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DOORS ANYMORE

VOL 10 • ISSUE 4 • FEBRUARY 2022 • RS 100

# B<sup>360</sup> BUSINESS

HALF-YEARLY  
REVIEW OF  
BUDGET 2021-22

STATE MECHANISMS  
PERSECUTE  
THE PRIVATE SECTOR

DOES 'TOKENISM'  
GIVE WOMEN  
AND MINORITIES  
IN BUSINESS A  
COMPETITIVE EDGE?

DECODING MCC AND  
WHAT REFUSAL TO  
IMPLEMENT ENTAILS

APPETITE  
FOR SUCCESS

MANOHAR ADHIKARI

MANAGING DIRECTOR, FOODMANDU





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# B<sup>360°</sup> BUSINESS

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WALKER

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Politics has always taken precedence in Nepal over any other aspect whether economic, development, civil or diplomacy. Sadly, however national politics is confined to party rivalries, promotion of vested interests, and playing up of internal hostilities and differences. While the focus should have been on good governance and mitigating the challenges of the Covid 19 pandemic, leadership has repeatedly failed its citizens.

It can't be entirely said that the government has not delivered on development priorities in the country, yet lack of pace, intention and quality cannot be ignored. It is also relevant here that the leading political parties of the country are consistently moving further apart in their political values and approaches to the issues facing the country. This has led to a weakening economy, heightened corruption, lack of opportunities for the young demographic of the country, and flailing international relations.

Any government is built to deliver results in the public interest and to foster policy innovation; instead, most rules have been perversely optimised to favour a few. Instead of the political system building itself as a public institution constructed on impartial structures and practices derived from the constitution, its dysfunctions have perpetuated a culture of exploitation and social harm.

Will the political system correct itself? Not until politicians and the public that votes understands that the forces that determine elections and legislations must reflect public interest foremost, that accountability and transparency in government is a prerequisite to good leadership, that economic competitiveness and social progress are markers of good government, that innovation in politics needs to be more powerful and achievable and this can happen only when new entrants into politics are given a fair playing field, that policies must be coherent and sound, and that the public must refuse to accept a failed political system as its fate.

Further businesses in the country must realign how they engage with political parties and government. It is no secret that most business contributions to political parties are made to secure influence and favour. It is time we debate in public what business engagement in politics looks like? What is its impact and how does it serve a business person or organisation's interests and values, and what then is the impact on the common man?

A handwritten signature in black ink, appearing to read 'Charu Chadha'.

Charu Chadha  
editor

## BIZ INDICATORS

FOREX MARKET	31-Jan-22	31-Dec-21	Year ago
USD	119.38	118.93	116.72
GBP	160.50	160.90	159.93
Chinese Renminbi (Yuan)	18.77	18.72	18.17
Indian Rupee (INR 100)	160.00	160.00	160.00
Euro	134.10	135.20	141.65
Australian Dollar	-	-	-
GOVERNMENT SECURITIES	Lowest	Highest	Weighted Avg.
Discount rate of T-bill (Subject to latest issuance)			
Treasury bills (28 days)	4.9903	5.9053	5.4765
Treasury bills (91 days)	5.0014	5.3001	5.1207
Treasury bills (182 days)	4.9500	5.7700	5.3456
Treasury bills (364 days)	4.9600	5.0000	4.9809
PRICE INDICES	Dec 21/22(p)	Dec 20/21(p)	Dec19/20(p)
National Consumer Price Index (base year 2014/15 = 100)	146.09	136.39	132.51

Source: Refinitiv Eikon, Nrb

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P = Provisional, R = Revised

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## THE CHANGING FACE OF LEADERSHIP AT FNCCI AND WHAT IT MEANS FOR BUSINESS IN NEPAL

“Enterprises can fail but the spirit of entrepreneurship must not.”

Shekhar Golchha  
President, FNCCI

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## IN THE LEAD

### APPETITE FOR SUCCESS

MANOHAR ADHIKARI  
MANAGING DIRECTOR  
FOODMANDU

WHEN THE COMPANY WAS INITIALISED IN 2010, IT WAS A MAJOR CHALLENGE BEING A BUSINESS MODEL THAT WAS NOT JUST NEW TO THE COUNTRY BUT ONE THAT HAD TO FACE RESISTANCE FROM CUSTOMERS AND PARTNERS TO REACH WHERE IT IS TODAY. ONLINE FOOD DELIVERY ESPECIALLY PICKED UP PACE IN THE LAST TWO YEARS SINCE THE COVID 19 PANDEMIC HIT THE WORLD MARKING A RAPID EVOLUTION FOR COMPANIES LIKE FOODMANDU, ALSO UNLOCKING A PERMANENT FIXTURE IN THE DINING LANDSCAPE.



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Director, Laxmi Bank & Managing Partner,  
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**Roshan Shrestha**

CEO, NEPAL REALISTIC SOLUTION

ETC

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ON THE COVER

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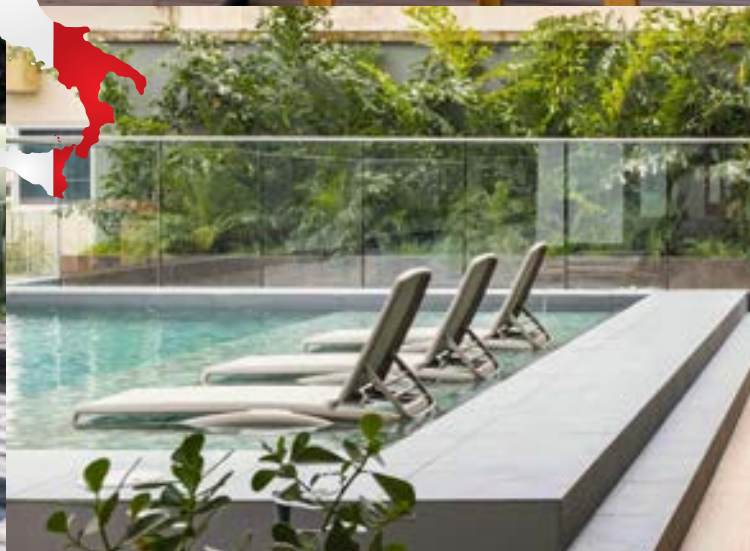
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SCAN ME

## FACE2FACE

**GANDHI PANDIT**  
SENIOR ADVOCATE & FOUNDING  
PARTNER, GANDHI AND  
ASSOCIATES

### DECODING MCC AND WHAT REFUSAL TO IMPLEMENT ENTAILS

IF THE COMPACT IS NOT RATIFIED, WE MIGHT FACE DIFFICULTIES IN RECEIVING AID FROM THE US AND HER ALLIES IN FUTURE AND ALSO LOSE CREDIBILITY AMONG FOREIGN INVESTORS. IF WE MESS UP AND REJECT IT, WE WON'T BE ABLE TO OBTAIN AID OF THIS AMOUNT FROM CHINA, INDIA, EU AND THE US. IN OUR CONTEXT WHERE A LARGE CHUNK OF OUR DEVELOPMENT BUDGET IS FINANCED BY FOREIGN AID, AN ADVERSE IMPACT ON AID MOBILISATION WILL HAMPER OUR DEVELOPMENT ACTIVITIES"

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"AT PRESENT, RS 200 CRORES OF DIGITAL TRANSACTIONS PER DAY IS BEING DONE IN NEPAL"

**Diwakar Pandey**  
Chairman, DigiPay

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"COMING FROM A YOUTH IT MAY SOUND VERY CONTRADICTORY OR CONTRARY BUT THERE IS NOTHING IN THE YOUTH THAT MAKES THEM SPECIAL BY VIRTUE OF THEIR AGE. ENTREPRENEURSHIP IS FOR EVERYBODY BECAUSE IT IS A STATE OF MIND. IT NEVER THAT THE ENTREPRENEURIAL SPIRIT COMES INTO YOU WHEN YOU ARE 16 AND LEAVES YOU WHEN YOU ARE 30 OR 40. YOU CAN FIND PLENTY OF EXAMPLES OF PEOPLE WHO HAVE DONE INCREDIBLE THINGS WHEN THEY WERE NOT SO YOUNG"

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Founder, Centre for Entrepreneurship and  
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# APPETITE FOR SUCCESS

**MANOHAR ADHIKARI**  
MANAGING DIRECTOR, FOODMANDU





Foodmandu has become a household name and the go-to app to order food from the many restaurants and hotels that it affiliates with. When the company was initialised in 2010, it was a major challenge being a business model that was not just new to the country but one that had to face resistance from customers and partners to reach where it is today. Online food delivery especially picked up pace in the last two years since the Covid 19 pandemic hit the world marking a rapid evolution for companies like Foodmandu, also unlocking a permanent fixture in the dining landscape.

Manohar Adhikari, the brain behind Foodmandu, says establishing the company was no easy task but an arduous journey of a little more than a decade. "There were a lot of challenges we had to face when I first thought of starting the company in 2010 because it was a totally new concept in the country," shares Adhikari. "Making people understand the concept was the first major challenge," he recalls also saying that getting eateries onboard was a big problem too. "Convincing restaurant owners was an ordeal with only a handful appreciating the idea," he shares.

Foodmandu began offering their service with just a dozen food joints and that too within their personal network. Over these years, it has seen an exponential growth with approximately 800 restaurants associated with its platform. "In fact, at present we have not been able to accommodate many restaurants because the number of requests to the list is very high," he states.

With such lukewarm response from the market, what made Adhikari stick to his concept? "It was the long-term vision that people would soon adopt and adapt to the digital world, it was not a question of 'if' but 'when'," he shares. There are businesses, he explains, which will take time to evolve but one must not lose

focus. "If I hadn't remained focused and determined, Foodmandu would not have been in existence now because the initial days were really harrowing."

"I started with just a partner and two delivery riders and in the initial days we would be lucky to have even five customers daily but all along I knew the concept of Foodmandu had tremendous potential," he reminisces. Today, the company is providing employment to over 300 people including delivery riders.

"I am from a family with no business background and I didn't have a single friend who knew anything about business but I had oodles of belief and confidence that Foodmandu would one day be a game-changing concept," he says with a conviction that comes from strong self-belief.

He says it's never easy to start a business, let alone something that is completely novel, "When you open a business that is already in existence it's so much easier as they already are players in the market. So, you can always learn from their experiences." However, Foodmandu was a new model and he had to essentially create a market first. It was not about improving on an existing idea and grabbing a share of the pie. "We had to bake the pie. And to top it all, there was the problem of managing capital. Even to this day, when there have been so many technological advancements people still refrain from investing in online businesses because it takes quite a number of years before any online business starts giving returns," he shares.

Major investments are happening in technology-based businesses today and this is why entities like the Dolma Impact Fund are necessary for Nepal, states Adhikari. "Banks are not as interested in providing finances to long-term online businesses." The Rs 460 million fund that



**When the company was initialised in 2010, it was a major challenge being a business model that was not just new to the country but one that had to face resistance from customers and partners to reach where it is today. Online food delivery especially picked up pace in the last two years since the Covid 19 pandemic hit the world marking a rapid evolution for companies like Foodmandu, also unlocking a permanent fixture in the dining landscape.**

Foodmandu recently received from Dolma will be utilised in various areas, he shares, with a major portion going towards enhancing technology. "The reason why we will be focusing on the technology side is fundamentally to provide our customers a better experience." In fact, customers are and should be at the heart of any enterprise, he says, because they are the ones who keep you in business.

