



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

# MONTHLY NEWSLETTER

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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

President Ram Chandra Poudel led the Nepali delegation to Baku, Azerbaijan, to attend the COP-29 summit, [held from November 11 to 29](#). Highlighting Nepal's extreme vulnerability to climate disasters despite minimal contribution to climate change, in his address, President Poudel emphasized the "[critical need for the 'polluter pays and compensates' principle](#)."

During the annual Nepal-India Border Security Coordination Meeting, held between the Armed Police Force (APF), Nepal, and Sashastra Seema Bal of India on 16 November 2024, the two sides agreed to strengthen coordination and cooperation on a host of issues, including curbing [cross-border criminal activities](#) and [illegal movement of third-country nationals](#).

On 3 November 2024, Nepal's Minister of Energy, Water Resources, and Irrigation, Deepak Khadka, held a meeting with India's Minister of Jal Shakti, C. R. Patil, in New Delhi. Khadka urged Patil to hold the Joint Committee Meeting on Inundation and Flood Management and also requested to [finalize the DPR of the Pancheshwar Project](#).

Amidst speculations of India snubbing PM Oli's repeated efforts for a customary India visit after swearing in as the PM, China extended an invitation to PM Oli for an [official visit from December 2 to 6](#).

The main focus of PM Oli's visit is on the BRI Implementation Plan, a comprehensive framework agreement that has been a point of contention between the two largest parties, CPN-UML and Nepali Congress. While the former was inclined to signing the agreement, the latter had strong reservation on some components, including loans, which even prompted the Chinese Ambassador to engage in an [intense lobbying with Congress leaders](#).

To reduce the differences over BRI, a political mechanism consisting CPN-UML and Nepali Congress held a meeting on November 19, where the coalition partners formed [a four-member task force](#) to revise the BRI Implementation Plan to be signed during PM Oli's China visit. The task force comprising of Bishnu Rimal, Dr. Yuvaraj Khatiwada, Gagan Thapa, and Semanta Dahal [readied a new MoU](#) titled "Cooperation Framework on Jointly Building of the BRI between Nepal and China" to be signed during PM Oli's visit, that is if China agrees.

On November 28, Foreign Minister [Arzu Deuba flew to Chengdu](#), China, as a part of the preparation for PM Oli's visit to Beijing on December 2.

### News Analysis

PM Oli is going to China with [a long list of projects](#) and agreements that the northern neighbor has committed to help implement in Nepal at different dates. Oli's six-day official visit carries special significance and meaning for a few reasons. First, it has been viewed as a reactionary move by Oli after India's indifference to extend him an invitation despite repeated efforts. Pushpa Kamal Dahal even accused Oli of playing "the China card," which was [condemned by CPN-UML](#); In response, PM Oli claimed that his China visit [will not harm Nepal's ties with India](#). However, from his own

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track record, one can conclude that Oli will seek to make this visit “historic” by signing some crucial agreements, even if symbolic, particularly with regards to India.

This brings to the second factor: the Belt and Road Initiative (BRI). Oli and his party have displayed a strong willingness to forward the Initiative that has stalled in Nepal since it signed the MoU in 2017. While the MoU has remained secret, the largest party and Oli’s coalition partner, Nepali Congress (NC) put forward strong reservations on high-interest loans, maintaining that BRI projects can only move on grant. In addition, the Chinese draft of the Implementation Plan, also seen by CESIF, included provisions that would have [long-term implications](#) for not only Nepal-China relations but Nepal’s overall strategic and geopolitical standing. At a seminar organized by CESIF, experts assessed strategic implications of the framework for Nepal, which extend way beyond the objection to BRI loans.

