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A. International Relations and Foreign Affairs

News Brief

Emir of Qatar Sheikh Tamim bin Hamad al-Thani made a [two-day state visit to Nepal](#) on April 23-24, marking the first high-level visit from the Gulf state. Nepal and Qatar signed an agreement and six MoUs “[in various areas of cooperation](#).” The high-level discussion revolved around [topics of mutual interest](#), such as trade, tourism, investment, and climate change. President Poudel also requested the Emir to [facilitate the release of Bipin Joshi](#), who has disappeared since the Hamas attack on Israel.

Nepal held the third Investment Summit on 28-29 April, bringing together [over 1,100 international investors](#), mostly from India and China. The government showcased 148 potential projects worth about Rs.900 billion, whereas the Department of Industry [approved investment worth Rs.9.13 billion](#) for four projects.

Families of Nepali recruits in the Russian Army have continued their [hunger strike in Kathmandu](#) with 13-point demands, which range from the annulment of military contracts and safe repatriation to timely compensation for the dead and injured. Beginning their strike on April 19, the protesters have occupied different public spaces across the capital city and even sought Home Minister [Rabi Lamichhane’s support](#).

Indian Oil Corporation (IOC) has [agreed to build](#) two petroleum pipelines (Amlekhgunj-Chitwan and Siliguri-Jhapa) and a greenfield terminal (at Charaali, Jhapa) worth NRS. 17 billion as a grant.

Although a Memorandum of Understanding (MoU) about the same had been exchanged during Dahal’s visit to India last year, there had been little progress due to indecision on the funding modality.

In the [third round of Foreign Office Consultations](#) between Nepal and Bangladesh, held in Kathmandu on April 17, the two countries reviewed the overall bilateral relations. They discussed several topics of mutual interest, including promoting cooperation in different sectors, such as trade and commerce, operationalizing the BBIN motor vehicle framework agreement, strengthening BIMSTEC, and revitalizing SAARC.

The Nepal government approved a proposal to feature Nepal’s new political map that includes the disputed Kalapani, Lipulekh, and Limpiyadhura regions on 100 rupee notes. The Indian EAM S. Jaishankar criticized the move, calling it unilateral.

News Analysis

The Communist Coalition Facilitates a More Assertive China

With the new communist coalition in the government, Nepal has seen a growing Chinese assertiveness in recent weeks. Before PM Dahal switched sides, sidelining the Nepali Congress, China’s approach involved engaging Nepal’s communist leaders while holding back on major negotiations and agreements. However, the Maoist-UML-Unified Socialist coalition seems to have offered China a renewed political expediency to engage and influence Nepal in multiple domains. This was evident during the [nine-day China visit](#) by Deputy PM and Foreign Minister Narayan Kaji Shrestha; although the much-anticipated BRI Implementation Plan did not go through, China pushed hard for it, prompting the Foreign Minister to

declare that it would probably be finalized within “[two-three months](#).” However, experts, bureaucrats, and the opposition Nepali Congress have expressed strong reservations about the initiative’s high interest rate and the short repayment period.

During his China visit, Foreign Minister Shrestha pushed for an [economic and development corridor](#) with Tibet, Sichuan, and Chongqing, three Chinese provinces bordering Nepal, which the northern neighbor has entrusted to engage Nepal, which China is positive about. It has now [exempted Nepali citizens from the Chinese VISA fee](#), a request for reciprocity raised during the visit.

On a political front, China’s message to Nepal and regional/global powers has also been more explicit and assertive. During a meeting with the Dev Gurung-led Maoist delegation, Liu Jianchao, minister of the International Department of the CPC Central Committee (IDCPC), [warned against anti-China activity](#) in Nepal. China’s approach to a more active engagement was also evident in its suggestion to consult political parties and stakeholders in China-led initiatives. During a courtesy meeting with PM Dahal, Luo Zhaohui, the visiting chairman of the China International Development Cooperation Agency (CIDCA), [highlighted China’s interest](#) in investing in Nepal’s power sector and the feasibility study of the Tokha-Chhahare tunnel. Unsurprisingly, Chinese investors dominated the Investment Summit, with [two MoUs signed](#) to facilitate investment.