"Having a wealth of information and knowledge is futile unless you are passionate about utilising it," he says, adding that the very idea of launching Foodmandu came from his passion for computer programming. "People are surprised that I am involved in a digital business and love software programming even though I don't have any formal education on the subject."

Adhikari shares that his love for computers started from secondary school. "I began doing odd jobs when I joined high school but software programming was always at the back of my mind," he reminisces, "And I did take some crash courses in computer languages." Gradually, this passion led to Adhikari joining a small company in 2001 as a software developer. But in between joining high school and getting into the software world, he relates he even tried his hand at poultry farming. "There was always this urge to be occupied with some work or the other, whether big or small, because the experience you gain is fulfilling," he says. "Even if it is a bitter experience, you can learn from the mistakes," he explains.

In 2004, Adhikari got a break in his career when he was hired by D2Hawkeye, an IT firm which was already well-established in the country. While there, he received a project from a client in the United States and it marked the beginning of his entrepreneurial journey. "I quit D2Hawkeye in 2006, formed a small



**Fact Box****FOODMANDU**

**Business type:** Food Tech

**Established:** 2010

**Initial investment:**  
Rs 1,000,000

**Number of promoters:** 2

**Turning Point:** I can't think of any noticeable turning point so far. It was a gradual and organic growth with a lot of ups and downs.

**Number of riders:** 200+

**USP:** Over the years we have developed to become a trustworthy brand.

**Estimated revenue:** Can't disclose

**Number of partners (restaurants):** 800+

**Number of deliveries per day:** 1500+

**Plans:** New Vertical Additions, Geographical Expansion, Technology Advancement

team and began outsourcing work,” he recalls. “It was my venture but the work was based on other people’s requests and requirements. It was not something I could do independently, or which I could steer in the direction I wanted,” he says. This got him thinking about and working on the concept of Foodmandu.

“While working at D2Hawkeye, lunch was like a monotonous affair, we had to eat the same food every day,” he recalls, “And I thought to myself: why not develop a website where restaurants would be listed and people could order the food they prefer. It was basically taking a problem which we had to face daily and provide a solution to it.”

He says that often people come up with wonderful business concepts but are not able to do much because they lack the matching resources. Moreover, it becomes a difficult proposition when it comes to an online business because such businesses do not become profitable in a short period of time, he adds. “Even if you look at the global trend, you will realise that anybody who has invested in a digital enterprise does so with a long-term vision.” However, he reveals he was prepared for the challenges from the very first day he gave shape to his dream.

Opening Foodmandu was the easy part, says Adhikari, “It was now about trying to sustain the business.” But one good aspect about his business, he says, is they did not have competition for quite some time. “We didn’t have any competition for the first five years and that gave us ample time to learn the fundamentals of our type of business without having to worry about any competitor,” he smiles. Since there was no market literally for online delivery of food, Adhikari says it also allowed him to make mistakes and learn from those experiences. At present, there is competition, but since Foodmandu is the

pioneer in the sector, they do have the first-mover advantage.

Foodmandu today is considered to be a successful venture by a majority of the people, but Adhikari feels success is a relative word. He believes people have their own barometers to measure success and it also depends on the perspective through which you are looking at certain things.

“What you have to keep in mind is to stay focused on what you believe in even when the world has given up hope in you,” he stresses.

He recalls the time when Foodmandu started with only four team members and how difficult it was to survive back then. What kept them going, he states, is the belief that the business would do well in the long run.

The growth has added to his responsibilities of ensuring that the company runs successfully. “There are over 300 employees who have chosen to work with us which means we are responsible for 300 families now.” And this is one reason why Adhikari will continue to stay on top of his game with continual focus on upgrading the customer experience because ultimately it is the customers who decide the fate of any business.

Talking about the values he is guided by in life, he says it is ‘fair practice’ whether within the team or with external clients. He also believes in innovation and originality. “There is no harm in learning from others but one must add an original component to any idea, besides being solution centric. Even in life, there will always be problems, but are you going to find a solution or drown in the problem?”

Adhikari recently made a conscious decision to hire bicycle riders, and this stood the company in good stead. At present, Foodmandu has over 60 bicycle riders and Adhikari plans on raising this number due to the fact that the company has received a lot of positive response even



**Foodmandu began offering their service with just a dozen food joints and that too within their personal network. Over these years, it has seen an exponential growth with approximately 800 restaurants associated with its platform.**

from people outside Nepal. “People have lauded us for providing employment to that segment of youngsters who cannot afford a motorcycle and environmentalists on the other hand are seeing it as a wonderful ‘green’ initiative,” he elucidates. The other green initiative he has taken is the use of paper bags over plastic bags. “It is through such small initiatives that you can have a bigger impact not only on your business but on the community,” he says adding, “Anybody can etch their name on sand. One needs to do so on stone.”

Unlike most other new businesses which often tend to displace similar existing enterprises, Foodmandu has not displaced any existing business, says Adhikari, “Because we were a totally new concept.” He feels immense pride in the fact that till date no business has been displaced by his company. “The bigger we grow, the more true value we will create for the economy at large.”

The one thing that Adhikari laments in all these years of doing business is the ambiguous policies that the government comes up with time and again. “The only thing I am looking for is defined policies because the lack of a proper policy makes it all the more difficult to work,” he states. When rules and regulations are clearly spelt out, then businesses can be aware of what is legal and what is not, he says. “Otherwise there is always this fear at the back of the mind.”

He further states he would like to see rules that are more sector specific and cites the example of the government’s decision to implement the Social Security Fund which has become a major hassle for companies like Foodmandu where a majority of the employees are on part-time basis. “The government might have introduced it with good intention but it is not practical for us because most of our workers are on temporary employment,” he explains. “Our riders do not join us with a long-term plan to make it their career, so when policies are being framed, the government should look into the different types of industries in the country and how the policies are going to affect them individually.”

Focused and diligent, Adhikari has set his target on growing Foodmandu by at least ten times within the next five years. “That’s the target we have set and we will be doing what we can to achieve it; may be open newer verticals like Foodmandu Fresh which deals with grocery items,” he shares.

“I basically want any person who is associated with us in any form to feel proud of that association,” he concludes. **B**







# Righteous Vs 'Smart'

## MADHO BABU'S TRAGIC TALE OF TREADING THE RIGHT PATH



**Basant Chaudhary** is a Poet, Writer, Chairman of BLC and Basant Chaudhary Foundation. (feedback@basantchaudhary.com)

I don't exactly remember when I started addressing Madhav Kant Sahay as Madho Babu. It perhaps happened gradually and unknowingly as I witnessed him gaining in knowledge, wisdom and most importantly, in honesty and integrity. But these virtues were also accompanied by an exaggerated sense of self-righteousness in him.

Madho Babu would not budge from what he thought was correct. Though he did follow the right path most of the time, he was rather unwilling to amend his ways even at the cost of annoying his superiors. We know there is scarce space for such persons today. So, Madho Babu did rise in his managerial career but not to the extent he could have.

This is a sad episode from Madho Babu's short stint as the career communication general manager in a multinational corporation with its Indian headquarters in Mumbai. The tenure could have been happier and longer had Madho Babu gone by the dictates of his immediate boss who happened to be the company's managing director.

Usually, the corporate communication head reports directly to the organisation's chairman or MD because s/he has to be aware of all

developments and plans of the company and needs to interact with a host of stakeholders from employees to government and regulatory bodies, banks, dealers, suppliers and vendors, current and potential customers, and, of course, to the ubiquitous news media.

for nine months. It transpired that Madho Babu's predecessor, basically a marketing professional with little writing and journalistic experience, was engaged in producing a book on sustainable manufacturing all this while at the expense of core communication activities.



Let's get back to Madho Babu's entry into the new company in Mumbai. He approached the MD and sought to know his expectations from the corporate communication department. Strangely, the boss had nothing to share. Madho Babu returned from the MD's office carrying a load of past annual reports, an almost ancient book on the company's history and several marketing brochures. The MD did voice his desire for maintenance of the company's reputation but also made it clear that he would be able to spare time for just one media interview a month.

Back at his desk, Madho Babu faced another shock. His team disclosed that the company's in-house quarterly journal, which used to be distributed in the company's 14 manufacturing plants across India, had not been published

How could a multinational behemoth, which had acquired the Indian company only a few years ago, ignore its most important stakeholders – thousands of blue-collar workers spread across its huge factories in India? Wouldn't this affect work culture integration?

Madho Babu also found that most communication work had come to a standstill because the team members had no corporate communication skills and had got their jobs, before the MNC took over, through recommendations and trade union pressure.

Madho Babu again sought the MD's ears. The MD was aware of the situation but did not relish tackling problems. But he would not authorise Madho Babu either to set his team in order. Also, the MD would often order communication staffers to

carry out his personal errands like arranging tickets for his personal foreign trips or buy gifts for his family.

Left to himself, Madho Babu burnt the midnight oil and published the long languishing in-house journals in a far more interesting and employee-centric manner. He wrote articles on behalf of the MD and got them published in leading national newspapers. This naturally invited acclaim from the company's top managers. Top business papers started writing about the company. Even the MD had to acknowledge Madho Babu's contribution in the intra-company net.

Madho Babu, foolishly enough, retorted that much more could be done if the MD acted professionally. The big boss was not used to such candour. The very same evening, he told Madho Babu that he was not up to the challenges the company faced. Madho Babu asked him to be specific. The MD found the entreaty below his dignity. Madho Babu was out within three months of joining the company though his name remained on the rolls for another three months and the salary continued to reach him.

But no sooner had the six months expired that Madho Babu's predecessor was back in the company, happy with the team he had built honouring recommendations from influential quarters. The corporate communications team became the personal fiefdom of the MD doing his biddings, right or wrong. It is another issue that the company's board sniffed mischief and showed the door to the MD within a year. But why do the likes of Madho Babu suffer? Are they not smart enough? **B**



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## DOES ‘**TOKENISM**’ GIVE WOMEN AND MINORITIES IN BUSINESS A COMPETITIVE EDGE?

The term ‘tokenism’ has given rise to many discussions and debates for decades, yet we see one gender dominate the political and business landscape across the globe. The constitution of Nepal has a provision that guarantees 33% of the seats in the Parliament for women, but is that enough, is it a start, or is it an eyewash. Most people believe that this is inclusion based on compulsion rather than intent. Is it any different in the business landscape?

In this edition of **Business 360**, we spoke to three women leaders to learn their views on the subject. Here’s what they had to say:

### Shilshila Acharya

Director, Avni Centre for Sustainability

Tokenism, by definition, means only making a symbolic effort to avoid criticism and to look like you are doing your part to support a group of disadvantaged people by giving a few of them representation or position of prominence. However, it does not help those people significantly in the long run.

I think tokenism does more harm than good. We can take women’s status in Nepal as an example. The reality is that all power has been held by men at each and every level of the country, be it in bureaucracy, politics, business, academics or media. Women’s voices, concerns, perspectives are never at the decision-making tables. Even in matters most important to them, like citizenship in the name of a mother, women are controlled by the whip issued by men-controlled parties.

I think giving a woman the ceremonial position of a President is also a tokenism when the executive power is always with men. It only helps people who want to maintain the status quo to quip, ‘See! We’ve already

made a WOMAN the Head of the State. You still need more women empowerment? The problem is solved. You are just overreacting.’