PM Oli has publicly claimed that his China visit will be “historic.” Getting China to convert the PIA loan to grant was initially advertised as the [visit’s major agenda](#), which could have helped make it a landmark visit. However, China’s indication that loan waiver is off the table shifted the attention away from the PIA to BRI, on which the two largest parties and coalition partners remained divided; while Oli and his party displayed a strong desire to make progress on BRI, Nepali Congress was vocally against high-interest loans and some components of the BRI Implementation Plan that had strategic and geopolitical connotation. [To reduce the differences](#) and generate a national consensus, a two-party mechanism of the CPN-UML and NC formed a four-member task force, which worked out some key [disagreements on BRI](#) and came up with [a new MoU](#). The new “Framework for Cooperation on Jointly Building BRI” has significantly revised some components of the Implementation Plan, which looked like [“a political document and has some strategic and geopolitical connotations.”](#) According to the new draft, which is subject to China’s approval, BRI’s implementation in Nepal will be expedited [“by clearly mentioning the projects in the MoU.”](#)

Be it Oli’s predilection or China’s [intense lobbying](#) with NC leaders, Nepal’s top political parties have generated a consensus on BRI: while supportive of the Initiative in principle, Nepal is not in a position to take loans or sign any “umbrella document” with long-term strategic and geopolitical implications. Whether China agrees to this significant downgrade of the draft it sent to Nepal in 2020 remains to be seen, but Oli’s priority will be milking as much out of this visit as possible, especially for domestic consumption and his government’s positioning with India.

## B. Domestic Politics and Governance

### News Brief

#### **87-member delegation to visit China along with PM Oli**

Prime Minister KP Sharma Oli is set to visit China on December 3. A 87-member delegation will be accompanying the prime minister on the visit. The delegation includes 39 [government officials](#) and 48 from the private sector.

#### **Vacant seats announced for local level by-elections**

The Election Commission has announced the locations and vacant positions for the [upcoming local level](#) by-elections. The election is scheduled for December 1. The elections will be held to cover 44 posts that went vacant due to different reasons.

### **Damannath Dhungana passes away**

Renowned leader and former speaker Damannath Dhungana [passed away](#) on 17th November, 2024. He was suffering from liver-related ailments. He was elected as a member of the House of Representatives in 2048 BS, and served as a speaker for three years. His role in mediating talks between the Maoists and the government is considered crucial. Many prominent leaders recognized his contributions and mourned his loss.

### **156 apply for transitional justice bodies**

The two transitional justice bodies- the Commission of Investigation on Enforced Disappeared Persons (CIEDP) and the Truth and Reconciliation Commission (TRC) have received [156 applications](#) for different positions. The selection committee will recommend names to the Council of Ministers through the Ministry of Law for the vacant positions.

### **UML holds rally in Kathmandu, refuses to receive fine notice**

The CPN(UML) held a [mass meeting at Durbarmarg](#), Kathmandu on November 22. The UML district committees of Kathmandu, Bhaktapur, and Lalitpur organized the rally under the banner of a “Awareness Rally.” Further, the party [refused to accept](#) the fine notice of NRs 100,000 from Kathmandu Metropolitan City (KMC). The party refused to receive the notice, claiming that they were not the organizers of the event.

## **News Analysis**

### ***Conflict between CPN(UML) and KMC***

The rift between leadership of CPN(UML) and Kathmandu Metropolitan City(KMC) mayor Balendra Shah is on the rise, as both parties are firm on their respective stances.

The CPN(UML) had organized a mass meet on November 22, that witnessed large numbers of party members chanting slogans in support of the party. The [mass meet](#) that started from Bhadrakali concluded at Durbarmarg. Post the event, the streets of Durbarmarg were found littered, to which KMC imposed a fine of NRs 100,000 to the ruling party. When the party office at Chyasal refused to accept the notice, the KMC further emailed the fine notice.

Officials from the party claimed that they did not litter the place and the mayor [imposing a fine](#) is a politically motivated move. Further, they have also blamed KMC for being biased in imposing fines from parties, when such events are organized. However, the officials of KMC in their defense say that they were present at the venue and imposed the fine only after inspection of the site. Additionally, the Rastriya Prajantra Party (RPP) was fined NRs 5,000 by KMC on April 9 for littering Kathmandu's streets during a protest.

Mayor Shah and UML leaders have been found to be engaged in disputes in the past as well. Mayor Shah criticized Oli for the Giribandhu tea estate scam and party leader Rekha Sharma for child abuse. More recently, there were debates between KMC and UML for footpath expansion in New Road.

