



**CESIF**  
Centre for Social Innovation  
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**Centre for Social Innovation and Foreign Policy**

**Kumaripati, Lalitpur**

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## A. International Relations and Foreign Affairs

### News Brief

Foreign Minister Arzu Rana [Deuba visited India](#) to attend the Raisina Dialogue, 17-19 March, where [discussions focused on](#) trade, hydropower cooperation, and bilateral relations. The visit also coincided with growing speculations regarding India's influence in Nepal's political affairs. However, Deuba dismissed claims of Indian support for Nepal's royalist movement, as [confirmed by](#) Indian External Affairs Minister S. Jaishankar. She claimed that India also wants a [democratic system](#) in Nepal.

Nepal is set to host the Sagarmatha Sambad, its flagship climate forum, from May 16 to 18, for which the Foreign Ministry has begun sending out invitations; it expects [150 to 175 world leaders and foreign delegates to attend](#) the forum, including Indian PM Modi. PM Oli, who is traveling to Thailand [to attend the BIMSTEC Summit](#) in April, will personally extend the invitation to Modi. In a move to address the "[mismanagement of foreign visits and junkets](#) by ministers and secretaries," the government decided to curb and streamline their foreign visits. This decision is seen as a cost-cutting measure and an effort to improve bureaucratic efficiency.

Eight undocumented Nepalis were [flown to Kathmandu](#) on an American charter plane, adding to the growing number of repatriated Nepalis from the US, which has [now reached 38](#). Similarly, Bhutan sent 10 US-deported [Bhutanese refugees to Nepal](#), out of which three were apprehended by the police.

With its crackdown on USAID, the Trump government [permanently terminated](#) funding for 34 aid projects worth Rs 46.12 billion, citing policy concerns and shifting strategic priorities. This move has raised questions about Nepal's foreign aid dependency and its geopolitical positioning between global powers.

In a [telephone conversation](#) with Egypt's President Abdel Fattah Al-Sisi on March 12, PM Oli formally requested Egypt's assistance in securing the release of Bipin Joshi, a Nepali national held hostage by Hamas. Nepal has made multiple diplomatic efforts with different actors in the region, with little progress on Joshi's release so far.

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## News Analysis

### *Development in Nepal that have important international relations and geopolitical dimensions*

The month of March brought Nepal a series of developments that have important international relations and geopolitical dimensions to consider and analyse. The country is yet to grasp the real consequence of the US permanently terminating projects worth over Rs. 46 billion in Nepal. China has shown little interest in filling this massive void and instead wants to continue its engagement in Nepal through low-cost, high-visibility projects—at least until further breakthroughs on individual infrastructure projects under BRI. PM Oli’s relationship with Indian PM Modi has not been particularly great either. Against this backdrop, Nepal has had to deal with a series of pro-monarchy events, demonstrations, and protests, one of which even led to [loss of two lives](#) in Kathmandu. Speculations about external actors’ involvement in the pro-monarchy movement are rife, with some accusing India’s Hindu nationalist groups for their support for monarchy while some Indian media falsely [plays up “China’s role”](#) in monarchy’s overthrow in 2008.

[Speculations of India’s involvement](#) in Nepal’s pro-monarchy movement surfaced after a poster of Uttar Pradesh’s CM Yogi Adityanath was seen at a rally welcoming ex-king Gyanendra in Kathmandu; while monarchists downplayed it, accusing pro-republican parties of planting the image, critics stressed external involvement. Some observers even argued that [Gyanendra’s tone changed](#), and the pro-monarchy movement intensified, after his Bhutan visit and meeting with UP’s Yogi. Some civil society leaders even issued a statement [condemning India’s intention](#) to revive monarchy in Nepal through its “hindu extremists.” However, after her meeting with Indian External Affairs Minister S. Jaishankar, Foreign Minister Arzu Rana Deuba assured that India does not seek to alter Nepal’s political system.

Instead, PM Oli appears to have softened towards India and Modi in recent weeks, hoping to improve ties and solicit support for his government. Not only has he avoided making any provocative comments against the southern neighbor, he has made active efforts to avoid any misunderstanding; speaking in the federal parliament, he emphasized the [importance of dialogues and diplomacy](#) to solve the border dispute with India. Similarly, his party CPN (UML) [issued a statement](#) clarifying that reports of PM Oli’s comments regarding India’s involvement in the pro-monarchy protests were baseless and fabricated; in the rare move, it instead iterated the party’s and Oli-led government’s commitment to further improve Nepal-India relations.