Without having many people in the team who have the same value system, be it in corporate boards or government or political positions or in media, even if one or two people land some positions, they won’t be able to drive their agenda and create substantial change. So, tokenism is not enough.

Long lasting change, real change, with the intent of solving the problem is what we need. And to change the mindsets within the corporate systems, political systems, or the society at large, media can play the most important role. I think it is high time media highlight and promote the leadership, achievements, stories of less-talked about leaders among women and historically marginalised and minority groups. Let’s start from there.





## Neeru Rayamajhi Khatri

President, Federation of Woman Entrepreneurs Associations of Nepal



Can 'tokenism' give women and minorities in business the competitive edge? When you delve into this question more and more you realise it's about time to build an economy that works for everybody – women, men, marginalised communities and the minorities.

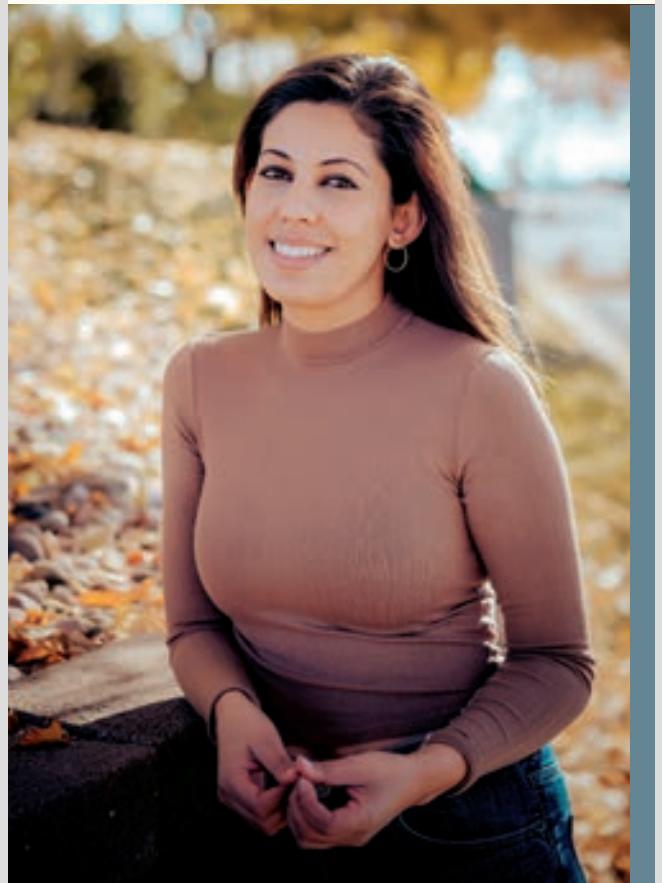
Like many other sectors, women are inadequately represented in the business world and for a variety of cultural, societal and economic reasons they are left out unaided creating inequality, biasness and exploitation. A huge barrier still exists for women to be involved in business therefore we must build a robust system to support and sustain women's participation in the business sector.

Women's economic empowerment can happen only when women can equitably participate, contribute and benefit from economic opportunities. While we can begin with special incentives, facilities, tokenism or whatever we may call it – that will not be sufficient. All sectors at every level need to work on this. While the government agencies need to pass laws and regulations that support women's businesses, the private sector has to help with networking. Most importantly, women themselves need to forge ahead with the unique skills they have.

The competitive edge lies in the nexus of all these factors coming together, with women taking their business ahead

## Amuda Mishra

Founder and Executive Director  
Ujyalo Foundation



Tokenism means only a symbolic representation without any meaningful participation. What we are looking for here is not only a numeric increase of women in businesses. We want an inclusive process where women are not just recruited to diversify the numeric ratios but are provided with the space and psychological safety to be in leadership and decision-making roles where they can influence policies and decisions.

Having more women and non-binary individuals in business is the first step, and we need to move beyond the numbers and work towards having more women and non-binary individuals in decision-making, policy-making committees, and teams where their opinions and experiences are meaningfully represented.

When it comes to having gender diversity in the business, it should focus on creating frameworks, processes, and mindsets that provide a space for women and non-binary individuals to grow, thrive, and advance upwards! It should not be a mere facade to avoid criticism and set an impression of being inclusive! **B**

# HALF-YEARLY REVIEW OF BUDGET 2021-22

SLOW EXECUTION OF CAPITAL BUDGET HITS ECONOMIC RECOVERY

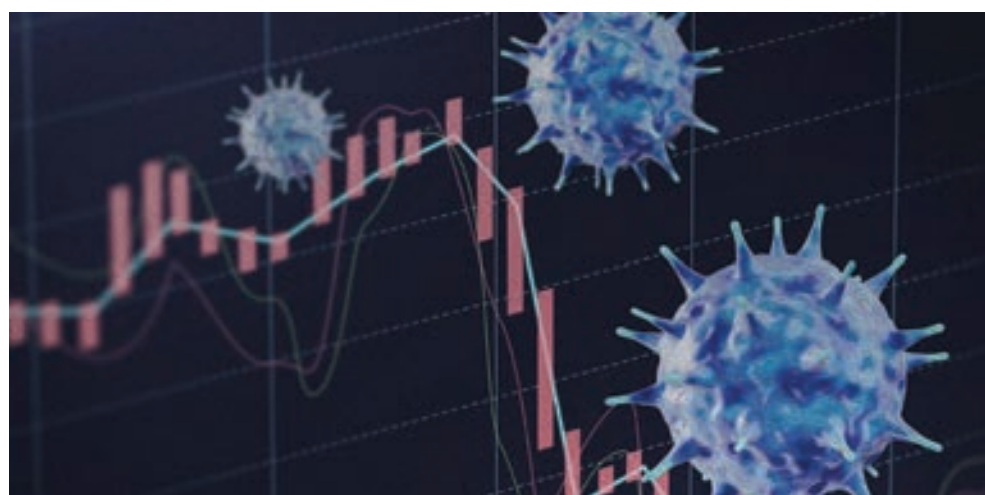
Text: Pushpa Raj Acharya

**I**n spite of the provision of the fiscal budget 2021-22 to spend 10% of the capital budget in the first quarter and 10% each month for the remaining nine months, the government was only able to spend 13.44% of the allocated capital expenditure worth Rs 378.09 billion in the first half of the ongoing fiscal year.

Government expenses, mainly capital expenditure, is considered critical to revive the economy especially now shattered by the Covid 19 pandemic. However, major slackness in executing the budget slows down the pace of economic recovery, according to Dr Ram Sharan Mahat, former Finance Minister. “The government must lay more emphasis on expenses that are allocated for infrastructure development, production capacity enhancement and job creation in a bid to trigger economic recovery which is the need of the hour,” he stressed.

The pessimistic growth scenario projected by the World Bank Group is contrary to the government’s projection of 7% growth in this fiscal. In its recently unveiled flagship publication, ‘World Economic Outlook’, the World Bank Group has projected that Nepal’s economic growth will remain at around 3.9% whereas the major economies in South Asia — India and Bangladesh — are expected to grow by 8.3% and 6.4%, respectively.

The World Bank has underlined the potential risk of



hard landing in the economy of developing economies as incentives offered initially after the pandemic will not continue over a long period of time. When they pull off the schemes and incentives arranged temporarily to maintain overall macro-economic stability it could have adverse impacts on the economy, according to the World Bank. In Nepal, the central bank (Nepal Rastra Bank) has swiftly pulled off monetary incentives including loan restructuring, rescheduling and provisioning related provisions since the beginning of this fiscal. The debt

moratorium period extended by the lenders on principal and interest repayment of foreign loans is over and it will raise the expenses of the government.

The government announced an ambitious target of 7% growth envisioning the resumption of economic activities following the distribution of Covid 19 vaccines that started a year back, and also on the base-effect of growth that had nosedived.

The World Bank has made a projection of sluggish growth in view of the slow vaccination drive, spread of Omicron variant, and increasing public debt as

well as potential obstruction in smooth supply of goods and services.

“Nepal missed the chance to trigger its growth potential like India and Bangladesh due to slowdown in government expenditure and liquidity crunch in the banking sector,” said senior economist Dr Dilli Raj Khanal. “Growth potential from both the public sector and private sector shrunk as the government was unable to accelerate development expenditure and the government is the largest procurer of goods (construction materials) and services

Budget title		Annual Target (In Rs billion) FY 2021-22	Half yearly expenses / revenue collection	Comparison with the corresponding period of previous fiscal years	
				FY 2020-21	FY 2019-20
Expenses	Recurrent	1065.29	38.13%	36.08%	32.35%
	Capital	378.09	13.44%	14.4%	14.89%
	Financing	189.44	26.12%	13.06%	22.44%
Revenue collection		1180.6	45.9%	41.7%	39%

Source: Ministry of Finance

(engineering/consultancy/expertise) and such expenses have a multiplier effect on the economy,” he shared.

Khanal further elaborated that if the government had been able to increase expenses the banking sector would not have faced a liquidity crunch and the private sector would have been able to get credit more easily.

When life started getting back to normal following the vaccination drive, credit demand from the private sector went up substantially. Gunakar Bhatta, Spokesperson of Nepal Rastra Bank, states that half-yearly credit growth hovers at 31% as compared to the corresponding period of the previous fiscal against an effort of the Monetary Policy to keep the private sector credit growth at 19% for this fiscal. In the first six months of this fiscal, banks and financial institutions disbursed Rs 450 billion in spite of the slow deposit growth.

Meanwhile, Sishir Kumar Dhungana, former Finance Secretary, says that the federal government's treasury surplus hovered at only Rs 9 billion at the end of January this year. “The government sorely lacks resources to expedite expenses and the Ministry of Finance has shelved the budget request filed due to lack of funds,” he shared. “We have to mobilise domestic debt and foreign aid for development activities; this year, foreign assistance has plummeted and the government has to raise domestic debt considering the current situation of liquidity crunch.”

On one hand, the federal government has a weak treasury position and on the other, the price of construction materials is skyrocketing. “Increased cost of construction materials means development projects require more funds than the amount that was initially allocated to execute particular projects,” says Dhungana.

Dhungana further adds that the rising inflationary pressure has posed manifold challenges to those who have lost their source of income due to the pandemic. Inflation in mid-December stood at 7.11% despite the

Development partner	Name of project	Grant (Rs in million)	Loan (Rs in million)
Green Climate Fund	Improving climate resilience of vulnerable communities and ecosystems in Gandaki river basin	3,339.35	
Asian Development Bank	Prevention and control of Covid 19 through WASH and health initiative in secondary and small towns	596.55	
Asian Development Bank	Responsive Covid 19 vaccines for Recovery Project		19,697.7
World Bank	Nurturing Excellence in Higher Education		7,050
Switzerland	Enhanced Skills for Sustainable and Rewarding Employment – Phase II	1,876.16	
World Bank	School Sector Development Programme		5,879.5
World Bank	Nepal Health Sector Management Programme for Reform		5,879.5
IFAD	Value chains for inclusive transformation of agriculture projects		11,622.73
Asian Development Bank	Electricity Grid Modernisation Project		7,134.6
South Korea	Establishment of Polytechnic Institute for construction work force development in Province-2		1,046.54
IMF	Extended Credit Facility		46,700.36
Japan	Development Policy Loan		10,470
World Bank	Finance for Growth Development policy credit		18,000

Source: Ministry of Finance

central bank's target to tame inflation within 6.5% in this fiscal. “It seems real growth in the economy will be insignificant this year as inflation is high,” he says.