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Both the parties involved in the conflict are standing against each other. While they may have disagreements, it would have been wise on the side of UML if they had paid the fine. On the other hand, KMC imposed a fine but on what basis did they decide the amount? Is it valid according to the litter made on the ground? These are some questions that need answers and transparency. The way the conflict is escalating in front of the public demonstrates both the parties having a lot of ego and either of them not willing to accept their mistakes. The public sphere has become a space to demonstrate stunts rather than present one's work and abilities. The public perception is greatly shaped by what the leaders do and show, therefore rather than moving their mouths for debates, it is high time that they move their hands for work.

## C. Federalism

### News Brief

Provincial governments are intensifying their demands to transfer fiscal and administrative authority. They urged the federal government to address their 17-point charter of demands, a document they presented last year during their [meeting with the prime minister on November 15](#), which was held in conjunction with the National Development Problem Solving Committee. Their main demands include the transfer of land and buildings used by provincial entities, enacting federal laws granting delegating authority, and integrating Nepal Police into provincial police forces, among others.

Daman Nath Dhungana, a champion of democracy, human rights and federalism, [passed away on November 17, 2024](#). Dhungana's service as a member of the Constitution Recommendation Commission in 1990 and his role as the first Speaker after Jana Andolan I are significant. His famous statement during his Speakership, "Parliament always belongs to the opposition party while the government is led by the ruling party", reflected his commitment to consolidating democratic practices. He also played a key role during Jana Andolan II and facilitated the peace process in 2006. He was a figure of immense respect from the diverse spectra of Nepali society and politics, as he always advocated for greater rights for minorities and marginalized communities.

On November 12 2024, the [Bagmati province Government made a controversial decision to split the ministry to create a new portfolio](#) for Madu Kumar Shrestha to adjust power sharing. The decision faced criticism, arguing that such petty power-sharing games would increase unnecessary expenditures and intensify skepticism about provincial governments' performances.

Internal Affairs and Law Minister [Lila Balav Adhikari of Koshi provinces has been linked to the human trafficking scandal](#). According to the Police, [three individuals who were part of the minister's trip to Japan paid considerable money to secure the trip to Japan](#). After intense criticism, Adhikari resigned from the post; however, the Kathmandu District Attorney's Office's decision to acquit him, citing lack of evidence, remains controversial.

In Koshi province, government stakeholders [Nepali Congress and CPN \(UML\) formed a two-party mechanism on November 12](#) to enhance government performance. The mechanism, with members Sherdhan Rai, Hikmat Karki and Ghanshyam Khatiwada from CPN (UML) and Uddhav Thapa, Bhupendra Rai and Umesh Thapa from Nepali Congress, aims to serve as a vigilant watchdog for the effective operation of government. The mechanism is the replication of a similar mechanism that two parties arranged at the federal level. The mechanism faces criticism that such a mechanism will dominate administrative apparatus and their autonomy.

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## News Analysis

### **Replicating the party mechanism at the provincial level will weaken the province's autonomy!**

On November 6, 2024, two coalition partners, Nepali Congress (NC) and CPN (UML), decided to form a two-party mechanism at the central level and [replicate similar mechanisms at the provincial and local levels](#). This decision, while intended to enhance the performance of the governments at various levels, has come under scrutiny. There is a growing skepticism that such party machinery may dominate the government apparatus, curtail their exercise of administrative power, and weaken their legitimacy.

Similarly, replicating such mechanisms at the provincial and local levels has garnered significant debate regarding its implication on provincial and local governance. Though Nepal has been practicing decentralization, leaders at the central level seem reluctant to empower provincial and local level governance, as legal and administrative hurdles curtail constitutional rights of provinces such as police force adjustment, passing of the [Federal Civil Service Act, and revenue sharing](#) that directly inferred the performances of provinces. On this ground, the extension of the party machinery to the provincial level provides ground leaders at the central level with the ability to dominate the decisions at the provincial level according to their interests and weaken decentralization.

The intense centralized nature of the political parties of Nepal also backs such skepticisms. Though parties like the Nepali Congress and UML possess organizations at every level, it is evident that the leadership and decision-making of these parties often reside in a small clique of elite officials or supreme leaders. Such practices were evident in [past parties' general conventions where central leadership rather than democratic practices dictated the fulfilment of party posts](#) and organizational decisions. Such practices weaken democratic, open and decentralized discussion and decision-making within parties. Therefore, the recent decision of the coalition partners at the central level to replicate the party mechanism at the provincial and local levels is also seen as an approach to strengthen the central leader's decision to infringe on the day-to-day operations of respective levels. Hence, it raises concerns about the possible encroachment of autonomy and effectiveness of provincial governance, a risk that is hard to overlook.