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Oli is also hoping to hold a [bilateral meeting with Modi](#) at the sidelines of the BIMSTEC Summit in Bangkok in early April. The Nepali side has made serious efforts to arrange the meeting, where Oli will be extending Modi an invitation for the upcoming Sagarmatha Summit. A successful bilateral meeting will also offer the domestically-weakened Oli a much-needed respite and signal support for Nepal's federal democratic republic. For Modi, too, Nepal's current political environment and Oli's position serve as an opportune moment to resume negotiations with Nepal on some of the pending issues.

## **B. Domestic Politics and Federalism**

### **News Brief**

Former President Bidhya Devi Bhandari has actively engaged in political and social events across Nepal. In March 2025, she visited [Lumbini in Rupandehi District](#) to address a dialogue program organized by Siddharthanagar Municipality. During this visit, she met with local CPN-UML leaders, including Leela Giri and Khimlal Bhattarai. In the recent past, she also visited Koshi Province and spent a week in Biratnagar. Notably, the entire panel supported by Bidhya Bhandari won positions in the [10th UML Morang district convention](#).

Pro-monarchy demonstrations in Kathmandu on March 28, 2025, escalated into [violent clashes with the police, resulting in two deaths and numerous injuries](#). The protests, organized with demands for the restoration of Nepal's monarchy and Hindu statehood, saw participants vandalizing properties and looting a police weapon. In the aftermath of the protests, authorities detained over 100 individuals, including prominent leaders, and imposed a curfew to restore order. The ruling Nepali Congress, CPN UML, and opposition Maoist Centre have held [former King Gyanendra Shah responsible for the unrest](#). The PM has said that the former king will be held accountable for the damages caused by the unrest. Conversely, the Rastriya Prajatantra Party has challenged the coalition government to arrest the ex-king.

After a long standoff, the [March 24, 2025 cabinet meeting sacked](#) the Nepal Electricity Authority (NEA) Executive Director Kulman Ghising. The government sought repeated clarifications from him. The Cabinet replaced him with [Hitendra Dev Shakya, who previously held the position in 2021](#). Ghising has filed a writ petition in court claiming the decision was unfair. His removal follows tensions with the government over energy trade deals, industrial power dues, and alleged

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insubordination. Opposition leaders criticized the move as politically motivated and harmful to governance.

The Janamat Party and Nagarik Unmukti Party (NUP) are [close towards unification](#). The Janamat Party, led by CK Raut, holds six seats in the House of Representatives and leads the Madhesh Province government, while the NUP has four seats. Both parties have faced their fair share of internal challenges, notably between NUP Chairperson Ranjita Shrestha and founder Resham Chaudhary. Janamat Party has faced accusations of Raut's central control and unfair punishments. Despite these issues, leaders from both parties express optimism about the merger's success. If all progresses smoothly, [the unification could be announced on April 16](#).

## News Analysis

### *Dynamics of Nepal's Pro-Monarchy Protests*

Recently, Nepal has witnessed a resurgence of pro-monarchy protests. This movement has partly been fueled by the enduring ambition of the ex-monarch to reclaim influence. Historically, the former king maintained a subtle presence. He discreetly appeared at [temples and other cultural sites](#), made occasional statements for festivals, and [traveled around the country](#). He portrayed his lingering authority without overt political claims. However, his messaging took a significant turn [just before Democracy Day](#), when he delivered a more vocal call for support. He urged the public to back his ambitions to "save the nation." Pro-Monarchy groups used this message to generate support for their "people's movement." The supporters of monarchy resonated with the message and believed that the former king could be a potential remedy to nation's woes.

Nepal has a large public frustration with systemic issues such as crony capitalism, rampant corruption, and perceived governmental mismanagement. A large section of monarchy supporters, discontent due to the economic health of the country and the disproportionate influence of elite groups, have embraced the notion that the return of the king could restore order and contribute to development. Opportunistic political groups have capitalized on this collective discontent. They have channeled this frustration to advance their own agendas and using the nostalgic allure of the monarchy as a rallying point.

The leadership of [this movement is notably fragmented](#). While the Rastriya Prajatantra Party (RPP) has been the most vocal proponent of the return of the monarchy, the formation of a protest committee excluded discussions with the party. Instead, the committee preferred a retired politician/staunch monarchist Nabaraj Subedi to lead the movement. The RPP party president, who was appointed as one of the members of the committee, declined the position, citing a lack of

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consultation before the formation of the committee. RPP Nepal's party president, the other pro-monarchy party, also declined the position. Similarly, controversial medical business tycoon Durga Parsai was appointed as the commander of March 28 protest. Even though the protest was explicitly endorsed by traditional pro-monarchy parties, their senior leaders didn't show up to the rally. This fragmentation suggests a lack of cohesive strategy within the movement.