The government has envisioned to mobilise domestic debt worth Rs 239 billion in this fiscal, however it has raised Rs 36 billion — Rs 20 billion through Development Bonds and Rs 16 billion from Citizen Saving Bond. Similarly, foreign assistance plummeted heavily in the first half of this fiscal as compared to the corresponding period of the previous fiscal.

The fiscal budget 2021-22 has envisaged to mobilise Rs 343 billion through foreign assistance — Rs 59.92 billion through foreign grant and Rs 283 billion in the form of loan assistance, however, only Rs 121 billion has been received as foreign aid commitment. Recently, after the first half of the fiscal, the government decided to avail \$150 million (approximately Rs 18 billion) from the World Bank Group under ‘Finance for Growth Development Policy Credit’. The government had received commitment of Rs 187.44 billion in the first half of

the corresponding period of the previous fiscal year.

Recently, Finance Minister Janardan Sharma had summoned the secretaries of various ministries and instructed them to expedite capital expenses and also said he would take all necessary initiatives to facilitate them. The finance minister had also urged the secretaries to surrender the budget allocated for projects which the ministry and concerned executing agencies are not hopeful of execution and to focus only on those projects that will perform better. He laid emphasis on execution of big-ticket projects and productive capacity enhancement related projects.

“I have noticed that the budget executing agencies are facing structural constraints to deliver results despite their efforts to perform better than in the past,” said Minister Sharma, “We have to diagnose the deep-rooted problems of our expenditure system.”

The Ministry of Finance (MoF) has reviewed the expenditure target from Rs 1,623.82 billion to Rs 1,546.28

billion, which is 94.7% of the allocation. The government expects to spend Rs 1,006.46 billion as recurrent expenditure and Rs 306.32 billion as capital expenditure from the allocated Rs 1,035.46 billion and Rs 340.32 billion, respectively. Likewise, under the financing heading 90% of the allocated Rs 170.49 billion is expected to be spent in this fiscal.

Similarly, the government also reviewed the resource of budget financing. As per the reviewed estimation, the government expects to mobilise Rs 1,289.82 billion from revenue and domestic debt (internal resources), Rs 50 billion from foreign grants and Rs 206.46 billion through foreign loans.


















Initially, the government had estimated to collect Rs 1,050.82 billion from revenue, Rs 59.92 billion from foreign grants, Rs 283.09 billion through foreign loans, and Rs 239 billion from domestic debt.


















Similarly, Prime Minister Sher Bahadur Deuba had also reviewed the progress of the government in six months. The progress of six months is as follows:



## Progress of the government in six months



Indicator	Annual Target	Progress
Registration of large industries 	92	39
Employment creation from industrial sector 	280,000	92,000
Foreign direct investment approval in industries 	Rs 35 billion	Rs 30 billion
Transport of food in remote areas 	18,000 tonnes	6,400 tonnes
Production of paddy 	5.75 tonnes	5.13 tonnes
Supply of chemical fertiliser 	350,000 tonnes	103,000 tonnes
Production of timber 	25000,000 cubic feet	4625,000 cubic feet
Revenue from forest area 	Rs 4.5 bn	Rs 1.4 bn
Kathmandu-Terai Fast Track 	21.2%	16.3%
Blacktopped road 	18,114 km	16,704 km
Bridge 	3,045 km	2,767 km
Railway track 	88 km	70.5 km
Tunnel construction 	3.3 km	2 km
Rural black topped road 	4,459 km	4,373 km
Local road bridge 	643	616
Suspension bridge 	9,903	9,255
Electricity generation 	2947 MW	2116 MW

Indicator	Annual Target	Progress
Transmission line (above 66 kV) 	5699 circuit km	4767 circuit km
Per capita energy consumption 	350 kw/per hour	325 kw/per hour
Federal parliament construction 	60%	37%
Urban road upgradation 	967 km	844 km
Melamchi Water Supply Project 	100%	-
Gautam Buddha International Airport 	100%	98.5%
Pokhara Regional International Airport 	100%	89%
Vaccination to children 	95%	30%
Free medicine at local hospitals 	70 types	49 types
Technical vocational education's access in local bodies 	660 local bodies	635 local bodies
Schools with internet access 	60%	41%
Rescue of pregnant women facing threat to life 	75 persons	85 persons
Beneficiaries of Social Security Fund 	600,000	200,000
Employment generation from PM Employment Programme 	200,000	1,030
Distribution of national ID cards 	1 crore	4.96 million
Distribution of e-passports 	100,000	10,000
Distribution of embossed number plates 	1.24 million	130,000

Source: Office of the Prime Minister and Council of Ministers

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सधै विशाल, अडिग र उच्च

# सगरमाथा सिमेन्ट जुनी जुनीलाई...





# BBIN MOTOR VEHICLE AGREEMENT AND WHAT IT MEANS FOR NEPAL'S ECONOMY

Text: Abhishek Chitrakar

Since recorded history, roads and railways have been considered to be the arteries of any economy because they not only allow people to connect and share ideas but also help in trade through the transportation of goods from one market to the other. In recent days, the government is seemingly focused on industrialisation, but what we cannot forget is that trade is equally crucial for the country's economy. And to be able to reach our real potential in trade and commerce, extensive road and rail networks are vital, especially when we have no direct access to sea ports.

The transport ministers of Bangladesh, Bhutan, India and Nepal, also referred to as the BBIN sub-region, had signed a sub-regional Motor Vehicle Agreement (MVA) on June 15, 2015 in Thimpu, Bhutan. However, the agreement is yet to be implemented as the Bhutanese parliament has still not ratified the pact. The good news though is the government of Bhutan has given its nod to take the agreement forward.

Bangladesh, Bhutan, India and Nepal, which lie in the eastern region of South Asia, share similar cultural, religious and sociological roots but there is very little to show in terms of trade between these nations. Hence, the countries in recent times have been trying to strengthen trade ties amongst themselves through various connectivity initiatives.

As per the 'Connecting Corridors beyond Borders:



**“THE BBIN AGREEMENT WILL PROMOTE SAFE, COST-EFFECTIVE, AND ENVIRONMENTALLY SOUND ROAD TRANSPORTATION IN THE SUB-REGION, AS WELL AS ASSIST EACH COUNTRY IN DEVELOPING A REGIONAL INTEGRATED INSTITUTIONAL SYSTEM,” SAID TULADHAR.**

Enabling seamless connectivity in the BBIN sub-region', a report from CUTS International, the eastern region of South Asia has a population of 1.56 billion people of which India constitutes about 87% and the combined GDP is worth \$2.5 trillion. Trade connectivity between these countries is projected to help in income growth and prosperity and reduce poverty within and across the countries.

“The history of BBIN Motor Vehicle Agreement (MVA) can be traced back to a proposal put forward during the SAARC summit in Kathmandu in 2014 to sign the SAARC MVA,” informed Raju Tuladhar of beed

Management. He elaborated that the key objective of the agreement was to facilitate harmonisation of national regulations to pave the path for inter-country movement of both cargo and passenger vehicles in the region. “Unfortunately, the SAARC MVA could not be signed due to reservations raised by Pakistan.”

“What one has to understand is that the main objective of the agreement is to provide seamless people-to-people contact and enhance economic interactions by facilitating cross-border movement of people and goods,” added Tuladhar.

The BBIN MVA initiative will help improve the economies of landlocked countries like Bhutan and Nepal. These countries are expected to have more access to global markets through exports and imports. Similarly, the north-eastern region of India will also benefit from this. Some areas in Nepal, Bhutan and the north-eastern parts of India have similar geographical terrain, but poor connectivity always threatens the economic potential of these areas. Containerisation of cargo movement within the region will be promoted through BBIN MVA by allowing vehicles from the BBIN countries to enter each other's territory. The major advantage of containerised trade is that it is multimodal.

“Although the BBIN MVA was signed in 2015, it is yet to be implemented as Bhutan's parliament hasn't ratified the agreement,” shared Bikas Rauniar, Executive Director of Interstate Multi-Modal Transport. However, Bhutan has already given consent to take the project ahead, he added.

According to the report from CUTS International, an integrated road and rail network in the BBIN countries will further facilitate containerisation in South Asia, which will help reduce trade costs. Apart from this, it will also reduce some of the informal trade that happens among these nations. The study has identified eight

corridors through which most of the trade currently takes place among BBIN nations. Out of these eight selected corridors, there are three corridors in which India is an in-transit country connecting Nepal, Bhutan and Bangladesh with each other. In the rest of the corridors, India trades directly with Bhutan, Nepal and Bangladesh. "Though Nepal and India have open borders, there might be immigration issues between other countries," said Rauniar.

The connectivity initiative that the BBIN countries have undertaken will enhance the current level of trade among them and further deepen the existing cultural and social relations. Tuladhar mentioned the BBIN MVA will allow for unrestricted passenger and cargo vehicle travel between the four countries. "The agreement will do away with the necessity of having to change cargo vehicles at the border which till date has been the procedure," he said.

"The BBIN agreement will promote safe, cost-effective, and environmentally sound road transportation in the sub-region, as well as assist each country in developing a regional integrated institutional system," added Tuladhar.

"At present, stakeholders are trying to take forward certain activities which are required to implement the BBIN MVA," shared Rauniar. He informed that due to the Covid pandemic many of the meetings were cancelled resulting in the delay of the project by almost two years. Apparently, in the last meeting of BBIN MVA held in February 2020, member countries discussed and finalised a draft Memorandum of Understanding (MoU) to be signed among the three countries as Bhutan would be joining later.

Rauniar says once the MoU is signed it will not take long for the agreement to be implemented. "However, it's difficult to say anything with surety as government bureaucracy and political

willpower will play a major role," he added.

As per Tuladhar, the implementation of the agreement will have quite an impact on the local industries. "It will increase cross-border trade and also expand economic activities in Nepal which will in turn help generate more employment opportunities," he stated.

However, there is also a down side to the agreement, according to Rauniar. He mentioned that Nepali transport companies will find it difficult to compete with other countries due to the high import duty and other taxes that are levied on vehicles and spare parts in the country. "On the positive side, the country can easily get access to not only India's ports but also those in Bangladesh making it easier to trade with third countries," he states. This will also lessen the dependency of the country on India as there will be alternative transportation sources and this could also raise competition in the domestic market which will ultimately benefit the consumers, added Rauniar.

The basic concept of the BBIN MVA is to promote seamless movement of passengers and cargo which means that if it is implemented in the right way it will save time and money for transport operators and customs authorities by facilitating faster border crossings through digital harmonisation of customs procedures and documents, said Tuladhar.