## **D. Economy and Development**

### **News Brief**

[Nepal faces a drop in Indian tourists due to three factors](#): restricted access to Tibet for the Kailash Manasarovar Yatra, rising airfares, and safety concerns following transport accidents. Indian arrivals fell by 18.5% in November, with overall numbers unlikely to match 2023 levels. Aggressive marketing is needed to reverse the trend.

[The NEPSE index rose 2.52% this week to 2,748.05, with a turnover of Rs. 38.89 billion and 193 gainers](#). Development banks and life insurance led the sectors, while Mithila Laghubitta and Mahuli Samudayik faced losses. Price gains concentrated between 0–6.5%, reflecting bullish sentiment amidst a diversified trading performance.

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Nepal's FDI pledges fell 4.54% amid political instability, slow reforms, and weak investor confidence, despite a BB- rating. Structural barriers, including policy uncertainty, regulatory hurdles, and limited ease of doing business, deter inflows. While reforms are planned, actual investment remains far below commitments, threatening growth and aspirations for LDC graduation by 2026.

Nepal's remittances rose 11.5% to Rs 407.31bn in Q1 FY 2024/25, boosting foreign reserves by 9.4% to Rs 2,232.28bn. Despite a trade deficit of Rs 352.37bn and declining exports/imports, inflation eased to 4.82%. Structural reliance on remittances highlights vulnerabilities in trade and domestic production.

Nepal exported electricity worth Rs 12.72 billion to India in Q1, despite disruptions from flood-damaged hydropower plants and transmission lines. These challenges jeopardize the Rs 30 billion annual export target. Regional grid integration, coupled with collaborative efforts on transmission, regulation, and reservoir management with India, positions Nepal as a critical clean energy stabilizer and export leader in South Asia.

Gold prices fell by Rs 1,200 per tola, reflecting market adjustments. Silver also declined by Rs 25, signaling broader shifts in Nepal's precious metals trade. Gold customs reductions in Nepal halved import duties, but jewelers hiked wages and labor charges, offsetting benefits to consumers. Open borders and smuggling highlight weak regulation and market exploitation.

## News Analysis

### Bishnu Paudel's Economic Gamble

Finance Minister Paudel's claim that Nepal's credit rating signals a favorable investment climate overlooks structural challenges. Bishnu Paudel, the veteran finance minister of Nepal, who has found himself at the helm of the country's economy for the third time, amid a perfect storm of challenges. Despite a long tenure in office, Paudel's economic strategies have largely failed to deliver sustainable growth, raising serious questions about his ability to address Nepal's escalating fiscal and financial crises. Paudel first assumed the role in 2015, when Nepal's economy was reeling from a catastrophic earthquake and a subsequent blockade by India. At that time, Nepal's economic outlook was grim, and while the circumstances were exceptional, Paudel's policy responses—ranging from appeasing the private sector to maintaining short-term stabilization tactics—proved insufficient in the long run. His second tenure in 2020 was marked by the onset of the Covid-19 pandemic, a global health and economic disaster that further undermined his effectiveness as a policy leader. Now, as Nepal grapples with inflationary pressures, a contracting revenue base, and a liquidity crisis within the banking sector, Paudel faces an even steeper uphill battle. His tenure has seen the stock market perform well—arguably a reflection of global capital trends rather than any direct policy intervention—but real economic indicators, such as revenue collection and private-sector investment, paint a much bleaker picture. The country's growing fiscal deficit, coupled with the declining remittances and stagnant foreign investment, underscores the precariousness of Nepal's economic health.

While Paudel has confidently remarked that Nepal's sovereign credit rating signals a favorable investment environment, this assertion overlooks deeper structural issues. For one, the political and policy stability he touts is tenuous at best. The coalition government, with its shifting alliances between the Nepali Congress and the Communist Party of Nepal (UML), offers little assurance of

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long-term policy continuity. Nepal's reliance on external aid, paired with declining capital expenditure and an overstretched social security budget, calls into question the sustainability of any growth model reliant on foreign investment.