B. Domestic Politics and Governance

News Brief

Nepali Congress leader [Aftab Alam and three others were imprisoned](#) for life in the case of the 2008 killings. They have been accused of initiating a blast on the eve of the Constituent Assembly in 2008, additionally killing the injured.

The Ministry of Education, Science and Technology (MoEST) has sent a letter asking the Commission for the Investigation of Abuse of Authority (CIAA) to [investigate irregularities in the medical sector](#).

The irregularities pointed out in the Medical Education Investigation Commission-2074 BS report, focus on addressing issues of education, affiliation, and entrance exams among others in the medical sector.

The [winter session of the parliament is closed](#), three months after its initiation. While this session witnessed the endorsement of only three bills, the government had earlier announced for amendment of at least a dozen laws ahead of the investment summit.

The opposition party, [Nepali Congress obstructed](#) the house demanding an investigation into Home Minister Rabi Lamichhane in relation to the cooperation scam. Rastriya Prajatantra Party and other parties have also put in their voices against Lamichhane.

The [by-elections](#) recently concluded in Illam and Bajhang. The election in Illam-2 was won by Suhang Nembang and in Bajhang, Daman Bahadur Bhandari won his seat for the Sudurpaschim Assembly. Both of them have won on behalf of CPN(UML). The seat in Illam went vacant after the demise of Subash

Nembang. Bhandari took the place of Prithvi Bahadur Singh from Nepali Congress, who died in an accident last year.

News Analysis

By-elections in Illam and Identity Politics

The majority of the population in Illam is Rai (20.79%), Limbu (16.10%), and Magar (5.21%), [among others](#). Dominant caste-based parties and leaders are often voted to win in the region, helping them maintain their status quo.

Suhang Nembang winning the by-elections in Ilam-2 has displayed that identity politics is here to stay in the Nepali political scenario. Nembang seems to have been elected to continue the legacy of his father, with the support of CPN (UML). The coalition government of the CPN (UML) and the CPN (Maoist Center) helped him [win the election](#) against the opposition Nepali Congress. Along with UML's support, Nembang also had emotional support from the public post his father's demise. The leading parties often use the emotional angle as a soft power tactic to win over the public, and it works as well.

Rastriya Swatantra Party has been failing to deliver as they initially promised during their rise. The public had high hopes with this party as the old parties had failed to deliver. But, with Rabi Lamichhane being embroiled in controversies, the public seems to have shifted their focus back to the same old political parties. Rabi Lamichhane has been dragged into the [cooperative case](#) which is tried to be covered off, after he was chosen as the home minister.

Additionally, the CPN (Maoist Center) also failed to deliver the promises made after the decade-long insurgency. Party chairman and prime minister Pushpa Kamal Dahal (Prachanda) has been continuously juggling and struggling with the leading parties Nepali Congress and CPN(UML) to establish his party's identity. Similarly, the Rastriya Prajatantra Party (RPP) also remained at the back end of the election race, indicating little support for the monarchy-seeking party.

Overall, the senior-most parties of Nepal- Nepali Congress and CPN (UML) have been continuously able to grasp the public eye and their votes. These parties probably will continue to rule the minds of people until and unless any other party delivers their word.

C. Federalism

News Brief

The by-election in Bajhang 1 (a) of the Sudurpaschim Province Assembly resulted in a victory for UML's Daman Bhandari with 11,613 votes. The provincial assembly constituency had remained vacant after the death of Nepali Congress (NC)'s Prithvi Bahadur Singh in a road accident.

Surendra Raj Pandey from the Nepali Congress resigned from the post of Chief Minister in Gandaki Province as per the demand for coalition change. Subsequently, the provincial assembly leader of the CPN-UML, [Khagaraj Adhikari, was appointed](#) as Chief Minister on 7th April. Later, [the Supreme Court quashed](#)

The NC's petition against Adhikari's appointment, allowing the new Chief Minister to expand the cabinet.

As the power coalition in the center changed in March, the Koshi State Assembly [passed the resolution](#) against the Chief Minister, stating that the majority of members of the Provincial Assembly had withdrawn support for the Kedar Karki government and was instructed to either take a vote of confidence or resign before May 25. However, the Chief Minister, unwilling to do so, [submitted a letter](#) to the provincial head on 30th April, mentioning that the resolution was against the constitution.

