pakistan, Ambassador Tore Toreng of Norway, Ambassador Tsutomu Hiraoka, Ambassador Andrey L. Trofimov of Russia, Fedrik Arthur, Tore Hattrem, Ministry of Foreign Affairs Norway, Dr Astrik Suhrke, Research Fellow of Norway.

VIGNETTES OF CONTEMPORARY INTERNATIONAL RELATIONS: NEPAL'S STANDPOINT

"The formulation of foreign policy is based on the tenets of national interest.....For that it is highly prerequisite to form a national consensus to set a cause of action for the nation in vagaries of world affairsCountry's foreign policy is no body's private enterprise rather much of people's concern for their welfare."

*Rajeev Kunwar**

International relations¹ in the 21st century has become more ambiguous in nature as one takes stock of its changing phenomenon since the birth of an academic discipline of IR in the early 20th century. The academic discipline of IR has developed through three stages – traditional, behavioural and post-behavioural periods. Within each of the periods since 1918 there has been a 'great debate' of the 1980s in the third in succession. The inter-paradigm debate in IR owes much to Thomas Kuhn's classification. However it is misleading as there has been no debate between the rival positions over how to explain international relations.² Nonetheless the paradigms or theoretical traditions about the prognoses for global politics have overlooked five discrete *trajectories of change* – the world transformed, the primacy of continuity, the world in crisis, the bifurcated world putting forth an appropriate designation *postinternational politics*, and global politics in transition.³

No approach to the study of IR claiming both foresight and competence should have failed to see the end of the Cold War coming and that fact ought to raise questions about methods developed for trying to understand world politics.⁴ A cogitation on rethinking international relations as "it faces two dangers- that of factual accounts devoid of theoretical reflection, explanatory or ethical, and that of theorizing unanchored in, or tested by, the analysis of history itself"⁵ also needs to unveil the diverse voices of Third World countries or the South.⁶ It is ill affordable to insulate IR from postcolonial theory and dangers in working from Euro-American texts or development edicts, both because they do not speak to the different cultural and economic circumstances of non-European societies, its silence about race, class, gender, erasure of colonial violence and dispossession, and because they leave no

room for experimentation or alternative horizons. The postcolonial contention is that politics works very differently in non-European societies even if it does so under the sign of universality.⁸ Third world takes on IR raise serious questions even about the adequacy of post-positivist and post-colonial approaches for exploring the world as experienced by the global South because the discourse shares a complex, specialized language that is largely inaccessible to individual who lack academic training in the core and is limited use for grappling with 'real world' situations.⁹ In fact the idea of the Third World serves as a key site of 'empowerment' in the global politics of development and also a key site of 'disciplinary efforts to manage the contradictions' of neoliberal globalization.¹⁰

Those who conduct foreign policy often dismiss academic theorists but there is an inescapable link with the abstract world of theory and the real world of policy.¹¹ The policy makers and practitioners can not eschew brain storming of what stuff of IR is made of. The future is uncertain or full of risks in this intricate world whereby impacts and outcomes of policies and actions are becoming more unpredictable. The political system has the function to produce and implement collectively binding decisions whereas academic system has the function to produce knowledge, knowledge of complex circumstances.

It is argued that the end of European empires saw not just the end of balance of power but also waning of the imperial urge: in some degree two go together which never suited the more universalist, moralist spirit of the late 20th century.¹² The world is left with three types of states – often former colonies where in some sense the state has almost ceased to exist: a 'premodern' zone where the state has failed and a Hobbesian war of all against all is underway (Somalia, Afghanistan, Iraq); second there are the post-imperial, postmodern states that no longer think of security primarily in terms of conquest; and thirdly there remain the traditional "modern" states that behave as states have, following Machiavellian principles and *raison d'état* (India, Pakistan and China).¹³ Some of the main characteristics of the postmodern world are the breaking down of the distinction between domestic and foreign affairs, mutual interference in (traditional) domestic affairs and mutual surveillance and borderless world.¹⁴

Though "there are three kinds of restraints on the independence of a state in present international system – each state is obliged to take account of others and of the system itself especially economic pressures, the unwritten codes

of international society which legitimizes the existence of it but does not make it orderly or safe and thirdly, hegemonical authority of the strongest power or powers"¹⁵ The imperative in contemporary world is the resultant interdependencies of states – big or small – even though the degree of interdependencies varies. The responsibility and mutuality of all countries to respond to risks – political, economic, social, environmental and non-traditional security – can not be negated.

American Hubris and the Non-West

At a 1997 Harvard Conference scholars did not regard America as a military threat but as a menace to their integrity, autonomy, prosperity, and freedom of action. They viewed the United States, as Samuel P. Huntington had noted, "intrusive, interventionist, exploitative, unilateralist, hegemonic, hypocritical, and applying double standards, engaging in what they label "financial imperialism" and "intellectual colonialism," with a foreign policy driven overwhelmingly by domestic politics"¹⁶ The then President Clinton declared "for the first time there is no longer any difference between domestic and foreign policy" which "ushers in the meta-political dimension of a power which has become global and permits us to believe that domestic policy will now be handled as external policy was in the past."¹⁷ A seasoned diplomat argues that hyperidealists and hypernationalists groups are involved in American foreign policy today.¹⁸ The American neo-conservatives have an egotistic, autistic and solipsistic view of the world in the quest for total invulnerability of the US.¹⁹ They neither care about sensitivities and concerns of the rest of the world, above else, security dilemma. Therefore, "anti-Americanism on the rise throughout the world is not just hostility toward the most powerful nation, or based on the old clichés of the left and the right; nor is it only envy or hatred of (American) values. It is, more often than not, a resentment of double standards and double talks, of crass ignorance and arrogance, of wrong assumptions and dubious policies (of the US)."²⁰

Critics of preponderance of the US hegemony seek an alternative but the alternative to single superpower is not a multilateral utopia. It is an anarchic nightmare of a new Dark Age, in reality corresponding to what ancient Hinduism called *kali yuga*, or what post modernists would call "neo-medievalism"²¹ In a neo-medieval structure the state remains strong, but it is just one of several tiers of governance. It is therefore not the sole arbiter of

political authority and no single authority commands the exclusive loyalty of the individual. It would be apolarity – a global vacuum of power; an era of waning empires and religious fanaticism, of endemic plunder and pillage in the world's forgotten regions, of economic stagnation and civilization's retreat into a few fortified enclaves.²²

Jean Baudrillard averred "if America is now no longer the monopolistic centre of world power, this is not because it has lost power, but simply because there is no centre anymore. It has, rather, become the orbit of imaginary power to which everyone now refers"²³ He further maintained that "America has retained power, both political and cultural, but it is now power as a special effect."²⁴ On the backdrop of Reaganism, he remarked: "Today, America no longer has the same hegemony, no longer enjoys the same monopoly, but it is, in a sense, uncontested and uncontestable."²⁵ It used to be a world power; it has now become a model, universal one, to emulate even reaching as far as China.

Civilizational, religious, and cultural divides have become embedded in our daily perceptions, our lingo, and even our *weltanschauung*. As in the times where ideologies were triumphant, the world is today profoundly affected by those who claim to be in sole possession of the truth.²⁶ "The clash of civilization" thesis was, as a matter of fact, "the clash of ignorance" to late Edward Said. The basic premise of international politics is a particular conception of anarchy – tropical anarchy – that portrays the international system as "primitive" which creates an inescapable logic that reduces possible policy responses to a simple choice: either maintain the primitive status quo or civilize the world.²⁷ The "triumph of the West," or possibly as significantly, the triumphalism of the now-dominant West, has allowed the West to set the agenda in terms of defining "standard of civilization" for the 21st century – "standard of non-discrimination or standard of human rights" and "standard of modernity."²⁸ The principle of a standard of civilization is implicated in the universalizing project, and as a critical concept in international law it is neither neutral nor abstract rather it is enmeshed in the history of subordinating and extinguishing alien cultures – the diminishing of cultural pluralism.²⁹

For a country vested with national power of a global reach sovereignty and independence of America is quite expensive. A loud demand for democratizing international relations in order to keep at bay any ascendancy of Leviathan in the pretext of anarchic and primitive international society

is evinced in multiple engagements and negotiations in international fora as well as resistance movements to "top-down" globalization invoking a message of "another world is possible."

Nepal's Posture in International Relations

A late versatile intellectual who was instrumental in interpreting non-isolationist foreign policy³⁰ of Nepal remarked that we Nepalese view the world perfunctorily and on surface even by young generation who go abroad for various reasons.³¹ How we can enlighten concerned citizens when both a demand and a need for the inter-disciplinary subject of IR to be introduced in the university establishment have been like crying in the wilderness due to various reasons.³² It reflects the pathetic state of not making a productive insight in conceptualizing Nepali state and society in social sciences, let alone contemplate Nepalese IR theory. It is an academic exercise to unmask the knowledge entwined with power involved in logic of world and discern the subtleties of uncertainty, vulnerability and surprises the unfinished project of modernity – a modernity which resides in the twin institutions of capitalism and democracy is unfolding and about to bring.

The formulation of foreign policy is based on the tenets of national interest. It is to articulate clear and coherent expression of country's engagement with the outside world. For that it is highly prerequisite to form a national consensus to set a course of action for the nation in vagaries of world affairs. Foreign policy is central to legitimation since it is among other things a process and manifestation of defining boundaries between ingroups and outgroups in the modern state system. Foreign policy reproduces the ingroup (the nation-state) and its differences from the other. It is one of the responsible critical activities that a democratic polity engages in. The term came into use from 18th century onwards. From 1954 the first formal study of "decision-making" in foreign policy through 1970s and the rise of international political economy perspectives the subject of foreign policy analysis has been ground breaking in IR. The politics of foreign policy making no longer a secret technical process involves a mediation of domestic society and international relations. Realpolitik practice keep as before not rooted in international anarchy or in human nature as structural and classical realists respectively claim rather it is rooted in the requirements for the construction of ingroup identity.³³ The basic tenets of foreign policy have remained unchanged in substance. "The first priority of external relations in

all third world states is the maintenance of the state itself, since this provides the *raison d'être* of governing elites and the base from which their power derives. The more successfully they can establish their position as gatekeepers, controlling flows across their frontiers in either direction, the stronger is their brokerage position, the better are the bargains they can strike on one side or the other, and the greater the "commission" they can extract in terms of personal benefits or freedom of political action."³⁴ But a country's foreign policy is nobody's private enterprise rather much of people's concern for their welfare.

The developed countries execute "value oriented diplomacy" placing emphasis on universal values such as democracy, human rights, the rule of law and the market economy. Particularly, Japan wants to take a lead in forming an "arc of freedom and prosperity"³⁵ in the outer rim of Eurasian continent. It is out of sheer necessity to counteract "threat" (military buildup) from its immediate giant neighbour, which ironically Chinese say, "peaceful rise of China." The idea of "harmonious society" already existed in inner-Chinese debates as idealized model for domestic politics, but later was also developed towards a new model for global governance. The concept was related to "harmonious world" which Chinese IR researchers argue that the concept is an updated version of the Five Principles of Peaceful Co-existence. The idea of global harmony might still influence China's self-definition and self-image concerning its role in international affairs.³⁶

During the past two decades, Chinese nationalism has taken on the face of positive nationalism which aims to realize the key unsettled national missions: economic development, nation-state building, political unity and independence, and the greatness of China. According to a Chinese IR scholar "it is positive because it has adopted an internationally oriented strategy, emphasizing international cooperation and integration into the global economy. It is positive because it no longer calls for world revolution and the overthrow of the status quo. It is positive because the aspiration of Chinese nationalism is so designed that the achievement of the Chinese national agenda would also be able to contribute to the general welfare of the region and of the world at large."

The important country identified in this "arc" is India which "now wanted to become a normal nation – placing consideration of realpolitik and national security above its until recently dominant focus on liberal internationalism morality and normative approaches to international politics."³⁷ Same

prolific Indian expert on international relations says "India is a revisionist power not a *status quo* power." China scholar John W. Garver argues a fundamental source of tension between two Asian Gullivers each with its own exalted sense of its place in the world and Asia is the overlapping sphere of influence sought out by both of them in South and South East Asia. He asserts that the Indian perception of the Chinese policies in the subcontinent amounts to a 'strategic encirclement,' while Beijing sees its policies as being aimed at preventing 'Indian hegemony' in the subcontinent.³⁸ There had been no significant change in India's perception of security from the British Raj days by invoking a kind of "quasi-imperial responsibilities" in her relations with neighbours. For India there are only two neighbours - Pakistan and China. Other South Asian countries are mere geographical entities. India has really no time for its smaller neighbours and this is true for the Indian media whose basic attitude is to ignore us, our aspirations and achievements. This was exhorted by a Bangladeshi editor on *Sunday Times of India* (April 29, 2001) after India-Bangladesh disputed border skirmishes and he said which is quite pertinent to encroachment of territories of Nepal: "it is time that India abandoned its ostrich-like attitude towards the border disputes may save unfortunate and undesirable episodes." The interim government can not make audacious diplomatic stand on the issue to raise against a country where incumbent Nepalese rulers inked an alliance to steer the course of political society. If America is criticized for its expressions of *hyper puissance* then the same holds to India at regional level. The anti-India feeling in South Asia generally emanates from the intra-regional settings – psychological, physical and political and the very root of it in Nepal dates back to the 1950/51 revolution.³⁹ A serious concern was taken by a Nepalese scholar in *Essays in Nepal's Foreign Affairs* about the Indian position that it has a special interest south of Siwaliks had adverse implications for Nepal's unity and national integration (p.4). One can sense the involvement of the southern neighbour in investing huge sums of money in humanitarian services and infrastructure in Terai belt which has affinity with her.

The national consciousness that germinated in the form of yam theory in the thoughts of a great statesman of Nepal runs deep into the nerves of the people. Despite political leaders of contemporary Nepal having relations at personal and party levels with India which dates back to liberation movements in India, the consciousness of "defensive realism" is still alive and kicking in each and every generation of the country. It may not,

however, be everlasting if politicians kowtow, become stooge to *firangies* and undo our independence for a seat of the government. National interest which is eternal and perpetual centers on "survival" as an independent nation-state and underpins foreign policy which is intertwined again with national security.⁴⁰

Nepal had been able to pursue her independent foreign policy and judge major international issues exclusively on their merit and without undue external pressure. The country's penchant for taking independent decisions which sometimes meant taking a position against India's and Soviet Union's and hence together with the "Western bloc" was naturally appreciated in the past. It had conscientiously stayed away from war (international) and big power politics in defence of the underdog in any conflict. The domestic imperative of politics also determined in manner of conducting foreign policy to muster support from foreign governments to stifle domestic rivals when it suited them.

For the first time in the 1990 Constitution foreign policy was linked to human rights and democracy with the intention of showing closeness with the "free world." The State, in its international relations, shall be guided by the objective of enhancing the dignity of the nation in the international arena by maintaining the sovereignty, integrity and independence of the country.⁴¹ It would be guided by the principles of UN Charter, non-alignment, the Panchasheel, international law and the value of world peace and should pursue a policy of making continuous efforts to institutionalize peace for Nepal through international recognition, by promoting co-operative and good relations in the economic, social and other spheres on the basis of equality with neighbouring countries and all other countries of the world.⁴² Despite forging commonality of views on foreign policy vindicated in constitution making by major political parties, differences in their approach was created and persisted in people's mind. But it was just an illusion when their motives, desires, behaviour and actions are not dissimilar in reality. There was a striking similarity of Left parties with Panchayat regime in terms of foreign policy rather nationalist turn in it. The policy of liberalization and privatization was accepted by even fiercest critics of capitalistic economy. The adhocism had become a rule rather than an exception in their conduct of (inter)national politics.⁴³ The country seemed to have lost the role of leadership on landlocked and least developed countries issues, championing the right of equality among nations and voicing against

injustice to powerless and puny states.⁴⁴ It is quite true even today what Y.N. Khanal reflected in a nutshell on Nepal-US relations: Nepal as loneliness of the powerless as opposed to the loneliness of the too powerful. It is up to those on qui vive on Nepal's state of affairs to appraise whether above mentioned directive principles and policies of the state have been adhered to or have become paradoxes when the self-declared zone of peace in the Cold War period turned into geography of war.

A late veteran politician and diplomat had forewarned in early 1990 that "the main threat to Nepal's political stability and territorial integrity is likely to come not from its neighbours to the south and the north but from its own failure to cope with internal social forces whose momentum and pressures are likely to increase as popular discontent rises."⁴⁵ The internal conflict in Nepal which resulted in gross human rights violations by warring parties had invited unprecedented concern from immediate neighbours and international powers particularly the West. It tarnished the image and stature of the country in international community. The tones of discourse reached the lowest ebb of self-esteem and morale when UN was considered the best option for external mediation to the pacific resolution of escalating conflict.⁴⁶ The well-recognized peacekeepers in the world could ignominiously not maintain peace and harmony in their homeland. On the other hand the role and influence of India are projected as an indispensable component in Nepal's political development including conflict transformation⁴⁷ but silent about setting, disgracefully, the political precedent and ritual of courting India by all parties from right to left spectrum to stay at the helm of governance. The political change in the country due to the alliance of seven parties and insurgents ending the Royal rule through people's movement, one argued a vigorous reassertion of independence in the face of foreign intervention in its affairs.⁴⁸ The Interim Constitution was not and could not be different in outlining guiding principles of foreign policy. Due to the fluidity of domestic politics and diverse movements, the interests and stakes of international community have deepened and a silent intervention in one form or other is deliberately or unintentionally happening. It has wider dimension and ramifications in immutable geo-politics and history whose calculation the Nepalese can either fail or succeed if handled with maturity and prudently learning lessons from the experiences of world history and events. The devoid of internal legitimacy hints national leaders to seek international support and forgo the once mastered delicate balancing act between two Asian giants

with different political systems. It violates the legitimate rights and sovereignty of the people at large who are deprived of franchise since 1999 to elect their representatives. "The country's battle lies within its territory." It is not by coercion alone but by responsible action to restore people's trust and address the genuine grievances which have correlation with not only allocation but also ownership of resources.

Time and again our success in foreign policy is measured in terms of amount of foreign aid we garner. This development aid has, nonetheless, led to "development colonialism" which is much worse than the colonization in the past. It is the tocsin of "the metamorphosis of colonialism." The much touted "trickling down effect," on the contrary, is in practice, "sucking up effect" which has created and cemented in place power and money elites widening the gulf between the rich and the poor.⁴⁹ A late geologist, acknowledged with a highest accolade to foreigners by Nepal, was much concerned about the cultural erosion and the cultural decline in the country. To him the country has been catapulted from medieval conditions to modern times with all the problems resulting from such a "shock therapy" that this involves.