Paudel's failure to reform the banking sector—a sector that, during his previous terms, channeled significant funds into speculative real estate and stock markets rather than productive investment—has exacerbated the liquidity crisis that now plagues the financial system. The consequences of those unproductive investments are now evident: an economy where liquidity is drying up, interest rates are rising, and the private sector is too risk-averse to borrow for future projects. Paudel's track record on fiscal discipline has been underwhelming at best. His decision to increase the budget during both his terms, often citing the need for populist measures such as infrastructure spending and social security increases, has repeatedly resulted in budgetary revisions. Despite calls from within the government and among stakeholders for fiscal restraint, Paudel has consistently favored ambitious spending over sustainable financial planning. His recent assurance that the government's debt load is manageable will likely do little to allay concerns about a potential debt crisis if these spending patterns continue. Without significant reforms in both fiscal and monetary policy, the government's optimistic outlook could quickly turn into economic stagnation. Paudel's third term as Finance Minister places him at a critical juncture in Nepal's economic trajectory. While his rhetoric centers on political stability and infrastructure development, these efforts are not enough to overcome the systemic flaws in Nepal's economic management. In an increasingly interconnected global economy, Nepal needs more than optimistic forecasts; it requires bold, structural reforms to navigate the turbulent waters ahead.

## E. National Security and Climate Change

### News Brief

Dengue-carrying mosquitoes have been [detected at a record high altitude](#) of Nepal's Jumla district, a worrying sign of climate change affecting new disease patterns. Health workers are ill-prepared: they lack the resources needed to mount an awareness drive and control mosquitoes. According to experts, this unparalleled spread of Aedes mosquitoes to 2,438 meters has exposed major health-care system gaps in Nepal. Efforts at mitigating outbreaks, however, remain grossly inadequate; the hospitals face problems involving issues of overcrowding, aside from supply shortages.

Kathmandu's air quality is deteriorating due to road construction dust, vehicle emissions, and stubble burning. Recent data ranks Kathmandu as one of the most polluted cities globally, with [PM2.5 levels reaching dangerous concentrations](#). Health professionals report a surge in respiratory illnesses. They have also emphasized the urgent need for better pollution control measures. However, ineffective coordination among agencies has hindered progress.

The Karnali provincial government has launched a [major initiative to rebuild schools and hospitals](#) damaged in the November 2023 earthquake. With a budget of Rs 500 million allocated for this fiscal year, the reconstruction aims to prioritize community schools and health institutions in Jajarkot, Rukum West, and Salyan. Despite the delay, officials plan to complete the projects within the current fiscal year under newly established guidelines. Local committees have already identified key sites for reconstruction, focusing on areas where education and healthcare were most severely impacted.

At COP-29 in Baku, President Ramchandra Paudel emphasized [the "polluter pays" principle](#). He talked about Nepal's disproportionate suffering from climate change despite minimal contributions

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to global emissions. He emphasized on the unfair burden placed on Nepal, where resources intended for poverty reduction are diverted to climate adaptation. Nepal has consistently raised concerns about climate finance and loss and damage on global platforms but has struggled to implement relief programs domestically.

## News Analysis

### *COP29 – A Missed Opportunity for Climate Action*

COP29, held in Baku, Azerbaijan, ended in disappointment as the summit failed to bridge the gap between developed and developing nations on critical climate issues. The conference was marred by disputes over human rights in Azerbaijan, with President Ilham Aliyev's defense of fossil fuels adding to the controversy.

Developed countries have [pledged to raise \\$300 billion annually by 2035 for climate finance](#) in developing nations, a significant increase from the expiring \$100 billion commitment. However, this falls short of the over \$1 trillion per year demanded by many developing nations for climate adaptation and mitigation. Despite the urgent need for bold action, wealthy nations did not commit sufficient resources to fund climate adaptation for vulnerable countries like Nepal and several critical initiatives remain underfunded.

Nepal's President Ramchandra Paudel emphasized the "polluter pays" principle. He called for financial support from major emitters to help countries disproportionately affected by climate change. However, key polluters, including the U.S., [resisted substantial financial commitments](#). The U.S.'s shifting climate stance, particularly with Donald Trump's return to influence, further weakened global consensus.