He elaborated that as customs control measures are taken in the country of departure/origin and are accepted by all countries of transit and destination, there will be no need for physical controls at the border; customs must only inspect the seals. "This means there will be more number of vehicles passing through the borders every day, cutting the cost and time of transport for traders and in turn reducing prices for millions of end users," he stated. **B**

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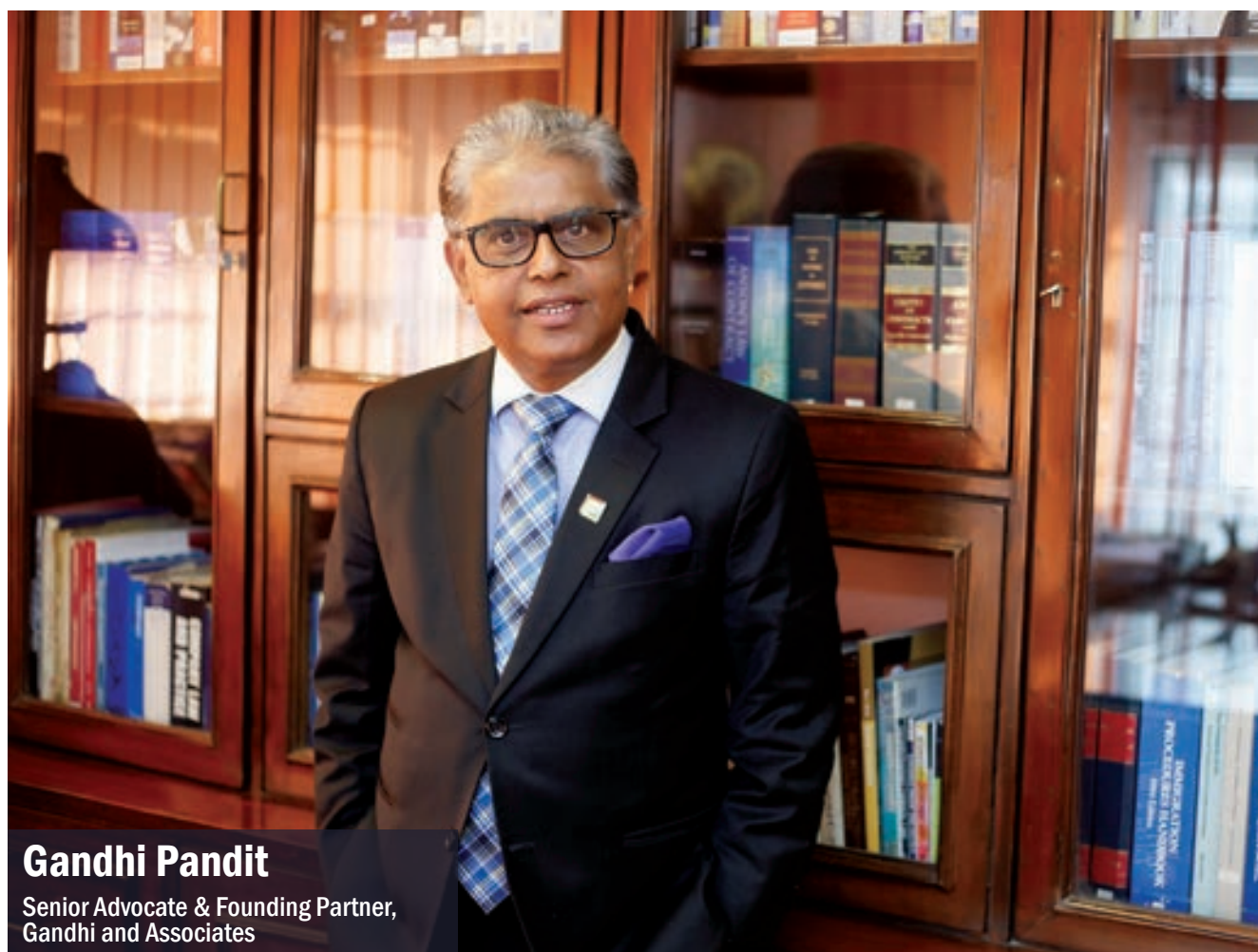
<http://www.b360nepal.com/>





# DECODING MCC AND WHAT REFUSAL TO IMPLEMENT ENTAILS

“If the Compact is not ratified, we might face difficulties in receiving aid from the US and her allies in future and also lose credibility among foreign investors. If we mess up and reject it, we won’t be able to obtain aid of this amount from China, India, EU and the US. In our context where a large chunk of our development budget is financed by foreign aid, an adverse impact on aid mobilisation will hamper our development activities”



## Gandhi Pandit

Senior Advocate & Founding Partner,  
Gandhi and Associates

The government of Nepal and the United States Millennium Challenge Corporation (MCC) have signed an agreement called Millennium Challenge Compact to mobilise \$500 million grant from the US along

with a \$130 million counterpart fund for the installation of 312-km high-capacity transmission line and around 100 km of road upgradation. There are several provisions in the Compact that need to be fulfilled before

it can be implemented and parliamentary ratification is one among them.

The previous government had registered the Compact in the parliament some two-and-a-half years back for its

ratification. However, it has not been tabled for parliamentary discussions yet despite the massive debate raging in the public domain. In a recent development, the MCC Headquarter, on February 3,

sent a letter to Prime Minister Sher Bahadur Deuba and former Prime Minister and a major partner of the ruling coalition, Pushpa Kamal Dahal, mentioning that if there is no concrete action by February 28, the MCC Board meeting which is scheduled for March will take a decision on whether to continue the engagement with Nepal.

Resultantly, the government is now under pressure to take forward the Compact after negotiations with political parties represented in the parliament. In the ensuing environment, **Business 360** caught up with Senior Advocate Gandhi Pandit, who is also the Founding Partner of Gandhi and Associates, to learn about the legal aspects of the Compact. Excerpts:

**The Millennium Challenge Corporation has set the deadline of February 28, 2022 for the Compact to be ratified by the Parliament. The pact which was signed in September 2017 has remained in limbo despite being registered in the parliament two-and-a-half years ago. How will it be taken forward?**

The Millennium Challenge Compact has an objective of economic development of Nepal and the US government has agreed to provide \$500 million as grant. In September 2017, the Compact was signed to mobilise the US government's aid to instal high-voltage transmission line including cross-border electricity trade infrastructure with India and upgradation of specified road sections. The US authorities who were present during the initial negotiation with Nepal had tried to incorporate the provision of parliamentary ratification eyeing the smooth continuation of project implementation by consequent governments. The Nepali authorities had convinced them that there would not be any hassle from the consequent governments to take this forward.

**People are confused at present because initially, there was no provision of parliamentary ratification, so why did the need arise later when the project implementation agreement (PIA) was signed?**

It comes as an obligation while abiding to our national law. The Nepal Treaty Act 1990 has a provision of parliamentary ratification for two types of treaties – first is constituted in Nepal's Constitution section (279) namely the treaty of (a) peace and friendship, (b) defence and strategic alliance, (c) boundaries of the State of Nepal, and (d) natural resources, and the second is bilateral treaties which have a condition of parliamentary ratification. Apart from the aforementioned treaties, all the power rest with the Nepal Council of Ministers (Cabinet) to ratify, accede to, accept or approve treaties/agreements where Nepal or the government of Nepal is a party. Treaties where Nepal government is a party that is signed by the GoN or ratified by the parliament considering the GoN is party will be effective as law. Section (9) of the Nepal Treaty Act has provision that 'in case of the provisions of a treaty, to which Nepal or Government of Nepal is a party upon its ratification accession, acceptance or approval by the parliament, inconsistent with the provisions of prevailing laws, the inconsistent provision of the law shall be void for the purpose of that treaty, and the provisions of the treaty shall be enforceable as good as Nepali laws'.

Regarding the parliamentary ratification of the Millennium Challenge Compact, both the governments had agreed based on the advice of the Ministry of Law, Justice and Parliamentary Affairs; the previous government led by KP Sharma Oli had registered the Compact in the parliament. In this scenario, there should be no debate on the requirement

of parliamentary ratification; all the rights are reserved with the parliament on whether to accept it or not. It is duty of the Speaker of the House of Representative to bring it up for discussion in the parliament and members of the parliament will then decide. It can't remain in limbo further.

**Nepal had approached for this aid and our various governments since been engaged with MCC since the last decade to obtain compact funding. What is the likely impact if the Compact is not ratified?**

The major impact is Nepal will lose credibility in the international arena. Such indecisiveness is shameful for a sovereign country. We need to have more in-depth discussions before signing such agreements/treaties but once it is signed, the country should be speaking in one voice. Nepal government had sought this aid and Millennium Challenge Corporation agreed to provide it based on Nepal's eligibility on the threshold set by them. We are not the only country who has sought this aid; there are dozens of developing and least developed countries seeking this aid. Many countries have executed projects under this grant scheme and some have been implementing the second compact. Nepal is one of the countries that will receive such a huge fund in terms of the amount agreed. Very few have received a similar chunk of aid from a single compact. We should ratify the Compact from the parliament and convey this information to the latter to mobilise aid in specified infrastructure development activities.

If the Compact is not ratified, we might face difficulties in receiving aid from the US and her allies in future and also lose credibility among foreign investors. If we mess up and reject it, we won't be able to obtain aid of this amount from China, India, EU and the US. In our context where a large chunk of our development budget is financed by foreign

aid, an adverse impact on aid mobilisation will hamper our development activities. As a result, the country's private sector and some representatives of civil society and media and others are asking political parties to not allow other countries to meddle in our internal affairs. We must accept any cooperation that is aligned with our priority for development as Nepal has limited revenue sources that is insufficient for development financing. Also, we have been mobilising our revenue only in recurrent expenditure and to pay back foreign loans.

**The Speaker of the House of Representatives has been reportedly seeking political consensus among all major political parties to take MCC forward. Your thoughts.**

The Speaker should be careful about the dignity of the parliament and parliamentary process. He is the leader of the parliament who has been appointed from amongst the 275 members of parliament and his role must be neutral. There are parliamentarians who represent both the ruling and opposition parties and they should be allowed to discuss and take a decision. The Speaker can't hijack the right of the parliament. It is the business of the government to seek political consensus for successful ratification. The Speaker, in fact, should not worry about it. If they start seeking consensus among political parties on any business registered by the government, it will later be difficult for the ratification of any Bill or proposal. The Speaker must honour the Constitution of Nepal and cannot create any obstruction in the name of national consensus for proposals that can be decided by a simple majority. Apart from the treaties mentioned in section 279 of the Constitution, all the agreements/treaties and bills can be ratified by a simple majority of the parliamentarians present in the



parliament in the parliamentary session of the particular day.

**There are rumours that the Compact prevails over the Constitution of Nepal. Is it true?**

We are going to mobilise the aid for high-voltage transmission line to enhance the supply system as well as for energy trade and road upgradation. For this purpose, section 7.1 of the Compact states it will prevail if there is contradiction with prevailing domestic laws. This will be only for the execution of these two projects. For example, the provisions could contradict with domestic laws in land acquisition, procurement, formation of electricity regulatory commission and others that are related only with the project execution. This doesn't mean the Compact will be the document with higher authority and US laws will be implemented. It respects the sovereignty and Constitution of Nepal and only the provisions of concerned laws that are attracted in project execution will be nullified to the extent it contradicts with the provisions of the Compact. We should understand that it simply means the new law will prevail where it contradicts with a previous law. As we are going to accept Compact as a law, its provisions will be valid if the provisions of domestic laws are inconsistent with Compact. The provision of section 7.1 and section 9 of the Nepal Treaty Act, 1990 are similar. I have mentioned before that the provision of the treaty will prevail in condition of inconsistent provisions in the prevailing domestic laws. How can we imagine that the government will compromise with sovereignty and the Constitution for aid worth \$500 million? The Nepal government had also sought clarifications from the MCC Headquarter in September 2021 and it has already made it clear that the Compact honours the sovereignty and Constitution of Nepal. The letter sent by MCC Headquarter with

answers sought by the GoN can be considered as the annex of the main agreement. If we are not politically biased, then there is no problem based on legal ground regarding the MCC Compact. We should accept the aid happily if it comes by abiding with our Constitution and sovereignty and as per the national interest; if it collides with our national interest and doesn't respect our Constitution and sovereignty, we should not even accept aid from our neighbours India and China. There could be competition among political parties, however we should not politicise our national interest and foreign relations. It will be deadly.