Ultimately, these dynamics of pro-monarchy protests are culminations of historical reverence, socio-economic grievances, and political opportunism. Nepali society is caught between the allure of a perceived past order and the challenges of a modern democratic framework.

## C. Political Economy and Development

### News Brief

[Nepal's growth may stall below 4%](#) due to weak productivity, poor infrastructure, and high tariffs. Experts warn economic stagnation despite LDC graduation, urging reforms in hydropower, exports, and digital sectors.

Nepal Rastra Bank launches a [Digital Finance Innovation Hub to foster fintech growth](#), enabling innovators to test digital payment solutions while ensuring regulatory compliance and promoting financial inclusion.

[IMF approves \\$41.8M for Nepal under its Extended Credit Facility](#), citing recovery progress but urging fiscal discipline, financial stability, and structural reforms to mitigate risks and sustain growth. [The World Bank has approved USD 150 million \(Rs 20.4 billion\)](#) for Nepal's third bridge improvement and repair program.

[Nepal defines startups](#) as businesses under 10 years old with annual transactions below Rs150M. New policies aim to boost funding, but entrepreneurs remain skeptical due to past unfulfilled government promises.

Nepal and India will develop new high-capacity transmission lines to boost cross-border power trade, [supporting Nepal's 28,500 MW goal by 2035](#).

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Finance Minister Paudel claims [Nepal's economy is gradually improving](#), stressing government commitment to reforms, banking expansion, and Pokhara Airport's operationalization for economic growth.

[Nepal's government spent Rs.667.60 billion in six months](#), with revenue at Rs.559.61 billion. Provincial expenditures stood at Rs.44.81 billion.

Suspicious financial transactions in Nepal rose 24%, with 7,338 complaints. [Nepal faces FATF greylisting, requiring urgent financial reforms](#).

[Nepal's demographic dividend will last until 2108](#), offering economic growth opportunities due to a larger working-age population. However, challenges like aging and unemployment require urgent policy action for sustainable progress.

The average base rate of Class 'A' banks in Nepal has dropped to [6.48%, driven by surplus liquidity and weak loan demand, making borrowing cheaper](#).

## News Analysis

### *The Struggle for Financial Stability and Effective Development Planning in Nepal*

Nepal's financial system is facing a deepening crisis, marked by rising loan defaults and growing blacklists in the banking sector. According to the Credit Information Bureau, 37,523 individuals were blacklisted in the first eight months of the current fiscal year, up from 33,276 in the same period last year. Over 110,000 individuals now face restrictions on financial transactions, reflecting the economy's deteriorating health. The non-performing loan ratio in commercial banks has climbed to 5%, while non-banking assets have surged by nearly 80%.

The economy's structural weaknesses are exacerbated by its dependence on remittances, tourism, and agriculture—sectors severely disrupted since the pandemic. A decline in remittances has squeezed household incomes, while pandemic-related travel restrictions crippled tourism. Agriculture remains hampered by poor irrigation, fertilizer shortages, and logistical inefficiencies. Small and medium enterprises (SMEs), which could drive economic recovery, struggle due to a lack of financial support and policy incentives. The failure of these businesses has fueled a surge in youth migration to India and the Gulf for employment. Despite these economic headwinds, government narratives remain optimistic, contradicting ground realities. Inflation persists at high levels, but

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investment remains weak due to low confidence. Government revenue has declined, compounding fiscal stress in an import-dependent economy. The rise in loan defaults signals mounting pressure on banks, yet officials downplay the severity of the crisis. Urgent intervention is needed to stabilize the financial system, including loan restructuring and targeted economic stimulus measures. Beyond financial instability, Nepal's development planning faces structural deficiencies. Since initiating its first five-year plan in 2013 BS, Nepal has implemented 14 five-year and three-year plans with mixed results.

The first plan focused on infrastructure but failed to meet its goals. Successive plans addressed poverty, industrialization, and social services but struggled with execution. The 15th plan targeted a 9.6% economic growth rate, yet progress remains inadequate. Persistent shortcomings in planned development stem from weak resource mobilization, poor inter-agency coordination, political instability, and inefficient public procurement. Bureaucratic delays, land acquisition challenges, and frequent personnel transfers further undermine execution. These inefficiencies hinder Nepal's ability to achieve its development targets despite decades of planning efforts.