Beyond financial disputes, the conference struggled to produce any actionable agreements on emission reductions. Many goals were deferred to future meetings. The absence of new commitments on phasing out fossil fuels or strengthening loss and damage funds shows the summit's failure to meet the expectations of climate-vulnerable nations.

COP29's inability to achieve consensus shows a troubling reality: while the climate crisis accelerates, global cooperation remains fractured. The conference revealed the need for more accountability from major emitters and greater urgency in addressing climate justice, as time to prevent catastrophic warming dwindles.

## F. Gender, Social Inclusion & Human Rights

### News Brief

#### **16 Days Activism for GBV**

The International Day for the Elimination of Violence Against Women marks the beginning of [16 days of Activism against Gender Based Violence](#) worldwide, including in Nepal. Despite efforts to achieve zero gender based violence by 2030. In Nepal, [nearly one in five women \(23.8%\)](#) experience physical or sexual violence during their lifetime. According to the Demographic Health Survey, the majority of cases-over 80%-involves a husband and intimate partner as the perpetrator.

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### **Beijing 30+ marks 30 years**

This year marks almost [30 years since 189 nations](#) adopted the Beijing Declaration and Platform for Action to promote gender equality. In March 2025, the United Nations Commission on the Status of Women will evaluate progress since 1995 at its 69th session in New York. The Asia-Pacific region has seen significant advancements, particularly in female literacy and access to health services, including reproductive rights. South Asia's adult female literacy rose from 36% in 1995 to 69.5%, [Nepal's female literacy increased from 25% to 69.4% between 1991-2021.](#)

### **Parliamentary Hearing Committee Approves Lamsal as Nepal's as Nepal's Ambassador to Belgium**

The parliamentary Hearing Committee approved the nomination of Foreign Secretary Sewa Lamsal as [Nepal's Ambassador to Belgium and the European Union](#). The committee unanimously endorsed her candidacy after she outlined her plans. Lamsal is the first woman to hold the position of Foreign Secretary in Nepal and her name was recommended for the ambassadorial role by a Cabinet meeting on 15 August.

### **By-election kicks in local level**

For the local level by-election scheduled for 16 Mangsir (December 1), candidates from the third gender, [Deepak Maharjan \(Honey\) and Rajiv Maharjan \(Mouni\)](#), have submitted their nominations on behalf of the Janata Samajwadi Party (JSP) Nepal. Honey Maharjan is standing for the position of Mayor, while Mouni is contesting for the role of Ward Chairperson in Ward-4, Kirtipur. In total, [44 vacant posts](#) will be contested, including two positions for the heads of district coordination committees, two for rural municipality chairpersons, four vice-chairpersons, one mayor, one deputy mayor, and 34 ward chair, to fill the vacancies left for various reasons.

## **News Analysis**

### **Nepal's Struggle Against Gender-Based Violence Amid Global Milestone**

As the International Day for Elimination of Violence Against Women kicks off the 16 Days of Activism against [Gender-Based Violence \(GBV\), Nepal faces harsh reminders of the deep-rooted challenges in combating GBV.](#) Nearly one in five women in Nepal experience physical or sexual violence during their lifetime. Alarming, over 80% of these cases involve husbands or intimate partners as perpetrators, reflecting the pervasive influence of patriarchal norms within private spaces.

Despite global and national commitments to eradicate GBV by 2030, the prevalence of such violence underscores the need for urgent and sustained interventions. Advocacy campaigns like the 16 Days of Activism aim to raise awareness and awakening action, yet gaps remain in the implementation of laws, survivor support mechanisms, and societal attitude shifts. The intersection of global initiatives like the [Beijing Declaration](#) and grassroots campaign like 16 days of Activism presents an opportunity for Nepal to recalibrate its approach to gender equality.

While literacy and education have empowered women in public spheres, the persistent prevalence of GBV underscores the need for targeted efforts in private and familial spaces. Policymakers must integrate preventive strategies, such as gender-sensitive education, with prosperous enforcement of laws to protect survivors and hold perpetrators accountable. Nepal's commitment to gender equality

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must go beyond rhetoric, ensuring tangible action to dismantle patriarchal norms, support survivors, and achieve a society free from violence.