**Some political parties feel the Compact with the US has some security interest and it is part of the Indo-Pacific strategy?**

There has been massive spread of misinformation and disinformation. We have to first understand what Indo-Pacific strategy is. The MCC law does not allow security activities in projects of MCC cooperation. It is always good to be alert and discuss and try to understand the sensitivity. Section 2.7 of the pact clearly states, 'MCC Funding is not used for any purpose that would violate United States law or policy including assistance to training of the military, police, militia, national guard or other quasi-military organisation or unit'. This is why if there is any suspicious activity or it collides with our national interest instead of the core objective of developing infrastructure, Nepal government can unilaterally terminate the Compact with prior information of one month. Nepal will not have to pay any penalty for the money spent before the termination of the agreement but the US can take back the unspent fund and interest accrued of that unspent amount.

**Does Nepal have the right to audit the expenses of Millennium Challenge Account (MCA) Nepal,**

**the entity formed by the government of Nepal to execute the projects?**

MCA Nepal has been established as a development board under the Ministry of Finance as per the Development Board Act 1956 led by the Secretary of the Finance Ministry. The grant will be deposited in the bank account of MCA Nepal which will spend the money on the desired projects. The US government is providing the grant from the taxes paid by the US citizens so they must be accountable to their citizens. They wish for the money to be spent properly and also have a proper audit. The Compact has envisioned audit by three types of institutions: Financial Comptroller General Office, Auditor General Office, and an audit firm selected by the GoN through a competitive bidding.

The end of Section 3.8 (a) of the Compact states, 'The requirements of this Section 3.8 (a) do not preclude the Office of the Auditor General of Nepal from conducting audits of MCA-Nepal.' Three types of agencies can carry out audits of MCA Nepal like I have mentioned above.

**It is said Nepal government will not have the right to use the intellectual property created through this project...**

This logic has no substance. The intellectual property created through this project will be in the ownership of Nepal government. The first ownership will go to the GoN. If you go through section 3.2 (f), it is clearly mentioned, 'The government of Nepal grants to MCC a perpetual right .....'; it means the government of Nepal has ownership of it and only the owner can grant the right to other parties. Without having ownership, how can the GoN grant the right to MCC? As the intellectual property is going to be created in a project financed through MCC grant, what is wrong granting them the right to use that intellectual property?

**There has been politicisation regarding obtaining approval of the Government of India for the execution of Compact?**

That is a wrong statement. In section 7.2, there is a provision of Conditions Precedents; though the agreement has been signed the latter must abide by the three pre-conditions for it to be implemented. Following the signing, the GoN had to send a letter confirming that it has completed its domestic requirements including the Compact agreement is in accordance to the Constitution and prevailing laws. If the government had sent a letter stating the Compact was not compliant with domestic laws, the agreement would not have moved forward. This also means the US Government does not want to include provisions that collide with the provisions of the Constitution and Nepal's national interest. Similarly, it also mentions about the right of way or clearance of land acquisition at the project sites so that there is no obstruction during project execution or when the five-year project execution deadline starts ticking. The Compact has not said Nepal has to seek India's approval to execute the Compact; the only thing is Nepal should first agree with India to construct cross-border transmission lines. As we are going to construct 18 km transmission line for cross-border electricity trade, the grant will not be properly used if Nepal and India do not reach an agreement to construct cross-border transmission line. That is why it has a precondition of cross-border transmission line agreement. The government has completed all the preconditions and the final one is that the government has to send a letter mentioning that the parliament has ratified the Compact. Then only will the Compact come into effect.

**It is said that American laws will prevail once the Compact comes into effect after parliamentary**



#### **ratification? Does this argument have any ground?**

It is a fake argument. Section 6.4 of the Compact has a provision of governing law and it has said 'This Compact is an international agreement and as such will be governed by the principles of international law'. If there is any dispute between two parties in compact implementation, it will be resolved on the basis of international law. Back in July 2016, the government had signed an agreement to obtain funds from MCC that was related to the Nepal Growth Diagnostics, in which the government accepted to abide by New York State's law as the governing law.

The Nepal government then had no right to terminate the agreement of 2016, without any valid reason. However, for the Compact signed in September 2017 by erstwhile Finance Minister, Gyanendra Bahadur Karki and MCC Acting CEO Jonathan Nash, international law will prevail; in this regard the Vienna Convention on the Law of Treaties (1969). Nepal and US are both parties to the Vienna Convention. Article 27 of the Vienna Convention on the Law of Treaties states that 'A party may not invoke the provisions of its internal law as justification for its failure to perform a treaty'. The US government also can terminate the Compact unilaterally

with prior information of one month if it thinks there are some activities that are against prevailing US laws/future laws and principles. The Compact doesn't create any liability on Nepal despite termination from any party though the US has the right to pull back its fund and interest accrued after termination. In the past, we have signed agreements with different development partners accepting British law in arbitration and other laws as governing laws instead of international law.

#### **For how long will the Compact prevail after the projects are completed in five years?**

The Compact has only a few survival clauses and the remaining provisions will be nullified. The survival clauses are on the use of intellectual property and also for taking back unspent grant following the audit. On the other hand, the transmission line and road built through the MCC aid can't be used against the US, such as military activities to serve the interest of other countries. This is an international template of agreements followed by most nations so we should be afraid of following it.

#### **Critics of MCC opine that Nepal will not have the right to fix electricity tariff and it will be a US government entity that will fix it. Is it true?**

This just shows the height of propaganda against the MCC aid. The Electricity Regulatory Commission was formed to welcome private sector in electricity generation, transmission and distribution. It promotes fair competition among the utilities apart from the state-owned Nepal Electricity Authority. This fair competition among the utilities will end the monopoly of NEA.

#### **Foreign policy is the jurisdiction of the government. Why do political parties stage protests against some policies?**

It is a complete anarchy. Political parties must understand the sensitivity of foreign relations. Rather than staging protests on the street they should keep their views in parliament in a disciplined manner. The MCC has clearly conveyed its message that the deadline of the parliamentary ratification is February 28. More than four dozen countries have obtained the Compact funding and benefited from the execution of various projects. I feel some political parties do not have the right intention. Some of them are seeking amendments in the Compact, however they've not come up with anything substantial that needs to be amended in the provisions of the Compact. **B**



**“Coming from a youth it may sound very contradictory or contrary but there is nothing in the youth that makes them special by virtue of their age. Entrepreneurship is for everybody because it is a state of mind. It is never that the entrepreneurial spirit comes into you when you are 16 and leaves you when you are 30 or 40. You can find plenty of examples of people who have done incredible things when they were not so young”**



## **Pratik Kunwar**

Founder, Centre for Entrepreneurship and Innovation and Shaasan

It all started for Pratik Kunwar, Founder of Centre for Entrepreneurship and Innovation and Shaasan, at a very young age while being raised in Dhangadhi. The

defining moments go back to the civil war when his family were compelled to move to over 50 districts. He was only nine years old when he was shifted to Kathmandu for

studies and later went on to pursue his education at the University of Nottingham. Kunwar came back from the UK during the earthquake and that became a determining factor

for what he is doing right now.

Kunwar is involved in the fields of civic engagement, governance, and economic empowerment across Asia, including Timor-Leste and

Nepal. For his commitment to development, he was selected as a Daayitwa National Public Service Fellow in 2018, a WEF Global Shaper in 2018, and UN SDSN Youth Local Pathways Fellow in 2019. Kunwar was also named a 'National Changemaker' by Accountability Lab in 2020. Recently, he won the Global Shapers Community's 10-Year Challenge and was appointed to serve on the Impact Council of WEF's Global Shapers Community for 2022-23. In this role, he is responsible for strengthening the impact of 13,500 Global Shapers across 450+ hubs across the world.

Shaasan, a project initiated by Kunwar, was also selected by the United Nations SDSN as one of 50 'game-changing' projects globally. For his work through Shaasan, he was selected in 2021 for the Yunus & Youth Fellowship, the inaugural Feedback Labs Accelerator Fellowship, and won national and international support from numerous international organisations and agencies.

In this edition of **Business 360**, we caught up with Pratik Kunwar to learn his views on entrepreneurship and innovation and what good governance actually entails.

### **Why was Centre for Entrepreneurship and Innovation established?**

It all started when I was growing up; I saw the lack of entrepreneurship and economic opportunities in the country. As I started to observe the world more and how it functions, why some countries were more prosperous than others, I understood that prosperity comes essentially from creating more jobs. Every day, there are thousands of Nepalis going abroad for employment and some coming back dead; that is our reality. There is a strong desire among our people to improve the condition of their

lives. There is also the necessity for people to do anything they can to ensure financial stability for themselves and their family, but is leaving the country the only choice we have.

For me entrepreneurship and innovation are really at the heart of what we do. Most people think a 'centre' is where things happen, so it is a deliberate choice of word because to centre something means to put it in the heart and for us that is entrepreneurship. It is not about just livelihoods and job creation or startups. For me it is the entrepreneurial spirit which essentially means either you can wait for things to happen to you or you can adapt to the changes taking place. Similarly, innovation is 'are you going to accept the score you received or are you going to improve upon that through your passion, talent and intelligence'.

### **So how do you promote entrepreneurship and innovation?**

The entirety of our focus is on something called 'wicked problems'. We have problems like the virus and we administer vaccines, so that is a direct solution. The wicked problems are like governance where there are so many moving parts where the parts themselves are evolving, the interactions between the parts are also evolving, and to find a solution to that you have to understand the whole problem as a part of the system. One has to understand how the different parts interact with each other under what conditions and does that context match with the context of Nepal.

We essentially identified seven such wicked problems and currently we are working on three. The first is civic engagement and governance, which basically means how do we ensure how our citizens interact with each other and how are they accountable to each other. How are the representatives accountable to them? The other is entrepreneurship itself, the issue of livelihood. This now is

a very wicked problem because we have economic factors, social factors and also political factors at play. The third, which is very nascent, is access to finance. Some say it is a part of entrepreneurship itself but it is a totally different mechanism. The push for this started when I was a Daayitwa National Public Service Fellow.

### **What do you feel is the major obstacle to developing entrepreneurship in Nepal?**

Keeping in mind the fact that there are multiple moving parts what is necessary therefore is an understanding of where we are with those parts. For example, the process of getting loans is very crucial for any entrepreneur of any size. Do we have any data on the success of a particular entrepreneur or the success of a particular bank with the interest they charge? Another example is how successful have the government sponsored opportunities been? So, if I have to boil it down, it is the sheer lack of evidence. There is hardly any data for anything. Recently, a friend was involved in preparing the Industry Standards Report, because there is no data literally on anything either from the government or private sector on how effective certain industries are and what is the perception of industries among the employees, among other things. There has been some progress in that direction but in small pockets. In a nutshell, the problem I would say is lack of data.