Amid intra-party conflict within the Nagarik Unmukti Party in the Sudurpaschim Province, Dirgha Bahadur Sodari of CPN (Unified Socialist) was appointed as the Chief Minister of Sudurpaschim Province on April 18. Sodari is scheduled to take the [vote of confidence](#) on 3rd May as per the decision of the joint coalition party meeting held on 30th April.

News Analysis

Provinces rely on the grace of the Federal Level

Federalism in Nepal has been nothing but a tool for the Center to exert power at provincial levels. There are ample instances wherein the Center meddles in the provinces' fiscal, legal, and even political affairs. Any kind of change, smaller or bigger, has a ripple effect on the functioning of the provinces. This March's coalition change at the federal level and its effects on provinces have clearly shown the turmoil of federalism in Nepal.

As Congress withdrew its support from provincial governments, the new political equation demanded [new chief ministers](#) in all provinces. There was also an understanding among the five-party coalition regarding the division of chief ministerial positions among the seven provinces. Except for Koshi province, where Kedar Karki of Congress has refused to give up the Chief Ministerial post, all other provinces have appointed Chief Ministers. The cabinet expansion is also going in full swing.

Most appointments were made per Article 168(2) of the constitution. The CPN (Maoist Center) got Chief Ministers in the Bagmati and Lumbini Provinces led by Shalikram Jammakattel and Jokh Bahadur Mahara, respectively. Similarly, CPN (UML) in Gandaki and Karnali are represented by KhagaRaj Adhikari and Yam Lal Kandel, respectively. The Chief Minister in Sudurpaschim Province has been given to Dirgha Bahadur Sodari from CPN (Unified Socialist).

In the Madhesh Province, Saroj Kumar Yadav remained the Chief Minister, [winning a vote of confidence for the fourth time](#). It is to be noted that during the third vote of confidence, Congress was in support, and CPN-UML had voted against Yadav. However, this time, CPN-UML supported him while Congress voted against him. This trend is no new, as the provincial government follows the suit of power play at the center.

D. Economy and Development

News Brief

The 17th [Nepal-China \(Tibet\) Economic and Trade Fair](#) was held at Bhrikutimandap on 29th April 2024. The fair was inaugurated by the Hon'ble Minister of Industry, Commerce and Supply Mr. Damodar Bhandari. There were 50 Chinese and 15 Nepali stalls in the five-day fair.

According to the [World Bank's Nepal Development Update](#), in April 2024, Nepal's inflation rate is estimated to reach 6.7 percent in 2024 and drop to 6 percent in the following year. The increase in inflation is due to factors like government discounts on VAT on some items and gradually rising food prices. Nepal's economic growth rate has increased this year due to improvements in the service sector, such as tourism and insurance. However, there is a contraction in wholesale and retail trade.

The Asian Development Bank (ADB) is [seeking to boost investment](#) in Nepal's strategic projects, according to their Vice President's meeting with the Prime Minister of Nepal. Furthermore, the PM highlighted Nepal as an attractive investment partner for ADB as ADB's past role in infrastructural development in Nepal.

Nepal Airlines's narrow-body aircraft faced a significant delay while undergoing engine repairs in Israel. The [plane was grounded in December 2023](#) due to engine problems and was sent to Israel Aerospace Industries (IAI) for repairs as per the agreement for repairs, the fleet should have returned within a month, however, the aircraft returned to Nepal after 119 days. The Nepal Airlines Corporation has expressed concerns regarding it and has indicated an investigation for the same.

News Analysis

Nepal Investment Summit 2024

The Third Nepal Investment Summit (NIS) 2024 was held in Kathmandu on April 28–29, 2024, by the Government of Nepal (GoN), in an attempt to further solidify the country's reputation as an attractive investment destination. The summit aimed to showcase the country's potential as a lucrative investment destination and attract much-needed foreign direct investment (FDI).

The summit ended with an agreement to bring around [NPR 6.5 billion](#) domestic and foreign investments into the country. The summit witnessed the investment in three projects and seven various cooperation agreements, however, these agreed projects were not included in the list of projects presented by the government for investment calls. This highlights the lack of trust of foreign investment in Nepali market. This situation is further exacerbated by the sudden [exit of Axiata](#) company from Nepal by selling its majority shares to another UK based company.