In response trade rather than aid was emphasized and economic diplomacy became a buzzword since 1996 keep as written to strengthen and expand economic relations. It was floated in reports by various high level committees to reorient and reformulate foreign policy.⁵⁰ But it has been accumulating dusts in the government's archive as the country is embroiled in unsettled politics and insatiable power struggle.

Conclusion

Realism governs the practitioners as in the past. But there is erosion in active and assertive stand in foreign affairs even though the country participates in hosts of regional and international events and maintains protocol, propriety and hospitality which are not tantamount to achievement of diplomatic acumen and adroitness. Moreover domestic politics does have a bearing on good foreign policy and effective diplomacy.

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NEPALESE FOREIGN POLICY IN THE NEW CONTEXT.

"To achieve the clearly spelled out objectives of Nepal's Foreign Policy, we need to chalk out suitable modus operandi to optimize our goals. Preventive and Pragmatic Diplomacy could be a suitable tool to achieve the objectives of our foreign policy."

Prof. Dr. Gopal Prasad Pokharel*

GENERAL BACKGROUND

Foreign Policy is an important key to the rational explanation of international behavior. We find a number of experts or scholars trying to hold universally acceptable definition of foreign policy. One of such definitions could be-"Foreign Policy is the course of action undertaken by a sovereign state in pursuit of its national interest beyond its jurisdiction". In reference to this, Foreign policy and Diplomacy, are the wheels with which the process of international politics operates. All states, big or small, powerful or weak, developed or developing, have to adopt some kind of foreign policy and diplomacy to promote its national interest. While formulating and executing the policy, every state tries to minimize the adverse effects and maximize the favorable ones of the actions of other states. In other words, it is the adjustment of the action of states in favor of one's own state, which George Modelski, calls the purpose of foreign policy.

While studying foreign policy, one has to bear in mind, the essential components related to it. The essential components include-(a) policy makers, (b) interests and objectives, (c) principles of foreign policy, (d) means of foreign policy.

As a matter of fact, when we analyze the dynamics of foreign policy, we should take into account both the aspects—theoretical as well as practical approaches to the study of foreign policy. Concomitantly, the making of foreign policy demands careful scrutiny while understanding its determining factors. A foreign policy can, therefore, be defined at this stage

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of our discussion, as a well thought out course of action for achieving objectives in foreign relation, as dictated by the ideology of national interest. One of the significant means of the execution of foreign policy goals is Diplomacy. Diplomacy in the popular sense, means "the employment of tact, shrewdness, and the skill in any negotiation or transactions and in the special sense (Quency Wright), it means the art of negotiation in order to achieve the maximum of group objectives with a minimum of costs, within a system of politics in which war is a possibility." In fact, the objectives that are applicable to most of the member states of the International community are equally applicable to Nepal.

These theoretical propositions are well applicable while analyzing the dynamics of Nepalese foreign policy as well. Both theoretical and practical aspects should be taken care of, which indeed, would enhance our core objectives of foreign policy. These core objectives of foreign policy, therefore, should, carefully be studied of which Nepal cannot be an exception. The objectives commonly taken into consideration are thus enumerated : (1) protection and preservation of sovereignty and maintaining the integrity and the independence of state, (2) promoting economic interest, and the welfare of the people (3) preserving and promoting national security, (4) protecting national prestige, (5) developing national power, and (6) maintaining world order.

The sum total of the goals and objectives of nation's foreign policy constitutes its national interest and is the key concept of foreign policy.

Nepal's foreign policy revisited: Towards the end of 18th century, late King Prithvi Narayan Shah, from the house of Gorkha, brought about the unification of modern Nepal. In the initial stage after unification, foreign policy of Nepal was conducted directly under the leadership of the Shah rulers and they were the ones solely responsible for making and conducting the foreign policy of the nation. Nepalese foreign policy followed a pattern as dictated by the prevailing circumstances and national aspiration until Nepalese had a direct encounter with the British colonial power in the sub-continent and were forced to enter into a humiliating Treaty of Sugauli, in 1816 AD causing a loss of one third of its territory. Late King Prithvi Narayan Shah had a thorough vision in terms of its geo-political situation of Nepal and accordingly, he propounded the "two-bolder" theory vis-à-vis its immediate neighbors and cautioned his successors to be very vigilant and adopt a cautious approach while dealing with these powers in the

prevailing circumstances.

Nepal 's history enters into yet another vicious circle when, Jang Bahadur Kunwar, an ambitious soldier, master minded a bloody Kot massacre episode in 1846 AD while grabbing all state power for himself and his family, dragging the nation in an era of autocratic familial rule ,which lasted for over a century. The autocratic familial rule took a U-turn in matter of foreign policy and adopted an appeasement policy towards British colonial rule in India.

During and after the second world war, a wave of national resurgence and democratization swept across different continents in general and South Asia in particular. , whose reverberations were felt in Nepal as well India succeeded in achieving independence from British Raj in 1947 AD and likewise, on the north, China accomplished its October Revolution in 1949. The wave of nationalism and resurgence movement had a salutary effects on the democratization movement of Nepal as well .The Nepalese were able and exerted a decisive fatal blow to the old rotten autocratic familial rule which collapsed as a house of cards, is considered an epoch-making episode for entering Nepal to the modern era of its national history .by breaking the shackle of century long isolationism.

Nepalese Foreign Policy under the Democratic Dispensation: Nepal joined the comity of nations after a long isolation with jubilation and high spirit in the early fifties. The foreign policy of Nepal in the initial stage was excessively influenced and marked by a clear proclivity towards India It was only in 1955 an attempt is made to diversify its external relations by establishing diplomatic ties with other countries across different continents. In August 1955 Nepal established diplomatic relations with the Peoples Republic of China. In the same year, Nepal obtained the membership of the United Nations. Besides, Nepal's bi-lateral relations went on expanding with many of the countries of the world across different continents.

As a land-locked and one of the least developing countries of the world, Nepal, from the very beginning, adopted a cautious approach and refrained itself from being dragged in either of the super powers rivalry, which were diametrically opposed to each other in terms of political ideology and were engaged in spreading their sphere of influence. Nepal along with many of other developing countries succeeded in exploring a suitable strategy of "Panch-sheel", the five principles of peaceful co-existence, which, later on

paved the way for launching the Non-Aligned Movement, considered to be most appropriate vehicle for the conduction of foreign policy, for a country like Nepal.

Nepal does strongly believe in the lofty ideals of the UN and considers it to be a sentinel for a small country like Nepal .On the whole, the main features of Nepal's foreign can be listed as here under:

1. Unflinching belief and support to the UN charter,
2. Peaceful settlement of all disputes,
3. Complete disarmament,
4. Five Principles of Peaceful Co-existence, and belief in Non-Aligned Movement.
5. Opposition to all kinds of discriminations- Racial, Apartheid etc.
6. Consistent advocacy to the rights of land-locked countries,
7. Strong plea for South- South Cooperation
8. Opposition to all sorts of hegemonism , expansionism, colonialism and imperialism,
9. Strong support and involvement in the Regional Cooperation and
10. Support to the Zone of Peace....

Based on the above stated features Nepal has established diplomatic relations with all the peace loving countries of the world, across different continents and is trying to protect and promote her national interests while conducting foreign relations. Nepal is very much cautious pertaining to geo-political limitations and vulnerability, takes extra care while maintaining friendliest of relations with our immediate neighbours – India and China.

In fact, Nepal is keen to further expand her bilateral relations with our immediate neighbours on the basis of equi-proximity, which obviously would enhance our relations with both our immediate neighbours as per the wishes of both of the peoples. Thus, Nepal's bilateral relations with India is unique, multi-faceted and extensive and likewise our relations with China is no less friendly and is ever expanding with the passage of time to the satisfaction of both the peoples.

Nepal's unique geo-strategic location has shaped and guided the country's foreign policy formulation and implementation ever since the 'Yam between

two boulders" strategy was adopted more than two centuries ago. Situated as Nepal is between two Asian giants, India and China, as her immediate neighbors, the need for this country to maintain balanced, cordial, friendly and cooperative relations with these two most populous neighbors can not be over emphasized.

As stated earlier, Nepal opened up to the outside world after the overthrow of the Rana regime in 1951. She attended in 1955 the Afro- Asian Bandung conference and the same year she was admitted to the United Nations. The establishment of diplomatic relations with the Peoples' Republic of China in August was a milestone in Nepal's eagerness and efforts to diversify her external relations and forge new links of friendship and cooperation with other countries of the world, including newly independent countries of Asia and Africa. Although, a hectic debate took place regarding the Royal take over in 1960, when King Mahendra, took the reign of politics directly in his own hands, establishing system based on the peremptory command, a modest beginning seems to have been made in diversifying the foreign policy of Nepal and success achieved to a considerable extent. During the Panchayat era, under the direct rule of the shah rulers, Nepal, succeeded in obtaining the non-permanent seat to the UN security council for two times .which helped Nepal to enhance its international image considerably. The Shah rulers did understand the geo-political limitations and vulnerability of Nepal, while conducting foreign policy, but they miserably failed to honour the democratic sentiments of the Nepalese people. Gradually, the regime interest under the Shah rulers was interpreted and identified as national interest which was erroneous and counter productive which led to a serious contradiction between the king and the people and eventually culminated to the total collapse of the king's direct rule through the "*Jana Andolan 1*", of 1990 AD.

Nepal once again entered the phase of parliamentary democracy by legitimizing the operation of political parties' in the soil without any hindrance. A constitution .was drafted and was put to effect. The constitution of the kingdom of Nepal 1990 AD was apparently considered to be a progressive one in which most of the provisions of democratic system were incorporated, but the irony of the situation was that most of the political actors belonging to different political parties, turned arrogant, and were involved in displaying their stubborn character making a mockery of democracy. During a period of more than a decade, political opportunism

reached to its zenith where as democratic sentiment to its lowest ebb. Corruption, Nepotism, Favoritism, and Adhocism badly eroded the socio-economic and cultural fabrics of the Nepalese society to an alarming proportion. Transparency, Accountability, Rule of Law Social Justice, Fair and Equitable Distribution were the words confined to rhetoric only. Instead of fair politics, politicking was the order of the day. Under such a situation, it was but natural, an insurgency, led by CPN Maoist waged an armed struggle threatening the abolition of feudal order led by two and a half century old Monarchy in Nepalese soil...

Despite political instability resulting from frequent changes in the government, the democratic dispensation succeeded considerably to boost Nepal's international image during this period .The country's prestige suffered a set back in the comity of nations after the Royal takeover of February 2005.

Currently Nepal is at across road of its destiny. Nepalese people after centuries of isolation and feudalism have for the first time, taken their destiny in their own hands through the "*Historic Jana Andolan 2, 2006AD*". The international community has supported and welcomed the historic April Movement 2006 and the ongoing peace process and have expressed hope that elections to the constituent assembly would usher in a new era of peace and stability with a positive impact on foreign policy apparatus of the country.

We, at this current juncture are passing through a great transition .amidst intermittent setbacks and progress. The daring decision of the Nepalese people have forced all the main stream political parties to forge an alliance to work together for holding the constituency polls before the close of the Nepali calendar 2064. The need of the hour before the politicians , therefore, is to get rid of parochial perception, do away with status quoin approach and display their acumen to work for New Nepal, Prosperous Nepal, Federal Nepal, Democratic Nepal with a fair share to every section of the population ensuring inclusion and equitable justice.

To achieve the stated goals, we need to pursue a proactive foreign policy to take our friends into confidence. Here lies the necessity of proactive role of our missions located in different capitals across the countries of the globe.

In fact, Nepal's external relations and diplomacy have to be mobilized with

maneuverability for economic development, peace, and security of the country. In order to develop rural areas, it is essential for the government at the center that it must conduct or adopt such external policies and diplomatic practices that contribute to Nepal for maneuvering the country's economic development, peace, and security. Development and Democracy in today's world context are associated with a number of factors like-globalization, foreign relations, and foreign aid.. The powerful waves (global), including globalization, democratization, human rights, privatization, liberalization, and marketization have direct bearing on rural development and the rural areas have to adjust with all these global policies. Nepal's development in general and rural development in particular can be promoted only when Nepal can minimize the negative impacts of globalization in its rural context.

In the recent past, the Nepali foreign policy has passed through stages of euphoria and frustration both. Nepalese foreign policy has successfully and consistently engaged in quest of identity and preservation of overall national interest. In the contemporary world scenario, it needs to add further impetus, in conformity with the new challenges confronting the society.

Apart from caring our core national objectives and interests, the machinery of Foreign Policy operation requires revamping and restructuring in the light of new challenges and existing realities of Nepal, no longer can afford to be apathetic to a highly globalized context, where spectacular changes are taking place with every passing day. Nepal must be prepared to cope with the emerging eventualities so as to minimize the adverse impact and reap the benefits by trying to explore the avenues of comparative advantage in shortest possible time-frame.

To achieve the clearly spelled out objectives of Nepal's foreign policy, we need to chalk out suitable modus operandi to optimize our goals. Preventive and Pragmatic Diplomacy could be a suitable tool to achieve the objectives of our foreign policy.

As of now, Nepal has had diplomatic relations with 124 countries and also is signatory of a number of different international conventions. Concomitantly, over the past one and a half decade, Nepal's foreign policy has accorded a high priority in the agenda of economic diplomacy. After the onslaught of globalization, each of the actors within the comity of nations, feel hard pressed to adjust the policies as dictated by the emerging world order ,

primarily in the domain of privatization and liberalization. In other words, under the Transnational corporations and Multi-national companies, the international rule of the game has undergone a drastic change and has been relatively tougher as far as Aid-regime is concerned. After the end of bipolarity in terms of ideology and military rivalry, Aid- regime is being replaced by Trade-regime. The revolutionary innovations, registered in the fields of Information Technology calls for adequate preparation and capability to catch up the pace of rapidly moving world. Therefore, a stupendous task lies ahead of Nepal to undergo necessary preparations to reap the benefits required for expediting the reform measures, at least for achieving the Millennium Development Goals, .without further loss of time.

To meet the challenges created by the contemporary world order, Nepal needs to adopt suitable measures and correct strategies, by conducting proactive foreign policy which might propel the course of Economic Diplomacy. It is to be noted here is that the term economic diplomacy is not merely a buzz word, demands many of the components as prerequisites to make it meaningful and result-oriented. Making economic diplomacy a meaningful and productive exercise the Government of Nepal in general and the Ministry of Foreign Affairs in particular, ought to revamp administrative machinery as per the needs and aspirations of the Nepalese people. The Ministry must identify the areas and challenges where it can focus its attention and work accordingly to achieve the desired goals. For doing so, it has to adopt two-pronged strategy-one, short term and the other is long term. Some of the areas, that could propel the course of economic diplomacy, may well explore the avenues where we can seek comparative advantage. Besides, Economic Diplomacy should take into account some of the core components as its operational guide lines. The areas where we need to focus could be listed as here under:

1. Public-Private Partnership, 2. Development Assistance (receiving from friendly countries), 3. International Trade, 4. Investment, 5. Employment Generation, and 6. Regional Cooperation. To meet the stated objectives along with the Millennium Development Goals of the UN, timely reform measures are immediately to be initiated by all the sectoral ministries in collaboration with the Foreign Ministry.

Now, the personnel involved in the discharge of responsibility in the respective stations (missions) under the Ministry of Foreign Affairs should be given adequate opportunity for the enhancement of their career so as to cater to the needs and services pertaining to economic diplomacy effectively

and efficiently. If a culture of sincere work is encouraged, it would promote professionalism and which eventually would strengthen the leadership quality of our diplomatic officials to their allotted assignments. Concomitantly, the structure of the Foreign Ministry should initiate necessary structural changes befitting the responsibilities entrusted to it as per the calls of the time

To improve the functioning of MOFA, we need to have a sound planning (vision) in other words, in a period of 5 or 10 years, from now, what shall be the road map of Foreign Ministry, for which consistent study and research is required, the outcome derived from the findings needs to be properly documented and finally, for the sake of public consumption and dissemination of information, the entire work accomplished should be published inviting suggestions, comments and criticism from the stakeholders and experts as feedback for further refinement and precision.

Conclusion

There was a time when Foreign Policy-Making was regarded as a usual phenomenon and monopoly of a few hands (palace and few officials in the Foreign Ministry), but in the changed context, it demands a composite framework where the interest of all the stakeholders is clearly reflected. In other words, it needs to have pro-people proclivity in its orientation, ensuring all the necessary ingredients of a pluralistic democratic political order.

So far, Nepalese leaders and politicians have spent a good deal of time in conducting experiments and were engaged in political gimmick. We, no longer can afford to spend precious time and energy in futile exercise engaging ourselves in accusation and recrimination against each others. We have to learn from hindsight and rededicate ourselves to the socio-economic transformation of Nepalese society. At this juncture, Nepalese society is all set to go for a rapid transformation ensuring institutionalization of Democracy, strengthening the base of social justice and assuring the qualitative life for its citizens. No section of the Nepalese society is prepared to accept status quo, whether Women, Dalits, Madhesis, Adibasis, Janajatis, or Marginalized groups. This calls for a paradigm shift in terms of our outlook and approach so that a yawning gap between policy and implementation is bridged forthwith...Ideological obsession should not be allowed to impede the process of building New Nepal. Managing the constitutional or political processes should be carried on along with

economic agenda, simultaneously or in close sequence, ensuring the basic services to the people. In spite of the rhetorical claims made by the politicians, nothing as yet has changed the material reality of the Nepalese people in terms of deprivation, livelihood and basic services. Therefore, the entire national attention be focused on mitigating the sufferings of the masses who are deprived of the basic needs for centuries. If these stated policies are effectively implemented, "Domestic policy is the extension of Foreign policy", or "Democratization of Nepalese Foreign Policy will assume significance in the real sense of the term.

Amidst intermittent setbacks, the Nepalese foreign policy has drawn wider attention and has succeeded in getting all possible assistance from our friends in our development endeavours and Nepal Development Forum is eagerly trying to help Nepal at this juncture of great transition and national reconstruction.

Against this backdrop, in the domestic front, we have to manage aptly the revolution of Rising Expectations of our different sections of the population for which the political leadership must have clear vision, political acumen, commitment and determination with all sincerity to accomplish the historic mission of holding the constituent assembly polls without further loss of time. Likewise we need meaningful co-operation and active support from all our friends which is of paramount importance for us at this stage of great transition and socio-economic transformation. There lies the essence of successful foreign policy and the rationale of Economic Diplomacy.