### **What are your thoughts on youth entrepreneurship?**

During one of my researches, the findings was that Nepalis have always been entrepreneurial since recorded history. One example could be Asan – the way in which there

were interactions with people coming from Tibet and the way you had to negotiate and sell things to people who had no idea about certain things. The entrepreneurial spirit has always been there. The reason why we are now focusing on youth entrepreneurs is due to the sheer numbers. Since they are the demographic majority, any interest group or political group that wants to win their favour has to look into their interests. Coming from a youth it may sound very contradictory or contrary but there is nothing in the youth that makes them special by virtue of their age. Entrepreneurship is for everybody because it is a state of mind. It is never that the entrepreneurial spirit comes into you when you are 16 and leaves you when you are 30 or 40. You can find plenty of examples of people who have done incredible things when they were not so young. And data actually suggests that if you have a PhD you can succeed as an entrepreneur and not if you are a dropout. Yes, Bill Gates was a dropout but it was from Harvard. He wasn't from a Nepali government school. There is a difference there. That's my take on youth entrepreneurship.

That being said, it's also a fact that they are a tremendous number, and it is an economic necessity that we focus on them. There might be nothing special by the virtue of their nature but the fact that they form the majority, it makes the best sense to focus on them. They are also more amenable to opportunities and everything is aligned for them basically. Policies are aligned for them, global movements like anything from climate



change to sustainable living, to urban living, everything centres around the youth.

Because again across the world the youths form the majority and this is likely to be so until 2030-2035 after which even Nepal will see its short window of opportunity which I call the short window of demographic opportunity decline. And after that I very much doubt anybody will be talking about youth entrepreneurship per se. They will be talking about entrepreneurship in general. So, this is a 25-year fad which will die out soon.

**Startups are gaining ground in the business jargon of Nepal but what actually can be called a startup?**

It is very important to know what exactly is a startup because a lot of economic incentives these days are tied to that word. Now would you call Foodmandu a startup or Tootle for that matter? Who defines that? They are still very new compared to other existing alternatives we have. For instance, compared to Nepal Yatayat, Tootle is very young, very small. But is it a startup? Isn't it already started? So, definitions really matter in the legal sense here. And especially so if you are going to tie loan incentives or subsidies around the word startup, we have to be very clear what it means. Internationally, there are certain categories of startups, like there is pre-funding and then there is the growth stage. So, if you define it by stage then I think that makes more sense. I need to look into whether our government actually has a definition of what a startup is but now it looks like it is for a business in between two years of revenue and expenses. So, if you need more funding from say Business Oxygen or Dolma Impact Fund, there have to be bare necessities laid out.

**What do you mean by empowerment; is it just livelihoods or are there other things involved?**

Empowerment is something we talk about a lot currently, especially in the development sector. It basically comes down to the word itself, to become more powerful. Now in what sense do you become more powerful? Do you give power or do you take power? We have seen examples of both in our country. If you look at it the people have taken power and Gyanendra Shah has ceded power, depending on which side you are looking from, which political spectrum you are from. I would like to categorise it as individual power and institutional power. Talking about individual power we could take an example of economic power, which means are you able to afford what you need or can you also pursue what you want. Are you able to send your child to a good school or buy them a new mobile phone, it is small things like these. Then there is social power. Are you disfavoured from getting a job because you are a woman? Do you need to state your caste when you talk to your landlord?

Then there is the civic power, which is the political power. If you are walking down the road and you see a pothole, what do you think? If you are from the development sector you will probably think 'do I have the political mobility, the prerequisite civic education to hold my elected representatives accountable for this public service delivery problem'. Very few people think like that. We usually think in very simple terms like the pothole has been there for a really long time and who is responsible for that.

Now the problem is even when you look at the op-eds of various publications where people, especially from the development sector, who are the representatives, speak about empowering people, they use a lot of jargons. And these jargons make things that are

quite easy to understand very difficult to grasp. This creates a bubble around the people who can understand those jargons and the common people are left out of the conversation. This is true as much in English as much as it is in Nepali. Forget about Maithili and Bhojpuri which we have discarded for generations historically. Where is their power? Why is their representation not there? So, there is always individual power and institutional power and the latter actually guarantees the individual power. The way in which we negotiate power is what determines what we call empowerment itself and it is always changing.

**What can be done to increase accountability among political leadership?**

Having observed politics quite closely and partially through my own experiences having worked with members of parliament and ward representatives, politicians are ultimately a reflection of the citizens. As humans it is very easy and convenient to point fingers whenever there is any problem because if we point at somebody it means the problem is theirs, we are not a part of it. Now what we need to realise is politicians don't simply materialise out of nowhere; they come from us, they are us. Yes, there are a few politicians who prioritise private profit over public prosperity. The second aspect is if indeed politicians are a reflection of us, even then it is not a good reflection because I mentioned earlier about the marginalised sections. Where is their reflection? Where is their representation? So, there is also the issue of inclusion and representation. And unless our leaders reflect the actual breadth and diversity of the people we will never have accountability in the true sense. The third is incentives. Is it that

politicians are evil by nature or is the system incentivised in such a way that they become corrupt and take bribes once in power? And the other is our tendency to pedestalise individuals over institutions. Part of that is human nature and even since the ancient times of Mahabharata and Ramayana we have always pedestalised individuals and never focused on the institutions themselves. Now that needs to change.

There are institutional and individual ways of increasing accountability. The institutional approach is top to down. One example would be to make it mandatory for any person who wants to be a minister to make their statement of earnings public before they apply and right before their term ends. However, this is effective for only those at the top. Then there is the individual process, which is bottom-up. That is where we focus on at CEI and it is a very citizen centric approach. At the local level there are many representatives but there are more citizens. If you could manage to balance a bottom-up approach where citizens who are in direct contact with the local representatives can hold them accountable through technology, through civic awareness, among other avenues then that too helps a lot. Both approaches are necessary. In the middle we have the members of parliament both at the federal and provincial levels but it is difficult to get statements from all regarding their earnings, assets and liabilities. So, if we focus on bottom-up approach then they will have double pressure – from the top and the bottom. And I think this is the most robust way in which we can nurture accountability under the current system.

**Shaasan has been chosen as the 50 game-changing projects globally by the United Nations. What does this initiative do?**

Shaasan was a result of my own experiences as a child during the civil war when we had to move back from Dhangadhi to Kathmandu. Even in Kathmandu there were so many riots and protests and that was the first time I saw the power of civic engagement, what normal citizens can do when they are united and educated on a subject. At the moment it might seem like a dream that we lived under 240 years of autocracy like it was nothing. It was an accepted thing. And during that movement it were the young people who were very active. This is the distinction between the economic value and political value of young people. Politically, young people have tremendous value intrinsically because they have the energy and the drive and also due to the fact they do not have that much knowledge and experience which makes them do a lot of things which older people would not be able to do. They can take certain risks which older people might not.

Also, after the earthquake I witnessed the solidarity of people in the face of immense chaos and deaths. That really gave me hope that there really is something that can be done. At the same time, I also saw people had access to technology like never before. Everybody has a mobile, everybody knows how to use Facebook or at least TikTok and know how to interact with that. The third is we have never been more politically enfranchised, never in the history of Nepal. So, with those three cross-cutting winds I would say I realised we could reimagine what it means to be a citizen, what a citizen can do, and how they can interact in civic life. This manifested into a project under CEI where we focus on three things. The first is the citizen where we empower citizens



by building their capacity to hold leaders accountable. We educate them on civic domains like how to vote and what are their constitutional rights. The other aspect is countering disinformation which is a modern threat.

We also look into the representative side and help build their capacity. We have always talked about how do we make them accountable and how do we enforce things on them but we have never talked about how we can help them. It's a utopian thought that the best of us would be our leaders, that they will not need any help

and know exactly what to do. But that is not the case. More representatives than less would definitely need help. If any of their constituents is having a problem, then how do they effectively listen to that person and get their complaints listed in a systemic way and how do they resolve that? How do they make the process transparent and communicate their learnings in various mediums? If a person is an MP how do they make better policy, how do they speak in parliament? These are aspects people don't really consider. But if we are going to have a governance fit

for the current times, we have to consider all these issues which we never did before.

And finally, there is the technology side which connects the representatives and common citizens. We are building an application, which is going to be Nepal's first civic platform. For instance, you may see a pothole. Under normal circumstances you would want to get that solved but don't know whom to contact, you wouldn't know who is responsible for it. Even if you could find that you wouldn't know when it will be resolved by and whether the road was

repaired properly. Did they contract somebody and was that process transparent? Was the contractor on the blacklist? People don't think of these things; they just think about calling somebody but now who is that somebody. That is a very important question. If a wire is dangling and I get an electric shock, do I sue the government? If something happens who takes responsibility for that? There is a whole world of things around that. Imagine if you had to just take your phone and take a photo, the phone knows where you are because you have the location feature and by virtue of that we know which ward you are in. We know who is the ward chairperson responsible for that area and with artificial intelligence we can recognise it is a pothole and that is the jurisdiction of the department of roads. Now after you send your complaint it goes to various places. If it was trash it also goes to Khalisi, which is a private company because they are also interested in it. They also want to know. It involves various sectors and once your message is delivered you will receive a notification that your issue has been forwarded to the concerned person, and now it is pending. So, you also know it is pending, they also know it is pending. The sooner they resolve it the better their score gets. And everybody has a score. And that's the second pioneering thing we are doing I would say, Nepal's public score card system. If the ward chairperson resolves it in record time in a very transparent manner, then we give them four out of five stars. So, this will be done for all representatives and when it comes to election time and when people are thinking why we should be voting for them, that is the evidence. As I said earlier that it was evidence that was missing so that is the main crux.

The other area this app will help in is we will also get data on all the potholes in Kathmandu and later the country. And you will see a trend that there are more potholes on highways because there are buses and we know that some roads can handle a certain weight only. So that will show there are heavier vehicles passing through illegally. Who is responsible for that? You can track everything. This app will save time and everybody will be aware of all the problems. That app will be where both representatives and citizens come together and I believe technology will lead us forward.

**When we speak about protecting and promoting digital civic space, what does it actually entail?**

We focus more of our efforts on digital civic space because again young people are the majority of the digital users and they are also most vulnerable to any digital threats that there are. This includes misinformation, disinformation and some of it is deliberate and some of it is government sponsored, it could be any government in any country. Every time there is an election, the possibility of misinformation increases. So tomorrow if the elections are a week from now and somebody tells you that this politician was caught taking a bribe from somebody or was caught having beer with someone, let's say a business person, it is all over the news. And then if you are a normal citizen and if everyone is retweeting and sharing and everybody is commenting on it there must be some truth to it. It may not be completely false. May be that MP was having a beer but may be it was with his brother, it was with a friend. So just a small twist of the truth can turn the tables very easily and when it comes to important things like elections that makes it all the more important that at least we focus on that. And I have not seen a concerted effort to really push forward in that direction,

or at least I have not seen any successful examples of that. The way we have been lucky in that regard is we started about a year ago during the first lockdown. During that time we saw there was increased disinformation in the medical sector regarding Covid. And we tried to trace it back. Let's say if there is misinformation regarding vaccines and how Covid spreads you can tackle that but that's tackling the symptoms. But what is the root cause? And we started asking that question and we found that most people didn't even know their constitutional rights. And the fundamental constitutional right is what blossoms into right to information, into your ability to ask the health ministry for any specific records of vaccines, your ability to ask the MPs what were the procurement guidelines for getting the vaccines and there was a whole scandal going on last year. And we decided to focus on that and that is what caught people's eye. We started on Facebook and we realised people don't use FB for that purpose. They use a more visual medium and we went into Instagram. Over a year we went from 100 followers to 12,600 right now. We have reached around 150,000 users per month and by any standard of measurement we are currently the most prominent source of civic information and anti-disinformation in the country digitally. And we focus on fundamental rights of citizens, we ensure that citizens are engaged in that discourse itself. So, we have something called Civic Talks where we bring in people from different sectors to give tit bits of insight; one idea and 30 seconds. And people are interested in that because they start to learn about more issues themselves. How will you protect yourself against disinformation if you don't even know what the facts are? It's about uncovering layer by layer.