Despite Nepal's longstanding efforts to attract foreign investments, the results haven't been promising. World Bank data indicates that FDI inflow in Nepal has failed to reach [0.5 percent](#) of Nepal's gross domestic product (GDP) except for the years in 1997, 2010 and 2017. Number of factors come into account that signifies the low share of FDI in Nepal. One of the major issues regarding this is about the laws and policies of the Nepal government and the ways to implement them. [Eight acts](#) regarding the foreign

investment in Nepal were [authenticated](#) by the President for amendments on 28th April 2024 (on the inaugural day of the summit) after they were passed by the cabinet as ordinance.

Nepal's last two Investment Summit in 2017 and 2019 didn't yield the expected inflow of FDI in Nepal. The inaugural summit attracted the interest of sixteen enterprises from six different countries, resulting in foreign investment commitments of around [USD 13.52 billion](#), mostly from China in cement and hydro projects. However, the FDI did not rise in accordance with the summit's agreements. Similar outcome was visible in the second investment summit held in 2019. The recently concluded summit too didn't yield the expected outcome as hoped for in the beginning. This raises an important question whether the ease of doing business in Nepal is subpar. Nepal should swiftly implement the recently amended foreign investment laws to further attract foreign investments and prevent repeating past issues regarding the flow of FDIs.

E. National Security and Climate Change

News Brief

Addressing the 12th ministerial meeting of the V-20 countries on April 18, Finance Minister [Barsaman Pun stressed](#) that developed countries should provide financial assistance for climate adaptation to developing countries like Nepal, which face “alarming environmental repercussions” despite their “minimal role in causing climate change.”

Kathmandu's air quality [deteriorated to a hazardous](#) 413 $\mu\text{g}/\text{m}^3$ AQI, well above the 300 designated to declare a public health emergency. Kathmandu's pollution level did not just make it the most polluted city in the world but worsened respiratory illness and heightened the risk of viral infections, [including COVID-19](#).

At a discussion on April 3, Home Minister Rabi Lamichhane [issued a directive](#) urging all stakeholders to implement the recommendations of the inquiry committee report for an improved security arrangement at the Tribhuvan International Airport (TIA). However, the TIA's security [still relies on outdated technology](#), such as one-dimensional X-ray machines and manual detectors, and is unlikely to change without the ministry's budgetary intervention.

On April 9, the Rastriya Prajatantra Party (RPP) [staged a demonstration in Kathmandu](#) against the republic system, pressuring the government to fulfill its 40-point demand, which includes the restoration of monarchy and Hindu state. The demonstration [turned violent](#) as the protestors marched towards restricted areas, disrupting the city's traffic and movement.

In the build-up of the Indian Lok Sabha election, local administration and security agencies along the Nepal-India border ramped up their collaborative engagement. After “[a coordination meeting of the security officials of various districts of Nepal and India](#)” in Nepalgunj on April 3, local administration chiefs of these districts convened for a “[border coordination](#)” meeting on April 6 in Paliya, Lakhimpur (Khiri) District of Uttar Pradesh, India.

The month of April saw an increasingly worrying case of wildfire across the country, which [took lives](#) and caused havoc by [destroying houses, crops, and sheds](#). The forest fires peaking in Nepal during the

pre-monsoon dry season have also severely deteriorated the air quality of the surrounding areas, including the capital city.

News Analysis

Communal Conflicts on Rise along Nepal's Southern Border

Nepal's southern plains, particularly the Madhesh region along the India-Nepal border, have experienced a concerning surge in communal conflicts in recent months. What usually starts as a minor clash due to rivalry or anger quickly subsumes religious characteristics and requires the government's intervention for a resolution. A similar communal clash in Sunsari on April 5, which led to a long [curfew in the district's multiple local units](#), is the most recent example of this trend. Reportedly, a local youth, Jiwan Mehta, was assaulted by a group in Bhutaha of Ward 1 in Harinagar Rural Municipality. The incident [grew communal](#) as competing [groups clashed](#), leading to the [police firing empty shots and tear gases](#) at the crowd and imposing a curfew.