NEED FOR A PARADIGM SHIFT IN FOREIGN AFFAIRS IN NEPAL

"It is hoped that new Nepal Government catapulted by the mandate of the April 10, 2008 Constituent Assembly (CA) election starts to redirect foreign policy so that the necessary paradigm shift in foreign affairs can be fully achieved by the new government to be formed after the formulation of an inclusive constitution by the CA in 2-3 years time to build a democratic, inclusive and prosperous post-conflict Nepal in the changing world"

*Dr. Som P Pudasaini**

BACKGROUND

Nepal is a country with a long history and a rich culture. It was affected by violent insurgency for a decade. A negotiated peace process is on-going for over two years now. Accomplishment of the agenda of lasting peace and stable democracy as agreed under the terms of the on-going peace process is on the offing after holding the Constituent Assembly election peacefully on April 10, 2008. Formulation of an inclusive new constitution that reflects the aspirations and commitments of all the Nepalese scattered across the Mountains, hills and Tarai by the Assembly is very central to the peace process. Restructuring of the state to decentralize power and rapid socio-economic transformation are equally crucial to build a progressive New Nepal and address the root-causes of the decade long conflict (Pudasaini 2008). A sound and pragmatic foreign policy is very critical for the successful conclusion of the peace process and building a post-conflict New Nepal.

Also, the global and regional politics has undergone a sea change over the past two decades. The end of cold war resulted in the emergence of a single superpower, the United States of America, and it has been pursuing its economic, security and strategic interests across the globe with perceptible implications to nations in most regions. The major world powers are largely in agreement to deal with contemporary international concerns through calculated co-operation rather than adversarial ideological approach. The

desire for containment and structuring of balance of power from purely military strength has shifted to the creation of a new world order based on globalization, free market economy, non-proliferation of weapons of mass destruction and primarily non-hegemonistic resolution of international conflicts and concerns.

Human rights and democracy have been widely encouraged as the guiding principles of governance. The tragic events on 11 September 2001 in the US brought actions against terrorism on the global high agenda and cooperation on the issue became a crucial litmus test for good relations between the lone superpower and nations across the globe.

The major outcome of these developments has been a remarkably increased focus on economic diplomacy, freer trade, integration of regional and global markets, prevention of conflicts and terrorism, heightened concerns towards religious fanaticism, and deep concerns on the consequences of failed states on global peace, security and welfare. The potential and prevalent inter-linkages among social exclusion, poverty, conflict and terrorism is beginning to get sharper and deeper focus in developmental and diplomatic discourses. Lobbying and building collaborations for technology and resource transfer, foreign aid, debt relief and increased foreign investment are important for poorer nations (Pudasaini, 2003).

Regional politics has sharply changed. India and the United States of America are coming closer due to shared belief in democracy, trade potential, geo-political interests and desire to prevent terrorism. Good relation exists between China and the United States largely because of economic reasons. India and China are also improving their bilateral relations on economic, security and border issues; including on removal of irritants such as Tibet and Sikkim. The US naturally has an interest in containing China as an emerging military and nuclear power through improved relations with India while maintaining booming trade and investment between China and the US.

There seems to be global and regional desire to have a stable Nepal between the nuclear giants and avoid the emergence of a failed state between them. Under the prevalent international environment, Nepal, sandwiched between India and China, can greatly benefit from its difficult but strategic location in terms of international support in peace building, relief and rehabilitation, inclusive development, trade, investment and foreign aids if it manages its

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diplomacy and internal governance smartly and effectively.

India, particularly the states of Uttar Pradesh, Bihar and West Bengal, are potentially huge markets for Nepali goods and services and they are also potentially a sizeable market for the hydro-electric power that can be generated in Nepal. A more focused, mature and consistent diplomacy would help Nepal to more effectively address economic, political and other relevant issues with India in the changing political landscape in the neighborhood.

In view of a sizable flow of Nepali manpower to many countries and its implication to reduction in youth unemployment in the country and importance of their remittances to the national economy, the relevant missions needs to be equipped and activated to promote further demand and their welfare. The issues concerning Bhutanese refugees and the illegal Tibetan immigrants that periodically enter Nepal demand better maneuvering by our mandarins.

Consequently, Nepal needs to effectively direct its foreign affairs to deal with the changing global and regional politics and particularly on economic diplomacy such as technology transfer, foreign aid and investments, enhancing trade, relief and reconstruction, tourism, promotion and welfare of Nepali workers abroad, peace keeping force etc. In order to have an effective diplomacy, it is important to have clear purpose, qualified manpower and sound institutional arrangements in place.

Appointment of too many irrelevant politicians or sycophants as head of the missions has affected the quality of our diplomatic work. The appointment of an ambassador and relevant staff to a particular mission must be based on clear objective and criteria. For instance, the diplomatic staff appointed to the Middle-East and Malaysia should be fully aware of issues concerning Nepali manpower working or interested to work in foreign countries; to New York and Geneva should understand the United Nations and to New Delhi, Washington should be sharp shooters in political, strategic and economic games. Professionals with diplomatic skills within the country or international institutions such as the United Nations should invariably be appointed to important missions.

All the appointees should be capable of or duly trained to cope with the flowery and frustrating demands of the diplomatic job; including attending glamorous functions, contentious debates, lobbying, prompt reporting, loneliness, uprooting of the family and need to quickly adjust to alien environment.

An important part of diplomatic success is also associated with the knowledge of mundane aspects of life such as organizing dinners, decorating residence, skills in sports, public relations, capacity to relate with officials of diverse orientations. A well informed or trained spouse of an ambassador is a big asset in diplomatic affairs.

Consequently, a paradigm shift in foreign affairs may be broadly considered in terms of the following key points.

Continuity with Change

Foreign policy shift must balance continuity with changes to benefit from fast moving neighbors, India and China, and the world as a whole. Preserving national independence, sovereignty and territorial integrity; enhancing friendly and mutually beneficial relations with nation states and international organizations, and building good image will have to be the central objectives. In addition, attracting adequate resources to build sustainable, inclusive and prosperous post-conflict Nepal will be equally crucial.

With the collapse of the bipolar superpower world and economics prevailing over political ideology non-alignment has lost much of its brilliance. Indo-China relations have been warming. Nepal as a "Yam between two boulders" deserves continuity but with necessary fine tuning based on the reality that the Yam and the boulders are drastically changing under the weight of endogenous and exogenous politico-economic developments. We must further consolidate our relations with other countries vital to our wellbeing in the changed context.

Economic Diplomacy

With globalization and free trade looming large in the horizon with tremendous potential for poverty reduction and development as well as significant uncertainties and risks, economic diplomacy must receive high priority. First, extract maximum benefits from WTO, SAARC, EU, US and

dynamic economies of our neighbors, India and China; including being the true 'transit point' between them. Second, attract significant foreign direct investments, particularly in water resources, tourism and infrastructure.

Third, promote gainful foreign employment for ever increasing labor force. Fourth, promote tourism & market for Nepali products, poverty reduction strategies, trade and commerce, carpets and garments. Fifth, mobilize appropriate and adequate foreign technical and financial assistance, particularly grants. Also, draw support for post-conflict rebuilding, including relief, reconstruction and rehabilitation.

National Consensus and Broad Policy Issues

The foremost need is to build a national consensus on foreign policy. National security, water resources, river-linking, energy, border demarcation; including Kalapani and Susta; and regulating illegal activities at the international borders demands consensus and greater clarity in the new paradigm to be adopted. Proper review of implications of treaties and conventions signed in the past and development of proper framework as well as provision for adequate national debate for undertaking any treaties and agreements in the future must be assured. Policy for arranging more work for surplus security forces, including the Maoists to be accommodated, in UN peace keeping and other security purposes should be built in the new initiatives. Consistent and clear positions must be initiated to deal with the Bhutanese refugee problem and the Tibetan refugees and intruders.

Terrorism, insurgency, migration, internally displaced and their implications to national and global security, stability and development are at the heart of serious contemporary concerns. We must develop well defined policies and our diplomats must be informed of the policies on conflict resolution, peace building, cross boarder terrorism and proliferation of arms; particularly those concerning Nepal; as they have strong implications to our international image and support.

Means and mechanisms for lobbying for important UN and International Agency positions; donor funding, investment, Bhutanese refugee repatriation, etc are important for the missions based in UN and capitals of important nations. Millennium development goals, environment, indigenous populations, girl trafficking and gender are serious foreign policy matters. Rights based approaches are at the heart of contemporary developmental

and diplomatic debates. Human rights standard is now important foreign policy issue to be addressed properly.

Merit Based Appointments and Institutional Strengthening

Many Ambassadorial positions are left vacant for extended periods and even key Ambassadorial appointments are based on *patronage*. Today's Nepal has no dearth of well qualified people within and outside MFA. Clear criteria should be built in new policy for appointing ambassadors and honorary consuls. Provisions must be made to offer easy consular services and develop adequate contact with Nepali community by embassies. Effective trainings and orientations of newly appointed staff, ambassador and spouses must be designed under new policy. Number and locations of embassies must be reviewed to ensure suitability and adequacy for the implementation of new vision.

Proper institutional strengthening and linkages will be critical for the successful implementation of the new foreign policy paradigm. The Ministry of Foreign Affairs (MFA), the Institute of Foreign Affairs (IFA) and the Missions abroad will have to work closely for better policy focus, backstopping and feedback. IFA needs major professionalization and restructuring to be an effective think-tank and training resource on foreign affairs. Missions abroad must be assessed for their potential and resources needs. MFA is overstretched in terms of resources, competent manpower and think tank capacity.

It is hoped that the new Nepal Government catapulted to power by the mandate of *the April 10, 2008 Constituent Assembly (CA)* election starts to redirect foreign policy so that the necessary paradigm shift in foreign affairs can be fully achieved by the new government to be formed after the formulation of an inclusive constitution by the CA in 2-3 years time as stipulated in the Interim Constitution to enhance international relations to build a democratic, inclusive and prosperous post-conflict Nepal in the changing world.

Conclusion

In conclusion, two key factors have brought Nepal's foreign affairs under the sharp scrutiny of conscious citizens and professionals. First, with the collapse of the bi-polar world and rapid globalization an overwhelming

focus of international affairs has shifted to economic diplomacy, democracy and terrorism. Second, an inclusive, peaceful, democratic and prosperous post-Jana Andolan-II and post-conflict Nepal is unlikely to be a reality easily without international economic and diplomatic support.

Any refocusing of foreign policy must have three key objectives. First, it must be directed towards building lasting peace and strengthening sovereignty and territorial integrity. Second, it must be designed to accelerate economic wellbeing and enhance good governance. Thirdly, it must establish a minimum national consensus on key issues.

A nation without a sound economic health, stability and good governance is unlikely to be well respected and taken seriously in the comity of nations no matter how good its foreign policy is. Thus, Nepal must pay huge attention to economy and economic diplomacy. Our per capita income of about US \$ 300 does not speak too well of our achievements even after Ten Plans. The landlocked Bhutan and the tiny sea-locked Maldives' GNP are now at least 3-times higher than ours. Corrupt politicians, failed economists, stale Finance Ministers, sleepy planners and loan defaulting businessmen call shots in our economic fronts. Diplomacy, on the other hand, continues to be a talking machine handled largely by partisan diplomats and visionless politicians. This trend must be reversed.

Our foreign policy and diplomatic apparatus has been staggering in the absence of proper direction, unstable leadership, neglect and poor coordination. Economic diplomacy, post-conflict support, Bhutanese refugees; among others; have failed to receive focus. Adhocism and business as usual continues to be the rule. Lack of adequate institutional strengthening and appointment of ambassadors on patronage rather than competence continues to inflict damage. No consensus has been developed on foreign policy. Contentious border and water resources issues have been handled poorly. Donors and well-wishers are on "wait and see" mode on how to support emerging Nepal. A major paradigm shift in foreign affairs is long overdue. The process must be started by the government formed after the successful April 10, 2008 CA elections and completed by the one to emerge after a new constitution is written in about 2-3 years time.

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UNRESOLVED ITEMS : NEPAL-INDIA BORDER DEMARCATION

"It should be resolved through quiet diplomacy as India is our good neighbour. Making hue and cry unnecessarily does not help to address but only worsens the problem....The action oriented policy of Prime Minister Girija Prasad Koirala will be appreciated by the people of Nepal if he resolves the long – pending border issues like Susta and Kalapani – Limpiyadhura"

*Buddhi Narayan Shrestha**

Nepal-India Technical Level Joint Boundary Committee meeting was held in New Delhi, India from 18 to 19 December 2007. This was the 31st and last meeting of the committee since its inception in November 1981. It is claimed that the committee has prepared authoritative strip-maps of the border, except that of the Susta and Kalapani-Limpiyadhura areas. It is a matter of curiosity as to why the disputed and encroached segments of the borderline have been left out undecided. Now who will deal on these unresolved items of the border, since the tenure of joint committee has not been extended. However, in the past its time period was extended to 1991, 1995, 1997, 2003, June 2005, 2006, June 2007 and to December 2007 respectively. Presently, the joint committee has been dissolved without solving the problems of the disputed areas of the Nepal-India border.

Concerning the disputed portion of Susta and Kalapani-Limpiyadhura, the Indian side of the joint committee refused to take up the matter for discussion. The Nepalese side insisted on the Indian side to mention 'Susta as an encroached portion' in the minutes of the final meeting. But the Indian counterpart rejected outright to include these wordings.

So far as Kalapani-Limpiyadhura sector of the border is concerned, it is left out by mentioning that this is the case among Nepal, India and China. And this should be decided by tripartite agreement.

Those are the cases of unresolved items of Susta and Kalapani-Limpiyadhura. However, the joint committee has prepared 182 strip-maps

on the scale 1:15,000 showing half a kilometer on either side of the borderline, including 10-yard No-man's Land. It has constructed, repaired and re-installed 8,000 main and subsidiary boundary pillars to demarcate the line of sight along the border. The strip-maps have been signed jointly by the Survey Officials. They are yet to be signed by the plenipotentiaries to make them formalized documents. It is said that the border maps will be made public after they are signed by the authorities of both countries.

It is to be mentioned here that major problems of border encroachment at Susta and Kalapani-Limpiyadhura have remained unresolved. In such circumstance, the question arises how the border demarcation of 1,808 kilometer length of Nepal-India borderline could be completed. The next query may be- whether or not the strip-maps are exact and accurate according to the situation of the ground. In other words, let us assume that the maps are drawn according to the spirit of the Treaty of Sugauli on the basis of old documents. But if the Nepalese land is encroached and occupied by the Indian nationals, what is the use of those maps for the Nepalese people? To highlight these unresolved items, especially Susta and Kalapani-Limpiyadhura border issues, let us discuss the causes of dispute.

Susta dispute

Susta is located on the south eastern part of Nawalparasi district. On the west, it is the Narayani river. It is surrounded by India on three sides, north, east and south by a curved boundary line. To go to Susta first we have to travel 25 kilometers south-east from Parasi bazaar. After that we must take a boat ride for half an hour across the Narayani river. While returning, it needs one hour's boat ride due to anti-current of the river water. Susta Village Development Committee (VDC) was merged with the Tribeni Village Development Committee in 1980, as its seven wards have been encroached by India. Presently, the remaining portion of Susta has been named as ward number 4 of the amalgamated Tribeni SustaVDC.

The Susta area came within the Nepali territory when the British returned the Tarai region from Koshi to Rapti Rivers on 11 December 1816 instead of paying Rupees two hundred thousand annually, as per Article 4 of the Treaty of Sugauli. The work to erect border pillars along Nawalparasi and Rupandehi borderline was started in 1829, and the border map was prepared during 1883-84-85. The 24 kilometer borderline from Tribeni Ghat to Sagardinha village area has been represented by the course of the River

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Narayani. When the river flows south of Susta, the borderline leaves the riverine sector and catches the land boundary to the west. It is interesting to note that the Junge border pillars were erected east of Tribeni Ghat and west of Sagardinha area. But 24 kilometer long river course was not demarcated by masonry pillars. This is regarded as unfortunate as a bone of discontent for the settlement of Susta disputed area. At that time Susta was mostly covered by the dense forest.

Reason of dispute

The changing of river course is the main reason of dispute in the Susta area. The other reasons are floods, and cutting and felling of the jungles and lack of road transportation. The Narayani River is called Gandak in India. It has been changing its course from east to west since hundreds of years. In every flooding, the Narayani River which separates India on the east and Nepal on the west, cuts its bank and shifts towards Nepalese territory. When there are big floods, thousands of hectares of land shift towards the east of the river. For example, in 1845 the Narayani River suddenly shifted towards west by cutting Nepal's territory. Similarly, during the massive flood of July 1954 the river shifted more towards west. In 1980 there was another heavy flood and the people of Susta had to be shifted to Tribeni. At that time, the river cut about 100 hectares of land. To date, the river has shifted and eroded approximately 14,000 hectares of Nepalese land, leaving towards east. And this portion of Nepalese territory has been encroached by Indians, contributing the shifting river itself is the border between India and Nepal.

Unresolved Susta

There had been attempts to solve the dispute of Susta at the bilateral level many times from 1928. But they were unsuccessful when Indian side took the negative attitude. At several meetings of the Nepal-India Joint Technical Boundary Committee, the Nepalese side tried to put the Susta dispute on the agenda. But nothing happened except for minor discussion, and the issue has been indefinitely postponed. It now seems that the discussion on this issue has almost been stopped. Because of the fact that the Indian side of the joint boundary committee disagreed to mention the Susta area as debatable during the last meeting held in New Delhi on 18 December 2007.

Kalapani-Limpiyadhura dispute

The other disputed sector, Kalapani-Limpiyadhura is located on the north-western portion of the Nepalese territory. It is to be mentioned that the Treaty of Sugauli of 4 March 1816 is the basis to delineate and demarcate the western border of Nepal, even though the Boundary Treaty of 1 November 1860 is made implicit specially to the south-western portion, as the restoration of Banke, Bardiya, Kailali and Kanchanpur districts as new territory (Naya Muluk). According to the Treaty of Sugauli, the River Kali is the western boundary of Nepal with India. The boundary river Kali is delimited by Article 5 of the treaty. It says "the Raja of Nepal renounces for himself, his heirs, and successors, all claim to or connection with the countries lying to the west of the River Kali and engages never to have any concern with those countries or the inhabitants thereof." So it denotes that the place where the River Kali originates is the north-western corner border limit of Nepal with India. It is situated on the tri-junction area of Nepal, India and China. But there is a controversy on the determination of origination of the River Mahakali.

Status of the River Kali and Kalapani:

The status and origination of the river Kali has not yet been demarcated. The river is known as Kali at the upper reaches, Mahakali in the middle portion and Sarjoo / Gogra / Sharada or western branch of Gogra when it comes down to plain area.

There is a controversy and more debates have followed in the determination of the point of origination of the River Kali, whether it is originated from Limpiyadhura (5,532 meter) or Lipulek (5,098 meter) or an artificial pond near Kali Temple (4,571 meter). The second debate is the location of Kalapani, whether it is located in the Nepalese territory or Indian side. In other words, whether Kalapani belongs to Nepal or India! There has emerged an issue of national interest for everyone raising greater hue and cry since October 1996.