The upcoming 16th five-year plan must address these systemic issues. The National Planning Commission must enhance implementation mechanisms, improve monitoring, and align development objectives with sustainable growth strategies. Greater transparency, streamlined decision-making, and stronger public-private collaboration will be essential for success. Without significant reforms, Nepal risks continued financial distress and stagnating development, jeopardizing long-term economic stability and growth.

## **D. Environment and Climate Change**

### **News Brief**

President Trump has slashed funding for climate resilience in developing nations, impacting over 60 countries, including Nepal. The U.S. has retreated from global climate leadership, pulling out of the Paris Agreement and [cutting \\$1 billion in climate aid](#) between 2017–2020. These actions have weakened global efforts to combat climate change, especially in vulnerable nations like Nepal.

Nepal is facing an escalating wildfire crisis, [releasing nearly 500 million tonnes of carbon](#) and threatening critical biodiversity. Fires have ravaged forests in Sindhupalchok, Dolakha, and Manang, endangering red panda habitats and national parks like Chitwan and Bardia. Forest fires could reverse decades of conservation gains and worsen climate change.

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The most awaited Sagarmatha Sambaad is to feature [five thematic sessions](#) Beyond Mountains: Linking Mountains to Oceans; Green Economy; Averting, Minimising and Addressing Loss and Damage; Climate Justice and the Future of Humanity; and Global and Regional Partnerships.

As the 2025 Everest climbing season nears, drones will be deployed to assist with waste management and safety in the Khumbu region. These drones will operate between [base camp and Camp II](#) [reducing human risk and foot traffic](#) in hazardous areas.

## News Analysis

### ***Kathmandu Valley is grappling with unhealthy air quality***

The [Air quality index recorded a reading of 242](#) on 31st March and was degraded to most hazardous levels. Air pollution has serious health implications including pneumonia, bronchitis, conjunctivitis, skin allergies, stroke, and heart disease in the short term. Long-term exposure to air pollution increases the risk of lung and intestinal cancer, kidney disease, and chronic heart conditions.

Deteriorating air quality is caused due to various factors. Vehicular emission particularly those reliant on fossil fuels has intensified pollution. However the [shift towards EV](#) has contributed to reducing transport related emission in Nepal. Another factor exacerbating air pollution in Kathmandu is from [construction dust](#) works in the valley. Incidences of [forest fires also have led to a surge in air pollution](#) in major cities in Nepal. This present scenario is the peak season of forest fire and farmers as well burn crops residue. Open burning of the wastes to release hazardous gas to atmosphere.

Government needs to act urgently to respond to the crisis created due to pollution. [Government needs a strategic plan to handle air pollution issues](#). Promoting EV's through subsidies. Industrial emission of pollutants should be checked and they should be encouraged to install pollution control devices. There needs to be a responsible waste management system. The government should also expand green spaces and take control measures for haphazard forest fires.

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## E. Gender, Social Inclusion & Human Rights

### News Brief

#### **IGFF's 'Anupam Abhiyan' Campaign Empowers Women Across Nepal**

The Inter-Generational Feminist Forum (IGFF), an informal feminist collective founded in 2019, is dedicated to advancing the feminist movement and promoting gender equality in Nepal. Originating from UN Women-supported Thought Workshops, IGFF is hosted by Tewa and supported by Nagarik Aawaz. [In 2023, IGFF launched 'Anupam Abhiyan,' a nationwide feminist campaign running until 2027/28 \(2084 BS\).](#) Now in its second year, the campaign continues with nationwide journeys aimed at political empowerment and meaningful participation of women in decision-making. The campaign began with a cross-regional bus journey from east to west, completed in Chaitra 2080 (March/April 2024). Since then, provincial, district, and local-level events have strengthened grassroots engagement. With a focus on marginalized communities and women, 'Anupam Abhiyan' aims to shift development approaches towards self-respect and self-reliance, ensuring greater representation in decision-making roles and contributing to a more just and equitable society.