Sunsari's incident is not isolated but mirrors several others across the southern plains in recent months. In August last year, a social media campaign advocating for cow slaughter sparked [communal tensions in Dharan](#), leading to security intervention and curfew. In September, a Hindu procession in Rautahat led to a [communal clash](#) with a Muslim group, which sparked [Hindu protests in Birgunj](#); security officials had to impose curfews in both places to de-escalate the situation.

A common characteristic of these incidents is their quick escalation and amplification to larger crowds and sometimes other areas. Two notable factors that contribute to this phenomenon include youth mobilization and the use of tech and social media. Incidents shared on Facebook-like platforms quickly gather youths' attention, especially due to their manipulated narratives, leading to protests and clashes. Most of these incidents are resolved through [all-party meetings](#) and local leaders' consensus for communal harmony, which might suggest the involvement of external agencies and malignant actors. Without precautionary measures, religious polarization at the grassroots level may grow even more, encouraging political parties and leaders to carry the divisive agenda—a national security threat in the long run.

F. Gender, Social Inclusion & Human Rights

News Brief

Despite Nepal's advancement in the [Global Gender Gap Index 2022, scoring 0.692](#) for gender equality and the enactment of laws mandating 33% female representation across all sectors, the recent elections underscore the persistent lack of female leadership within political parties when crucial decisions are made.

The House of Representatives Election Act 2017 reserves seats for seven groups—Women, Madhesi, Muslim, Dalit, Adibasi Janajati, Tharu, and Khas Arya—with 33% female representation included in all categories. However, recent by-elections in Illan constituency 2 and Bajhang (A) saw that major parties nominated only male candidates and in Ilam representation was made on the basis of identity. For instance, [Suhang Nembang of CPN-UML won in Illam](#), while [Daman Bahadur Bhandari of UML was elected in Bajhang \(A\)](#). Similar patterns were observed in other parties' nominations in Bajhang, including Nepali Congress, CPN-Maoist Centre, and CPN-Unified Socialist with no female representation from major ruling parties.

While celebrating the [114th International Women's Day](#) under the theme "Invest in women: Accelerate progress," Nepal must prioritize increasing female participation in elections beyond proportional representation. According to the official announcement by the Election Commission regarding the November 20 election results, only nine women secured seats out of 165 in the House of Representatives through the first-past-the-post (FPTP) system. Similarly, out of 330 provincial assembly members, only 14 are women. Amidst heightened global attention on gender issues and women's political engagement, political parties face criticism for their failure to support female candidates adequately, discouraging many capable women leaders from participating in FPTP elections.

News Analysis

Patan High Court Delays Hearing for Ex-Captain Sandeep Lamichhane's Rape Conviction Appeal

[Patan High Court has postponed](#) the hearing for former national cricket team captain Sandeep Lamichhane, who was convicted of raping an 18-year-old woman at a Kathmandu hotel in 2022. The Kathmandu District Court sentenced Lamichhane to eight years in prison for coercion. Displeased with the district court's decision, Lamichhane appealed to the Patan High Court.

Previously, scheduled hearings for Lamichhane's case in front of Patan High Court Judges Dhir Bahadur Chand and Chandramani Gyawali on April 28 and Justices Sudarshan Dev Bhatta and Purushottam Prasad Dhakal on April 22 did not proceed.

On April 15, Justices Munendra Prasad Awasthi and Durga Prasad Dhungel directed the withdrawal of an application to rectify a birth date in the birth register filed by Ward No. 2 Gaushala 26 of Tadi Rural Municipality. They also mandated the submission of a clear document regarding the date of birth. Despite receiving the document, the proceedings have been repeatedly postponed.

Lamichhane was stripped of his position as national captain last year and subsequently arrested. However, Nepal lifted his ban from playing after he was released on bail, allowing him to continue representing the national team in events such as the World Cup qualifiers and the Asia Cup scheduled for September.

Despite denying the charges, Lamichhane enjoyed significant public support. His return to cricket in February was greeted with cheers from hundreds of supporters, although during an international tournament in Dubai, [Scotland's cricketers declined to shake hands with him](#).

The legal proceedings have been prolonged for over a year due to various procedural delays before reaching a conclusion. On February 22, Lamichhane filed an appeal against the Nepal government in the High Court of Patan.