As regards the determination of the origin of the River Kali, there have appeared three different thoughts. The first and foremost section of the intellectuals, researchers, elite and informed Nepalese community has opined on the basis of historical documents, old maps and hydrological facts that the River Kali as mentioned in the Treaty of Sugauli is originated from

Limpiyadhura. The second section i.e. the government has expressed the origin of the river might have been from nearby the Lipulek pass. The third thought is from the Indian team of the Nepal-India Technical Level Joint Boundary Working Group. They have expressed their views that the River Kali is originated from a small pond of the Kali Temple, which is located south of Kalapani and further south of the Pankhagad stream.

Now the main crux of the matter is to identify and determine, which one is the River Kali of that period according to the spirit of the treaty. Description of origin of the river is not mentioned in the treaty. In a sense, it was not necessary to make a description of the river at that time, because of the fact that there was no controversy and confusion on the river and there was only one river which was used to be known as Kali. But it is both miserable and misleading that India has changed the name of the then Kali to 'Kuti Yangti' on the maps prepared by them unilaterally.

To come to a definite conclusion, one has to make an analytical and factfinding study of the historical document and old maps, which were recovered and prepared around the time of the treaty. And the other must be on the basis of the spot findings hydrological facts and watershed principle. Finally, Kalapani itself is a concrete and veritable geographical proof, because Kalapani is located towards the east of the historical River Kali, as the Treaty of Sugauli says itself that all those areas lying to the east of the river Kali is the territory of Nepal.

Measures to solve the problem

All these backgrounds support and validate indisputably that Susta and Kalapani-Limpiyadhura belong to Nepal. But the Indian side of Nepal-India Technical Level Joint Boundary Committee refused to take up the matter to bring into discussion. In such situation there may arise a curiosity as to who will solve these problems. Because these problems remained unresolved at the technical level. The short answer may be- it is the diplomatic and political level that has to take up.

The Head of the Government must take up the matter seriously, since border business is a sensitive concern for an independent nation. Even if a single square kilometer of the territory is encroached upon, the Nepalese citizens of that portion will be converted into aliens. Territorial encroachment hinders the integrity, solidarity and sovereignty of Nepal and the Nepalese people. If

the process of border encroachment accelerates unchecked, it may endanger the dignity and integrity of the nation.

Realizing the gravity and sensitivity of the national integrity, the cabinet held on 24 December 2007 has given the responsibility to the Prime Minister to resolve the issues of Susta, Kalapani-Limpiyadhura, Laxmanpur, Rasiyawaal-Khurdaalotan Dam etc. The Prime Minister has expressed that he himself is serious on the matters and he will let these issues be taken up with India and discuss them at the higher level. Besides, the Prime Minister informed during the cabinet meeting held on 6 January 2008 that the government is holding talks with India at the high diplomatic level to resolve the Susta and Kalapani issues. In the meantime, the Prime Minister told a delegation of journalists from the Reporters' Club on 8 January 2008 "The government has taken up the land dispute over Susta and Kalapani seriously. It should be resolved through quiet diplomacy as India is our good neighbor. Making hue and cry unnecessarily doesn't help to address but only worsens the problem."

The last statement of PM seems little shaky as compared to his previous expression. At first, he appeared determined to put up the issue before his counterpart of India through diplomatic channel. But at the latter stage he seemed to be reluctant to deal the matter because he has not yet communicated the border problems formally to India. It means, he is not yet in action. His statements are meant only for the domestic consumption in Nepal. They have not crossed the international boundary as of yet.

Role of Head of Government

If the Head of Government /State is really serious and sensitive on the security and instability of national boundary of Nepal, he must have communicated the issue to his Indian counterpart and started dialogue with the presentation of facts and figures on the basis of existing historical maps, authentic documents and ground realities. His Indian counterpart may be willing to discuss the border issues. For India, the border problems with Nepal are also very much sensitive, because Indo-Nepal borderline is common to both the nations.

In fact, the action oriented policy of Prime Minister Girija Prasad Koirala will be appreciated by the people of Nepal, if he resolves the long pending border issues like Susta and Kalapani-Limpiyadhura etc. If he does, he will

go down as a highly dutiful and worthy son of Nepal. If he doesn't take interest to resolve the border problems, the uncertainty would loom large on the questions of these sensitive issues. All the best to Prime Minister Koirala for his noble efforts to resolve the unresolved items of border demarcation between the two neighbourly nations, Nepal and India.

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*On the occasion
of
the 61st Anniversary of
the Nepal Council of World Affairs
We offer our heartiest felicitations
and best wishes for all success*

*Ram Lal Shrestha
And ICTC Group*

QUESTION OF SELF DETERMINATION

"People will later understand that it is the self rule that makes them more peaceful than a mere federalism without progressive character. People too become more alert and responsible to their duties and function once they are given self rule"

*Dr. Shreedhar Gautam**

Nepal is now passing through a phase of politics of resistance and autonomy. Resistance to the power of the state is the main urge behind the Madesh Movement. For instance, the three Madhesi parties- Nepal Sadbhawana Party (Mahato), Madesh Janaadhikar Forum and Terai Madesh Democratic Party (TMDP) formed a new front to exert pressure on the government to get their six point demands fulfilled, including constitutional guarantee of autonomous Madhesh region with the right of self determination.

The three Madheshi parties took the federalism and self determination right prominently, in the name of empowering Madeshi people. Likewise, some indigenous groups and ethnicities too are advocating for self determination right and federal system, hoping that such a provision will solve their problems. It is the historical fact that indigenous people and ethnicities in the past were suppressed and victimized by immigrant Hindus in the course of establishing themselves as the ruler of the land. But such a historical injury can be healed only by fighting jointly to wipeout the feudal system, not by merely replacing it with federal system.

In Madesh too, the real sufferers and oppressed will not feel a sense of relief just by achieving federalism, if they do not show solidarity to root out the discriminatory socio-political system that is designed to serve a few and denies genuine right to sweating and toiling masses. Moreover, Nepal is a relatively small and economically backward country, where federal system may arouse communal tensions and separatist trends in stead of correcting regional imbalances. Right thinking people need to educate ethnicities in terai and hill about such a possibility.

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It is again true that the existing unitary feudal system is largely responsible for all discriminations undergone by dalit, women and indigenous people of hills and terai. But it will be a mistake to treat the feudal and unitary system as identical. Sensing the danger of full fledged federalism, members of Indian Constituent Assembly substituted the term federal with 'union'. Explaining the uses of the term, noted constitutional expert B.R. Ambedkar said: "Though India was to be a federation, the federation was not the result of an agreement by the states to join in a federation, and the federation not being the result of an agreement no state had a right to secede from it"

Ambedkar's vision influenced the Indian Constituent Assembly to a large extent, and it finally adopted a constitution that, in his words, could be "both unitary as well as federal according to the requirement of time and circumstances". India's 1950 constitution exhibits quasi federal features in the sense that Indian parliament is empowered to legislate on state subject in national interest even in normal time if the Upper House passes a resolution to the effect. The Indian dual polity with a single citizenship provision in Indian constitution is relevant to understand that country like Nepal can not adopt the system of federalism as an alternative to assuage ethnic, regional and cultural sectarianism. People of all regions and ethnicities should understand that it is the feudal structure that is mainly responsible for their plight.

Nepal needs to opt for self-rule and decentralization of power within the unitary structure. Once local self-rule is granted to different regions, only then the people will get right channel for the redress of their grievances. Leaders from Madeshi community and indigenous groups claim that federalism and self determination right will be a panacea for all ills. But as long as regressive federal system exists, gaps between different races, culture and classes will continue to grow. It is the progressive or people oriented political structure that fulfills the people's genuine desires irrespective of federal or unitary system. Example of other countries in this regard also speaks of the same theme.

People of terai as well as other ethnicities should not be swayed with the slogan of either federalism or self determination right because in the long run it may divert people's minds from real issues of poverty, unemployment, health care and state funded education. However, it is natural for suppressed people to get attracted to such demands in the beginning because of the past history of betrayal by the rulers so far. We

hope people will later understand that it is the self rule that makes them more powerful than a mere federalism without progressive character. People too become more alert and responsible to their duties and function once they are given self rule.

One of the major causes of Nepal's economic backwardness is lack of decentralization of power. People are bound to come to the capital or depend on central government for even petty work, not having alternative mechanism at local level. Nepali bureaucracy has been one of the worst examples of corruption and bribery because of centralization of power in few hands and places. So, the need of hour is to empower local bodies with self rule rather than creating division in the name of federalism. Additionally, Nepal, a country with diverse culture and multiple ethnic identities, can not absorb federalism that is likely to bring in more disharmony and ethnic tension.

Now the government has reached an agreement with the United Democratic Madheshi Front to create an autonomous Madhesh state. The concept of autonomous state is closely linked to self determination provision, which may prove to be a Pandora's Box in future, leading to fragmentation of the country. We still hope that the leaders of terai region and indigenous people will show farsightedness in coming days to give up the demand of self determination right that may mislead the people. They should come up with viable political program that will free the people from all kinds of unequal provisions, while strengthening territorial integrity and national sovereignty.

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MILLENNIUM DEVELOPMENT GOALS AND SUSTAINABLE MICROFINANCE

The MDGs comprise eight specific goals and targets as a milestone in human development in developing and less developed countries the first one halving the proportion of poverty by 2015 whose income is less than one dollar a day... But the bottom line is that only commercially viable and socially oriented microfinance institutions can significantly contribute to Nepal's development goals and the MDGs.

Rama Bashyal (Ph.D.)*

BACKGROUND

Finance is an effective tool in spreading economic opportunity and fighting poverty giving poor people the freedom of earning an independent livelihood with dignity and pride. With capital, they can grow their own businesses and earn enough to afford basics like better health, better food and schooling for their children. One avenue of opportunity like self-employment is not possible without access to credit. Better access to other financial services, such as savings, remittance service and insurance also can help the poor people escape from the vulnerability situation since poverty is associated with insecurity and fear for the future along with other factors of human welfare. To the Nobel laureate Muhammad Yunus (2006) *"the poor people are 'bonsai people there is nothing wrong with their seed. They just do not have enough space to grow'"* (Gulbenkian Conference in Lisbon, 2007). Yunus thus inspires that microfinance can and should play a key role in developing the capacities of these people overcoming their financial and correlative restrictions. The Norwegian Nobel Committee hailed microfinance as a *"liberating force"* in societies where women in particular have to struggle against repressive social and economic conditions.

This article aims at highlighting the interrelationship between Millennium Development Goals (MDGs) and microfinance in achieving at least four out of eight goals recognised by the UN Millennium Declaration. In other words,

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microfinance has positive impact on poverty reduction, attainment of primary education for the children, promotion of gender equality and women's empowerment and management of environmental resources like forests. The three other goals, i.e. reduction in child mortality rate and combating HIV/AIDS, malaria and other diseases, which are related with human development and poverty reduction, can also be achieved indirectly through effective delivery of microfinance products and services by the sustainable institutions. The information presented in this paper is based on an impact assessment study of a programme undertaken in the three village development committees of Rupandehi district in Western Nepal.

Here one should not be confused about the terminologies like *microcredit* and *microfinance* where microcredit is based only on credit activities. On the other hand, microfinance covers a wide range of financial services like credit, insurance, savings, remittance transfer services as well as many other non-credit activities like health and education of the clients. The informal microfinance system was in practice for hundreds of years throughout the world. The first manifestation of microcredit movement was the "Bread Association" created by a priest Raiffeinsen in Germany in 1846, where the local farmers were indebted because of high dependence on usurious moneylenders of the period. The priest granted them wheat flour so that, with the making and commercialisation of bread, they could earn income to reimburse the debt and constitute capital for their further businesses. The formal microfinance practice as we now know began in the early years of the 1970s, when few non government organisations (NGOs) and aid giving agencies began to provide working capital loans to relatively insignificant numbers of poor clients. But the system as an "industry" developed particularly since 1980s when such NGOs transformed themselves into mainstream financial system, or transformed into the development banks as part of their commercialisation strategy. Grameen Bank in Bangladesh, the Unit Desa System of Bank Rakyat Indonesia (BRI), the Bolivian Banco Sol, and the Consultative Group to Assist the Poorest (CGAP)¹ are the pioneering institutions to be transformed from NGOs to mainstream financial institutions. In the same way, ACCION short form of Americans for

¹ Consultative Groups to Assist the Poorest (CGAP), a multi-donor organisation initiated by World Bank, is a consortium of 29 bilateral and multilateral donor agencies.

Community Cooperation in Other Nations (an American NGO) has created an anti-poverty strategy considering micro entrepreneurs as skilled business people, not objects of charity. Swabalamban Bikas Bank and Nirdhan Utthan Bank Ltd. are examples of leading microfinance institutions in Nepal.

However, the system originated particularly in South Asian countries with certain methodologies, i.e. collateral free loan using solidarity group guarantees or peer group pressure method. This mechanism spread in other Asian, African and in the Latin American countries capturing the attention of high-level policymakers worldwide with a realisation that in many countries microfinance is really macrofinance as its market being expanded largely. In thinking of the development processes, various strategies were developed in different periods, e.g. development of urban industrialisation strategy amid 1950-1960, emergence of socio-economic development concept at the end of 1960s, and emergence of rural development concept through people's participation during the mid 1970s. Since this period, particularly, the poverty alleviation approach was integrated into the country's mainstream financial system. The pro-poor microfinance programmes like Small Farmer Development Project (SFDP) was the outcome of this change and this was the formal beginning of group lending modality in Nepal. The Nepalese microfinance sector currently has gained a substantial growth in the number of diverse models balancing between the cooperatives, the private and the government-owned Grameen replications, and the government supported programmes with large numbers of clients and high volume of loan investment.

Decade of International Promises and MDGs

Many international conferences and summits were held in the decade of 1990. The Jomtein conference (1990) held in Thailand, agreed to the world declaration on education for all by 2000 emphasising particularly on primary schooling for children of appropriate age and removing disparities between boys and girls in access to getting opportunities. The Rio Summit (1992) held in Rio the Janeiro, Brazil, was concerned with environmental degradation and poverty alleviation through emphasising the equal rights of women and the basic education for children. The Cairo Conference-1994, held in Cairo, Egypt, had set out 20-year goals in three related aspects: expanding education particularly for girls; reducing mortality rates of infants and children; and increasing access to quality reproductive health services. The

World Summit-1995 held in Copenhagen, Denmark, was concerned with social development. The Beijing Conference-1995 held in Beijing, China, made commitments regarding women's rights and concerns about their health and educational status. The conference also focused on women's access to financial resources considering it as a human right instrument and also considering credit as an important mechanism for reducing women's poverty. The Istanbul Meeting-1996 held in Turkey, endorsed the universal goals of ensuring adequate shelter for all and making human settlements safer, healthier and more liveable.

Thus, the series of international conferences and summits held in the decade of 1990s had set out many targets for poverty alleviation from less developed and the developing countries. The decade of 1985-1995 was also associated with the implementation of the Structural Adjustment Programme (1986) and Enhanced Structural Adjustment Programme (1992) in the form of stand-by loan arrangements under the assistance of Breton-Woods Institutions.¹ But the international community realised mainly in IMF/World Bank conference of 1999 that the economic sufferings and poverty of the people showed no signs of abatement in these countries even with the implementation of these new arrangements. It was also realised in the last half of the nineties that poverty in some countries and prosperity in others do not allow global peace, security and development. Thinking over these realities the global conferences of the nineties drew up some major key global development targets known as Millennium Development Goals (MDGs) under the United Nations millennium declaration of September 2000. The commitment of the declaration is as: *"We will spare no effort to free our fellow men, women, and children from the abject and dehumanising conditions of extreme poverty to which more of a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want."*

The MDGs comprise eight specific goals and targets as a milestone in human development in developing and less developed countries the first one halving the proportion of people by 2015 whose income is less than one dollar a day. The Tenth Plan of Nepal (2002-2007), that had chosen poverty

¹ After the World War II, many war-devastated nations gathered at Breton Woods, Hampshire (1944) and agreed upon a flexible currency exchange system replacing the gold standard. International Monetary Fund (IMF) is one of the Breton Woods institutions to regulate international monetary system in the member nations.

reduction as its sole objective, had endorsed the MDGs and committed to achieve these goals setting quantitative targets in improving health, education, gender equality, the environment and other aspects of human development.

The Millennium Development Goals (MDGs) thus came into being as the key concerns of the development conferences of the 1990s and act as a road map for achieving the Millennium Declaration consensus adopted by all the Member States of the United Nations. The Goals are ultimately directing towards poverty alleviation in all less developed as well as in the developing countries as to: (a) eradicate extreme poverty and hunger by half between 1990 and 2015, (b) achieve universal primary education, (c) promote gender equality and empower women by eliminating gender disparity in education, (d) reduce the child mortality rate by two-thirds, (e) reduce maternal mortality rate by three-quarters between this period, (f) combat HIV/AIDS, malaria and other major diseases, (g) ensure environmental sustainability through sustainable development of policies and programmes regarding environmental resources as forests and (h) develop global partnership for development.

But one notable thing here is that UN summits of the nineties did not give emphasis to microfinance because it was a relatively new intervention for poverty reduction in Asian, African and Latin American continent. Sam Daley-Harris, Director of the Microcredit Summit Campaign, complained that microfinance was omitted from the summits of the nineties. He also made commitment before the heads of the state and the government, parliamentary leaders, and bilateral and multilateral donor agencies in the first Microcredit Summit held in Washington D.C. in 1997 that this first uphill task could be fulfilled with the intervention of microfinance services.

Poverty Incidences

In Nepal's context, the overwhelming majority of poor are concentrated in rural areas where the incidence of poverty is 34.6 percent as compared with 9.6 percent in the urban areas. Based on an internationally comparable poverty estimate of a dollar a day, the number of rural poor in Nepal is 24.1 percent (CBS, 2005). The government of Nepal since its early national plans emphasised to reducing poverty through improving financial access to poor people. Mandatory policies of the early 70s for commercial banks to provide subsidised credit to rural poor, financial liberalisation policy of the 80s, and the establishment of regional rural development banks in the early 90s were the major actions coupled with meeting the need of rural financing. But the

vast majority of Nepal's rural poor still do not have access to formal finance. Eighty percent people do not have account in any bank of the country.

Poverty as defined by CGAP is a multi-dimensional phenomenon that includes (a) material deprivation such as low food consumption, poor housing etc., (b) low human development such as education and health, (c) acute vulnerability to adverse shocks such as illness, economic crisis, natural disasters and (d) lack of voice and ability to influence decisions. In other words, poverty is associated with deprivation of health, education, food, knowledge and influence over one's environment (social mobility) that are forcing them for mere surviving. Amartya Sen views that *"In a poor community...the perception of poverty is primarily concerned with the commodity requirements of fulfilling nutritional needs and perhaps some needs of being clothed, sheltered and free from disease"* (Sen, 1982). The poverty while measured on the basis of the above indicators can still be found among more than one billion people in the world. The number of poverty living on extreme poverty, i.e. living on less than one US dollar a day is 1.1 billion. And 700 million of whom are in Asia/Pacific region. The Tsunami is estimated (estimation made by ADB) to have added another two million poor to the totals in Asia. Similarly, 110 million children in Asia/Pacific are being excluded from universal primary education.