#### **Zonta Club Kathmandu Celebrates 'Yellow Rose Day' on International Women's Day**

Zonta Club Kathmandu marked International Women's Day as 'Yellow Rose Day', recognizing women who have made a significant impact in their fields. The event celebrated women who inspire young girls to chase their dreams. [Club President Bina Rana highlighted that 'Yellow Rose Day' symbolizes women's empowerment, leadership, and gender equality, aligning with this year's theme, #AccelerateAction.](#) The Unsung Heroes Award was given to Bivisha Mathema Shrestha, Binita Adhikari, Sunita Chidimar, and Arika Gurung. Shyam Badan Shrestha received the Princess Helen Shah Inspirational Woman of the Year Award, and Palesha Goverdhan was honored with the Amar Rana Game Changer Award. Scholarships were awarded to young women in aerospace, business, STEM, and public affairs, while three female editors were recognized for their contributions to media. [The event reinforced Zonta Club's commitment to empowering women and girls for a more equitable future.](#)

#### **President's Women Upliftment Programme: A Lifeline for Remote Women in Nepal**

Launched by Nepal's Ministry of Women, Children, and Senior Citizens in 2018/19, [the President's Women Upliftment Programme provides free air rescue services to pregnant and postpartum women in remote areas facing life-threatening complications.](#) As of February 2024, the program has

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successfully airlifted 630 women from 48 districts across Nepal, including Bajhang, Bajura, Achham, Jajarkot, Khotang, Dhading, and more.

The initiative has been particularly impactful in Sudurpaschim Province, where 82 women have been rescued over three years. [The program operates in 48 districts, fully covering 19 and partially covering 29.](#) Its goal is to ensure emergency medical access for women in isolated regions, contributing to improved maternal and infant health outcomes. In the first half of the current fiscal year, the program successfully rescued 78 women, with the majority coming from Bajhang, Bajura, and Achham. Following the 2018 Procedure for Air Rescue of Pregnant and Postpartum Women in Critical Conditions, this program plays a crucial role in reducing maternal mortality and providing essential medical care to women in need.

### **Recommendation Committee Begins Work on Transitional Justice Commission Appointments**

The recommendation committee tasked with selecting officials for the Transitional Justice Commission (TJC) has officially commenced its work. The Council of Ministers established the committee on March 24, in line with Section 3(3) of the Commission on Investigation of Enforced Disappeared Persons, Truth and Reconciliation Commission Act, 2071 BS. According to committee spokesperson [Lily Thapa, “the committee held its first full meeting on Sunday, marking the beginning of its responsibilities. The committee aims to complete its tasks within two months”.](#) Other members include former Attorney General Kham Bahadur Khatri, Arjun Karki, Stella Tamang, and National Human Rights Commission representative Lily Thapa.

### **News Analysis**

#### ***Law School Faces Serious Allegations of Misconduct and Discrimination***

An institution dedicated to teaching justice and the rule of law is now under scrutiny after Sandhya Gautam, a student, accused the school’s Executive Director, Yubaraj Sangrola, of sexual misconduct. [On March 9, Ms. Gautam publicly expressed her frustration on social media, revealing that her formal complaint, filed on December 5, 2024, had been ignored by the school administration.](#)

The allegations raise serious concerns about how a legal institution, responsible for educating future professionals, handles cases of misconduct. The situation is even more troubling as the school, which should uphold principles of justice, stands accused of fostering a homophobic environment and mistreating students from the LGBTQ+ community. This not only violates legal and ethical standards but also creates an unsafe space for students seeking education in law and justice.

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Such actions contradict ILO Convention No. 190 on Violence and Harassment, which emphasizes the right to a workplace and educational environment free from violence, discrimination, and harassment. Institutions responsible for shaping future legal professionals must ensure accountability and create a safe, just, and inclusive space for all students, regardless of gender or sexual identity. Sexual misconduct, harassment and misogyny is a widespread problem. It includes unwanted attention of sexual nature, unwanted jokes or gestures that have the effect of degrading, humiliating or offending. The victims are more often girls as well as trans/ non-binary, non-heterosexual students.

Sangroula's alleged action in KSL deposits power imbalances. He has the ability to influence both academic and social domains. Hence, addressing sexual misconduct and discrimination within academic institutions is inherently complex due to several interrelated factors.

Academic institutions are a typical hierarchical structure where authority figures such as professors, administrators, and influential alumni exerts disproportionate power over students. It can foster and sustain harassment and prevent the less powerful from retaliation. Furthermore, institutional cultures that place more emphasis on reputation than accountability may encourage a climate of silence in which accusations are minimized or rejected in order to preserve the institution's reputation. Relying on internal processes for investigation of misconduct is likely to lack transparency and accountability. Combating sexual misconduct and discrimination in educational institutions necessitates a multifaceted strategy that includes legal reform, procedural transparency, and cultural change.

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