Nepal is one of the least developed countries and has over 31 percent of its population living below the absolute poverty line (NLSS 2003/04). This figure has been reduced from 42 percent in 1996 and the reasons behind this reduction are increased wage rate in both the agricultural and non-agricultural sectors, increasing urbanisation, increased proportion of active human resources in the population and inflow of huge amount of remittances. But during this period the Gini-coefficient which shows the inequality of income distribution has increased from 0.34 to 0.41 indicating that the gap between the rich and the poor has increased further. Similarly, according to the Human Development Report of 2006, although the human development index of Nepal has increased from 0.513 in the earlier year to 0.527, Nepal still remains as a country with the least HDI in South Asia and is placed at the 138th position in the global human index.

Poverty reduction has been an explicit goal of development planning in Nepal since the mid 1980s. The Tenth Plan/Poverty Reduction Strategy Paper (PRSP-2002-2007) had also chosen poverty reduction as its sole objective. Actually, the PRSP is the reorientation of policies and programmes

towards achieving the MDGs as it had incorporated most of its contents such as, literacy, birth/death rates and access to the basic social and economic infrastructures with particular focus on the disadvantaged group of the society. In order to review the progress made in achieving the goals, the country has prepared the first MDG Progress Report in 2002 and second in 2005. The Report analyses the progress achieved in the period 1990, 1995, 2000, 2005 and target for 2015. The numerical figures regarding the achievements over the last decade are provided in the following table.

Table 1 : Nepal's Status in Terms of MDGs

S. N.	Indicators	1990 Status	1995 Status	2000 Status	2005 Status	2015 Target
1.	Percentage of population below 1\$ a day	33.5	NA	37.7*	24.1	17
.	Percentage of population below national poverty line	42	NA	38	31	21
3.	Percentage of population below minimum level of dietary energy consumption	49	NA	47	NA	25
4.	Net enrolment rate in primary education (%)	64	69	81	84	100
5.	Literacy rate of 15-24 year old	49.6	56.2	70.1	73.0	100
6.	Ratio of girls to boys at primary level	0.56	0.66	0.79	0.86	1.0
7.	Ratio of girls to boys at secondary level	0.43	0.56	0.70	0.82	1.0
8.	Ratio of women to men at tertiary level	0.32	NA	0.28	NA	1.0
9.	Under 5 mortality rate	162	118	91	82	54
10.	Proportion of one-year-olds immunized against measles	42	57	71	85	>90
11.	Maternal mortality ratio (MMR)	515	539	415	NA	134
12.	Area protected to maintain biological diversity (sq. km.)	10948	20077	20077	28585.7	NA
13.	Proportion of people using wood as their main fuel (%)	75	67.74	67.74	69.1	NA
14.	Proportion of population with sustainable access to an improved water source	46	70	73	81	73
15.	Proportion of population with sustainable access to improved sanitation	6	22	30	39	53

Source : MDG Progress Report 2002 & 2005 (NPC)

However, the recently published Millennium Development Goals Progress Report (2007) has mentioned that the MDG goals, except in primary education and HIV/AIDS, can be achieved by 2015 assuming that the economy becomes reform-oriented and the achievements made during the last few years could be continued.

What is sustainable Microfinance?

Historically, microfinance has been successful in reaching the population excluded from the conventional financial system. Until the 1980s since its formal development, the notion about microfinance was just to prove that the poor are worthy of credit and they honour their small loans. This was simply credit-focused model based on the assumption that microfinance institutions were targeting the poorest active people of the society. In the 90s, efforts were concentrated towards financial and institutional sustainability (ability to cover the costs) of the institutions. But now a days, donors and social investors ask the microfinance institutions to justify the funding: who are the clients reached? How to combine social and financial objectives? What is the social responsibility of these institutions? Is the institution sustainable and profitable regarding the ratios of return on investment? These are recently developed indicators to evaluate the financial and social performances of the microfinance institutions so that microfinance mission would not be drifted. In order to fulfil the mission of poverty alleviation and attain the MDG goals, the institutions should redefine their strategies on the basis of these evaluation tools.

Microfinance in Contributing the MDGs

An impact assessment study of a microfinance programme was undertaken in the three village development committees in Western Nepal in 2003. However, the numerical figures derived from the field have proved that an improved access to microfinance services leads to an intensification and diversification of micro-entrepreneurial activities. Through creating employment and generating income and then accumulating the assets, microfinance has positive relationship with poverty reduction (attaining Goal-1). For example, land owning households increased from 48.50% to 69.2%; size of landholding increased from 0.107 hectare to 0.336 hectare;² household assets increased e.g., house (13.80%), livestock (6.20%) and utensils 12.30%, number of food sufficiency households increased from 48.50% to 93.80%.

² But this size is very small as compared with the average national and district (Rupandehi) figures 0.789 and 0.896 hectare respectively (CBS, 2004).

With an increased income, the households can change their expenditure pattern on food, clothing, health care and children's education and training (attaining Goal-2) as well as they can afford family's health services and better nutrition (attaining Goal-4 to 6). For example, 86.90 percent clients in the study area schooled their children irrespective of sex though discrimination is inversely related with the caste and ethnicity. Increased level of awareness also encouraged them to visit health post when they fell sick. Thus, the health target has also been affected indirectly as client group seem more conscious about their health, better nutrition and so on. As the main beneficiaries of microfinance services are women, it contributes in promoting gender equality and women's empowerment (attaining Goal-3) through gender equity promotion, benefit sharing among male and female members of the households. Other three goals, i.e. reduction in child mortality rate, reduction in maternal mortality rate and combating HIV/AIDS, malaria and other diseases, which are related with human development and poverty reduction, also can be achieved indirectly through effective delivery of products and services by the sustainable microfinance institutions. The goal regarding women's empowerment can be achieved through providing access, opportunity and right to control over resources which is related to gender equity concept.

With the reduced dependency on forests for household energy, the client rather than non-client group could manage the environmental resources mainly forests (Goal-7). Because of the change in household energy types by the clients, they have started using other sources of energy e.g., bio-gas 7.70 percent, improved stove 10 percent and kerosene 32.30 percent. This way, the goal regarding forest resource management can also be achieved through involving poor people in self-employment activities using forest as the main source of raw materials for production. Moreover, with the earnings of supplementary family income, they could ultimately divert themselves towards off-forest and other activities for their livelihood.

Evidences have proved that access to financial services supports poor for getting them out of both economic and human poverty through increasing their incomes, food sufficiency level and investment in children's education and thereby making a direct link between microfinance and the goals recognised by the millennium declaration. Certain binding constraints like collateral requirements or guarantor requirements create the situation of inaccessibility of the poor who are predominantly excluded from the formal financial services. But the bottom line is that only commercially viable and

socially oriented microfinance institutions can significantly contribute to Nepal's development goals and the MDGs

Conclusion

The change in the value of economic and social indicators demonstrates that microfinance has positive relationship with the first two goals, i.e. (Goal-1) to reduce poverty and hunger and (Goal-2) to achieve universal primary education for the children of school going ages. Similarly, the change in women's empowerment (Goal-3) was also found positive as the micro financial services provided access, opportunity and right to control over resources. Finally, it is the accepted fact that poverty is the major cause of environmental degradation. But the poor people involved in the credit programme are found able to manage and conserve forest resources through many ways, e.g. using alternative sources of energy by majority of the credit accessed households or having future plan for using alternative sources of energy. The housewives in the credit-accessed family were found using relatively healthier sources of household energy like smokeless stove, gas stove and kerosene that ultimately reduce the dependency on forests for such energy. But coherence and coordinated efforts among the various government agencies working in credit plus activities such as health, education, and other programmes like training, marketing and technical skill development services for the stakeholders is the most important thing to meet the development goals as targeted in the Millennium Declaration. Familiarising MDGs to the grassroots level is the other most important agenda for the less developed countries like Nepal to achieve the prioritised goals.

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NEPALESE INDIGENOUS NATIONALITIES AND CHINESE MINORITY NATIONALITIES:

A Manifestation on Resemblance

"Buddhism has played a major role in cementing the relations and keeping the two neighbouring nations, Nepal and China, close together over the last several millennia.....It is noteworthy that ever since Faxian and Zuanzang, most of the Chinese government and political leaders, scholars and religious leaders make it a point to be at Lumbini during their visit to Nepal"

*Tamla Ukyab**

Introduction

Nepal is a multi-racial, multi-lingual, multi-cultural and multi-religious country. Taking stock of these truths, the constitution of Nepal 1990, has put forward a conceptual design to uplift the living standards of Indigenous Nationalities of Nepal by removing all sorts of economic, political, and social inequalities. The report submitted by the task force formed by the Nepalese government for this purpose in 1996 had initially identified 61 Indigenous Nationalities but the Act enacted by the Parliament in 2002 had recognized only 59 Indigenous Nationalities. Nepal's Indigenous Nationalities are those who have their own mother tongues and traditional cultures yet does not fall under the conventional fourfold Varna of the Hindu Varna system or the Hindu hierarchical caste structure.

Since the founding of the People's Republic of China, the state has organized large scale investigations to identify the ethnic groups. The purpose was to implement the policy of equality among the nationalities of the country. Every group which accords with the conditions for an ethnic group, based on scientific identification and the wishes of the given group, is recognized as a single ethnic group whatever its level of development, size of its population and inhabited area. The number of ethnic groups identified by the government was 38 in 1954 and 53 in 1964. With the addition of Lhoba in

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1965 and Jino in 1979, there are now 55 minority nationalities that have been formally recognized.

Size and Distribution

The Indigenous Nationalities, who are the most ancient people and original owners of the Nepalese landmass, are spread out almost in every part of the country. According to the National Census of 2001, the total population of Indigenous Nationalities is 8.4 million comprising 37.2 percent of the total population of Nepal (23.1 million). However certain anomalies still persist. Almost all Indigenous leaders and scholars have time and again questioned the authenticity of the national censuses. The Nepalese censuses of the past have been suspected of forgery, misstatements, wrongful entries and all kinds of hoaxes to bolster Hinduism and to inflate the head counts of Hindu adherents and Nepali speakers. Especially angry and justifiably disenchanted, the second largest religious group in Nepal, the Buddhists, have instigated and criticized the successive governments of downsizing their actual numbers.

Four Indigenous Nationalities have more than one million population each. The Magars constitute the largest group (7.2%) of the total population. In descending order, the Tharus follow with 6.8%, the Tamangs at 5.7% and the Newars with 5.6 %. The Kusundas have the least number among the nationalities, numbering 164 only.

The livelihood pattern of Indigenous Nationalities has evolved according to the geographical location. Livestock herding and barter trade with Tibet Region of China are the most important sources of livelihood for the northern Himalayan people. At some place mountain tourism has become an added profession. People of middle ranges are mostly occupied with agriculture and foreign employment especially recruitment in foreign armies. In Eastern hills, tea and cardamom plantation have also helped the people in generating more income. In the Tarai(Madhes) belt agriculture is the main occupation of the people . (See Appendix)

In China, the total population of minority nationalities of 105 million account for 8% of China's national population of 1.31 billion (2002) and minority nationalities occupy 64.3% of China's total land area. Zhuang nationality constitutes the largest group with a population of 15.6 million. Lhoba of Tibet Autonomous Region is the smallest with 2300 population. Eighteen

nationalities have more than one million population. The groups exceeding a population of one million are Manchu, Hui, Mongolian, Tibetan, Yi, Korean, Tujia, Miao, Kazak, etc.

The livelihood pattern of minority nationalities has evolved according to the resource base of their habitat. These are predominantly livestock herding in the north, shifting cultivation in the south-west and sedentary agriculture in the south. In the latter region, rice is the main crop with tea growing among nationalities such as Blang, De'ang, Hani, Jino and She. Other specialist groups are Dongxiang, Jingpo, Salar and Uygur in horticulture, and Hui and Tartar in trade. Overall, majority of larger groups are sedentary farmers while those with small population are mainly shifting cultivators.

Language

Linguistically speaking, of the 59 total indigenous nationalities of Nepal, 45 belong to Sino-Tibetan family, 10 are drawn from the Indo-European strains while two are Dravidian and one has Austroloid ancestry. Most of the indigenous nationalities with large population are all speakers of languages of Sino-Tibetan family. The languages of two indigenous nationalities of the southern Tarai (Madesh) region, Dhimal and Meche, also belong to Sino-Tibetan group. The language of one indigenous nationality, Kusunda, has not found any family so far. Kusunda language is related to no other language or language family of South Asia. In the words of Mr. David E. Watters, a prominent linguist of international fame -" indeed, as far as we can tell, to no other language on earth- it is true linguistic "isolate". Amongst the 59 indigenous nationalities, about 25 have written form. Along with Tamang, Gurung and Kaike Magar, various nationalities residing in the north adjoining Tibet region of China all use Tibetan script for written Language.

Of the 55 Chinese minority nationalities 53 have their own language while the Hui and Manchu use the Chinese Language of majority Han. Of the nationality languages, 23 have their own system of writing and developed with government assistance. Ethnic languages are used in judicial, administrative and educational fields in the Autonomous Regions of the People's Republic of China.

The 55 minority nationalities of China represent five language families. Like in Nepal, the languages of a huge majority of 31 nationalities belong to the

Sino-Tibetan family. The language of the Han majority, generally known as the Chinese language, also falls within this category. The second largest population group, 17 with the Altaic language family are from the north-east while South Asian family has three nationalities in the south. The rest two are from Indo-European family and one from the south island family. The grouping of the language of Jing nationality has not been determined. In regional distribution, the highlands of Sichuan, Tibet and Yunnan converging on Hengduan ranges have a concentration of 22 minority nationalities. Ethnic diversities is most pronounced in Yunnan province from where they have also spilled over into Myanmar, Laos, Thailand and Vietnam highlands. These are mostly people of Sino-Tibetan language group. Xinkiang with Altai, Pamir, Tien Shan ranges and Gansu with Qinling Shan in north-west have 14 nationalities. The southern Hills of Guizhou, Guangxi and Kiangsi include 12 nationalities with Sino-Tibetan, south asian and south island languages. Inner Mongolia and Heilungkiang across the Great Khingan are the home of seven nationalities that belong to the Altaic Language family.

Religion

One will find it interesting to know that the people who inhabit the high altitude terrain of the Southern face of the Himalayas are racially and culturally akin to the Tibetans but form a part of the Nepalese nationhood. They are basically followers of Lamaist Buddhism but facing a hard time in preserving their traditional faith partly because of the onslaught of external cultures and partly because of economic hardship incumbent on this infertile and frost eaten land and also partly the end of traditional religious patronage from Tibet Autonomous Region of China.

Out of 59 officially recognized Indigenous Nationalities of Nepal, 31 are Buddhists and the rest 28 are Shamanists following Kirant, Bonpo, Animism and other faiths related to nature worship. In Nepal, all the major groups of nationalities including those with a population of more than one million are all adherents of Buddhist religion. The Tibetan New Year, Lhosar, is the main religious and social festival of 21 Indigenous Nationalities of Nepal including Tamang, Gurung and Tarali Magar. Similar to Tibet Autonomous Region and some other provinces of China, the Nepalese nationalities celebrate Gyalpo Lhosar, Sonam Lhosar and Tola Lhosar in three different dates within the period starting from the first day of the eleventh month in Tibetan Calendar to the first day of the first month of the Tibetan New Year.

In China, the pivotal role of religion as one of the most important elements in building of the socio-political fabric of Chinese Minority Nationalities should never be minimized. Apart from the 10 Muslim or Islamic nationalities and one Russian Christian nationality from the Orthodox Church, as in Nepal the vast majority of 44 Chinese minority nationalities, traditionally belong to either Buddhism or Shamanism or both. Even the majority Han Nationality could be included into the second category from the religious point of view.

Regarding the Chinese Buddhism, prominent Chinese Buddhist scholar Prof. Zheng Lixin in his book "Guide to Chinese Buddhism" published by Foreign Languages Press, Beijing, 2004 writes-"while basic creeds remained largely intact, Buddhism changed China in ways conducive to its dissemination and development in a foreign land, including some merging with Daoist and Confucian thinking. An old Chinese saying has it that the vast majority of people of China wear a Confucian crown, a Daoist robe and a pair of Buddhist sandals." Prof. Lixin further says-"Over the generations, Buddhism became a part of Chinese culture itself, with a strong popular appeal and ideas that had an impact on Chinese philosophy, morality, literature, art and many other fields of learning."

Buddhism has played a major role in cementing the relation and keeping the two neighboring nations, Nepal and China, close together over the last several millennia. It is the famous Chinese monk Faxian of the Eastern Jin dynasty who identified Lumbini as the birthplace of Lord Buddha during his visit to Nepal in 405 A.D. According to the historical records, the celebrated Tang dynasty monk Xuanzang also visited Lumbini in 629 A.D. It is noteworthy that ever since Faxian and Xuanzang, most of the Chinese government and political leaders, scholars and religious leaders make it a point to be at Lumbini during their visits to Nepal. In this regard it is again worthwhile to quote Prof. Lixian -- "moreover, ever since Buddhism was introduced into China in 1st century A.D., Lumbini, Nepal, the birthplace of Shakyamuni, has been a Mecca for Chinese Buddhist pilgrims".

Race

Out of 59 state recognized indigenous nationalities of Nepal, racially 56 are Sino-Mongoloid, two are Dravidian and one is of Austroloid strains.

Likewise apart from a few Turkic and one Russian Caucasoid the vast majority of Chinese minority nationalities including the majority Han

nationality belong to the Sino-Mongoloid race. Even some Islamic nationalities like Hui and Dongxiang are also of Sino-Mongol descent.

Conclusion

All the above similarities and facts define and very clearly define the strong linguistic, religious, racial and cultural affinities between the native indigenous nationalities of Nepal and the people of People's Republic of China. Finally it is strongly recommended that the policy planners, government and political leaders, and scholars of the both the countries, Nepal and China, should take these significant facts into serious consideration.

APPENDIX

Languages, religion and races of indigenous nationalities of Nepal

Name of Indigenous Nationalities	Language Family	Religion	Race
1. Bahra Gaunle	Sino-Tibetan	Buddhist	Sino-Mongoloid
2. Bankaria	Sino-Tibetan	Shamanist	Sino-Mongoloid
3. Baramo	Sino-Tibetan	Shamanist	Sino-Mongoloid
4. Bhujel / Gharti	Sino-Tibetan	Shamanist	Sino-Mongoloid
5. Bhutia	Sino-Tibetan	Buddhist	Sino-Mongoloid
6. Bote	Indo- European	Shamanist	Sino-Mongoloid
7. Byasi	Sino-Tibetan	Shamanist	Sino-Mongoloid
8. Chepang	Sino-Tibetan	Shamanist	Sino-Mongoloid
9. Chhairotan	Sino-Tibetan	Buddhist	Sino-Mongoloid
10. Chhantyal	Sino-Tibetan	Shamanist	Sino-Mongoloid
11. Danuwar	Indo- European	Shamanist	Sino-Mongoloid
12. Darai	Indo- European	Buddhist	Sino-Mongoloid
13. Dhanuk (Rajbanshi)	Indo- European	Shamanist	Sino-Mongoloid
14. Dhimal	Sino-Tibetan	Shamanist	Sino-Mongoloid
15. Dolpo	Sino-Tibetan	Buddhist	Sino-Mongoloid
16. Dura	Sino-Tibetan	Buddhist	Sino-Mongoloid
17. Fri	Sino-Tibetan	Buddhist	Sino-Mongoloid
18. Gangai	Indo- European	Shamanist	Sino-Mongoloid
19. Gurung	Sino-Tibetan	Buddhist	Sino-Mongoloid
20. Hayu	Sino-Tibetan	Shamanist	Sino-Mongoloid
21. Jhangad	Dravidian	Buddhist	Dravidian
22. Jirel	Sino-Tibetan	Buddhist	Sino-Mongoloid
23. Kisan	Dravidian	Shamanist	Dravidian
24. Kumal	Sino-Tibetan	Shamanist	Sino-Mongoloid
25. Kushbadia (Kuhbadia)	Indo- European	Shamanist	Sino-Mongoloid
26. Kusunda	Unidentified	Shamanist	Sino-Mongoloid

Name of Indigenous Nationalities	Language Family	Religion	Race
27. Larke (Nupriba)	Sino-Tibetan	Buddhist	Sino-Mongoloid
28. Lepcha	Sino-Tibetan	Buddhist	Sino-Mongoloid
29. Lhomi (Shingsaba)	Sino-Tibetan	Buddhist	Sino-Mongoloid
30. Lhopa	Sino-Tibetan	Buddhist	Sino-Mongoloid
31. Limbu	Sino-Tibetan	Shamanist	Sino-Mongoloid
32. Magar	Sino-Tibetan	Buddhist	Sino-Mongoloid
33. Majhi	Indo- European	Shamanist	Sino-Mongoloid
34. Marphali	Sino-Tibetan	Buddhist	Sino-Mongoloid
35. Meche (Bodo)	Sino-Tibetan	Shamanist	Sino-Mongoloid
36. Mugali	Sino-Tibetan	Buddhist	Sino-Mongoloid
37. Newar	Sino-Tibetan	Buddhist	Sino-Mongoloid
38. Pahari	Sino-Tibetan	Buddhist	Sino-Mongoloid
39. Rai	Sino-Tibetan	Shamanist	Sino-Mongoloid
40. Rajbanshi (Koch)	Indo- European	Shamanist	Sino-Mongoloid
41. Raji	Sino-Tibetan	Shamanist	Sino-Mongoloid
42. Raute	Sino-Tibetan	Shamanist	Sino-Mongoloid
43. Satar (Santhal)	Austroloid	Shamanist	Austroloid
44. Sherpa	Sino-Tibetan	Buddhist	Sino-Mongoloid
45. Siyar (Chumba)	Sino-Tibetan	Buddhist	Sino-Mongoloid
46. Sunuwar	Sino-Tibetan	Shamanist	Sino-Mongoloid
47. Surel	Sino-Tibetan	Shamanist	Sino-Mongoloid
48. Tamang	Sino-Tibetan	Buddhist	Sino-Mongoloid
49. Tajpuria	Indo- European	Shamanist	Sino-Mongoloid
50. Tangbe	Sino-Tibetan	Buddhist	Sino-Mongoloid
51. Thakali	Sino-Tibetan	Buddhist	Sino-Mongoloid
52. Thami	Sino-Tibetan	Buddhist	Sino-Mongoloid
53. Tharu	Indo- European	Buddhist	Sino-Mongoloid
54. Tingaunle	Sino-Tibetan	Buddhist	Sino-Mongoloid
55. Thudam	Sino-Tibetan	Buddhist	Sino-Mongoloid
56. Topkegola (Dhokpya)	Sino-Tibetan	Buddhist	Sino-Mongoloid
57. Walung	Sino-Tibetan	Buddhist	Sino-Mongoloid
58. Yakha	Sino-Tibetan	Shamanist	Sino-Mongoloid
59. Yolmo	Sino-Tibetan	Buddhist	Sino-Mongoloid

Note : Shamanism – Kirant, Bonpo, Animist and other faiths related to nature worshippers.

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Annex -1**61ST ANNIVERSARY OF THE NEPAL COUNCIL OF WORLD AFFAIRS***Sahana Pradhan**

I would like to begin by extending my warm congratulations to the President and executive members of the Nepal Council of World Affairs (NCWA) on the occasion of the 61st anniversary of the Council which, I am told, is also being marked as the conclusion of the Diamond Jubilee year of its existence. Sixty years of continued engagement in the area of world affairs is in many ways a very valuable experience. On this happy occasion, I would like to express my deep appreciation to the contributions made by this Council in providing an intellectual forum and occasionally organizing discussions and deliberations on various aspects of Nepal's foreign policy issues. Such discussions and deliberations provide us helpful inputs in fine tuning policies on the basis of national consensus as well as in conducting diplomacy in our contemporary world. The Ministry is willing to provide appropriate support for the Nepal Council of World Affairs in the days ahead.

Nepal's foreign policy is guided by the principles of the United Nations Charter, the ideals of nonalignment, the Panchsheel, international laws and the value of world peace. We lay stress on promoting cooperative relationships with neighboring and all other countries of the world on the basis of equality, mutual respect, friendship and understanding. Protecting and promoting our larger national interests constitute the fundamental basis of our foreign policy and our diplomatic endeavors abroad.

Foreign policy is often expressed as an extension of a State's domestic policy. In a rapidly globalizing world of our time, this becomes even more clearly evident. The general welfare of the people is at the center of Nepal's foreign policy as well as our national efforts. Foreign policy is implemented through

* Ms. Pradhan, Minister for Foreign Affairs, made the speech in a closing ceremony of the Diamond Jubilee of NCWA on Feb. 18, 2008.

a State's diplomatic instruments in order to protect and promote the general welfare of the people within a given international environment. In the context of Nepal, which is currently passing through a crucial phase of socio-political transition, it is clearly an even more challenging task to ensure the consistent support and cooperation of the international community in favour of our resolve to create a prosperous, modern, just and democratic Nepal.

A democratic polity calls for a broad-based foreign policy in order to cater for the needs and aspirations of its own people on the one hand and to meet the obligations arising out of being a responsible member of the international community on the other. As citizens of one global village which has been shrinking rapidly in terms of time and distance, we are often outpaced by events and developments taking place at the other end of the globe that have a strong bearing on our daily lives and livelihood. We therefore need to remain alert at all times in order to maximize our gains and protect our national interests globally. Our diplomatic presence therefore needs to be as much widespread and active as possible around the world.

On the bilateral level, our diplomatic relations are being gradually expanded. We now have formal diplomatic relations established with as many as 128 countries around the globe. 'Friendship with all and enmity towards none' has been the guiding principle of our foreign relations. I am glad to state that as of now, we maintain our diplomatic representations through 28 Embassies, Permanent Missions, Consulates General and Consulates across the globe. All of these diplomatic missions are now operational and are being led by ambassadors and other diplomatic agents of appropriate ranks as per the international practice. In doing this we are obviously guided by the prime objective of furthering our own national interests abroad.

We have excellent bilateral relations with both of our immediate neighbours – India and China. Sovereign equality, mutual respect, non-interference in each other's internal affairs, friendship and mutual cooperation are the cornerstones of our bilateral relations with all. We do not to allow our soil to be used against the interests of our neighbours and friends, and we expect similar assurances from them in return.

Beyond the bilateral level, as a founder member of the South Asian Association for Regional Cooperation (SAARC), Nepal is home to the Secretariat of the regional association in Kathmandu. We participate in the

various SAARC activities with full commitment and active support. We believe that regional cooperation would be instrumental in promoting regional fraternity, mutual trust and cooperation among the countries of South Asia. We note with satisfaction that our regional association has made a steady progress towards attaining the various socio-economic goals as enunciated in the SAARC Charter, especially as it focuses its attention on implementation of the decisions including through the operationalization of the South Asian Development Fund.

Nepal membership of BIMSTEC – a small regional grouping of countries including Bangladesh, Bhutan, India, Myanmar, Sri Lanka and Thailand is expected to provide an additional support base for improving the economic well-being of our people through mutual cooperation in economic and technical fields.

Economic diplomacy has assumed an increasingly important role in our foreign policy goals. Foreign trade, foreign direct investment, technology transfer, foreign employment and tourism constitute the main dimensions of our economic diplomacy. At present, our endeavour has been to rationalize the use of whatever resources we have at our disposal towards attaining the most in terms of the economic diplomacy through effective mobilization of our diplomatic missions abroad. In today's competitive and globalized world economic issues have received due prominence in all the countries. Economic progress and stability and peace reinforce each other.

While continuing to remain focused on economic diplomacy, we would like to express our grateful thanks to all our bilateral donors as well as regional and international financial institutions for the valuable economic and technical support they have been providing us all these years as our development partners. As the peace process proceeds to its logical conclusion and the country takes decisive steps towards the constitutional assembly elections, we would like to urge our development partners to come forward with enhanced level of assistance and cooperation in order to ease our way out of the post-conflict transitional challenges into a stable, democratic and prosperous country in the days ahead. Sustained economic development and poverty alleviation would go a long way in consolidating peace and stability in the country. It is with this reason that Government of Nepal is organizing a consultation meeting with the donors in Kathmandu next week.

Remittance has become an important source of our foreign exchange earnings in recent years. More and more Nepalese youths are now going abroad in search of job opportunities and employment. With this has increased the roles and responsibilities of our Missions abroad. We have been doing our best to ensure a just and fair working environment for our expatriate community as well as to protect their rights and legitimate interests. But we believe that most of the problems that our expatriate workers often have to face in the foreign land could be avoided if we could take some precautionary steps such as dissemination of proper information and awareness about the rights and duties of the workers before their departure from Nepal.

The Non Resident Nepalis (NRN) is another important dimension of our interactions, which could play a significant role in the economic development of Nepal by way of FDI, transfer of technology and involvement in other socio-economic activities. The Legislative Parliament has enacted a law in order to invite and facilitate the NRNs to be engaged in Nepal's development.

On the multilateral level, Nepal remains committed to the ideals and principles of the United Nations Charter. As a peaceful and peace loving country, we subscribe to the view that the principles of sovereign equality, peaceful settlement of disputes, mutual cooperation and comprehensive peace and security should underpin the current international order. We stand for a more effective United Nations and a more timely and representative structure of the Security Council. As for the issues of global concern, we continue to focus our attention on some of the major areas such as disarmament, terrorism, the environment, peace, justice, human rights, development and the like at the United Nations and other regional and international I.

We advocate general and complete disarmament as the only sound basis for sustainable peace in the world. We condemn terrorism in all its forms and manifestations anywhere in the world. We urge the international community to take effective measures to protect the environment from being irreversibly degraded to the long-term detriment of humanity as a whole.

This year marks the 50th year of Nepal's participation in the UN Peacekeeping Operations. Our long and continued service to the cause of global peace under the aegis of the United Nations has been well appreciated

by the international community. And we remain fully committed to continue with this global responsibility at the call of the United Nations.

As a land-locked and least developed country, we are actively engaged in protecting the rights of the landlocked and least developed countries around the world. In the regional and multilateral I we work together with other like-minded countries in protecting our rights and promoting common interests.

After 16 years of circular bilateral talks with Bhutan, the Government of Nepal has recently decided to allow willing Bhutanese refugees to go for third country resettlement on a voluntary basis as an interim measure and without in any way compromising their inherent right to return to their homeland in the future.

I will remiss if I conclude without making a mention of the valuable role the UNMIN has been playing in our ongoing peace process. At the request of the Government of Nepal, the mandate of UNMIN has been extended by six months until July 2008 by the UN Security Council. The government is fully committed to hold the CA elections in a free and fair atmosphere so as to usher Nepal into a new era of democratic stability, peace and prosperity. We have also urged the international community to send as many elections observers as possible so that they could observe the elections from close quarters.

A free and fair election and a stable democracy would certainly help to project Nepal's foreign policy at a much higher level of international recognition, respect and support, because the transitional experience of Nepal would be a valuable contribution to the international community as a whole.

Thank you

60TH ANNIVERSARY (DIAMOND JUBILEE) OF THE COUNCIL

*Dr. Mohan Prasad Lohani**

May I begin by thanking the NCWA President Prof. Dr. Pradeep Khadka, Officer Bearers and other distinguished members of the Council for the honor bestowed on me today. I am also thankful to Hon'ble Sahana Pradhan, the Chief Guest at the function today, who has presented to me a token of honour and also wrapped me with a shawl. I take this opportunity to recall my association with Hon'ble Pradhan in the early sixties when Hon'ble Pradhan and myself were colleagues at Padma Kanya Campus (Girls' College) in Kathmandu. Mrs. Pradhan, soon after she assumed the office of the Minister for Foreign Affairs a little over two months ago, highlighted the importance of economic diplomacy in the country's foreign policy and stressed the need for the pursuit of such diplomacy more effectively and efficiently.

There is a great deal of debate and discussion about economic diplomacy in recent years. May I remind the august gathering this afternoon of how economic diplomacy was characterized as a new dimension of Nepal's foreign policy when Prime Minister G.P. Koirala, the first elected prime minister under the 1990 constitution, dwelt at length on the salient features of the country's foreign policy while inaugurating the Institute of Foreign Affairs as a new wing of the Ministry of Foreign Affairs (MOFA) in 1993. Since then a number of task forces have worked on this important policy decision and recommended reorganization of MOFA as well as operational guidelines, including mechanisms for the effective and efficient conduct of economic diplomacy.

Although economic diplomacy continues to become a buzzword for students of diplomacy and international relations, it has to be more than an exercise in rhetoric. MOFA must play a decisive role in galvanizing our Missions abroad for economic diplomacy. In the changed political context, economic

* Acceptance Speech delivered by Prof. Dr. Mohan P. Lohani, former President, NCWA, at a function to celebrate the 60th Anniversary (Diamond Jubilee) of the Council³ on June 8, 2007.

diplomacy has to be pursued more vigorously, efficiently and purposefully in order to promote the economic interests of the nation. Let us hope MOFA, under the leadership of Mrs. Pradhan, will succeed in implementing the objectives of economic diplomacy with concrete results to the satisfaction of all concerned.

NCWA or the Nepal Council of World Affairs, which is celebrating its 60th Anniversary or Diamond Jubilee this year, is working out a strategy to launch result-oriented programs and activities. Such activities, I am sure, will further boost the image of the Council and make it more resilient and responsive to the needs of the times and the aspirations of its members. The present leadership of the Council assisted by a competent team is keen to make the Council a vibrant and dynamic organization capable of achieving the objectives enshrined in its constitution. During the last six decades of its existence, the Council has retained its independent image and played a significant role in projecting the country's image both at home and in the international arena by organizing, from time to time, lecture discussions, seminars, symposia and interaction programs on core areas of national interest and global concern. Visiting dignitaries of international repute, namely, Dr. Henry Kissinger and Dr. Zbigniew Brezinski of the US have addressed the Council in the past. I had the privilege of welcoming them to the Council during my presidency (1983 - 1987). The Council, I am pleased to share my joy and pride with you on this occasion, has given, and continues to give, priority to such issues as peace and development, human rights and democracy, freedom, security and economic diplomacy.

Nepal today is passing through a difficult transitional phase. The decade-long insurgency has come to an end after a series of peace talks, negotiations and agreements, particularly a Comprehensive Peace Accord of November 2006. The country is committed to the peace process, and we all look forward to the day when elections to the Constituent Assembly will be held in a free, fair and impartial manner. The destiny of the country will hopefully be shaped by a new Constitution to be drafted by the newly elected Constituent Assembly.

Finally, I wish all success to the Council in its future activities and express my readiness to cooperate with the Council in realizing its noble objectives.

60TH ANNIVERSARY OF THE NEPAL COUNCIL OF WORLD AFFAIRS

*Sahana Pradhan**

Let me begin by extending my hearty congratulations to the President and executive members of the Nepal Council of World Affairs (NCWA) on the happy occasion of the 60th anniversary of this association. I would also like to take this opportunity to appreciate the contributions made by you and your distinguished predecessors in bringing into focus various aspects of Nepal's foreign policy issues through occasional debates and discussions. Such discussions and interactions always help us to shape our approach, build public opinion, provide insights and inputs, and thus build an atmosphere of national consensus in foreign policy matters.

Let me touch upon the main aspects of our foreign policy and the way we conduct our diplomacy in the contemporary world. Our foreign policy priorities are based on our larger national interest and a realistic assessment of the external environment in which we have to live and act on a regular basis.

According to the Interim Constitution of Nepal 2063, Nepal's foreign policy will be guided by the principles of the United Nations Charter, nonalignment, the Panchsheel, international laws and the norms of world peace. We also put emphasis on promoting cooperative and good relations in the economic, social and other spheres on the basis of equality with neighbouring and all other countries of the world.

The inseparable link between the domestic and foreign policies of a nation can be conceived as two concentric circles, which by definition have a common center. And that common center consists of the general welfare of the people. Foreign policy, therefore, places the broader national interests of a state defined in terms of the interests and welfare of its people at the uppermost which would be promoted within the international framework. The resounding success of last year's historic people's movement in restoring

* Speech by Ms. Sahana Pradhan, Minister for Foreign Affairs, in the 60th Anniversary function of the Nepal Council of World Affairs held in Kathmandu on 8 June 2007.

sovereignty in the hands of the people themselves has lent further credence to this new understanding of foreign policy and its execution in the context of Nepal. As such, ensuring consistent support and cooperation of the international community in favour of our resolve to create a new Nepal forms the fundamental basis of our foreign policy in the changed context.

Foreign policy today has to be broad-based. In a rapidly globalizing world, events and developments taking place at one end of the globe are transmitted to the rest of the world on a real time basis, inviting instant reactions and responses from all quarters of the globe. We would therefore exert our efforts towards adapting the existing foreign policy apparatus to this changed context and running it effectively in order to maximize our gains and protect our national interests globally.

On a bilateral level, our diplomatic relations have been established with as many as 126 countries around the globe. 'Friendship with all and enmity towards none' remains our long-standing foreign policy approach. I am glad to state that as of now, we maintain our diplomatic representations through 27 embassies, permanent missions and consulates across the globe. And the government has recently decided to establish a new embassy in Israel as well. In doing this we are obviously guided by the objective of furthering our national interests abroad.

We have excellent bilateral relations with both of our immediate neighbours - India and China. Sovereign equality, mutual respect, non-interference in each other's internal affairs, friendship and mutual cooperation are the cornerstones of our bilateral relations with our neighbours as well as with other countries around the world. It has always been our considered policy not to allow our soil to be used against the interests of our neighbours and friends and vice versa.

Beyond the bilateral level, I am glad to note that Nepal's international personality as an important participant in the regional as well as multilateral fora has been enhanced over the years. As a founder member of the South Asian Association for Regional Cooperation (SAARC), Nepal takes pride in hosting the Secretariat of the regional association in Kathmandu and actively participates in the various SAARC activities with renewed commitment and enthusiasm. We are guided by the belief that regional cooperation can go a long way towards promoting regional fraternity and enhancing mutually beneficial cooperation among the countries of South Asia. The recent SAARC

Summit held in New Delhi has reinforced the need to promote cooperation through implementation of concrete programs that affect the lives of the people. That is a welcome change in our collective resolve and we hope that together we would be able to initiate specific projects in agreed areas soon. We are happy that a slow but steady progress is being made in this direction. In the past two decades of its existence, SAARC has shown its characteristic resilience and has made some headway towards attaining the various socio-economic goals as enunciated in the SAARC Charter.

Nepal has also become a member of BIMSTEC - a small regional grouping of countries including Bangladesh, Bhutan, India, Myanmar, Sri Lanka and Thailand which aims at improving the economic well-being of its peoples through mutual cooperation in economic and technical fields.

Economic diplomacy with emphasis on foreign trade, foreign direct investment, technology transfer, foreign employment and tourism has been an important dimension of our foreign relations. In this context we express our sincere appreciation for the economic and technical assistance we have been receiving bilaterally from the donor countries as well as from international financial agencies such as the World Bank, the IMF and the ADB for our development activities. We hope that such development assistance would be further enhanced in view of the need for reconstruction and rehabilitation in the post-conflict situation of the country. We would like to stress that sustained economic development and poverty alleviation would further contribute to consolidate peace and stability in the country. Similarly, foreign trade, foreign employment and tourism remain our priority areas for promotion of fundamental economic interests on a sustainable basis.

We all know that in recent years the Nepali expatriates have also become an important source of remittance for the country. With this has also increased the role and responsibility of our Missions abroad. We have been doing our best to ensure a just and fair working environment for our expatriate community as well as to protect their rights and legitimate interests. The Non Resident Nepalis have already held their conferences in Kathmandu over the past several years and they have been showing keen interest in getting involved in the development efforts of Nepal by way of investment and technology transfer. The Government is committed to invite their investment and technical skills for the benefit of our countrymen.

On the multilateral level, we attach great importance to the ideals and principles of the United Nations. It is our constant aspiration that principles of sovereign equality, peaceful settlement of disputes, mutual cooperation and comprehensive peace and security should underpin the current international order. We advocate a more effective role for the United Nations in tackling major global issues of common concerns and a more representative structure of the Security Council reflective of the current realities of the world. Issues of current global concerns such as disarmament, terrorism, environmental degradation, peace, justice, human rights and development are some of the areas where we focus our attention at the United Nations and other international fora.

We stand for a general and complete disarmament; we condemn terrorism in any form and manifestation anywhere in the world; we urge the international community to be cognizant of the disastrous long-term effects of the degradation of the environment and take effective measures to stem this adverse trend in the interest of humanity as a whole.

Our continued participation in the UN Peacekeeping missions has been recognized by the international community as one of our most valuable contributions to global peace and security.

We are actively engaged in protecting the rights of the landlocked and least developed countries around the world. We work together with other countries in promoting our common interests.

It is disappointing to note that for more than 16 years the problem of Bhutanese refugees remains unresolved. In spite of our persistent efforts to get this long-standing humanitarian problem resolved, the Bhutanese reluctance to find a just and sustainable solution has been the primary reason for the lack of progress in this case. Nepal is in favour of early repatriation of the Bhutanese refugees to their homeland in safety and dignity. Meanwhile, as part of an interim solution, we are also not opposed to the prospect of a third country resettlement for the willing Bhutanese refugees on a voluntary basis.

Before I conclude, let me briefly turn to the ongoing peace process and the role the United Nations has been called upon to play through its political mission in Nepal. Our peace process has been such that it has been brokered without the direct involvement of any external third party. The UNMIN has

been here at our invitation on a focused mission. It is specifically mandated to monitor the management of arms and armed personnel of both sides, assist in implementing the agreement on the management of arms and armed personnel, assist in monitoring the ceasefire arrangements, provide technical support for the planning, preparation and conduct of the constituent assembly elections in a free and fair atmosphere, and provide electoral monitors to review all technical aspects of the electoral process. I am glad to say that the UNMIN has been carrying out its mandated activities in cooperation with the Government of Nepal. We are hopeful that the conclusion of the ongoing peace process and the successful constituent assembly elections will converge into creating a new epoch for building an inclusive, peaceful, stable, democratic and prosperous Nepal at the earliest. This would also inject further vigour in the projection of our foreign policy abroad.

THE UNITED NATIONS AND NEPAL'S PEACE PROCESS

*Ian Martin**

Mr. President, members of the Council, fellow guests,

I thank the Council for its invitation and I thank the Secretary General for his introduction. I came to Nepal in May 2005. I don't really need to remind you, but sometimes it is good to remind ourselves of that time. People were dying daily in a ten-year armed conflict in which serious violations of international humanitarian law were being committed on both sides.

When I came, the state of emergency had recently ended but peaceful political activists were still detained. I came to know many who are now in the Government and leading positions in civil society by first visiting them in detention between then and April 2006. And no one, I think, in May 2005 was prepared to predict that just one year later, in May 2006, a ceasefire would have come about, that it would lead on rapidly to intensive peace negotiations, to the Comprehensive Peace Agreement in November 2006, and then to the promulgation of the Interim Constitution, the establishment of the Interim Legislature-Parliament bringing together those elected in 1999 and those who had fought in the insurgency, and then the establishment of Interim Government.

Of course, there have been very considerable difficulties in Nepal's peace process, as in every peace process. I think we can say that many of the timelines set were unrealistic and therefore not achieved, but also commitments that were made and should have been fulfilled were not always observed, resulting in a return of mistrust between those who had brokered the peace agreement. Nepal's peace process has been greatly complicated by being not only a process of building peace between the State and the ideological insurgency against it, but also by the claims of traditionally marginalized groups, who have not always been prepared to see their concerns represented through the political parties. So, of course, the

** Mr. Martin, Special Representative of Secretary General of UN in Nepal, addressed the Council on Feb.6, 2008.*

process has had its very considerable ups and downs. But whenever I go to New York, as I did recently, to report to the Security Council and the Secretary-General, I am reminded how positively Nepal's peace process is viewed internationally by those who look at conflict situations, and too often failed peace processes, around the world. And the reason why it is viewed positively is because it is not a process that was a result of international intervention or indeed a process that was brought about by third party mediation, by the United Nations, or anyone else. It was indeed a Nepali process, and the role of the United Nations has been only to support that process.

The role of the United Nations in relation to the peace process did not begin with UNMIN. Of course, the United Nations agencies were present throughout the conflict trying to maintain development activities and service delivery in difficult circumstances, meeting humanitarian needs and trying to contribute through conflict mitigation. But it was in 2003 that Secretary-General Kofi Annan decided that the United Nations should take a more proactive approach in trying to contribute to an end to the armed conflict and engaged through the Department of Political Affairs and very often through my colleague and Deputy SRSG, Tamrat Samuel, who is here tonight; engaged with the political actors in Nepal and including the Communist Party of Nepal(Maoist); conveyed the message that in view of the United Nations, there was no military solution to that conflict and a solution had to be found through an inclusive national dialogue - the message which the Secretary-General constantly emphasized publicly, and others, on his behalf, emphasized privately. And then in 2005 the United Nations role developed further through the agreement between the High Commissioner for Human Rights and the Government of Nepal to establish the Office of the High Commissioner for Human Rights in Nepal. That indeed was what brought me to Nepal and, I believe, enabled the United Nations through OHCHR at least to mitigate the violations of humanitarian law in the last stages of the armed conflict and to help to defend democratic rights; and as political confrontation escalated, to urge that protests and responses of security forces to protests should be peaceful; and by the presence of United Nations Human Rights Officers to seek to mitigate clashes and loss of life and injuries in what came to be known as *Jana Andolan*.

Meanwhile, as you very well know, the parliamentary political parties and the CPN (M) had reached the 12-Point Understanding in November 2005. That is the point at which it became clear that United Nations was likely to be called upon to play a more extensive role in support of the peace process, if that Understanding indeed became the road-map for a path to peace, and in particular would be called upon to assist what has come to be known in Nepal as the management of arms and armies. That, after April 2006, became in time a formal request of the first Seven-Party Alliance Government and of the CPN (M). This request asked the United Nations to play four roles, all intended to assist in creating a climate for a free and fair election to a Constituent Assembly. The four roles were, firstly, for the Office of the High Commissioner for Human Rights to continue its work of monitoring human rights throughout the country.

Secondly, that the United Nations would assist in monitoring the ceasefire code of conduct. Thirdly, that the United Nations would monitor the management of arms and armies, with the Maoist combatants confined to cantonments and the Nepal Army remaining in its barracks. Precise arrangements for weapons were yet negotiated at that time.

And fourthly, that the United Nations would support and monitor the electoral process. I want to use those four requests of the United Nations as the framework for my remarks tonight and looking forward to answering your questions about them.

First to our support to the electoral process. UNMIN has, from almost the time that the members of the Election Commission were appointed, advised the Election Commission at its headquarters and in the regions. Nepal is fortunate to have an Election Commission of independence, integrity and great competence. But it certainly faces a very challenging task with the first real nationwide election since 1999 and a complex electoral system that has never before been carried out in Nepal. So, we are privileged to have been assisting the Election Commission as it meets that challenge. Our support has also included the deployment of electoral advisers to the districts: a deployment which began last September and was not yet complete by the time in October when the political parties decided to postpone the election beyond 22 November. So we had not deployed to all Nepal's 75 districts, but when the experience of our district electoral advisers working with the Commission's district electoral officers was analysed by the Election Commission and ourselves in the interval created by the postponement, it

was found, I think, to be very much valued by the local staff of the Election Commission as well as by others in local communities, and we are now in the process of again preparing to deploy district electoral advisers to all districts.

The United Nations has encouraged the international community to respond to the Government and the Election Commission's request for international observers and has supported the Commission and will be doing so again in coordinating those observers. The United Nations has formed its own Electoral Expert Monitoring Team in response to the desire of the Government to have at least some United Nations role in monitoring as well as assisting the process. That team is independent of UNMIN so that there is no conflict of our advisory role with their monitoring role. Five electoral experts made three visits before the postponement of the election and will be visiting again before and during the 10 April election.

I think it is generally acknowledged that the postponement of the election was in no way the consequence of any defect in the technical preparations for the election. And although as I said the Election Commission again faces a challenging task, we are confident that it is a task that it can meet, so long as the climate continues to allow it to carry out its responsibilities. Of course, the Chairman of the Election Commission has warned that disruptive activities, *bandhs* around the country, can delay the necessary preparations for the election, and has made clear the importance he attaches to the Government succeeding in creating, not just through policing but also through political dialogue, the security conditions in which the election should go forward.

To turn to the second core function, the management of arms and armies: there are not many armed conflicts around the world where one can say one-and-a-half years after a ceasefire that there has been not a shot fired between formerly contending armies, and indeed no incidents that have threatened any resumption of hostilities. I think that is an achievement which sometimes can be taken too easily for granted because it has now been enjoyed for more than 18 months in Nepal. That is first and foremost a tribute to the discipline of the armies themselves, their respect for the instructions of their political leaderships. But I think it also owes something to the fact that this aspect of the peace process has benefited from an effective implementation machinery, the Joint Monitoring Coordination Committee chaired by the United Nations in the person of my Chief Arms

Monitor, General Jan Erik Wilhelmsen, which held no less than 60 meetings in a year. That regular process of meeting between the United Nations, the Nepal Army and the Maoist army has provided a forum within which complaints and concerns by one side against the other can be rapidly addressed.

I think it is insufficiently known that the Nepal Army and the Maoist army are cooperating with UNMIN arms monitors in Joint Monitoring Teams composed of one member from each of those three components who visit around the country. I think they are seen by local communities as a reassuring sign of the ability of those who were formerly engaged in hostilities to work together with each other as well as with the United Nations.

UNMIN has had to carry out a challenging process of registration of personnel and weapons, of storage and surveillance of weapons, and verification of the bonafides of those in the Maoist cantonments. That was a process which had its ups and downs, mostly for reasons that lay outside the control of the United Nations - political disagreements regarding payments to those in the cantonments, as well as dissatisfaction in relation to the cantonment conditions which were never the responsibility of the United Nations, although it is certainly the matter of concern to us. But in December we finally completed that process of verification, the outcome of which has now been accepted by both the Maoist army and the Government as the basis for going forward. The end of verification leads to another challenging task : the orderly discharge of those who have been found through verification not to be eligible to remain in the cantonments. That discharge ought to have been immediate under the agreements, which refers to the automatic discharge particularly of those found to have been minors on the qualifying date in May 2006.

Unfortunately those arrangements, which we continue to press and should be made as rapidly as possible, also became linked to disagreements between the parties, particularly in relation to payments. The United Nations, not so much in the person of UNMIN, as in the person of UNICEF and UNDP, stand ready to assist in an orderly process of reintegration of those discharged to communities. But we need the effective cooperation of both the Government and the Maoists in order to proceed with that process.

It is also particularly important, looking ahead for the challenge of monitoring arms and armies, that those who have now been verified and will remain in the cantonments do remain in the cantonments during the electoral period. Because the very foundation of the arms monitoring agreement in the 12-Point Understanding is that both armies will stay out of any influence upon the electoral arena during the Constituent Assembly election. Beyond that there is the important issue of the future of those who remain in the cantonments. The confinement of the Maoist combatants in the cantonments, and indeed the restriction of Nepal Army to barracks, was never intended to be a long-term measure. It was intended to be a short-term device while a free and fair election was held. And one can't expect such an arrangement to continue indefinitely with uncertainty regarding the future of those concerned.

Moreover, contrary to any suggestion that UNMIN is anxious to prolong its presence in Nepal, we are anxious to complete the task that we have been given. While the completion of our electoral responsibilities will be achieved once the election has taken place, our arms monitoring responsibilities are of course linked to the continued existence of the cantonments and require an exit strategy based on long-term solutions regarding the future of those in the cantonments. That is why I have pressed, and that is why the Security Council in its most recent resolution again has emphasized, the importance of proceeding to those long-term solutions, however difficult that discussion may be.

Finally, linked closely to the question of the management of the armies, I want to refer to an area of the work of the United Nations that again I think is not sufficiently noticed. That relates to the safe disposal of the explosive remnants of war, of improvised explosive devices, which were main weapons of the Maoist army but also in another form were used by the Nepal Army, the Armed Police Force and at Nepal Police installations. We have been working to encourage and assist the disposal of some 18,000 socket bombs and seven tonnes of explosive materials stored outside the cantonments sites, about 50 per cent of which has now been destroyed; as well as to assist the Nepal Army in the removal of the 53 mine-fields, more than 275 security positions of the Army, 200 of the APF and 48 of the Nepal Police, where their locations were guarded by command-detonated devices. A further problem of course remains out in the community, as we are reminded all too often by casualties resulting from the explosive remnants of

war. UNICEF and other agencies are actively engaged in trying to warn communities of the risk. I am pleased to say that the Government has moved significantly to establish a national responsibility for mine action through the Ministry of Peace and Reconstruction with which the United Nations is working closely.

The third area for which United Nations assistance was requested was the monitoring of the Ceasefire Code of Conduct, at the time of the original request. But of course the Ceasefire Code of Conduct was elaborated in later agreements, more significantly by the Comprehensive Peace Agreement itself. The Office of the High Commissioner for Human Rights has a direct mandate to monitor the human rights provisions of CPA and does so in close cooperation with the National Human Rights Commission, which is also given that responsibility in the CPA. UNMIN was asked not to monitor directly the wider provisions of the Ceasefire, but to assist in doing so, because it was said that Nepal, following past experience, would create national processes for monitoring the implementation of the peace agreement and respect for the ceasefire. Indeed at the time the request was made the parties has established the National Commission for Monitoring the Ceasefire Code of Conduct under the chairmanship of Professor Birendra Mishra. But that Commission ceased to exist when the CPA was signed and indeed before UNMIN itself was created, and since then there has been no independent national monitoring body which the United Nations could assist.

And while civil society has made valuable contributions by different organizations within their respective mandates in monitoring the local situation, nor has there been a comprehensive civil society monitoring body. The parties now, in the 23-point agreement, have again committed themselves to create a high-level monitoring commission as well as to create a Peace Commission, closely associated with the Peace Ministry. I fear the creation of those bodies is going to come late in the day in relation to what needs to be done to create a free and fair atmosphere for a 10 April election, but nonetheless I think it has been a serious weakness of the process that there has been no effective monitoring machinery, and I hope even at this stage that gap will be filled and that United Nations will be able, as requested, to assist in a more effective monitoring process towards the Constituent Assembly election.

Regarding issues of human rights, I must say it is deeply disturbing to me, and this is something the Deputy High Commissioner for Human Rights during her visit has reemphasized, that impunity continues to prevail, both for human rights violations in the past and for acts of violence in the present. Of course there is a connection between the way the issue of impunity is being approached in the past and present.

In particular I regret that there is no independent and effective investigation into disappearances. The agony of families is not to be met by compensation alone but must be met by the truth regarding the fate of their loved ones and justice regarding those that are responsible for their fate. And in the present I fear there is too often a situation that those who kill and threaten today do so in the belief that if caught they may be released through political pressures or interventions; that even if convicted or charged, charges can be dropped and they will be amnestied as a result of political negotiations. The security that is required, not just for the elections but for the well-being of the population going beyond the election, depends crucially on that cycle of impunity being broken.

At present Nepal's peace process is at a crucial moment, as we all know. The Secretary-General and myself and UNMIN have always maintained that the CA election is a key element in the peace process, that it needs to be carried out in a way that will serve the peace process and the resolution of conflict. We should constantly remember that the coming election is an election for the Constituent Assembly which should be an inclusive assembly in which will all political ideologies but also social groups should feel themselves represented, and that an inclusive Constituent Assembly is not just a contest of political power in relation to the next government of Nepal. It is of course inevitable that political parties, once they engage in the political contest, will naturally have the future power dispensation in mind. But it cannot be said too often that this election is a more far-reaching one than just the election of a future government or parliament.

After two postponements, the election is now set for the 10 April. It was very clear when I briefed the Security Council and they made their statements and asked me questions that the international community as a whole wants to see the Constituent Assembly election happen, and happen in the right way. International support for Nepal's peace process and for the electoral process is strong. But Member States do not want to keep extending the life of an expensive Mission and nor does UNMIN, contrary to some reports,

want to prolong its life rather than to accomplish the tasks that the parties to the peace process asked it fulfill. I told the Security Council that I believe that a credible Constituent Assembly election is now within reach, but I cannot answer with certainty. I cannot predict the future with certainty when it depends not on UNMIN and United Nations but on Nepal's political actors. The main challenges now are for the political actors to persuade all groups that they have an interest in participating in this process and seeing it go forward, not in opposing the process, and through that to achieve the kind of local cooperation that can improve the conditions of security for the election. Both leaders of the Government and the Seven-Party Alliance and leaders of Madhesi groups want dialogue and I hope that dialogue is going to bear fruit. It is a legacy, I am afraid, of past violence that new groups may feel that violence is the way to make themselves be heard. It is important to show that that is not the case, that legitimate concerns must be pursued through peaceful means and those who have used violence in the past must now respect the rules of multi-party democracy.

In the critical weeks ahead, the United Nations will of course continue to support the peace process and the electoral process and we will do all that we can to assist in creating a free and fair climate for the election. But I should end where I began, by emphasizing that the outcome of the Nepali process depends upon Nepali actors; it depends not only on politicians, it depends on people of influence throughout society, and I am sure that your members are asking themselves at this time what all of us can do to help bring that process to a successful landmark and proceed beyond this to sustainable peace.

Thank you very much indeed.

RUSSIA IN THE PRESENT WORLD CONTEXT

*H.E. Andrei L. Trofimov**

17 years ago, on the 12th of June 1990, the Declaration of the State Sovereignty of the Russian Federation was adopted. Since 1994, every year we celebrate this momentous event as our National Day.

Over the last 17 years, the cardinal changes have taken place in every area of our society. Now they have become an integral part of our life. The Russian people made this choice in favour of free development, spiritual and creative development, development for all our citizens, and the Russian people have made this choice a reality.

In our days, the world we inhabit is no longer the place we knew just several years ago. Many things have become much clearer; most importantly, that a unipolar world has not taken shape for lack of military, political, financial, economic and other resources required for imperial construction in the age of globalization. For many years, the “unipolar world” myth guided the minds and behavior of many states that believed in this myth and made political investment in it. Today, the realization of the real state of affairs does not come easy to them.

It seems to be an appropriate time for an unbiased analysis of the present stage in the development of international relations. After all, there has been a realistic correction on the U.S. role in world affairs, a clarification of the true value of the Russia factor in global political.

The choice made in 2000 in favor of pragmatic, multivector development, together with the firm but non-confrontational upholding of national interests in foreign affairs, has more than justified itself. Russia decided in favor of a moderate policy and multilateral diplomacy not from the position of weakness. Currently strong and self-confident Russia does not renounce these fundamental principles of its foreign policy.

* Address by H.E. Andrei L. Trofimov, Ambassador of Russian Federation on the occasion of the Day (June 12) of Russia, Friday June 15, 2007

The experience of the last six years convincingly shows that any attempt to ignore the reality of a multipolar world ultimately end in failure. Whatever examples we many take, the conclusion remains the same: modern international problems cannot be solved by force. Attempts to do so only aggravate and throw the situation into a stalemate. The deficit of security, or a sense of deficit, also stems from stagnation in the disarmament sphere, which increases the threat of the proliferation of weapons of mass destruction.

The realization that the world must be free, and that all states should be allowed to decide for themselves, in line with their own understanding of their national interests in the new conditions, is a fundamental idea today. Bloc or ideological discipline no longer works automatically. The notion of “freedom of speech” for example, which we apply to internal developments in every country, is necessary on the international scene as well. Any suppression of dissent, and sweeping disagreements under the carpet, has negative consequences for the entire international community. In the present conditions everybody ultimately pays for an errant policy, as is witnessed in Iraq and the surrounding region.

In former times, uncertainty about the future world order was largely due to Russia’s weakening phase during the initial post-Soviet period. It was easy to get the impression at the time that Russia was simply written off as material for a new territorial and political repartition of the world. We have responded to the challenges with radical political and economic reforms, which are in line with a European choice, but with the preservation of Russia’s centuries-old traditions. As a result Russia has restored its foreign-policy independence-as a sovereign democracy.

Thus, for the first time in many years, a real competitive environment has emerged on the market of ideas for the future world order that are compatible with the present stage of global development. The establishment of new global centers of influence and growth, a more balanced distribution of resources for development, and control over natural wealth, represent the foundation for a multipolar world order.

These and other factors have predetermined the nascent transition to a new stage in world development: counteraction to the present challenges and threats serves as an objective basis for broad international cooperation. Meanwhile, multilateral diplomacy is gaining increasing recognition as an

effective instrument for regulating international relations at the global and regional levels. The role of the United Nations, which possesses unique legitimacy, is growing.

We are ready to participate in the search for solutions to problems produced by unilaterally launched projects. First of all in Iraq, where the situation can still be saved. A multilateral conference, held in Baghdad on March 10, proceeded in the same vein. This process must be used for working out a new and collective strategy in Iraq.

A correction of policy must involve all of the political forces in Iraq, its neighbors, the UN, the Arab League, the Organization of the Islamic Conference, and the G8. This would help realize the objective harmony of interest between Washington and Teheran, for example, which pin their hopes on one and the same Iraqi government.

There is no doubt that real political process do exist in Iran. But the international community can influence Iran in the appropriate spirit only through its involvement, rather than its isolation.

Speaking of Russia – American relations, the crucial stage in building a global security architecture brings us to the main problem, namely, determining modalities for collective interaction in international affairs. This must from the essence of discussions.

Russia has no claims to any special rights in international relations, nor should we be put in the position of being led either. Full equality, including in the realm of threat analysis and decision making, is an indispensable factor.

Opportunities for the positive evaluation of Russian-American relations are opening up in many areas, including in the Global Initiative to Combat Nuclear Terrorism; there are efforts to harmonize the initiatives of the Russian and U.S. presidents for the safe development of nuclear power engineering in the world. This will provide such energy resources to all interested states, provided they observe their nonproliferation commitments. Further proof of our capacity for compromise is the signing of a bilateral protocol with the U.S. on Russia's accession to the WTO. Our dialogue we focuses on the struggle against terrorism and drug-trafficking, the nonproliferation of WMD, the settlement of regional conflicts and, of course, strategic stability.

In our relations with the U.S. – or any other country – confrontation is not predetermined, which means that there are no objective grounds for a new Cold War whatsoever. We expect that our partners display consistency and logic. We do not see any logic in deployment of the elements of a U.S. missile defense system near our western borders. Under the pretext of an “Iranian threat” we are invited to combat a hypothetical, “anticipated” threat, while, at the same time, a real threat created to Russia's – and not only Russia's – security. By the way Iran doesn't have missiles at its disposal that could target Europe.

That is why Russia is opposed to U.S. plans to deploy elements of the National Missile Defense in Europe. There are collective alternatives to this unilateral project – in particular in the form of a Theater Missile Defense in Europe involving NATO and Russia. Such plans were already considered within the framework of the Russia-NATO Council. Additionally, we offer to use a radar base in Azerbaijan instead of building base in Poland and Czech Republic.

When the U.S. was in the process of making its decision on the missile defense system, it did not consult with NATO, nor with the European Union, which now seeks to find a role for itself in the sphere of foreign policy and security in Europe.

Russia's foreign policy fully conforms to the present stage of its internal development. The broad consensus in society on key foreign – policy principles and areas proves this. For the rest of the world we wish the same thing as for ourselves – progressive development without upheavals.

One distinctive feature of Russia's foreign policy is that we are beginning to uphold, perhaps for the first time in our history, our national interests in full, using all our competitive advantages. We now have enough resources for addressing various key tasks of the country simultaneously: retooling the economy, solving social problems, modernizing the Armed Forces, strengthening foreign-policy instruments, and supporting Russian businesses on international markets.

Other countries sometimes make excessive and unilateral demands on Russia its actions on the international scene. Frankly, they want us to give up our independent role in international affairs. We are also criticized due to our lack of ideology, which allegedly stems from Russia's foreign-policy

pragmatism. But pragmatism, however, does not mean a lack of principles. We just proceed from the realities of life, from the real needs of the country and its citizens. The ideology of common sense suits us completely.

We harbor no illusions about the difficulties that lie ahead of us. But we are convinced that the crystallization of many aspects of global politics has already taken place. In terms of foreign policy, our country is well prepared for further changes, and this gives us grounds for an optimistic view of the future.

As for our bilateral ties, I would like to underline that ever since the establishment of diplomatic relations between our two countries in 1956 no matter what twists and turns u-shaped the world political landscape, whatever evolutions the situation in our countries made, these ties always remained immune to negative elements and emotions, invariably demonstrated good will, mutual sympathy, mutual respect and support.

Annex -2

Activities of NCWA (2007-2008)

1. **60th Anniversary (Diamond Jubilee) Celebration** of the Council was held on June 8, 2007, at Hotel Shanker, Kathmandu. Hon'ble Foreign Minister Mrs. Sahana Pradhan was the Chief Guest and addressed the Council on **"Nepal's Foreign Policy"**. On the occasion she presented a token of honour to Prof. Mohan Prasad Lohani for his contribution to the Council. As a recipient of honour, Prof. Lohani delivered his acceptance speech.
2. On the occasion of the Day of Russia a talk programme was jointly organized by the Nepal Council of World Affairs and Russian Cultural Centre. H.E. Andrei L Trofimov, Russian Ambassador to Nepal spoke on **"Russia in the Present World Context"**. The programme was held on June 15, 2007 at Russian Cultural Centre at Kamal Pokhari, Kathmandu.
3. The Council organized a talk programme on **"Vietnam: From Isolation to Integration into the World Economy"** at NCWA Seminar Hall on July 18, 2007. Dr. Omkar Shrestha, Deputy Director, Vietnam Resident Mission of ADB spoke on the topic.
4. A six member NCWA delegation led by Vice President Tirtha Raj Onta visited the People's Republic of China from July 15-22, 2007 at the friendly invitation of the Chinese Association for International Understanding (CAFIU), Beijing. Other members of the delegation were Mr. Badri Das Shrestha, Miss Jaya Sharma, Dr. Shreedhar Gautam, Mr. Ram Lal Shrestha and Mr. Ram Raj Shrestha. During their stay in China they held talks with the CAFIU officials as well as other scholars. Mr. Du Gui Sheng, Deputy Director, Overseas Chinese Foreign Affairs Office of Qinghai Province, Prof. Zhang Yunling, Director, Institute of Asia-Pacific Studies, Mr. Liu Yaohua, Deputy Director General, Foreign Affairs Office of the Tibetan Autonomous Region, Ms Yuan Jian, Vice President, China Institute of International Studies. During their talks they discussed the matters of mutual interest and cooperation. While in China, they visited Beijing, Qinghai Province, Lhasa etc.

5. A talk programme on **"Peace Process in Nepal"** was organized by the Council on August 2, 2007 at NCWA Seminar Hall. Ms Anne Sofie Allarp, Advisor, European Union, threw highlights on the topic.
6. **An Annual General Meeting (AGM)** of the Council was held on August 25, 2007 at NCWA Seminar Hall. The meeting passed the budget and proposed programme for the fiscal year 2007/2008 and at the same time approved Auditor's Report on Financial Report 2006/2007 and appointed auditor for the next fiscal year.
7. **The election of Executive Members of NCWA** was held on September 15, 2007. Out of 254 eligible voters 199 cast their votes in the election. Among the elected members of the executive committee are; Mr. Buddhi Narayan Shrestha, Dr. Rama Bashayal, Mr. Tirtha Raj Onta, Mr. Ramesh Singh, Mr. Tika Jung Thapa, Dr. Som Prasad Pudasaini, Mr. Madhavji Shrestha, Mr. Prakash A Raj, Dr. Ram Dayal Rakesh, Mrs Shreejana Pradhan and Mr. Umesh Bahadur Malla. A three member election committee comprising of Mr. Laxman Prasad Upadhaya, Mr. Kedar Charan Roy and Mr. Pawan Raj Supari had conducted the election.
8. A talk programme by Mr. Dinesh Tripathi, Advocate, Supreme Court, was held on **"International Human Rights Regime and Nepal"** at NCWA Seminar Hall on January 22, 2008
9. A talk programme was jointly organized by NCWA and Swiss Development Cooperation on **"UN and Nepal's Peace Process"**. On the occasion Mr. Ian Martin, Chief of UNMIN shed light on its activities since its inception. Mr. Markus Heiniger, Special Advisor for peace building in Nepal from SDC also spoke on the topic. The programme was conducted on February 6, 2008 at Hotel Shanker, Kathmandu.
10. On the occasion of Diplomatic Day in Russia the Nepal Council of World Affairs and the Russian Centre of Science and Culture organized a talk programme on **"The Role of Diplomats in the Present Situation"**. Mr. Igor S. Gavrichev, Minister Counselor of the Russian Embassy. Mr. Lila Prasad Sharma, former Ambassador of Nepal to Russia spoke on the occasion. The programme was held on February 11, 2008 at Russian Cultural Centre, Kamal Pokhari, Kathmandu.

61st Anniversary (Diamond Jubilee Closing) Celebration of the Council was organized on February 18, 2008 at Hotel Yak & Yeti, Kathmandu, the Rt. Hon'ble Prime Minister Girija Prasad Koirala was the Chief Guest and Hon'ble Foreign Minister Shana Pradhan was the Guest of Honour. On the occasion the Chief Guest Prime Minister made an important speech stressing need for the development of Council. The Hon'ble Foreign Minister Mrs. Sahana Pradhan also addressed the Council on **"Nepal's Foreign policy"**.



Chief Guest Rt. Honble Prime Minister Mr. Girija Prasad Koirala shaking hand with the Guest of Honour, Hon'ble Foreign Minister Ms. Sahana Pradhan on the 61st Anniversary of Council on February 18, 2008.

Rt. Hon'ble Prime Minister Mr. Girija Prasad Koirala inaugurating the function by lighting a traditional lamp on the occasion of the 61st Anniversary of the Council on February 18, 2008.



Rt. Honble Prime Minister Mr. Girija Prasad Koirala addressing the Council on its 61st Anniversary and Diamond Jubilee Closing Celebration on February 18, 2008.



A group photo of the executive members of NCWA with the Guest of Honour Hon'ble Foreign Minister Ms. Sahana Pradhan on the occasion of 61st Anniversary of the Council on February 18, 2008.



A section of audience on the occasion of the 61st Anniversary of the Council on February 18, 2008.

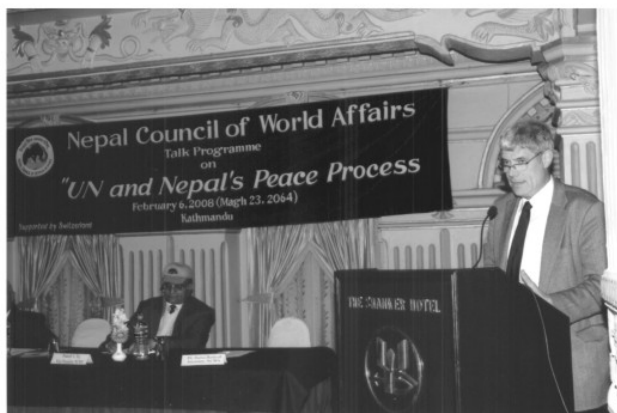
Mr. Ian Martin, Chief of UNMIN, second from left and Mr. Markus Heiniger of the Swiss Agency for Development and Cooperation with Special Advisor for Peace Building in Nepal, fourth from the left, with executive members of NCWA at a talk programme on "UN and Nepal's Peace Process" on February 6, 2008.





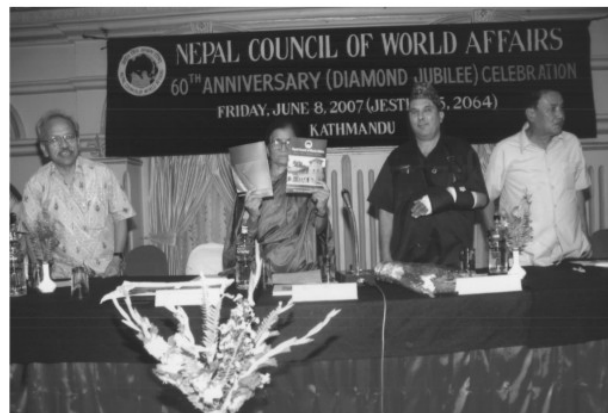
Mr. Ian Martin, Chief of UNMIN addressing the Council at a function on "UN and Nepal's Peace Process" organized by NCWA on February 6, 2008.

Mr. Markus Heiniger, Special Advisor for Peace Building in Nepal of the Swiss Agency for Development and Cooperation addressing at a talk programme on "UN and Nepal's Peace Process" organized by NCWA on February 6, 2008.



Mr. Ian Martin talking with audience at a reception after a talk programme on "UN and Nepal's Peace Process" on February 6, 2008 organized by NCWA.

Chief Guest Foreign Minister Hon'ble Ms. Sahana Pradhan honouring the past president of NCWA Prof. Dr. Mohan Prasad Lohani on the occasion of Diamond Jubilee Celebration of NCWA on June 8, 2007.



Chief Guest Hon'ble Foreign Minister Ms. Sahana Pradhan releasing NCWA Journal 2006-2007 during the Diamond Jubilee Ceremony of NCWA on June 8, 2007.

A group photo of the executive members of NCWA with Chief Guest, Hon'ble Foreign Minister Ms. Sahana Pradhan on the occasion of Diamond Jubilee Celebration on June 8, 2007.





H. E. Igor S. Gavrilchev, Charge d'Affairs of the Russian Federation, third from the left with Vice-President and Secretary General of NCWA at a talk programme on "New Presidency in Russia: Development in Continuity" held on June 24, 2008.



Election Committee of NCWA waiting for voters to cast their votes for the election of the members of executive committee on September 15, 2007.



Mr. Komal Bahadur Chitrakar, member of election committee congratulating the newly elected president of NCWA Mr. Tika Jung Thapa on November 20, 2007.

Dr. Nicole Topperwien, Federalism Expert from Switzerland, second from right, at a talk programme on "Federalism-Sharing Experiences from Switzerland" held on May 11, 2008.



H.E. Mr. Zheng Xianglin, Ambassador of People's Republic of China, second from right, leading a discussion on "New Horizons in Nepal-China Relations" held on August 5, 2008.

Diplomats from the Embassies of Russia, Sri Lanka and Pakistan are seen in the front row on the occasion of the talk programme by the Chinese Ambassador held on August 5, 2008.





Prof. Anand Aditya leading a discussion on "Reforming Security Sector in Nepal" held on August 15, 2008.



A section of the audience on the lecture-discussion by Prof. Anand Aditya on August 15, 2008.