**Of all the recognitions that you have received which is close to your heart and why?**

It would be this initiative called Global Shapers, a global community of young changemakers. And we have a hub here in Kathmandu with incredibly talented people. I was never into community groups like the Rotary types but I guess I found my crowd at Global Shapers. I found people who were as passionate about issues they care about as I was passionate about entrepreneurship and innovation. The Global Shapers Community started in 2011 and the Kathmandu Hub in 2012. It is one of the oldest hubs in the world. They have done some phenomenal work over the years including building a school during the earthquake and two health posts. But there was no impact to show for it. It was nowhere in the media. There wasn't a report that was properly made. And this also ties back to the evidence I was talking about earlier. They had done it but where is the data, where is the evidence for it. So, I started an Impact Community in 2019 and I got the data and eventually the community itself realised that this is not a problem in just one hub. Many people had done phenomenal work but the impact measurement was not there. So, they started this thing called Impact Officer. The leader of the hub or the curator at the time chose me to be the first Impact Officer and so I went about the process of measuring everything we had ever done, 20 projects done over the past decade. It was incredibly hard work but eventually we were able to win the 10-year anniversary challenge among the entire Global Shapers Community. We were one of the five hubs that won among the 435 hubs. And then they have this Impact Council which oversees the impact of the community and I am one among 10 there. I think my being elected to serve is thus the closest to my heart. **B**





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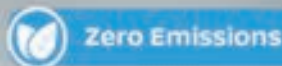


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## “At present, Rs 200 crores of digital transactions per day is being done in Nepal”

Diwakar Pandey is currently the Chairman of DigiPay, a digital payments solution provider. He started his career with Yeti Travels from where he says he learned important lessons on effective communication and personality development.

The reason Pandey started working stems from his need to break away from his father's shadow, he says. “I desperately wanted to create an identity for myself, be recognised as an individual for my work because at that time everybody wanted to identify me as my father's son and not beyond,” he reflects aloud.

Having worked in tourism for some years, Pandey decided to switch careers and joined Gorkha Brewery in the sales and marketing. Noting his expertise in public relations, the company created a designation for him - Incharge Special Outlet which had him dealing with star hotels, casinos and the diplomatic community. “I didn't have the academic qualifications but they hired me for my experience and skills.” Later in 2000, he was also involved in helping launch ‘NTV Unplugged’ in Nepal.

But it was not until 2006 that Pandey got introduced to the world of information technology through his association with ournepal.com and there has been no looking back since. “The concept of DigiPay came about during that phase and what more could we ask for as there were rapid technological developments taking place and smartphones started becoming a must-have for everyone,” he reminisces.

A major factor that influenced Pandey's decision to set up DigiPay was the opportunity presented by the big void in the market for new digital modes of payment. So, what differentiates DigiPay from other such platforms? He



**Diwakar Pandey**  
Chairman, DigiPay

responds that they are probably the first digital company in the world that also accepts cash. “The top functions that most mobile wallets do are basically mobile recharge, utility payments and ticketing, so if we were to stick to similar roles there would be no point in launching our company,”

he says, adding, “It would not make sense to compete with companies that are already very strong at their game.”

His plan is now to offer the franchise of DigiPay to penetrate the market faster and increase outreach. If the aforementioned strategy is successful, Pandey believes that

within a year they will have no competition

Pandey also wants to upgrade technologies to ensure it is so simple that even non-tech savvy people can use DigiPay. “We want to make DigiPay the main spending ecosystem.”

In this edition of **Business**



360, we caught up with Pandey, who has also launched DigiPay's loyalty programme. "Other businesses do offer loyalty points but customers need to spend them within their businesses but ours allows clients to spend it at any place of their choice," he informs. "For now, it is loyalty points, in the future it will be mining cryptocurrency," he says.

#### **What are the challenges you face on a daily basis at DigiPay?**

If it was only digital, the challenge would have been single. But since we have cash integration as well, there are multiple opportunities rather than challenges. We need to educate people on how to use digital wallets, and at the same time explain how traditional models can be replaced with digital models. But turning challenges into opportunities, is what makes us go forward and penetrate the market more.

#### **What is the future of the e-pay system?**

Being practical, when evolution was going on, we had a barter system in our community; the number of livestock determined your wealth status. After abacus was introduced, gold and silver were compared to wealth. Similarly, cash payments. And now the next big thing is definitely digital transactions.

#### **What are the requisites of proper e-pay system?**

Educating people is the most important aspect for e-pay systems. The faster people are educated, the faster the system will grow. Like various other sectors, education is the first step. What we do is practical education rather than just theoretical.

#### **As e-pay systems gain popularity, do you think e-pay will replace cash and ATMs in the near future?**

I strongly believe so. It has already been replaced in many countries worldwide. We are still talking about discounts when you use your debit cards whereas the race in the world is



to be the first cashless country in the world. MasterCard and Visa cards are already facing issues, everything is on our smartphones and people have stopped using plastic cards. Globally, ATMs and cash will be replaced may be within two years. In 2019, Sweden was already trying to declare themselves as the first cashless country in the world but due to some technical issues, they are withholding it for now. In the context of Nepal, I'd say within 5-6 years, the market will definitely be 50-50. Once the jumpstart is applied, the system starts working on its own similar to various other sectors. So, after that 50-50 split in the market, the remaining 50% is easily accessible to digital payment.

#### **Is there any law or policy that's hampering the e-pay system in Nepal?**

Yes and no. Since we are talking about finance, the future

of money, even today, the traditional model has problems. Let's talk about crypto currency. Bitcoin back in 2013 was built up from a 10 cents equivalence to more than a projection of \$100,00 dollars by 2021. Our policies must change and adapt accordingly.

#### **How do you view the business climate in the country?**

I would say it is good. Twenty years back it was good, right now also it is growing and I believe it is in a fantastic state. In a country like ours, where there are obstacles, that's where the adventure is.

#### **How much has Covid changed the scenario of digital payment in Nepal?**

I would say a lot. I think Covid is a booster for digital payment to grow at an immense rate. At present, Rs 200 crores of digital transactions per day is being done in Nepal.

#### **What is the future of cryptocurrency? Is it relevant to Nepal yet?**

The future of money is definitely digital, and it can come in many forms. The world is entering into a digital platform and crypto is just a unit after all. Supposing someday we had to go to the United States, would we go to the US by converting Nepali currency into dollars and take it with you or carry a currency that is acceptable in every country? Obviously the latter one. We would definitely carry Bitcoin with us rather than dollars while travelling to the US, right? That day is not far away, if correctly governed.

#### **Cryptocurrency is unregulated, won't problems like money laundering escalate?**

Money laundering has always been there in the traditional model as well. There are always two sides to a coin: good and bad. Money laundering is one of the bad sides, but the government will have to evolve, adapt and find ways to mitigate the problem. When eSewa or Khalti registered for their licence, a company registration was all that was required. When digital payment started to grow, the government thought that they would need a governing body for it as well. So, after 2017, Nepal Rastra Bank established a governing body for it. Similarly, newer things will arise in the future. They are comparing us with a commercial bank, but being a private company, we won't be able to compete with a commercial bank. Digital wallet acts as a mini-bank so monitoring and governing to some extent is obviously necessary. But as time, needs ad context change, the government must be compelled to adjust its policies accordingly. **B**



# STATE MECHANISMS PERSECUTE THE PRIVATE SECTOR

Text: Pushpa Raj Acharya

**T**he private sector of the country is the major contributor of investments and jobs: nearly two-thirds of investment and 90% of employment is generated by the private sector. Policy makers always reiterate at different forums that the private sector is the engine of growth; however, the engine has been badly hammered time and again by state mechanisms — government and constitutional bodies.

Recently, the Commission for Investigation of Abuse of Authority (CIAA) — anti-graft body — filed a chargesheet at the Special Court against nine private sector companies and some officials of the Department of Mines and Geology accusing them of rampant mining at different sites by infringing on the criteria manifested while issuing the licence for mining. The CIAA has set a principal amount of Rs 1.24 billion to be collected from the nine companies and a fine along with a jail sentence of two years. The anti-graft body has also sued nine civil servants involved in the decision of awarding the licence for mines including the Director General of Department of Mines and Geology, Ram Prasad Ghimire on January 26.

However, the companies against whom the CIAA has sought legal action have said they have been operating the mines by abiding with all the

terms and conditions mentioned in the licence and have been limiting mining activities within the approved annual quantity. CIAA's move to file a corruption charge against the private sector is baseless when the private sector companies have been operating mines by duly acknowledging the terms and conditions including the royalty approved by the government. "This corruption charge against the private sector companies is a harassment basically and will have an adverse impact on domestic and foreign investment in the country," the Cement Manufacturers Association Nepal has said, adding "The state should not overlook the fact that investment in the cement industry has carried us towards the path of self-reliance in cement production amidst the growing import dependency."

The domestic cement industry has created high value addition as the country has sufficient raw materials (lime stone mines), which are sufficient to serve the demand for the next 180 years. The government too has been facilitating investment in cement factories in line with the policy to become self-reliant in cement production in which mining is integral. Nepal previously used to import clinker to produce cement and the factories then were established only for the grinding purpose. The government has

also been facilitating cement factories by incentivising investors through developing access roads and electricity supply to mines.

The CIAA has claimed that the mine operators had extracted limestone in excess as compared to the approved quantum for fiscal 2017/18 and 2018/19 by developing a strong nexus with the responsible officials. The anti-graft body has also mentioned that the concerned state officials have produced fake reports regarding the status of mining.

CIAA has sued mine operating companies seeking recovery as follows:

Pashupati Murarka, owner of Siddhartha Minerals and former President of the Federation of Nepalese Chambers of Commerce and Industry, has said that instead of filing such baseless accusations

investors should have been honoured by the state. "Any country that values investment would be felicitating those investing in the priority sector. Filing such chargesheets against private sector companies that have been following set rules and regulations is actually humiliating," he said.

Surendra Pandey, former Finance Minister, said that the state mechanism has over the years become extortionary in nature. Government agencies, political parties and their sister wings, courts, and the constitutional bodies are simply guided by the predominating mindset that the private sector/ businesspersons are profiteers. He questioned, "What is wrong about making profits when someone does so by abiding with all the legal requirements or without compromising on quality and quantity of

S.N.	Company	Operator's name	Principal amount (recovery sought)
1.	Sarbottam Cement	Bishnu Prasad Neupane	Rs 163,181,616
2.	Siddhartha Minerals	Pashupati Murarka	Rs 494,551,645
3.	Maruti Cement	Sharad Goyal	Rs 205,065,575
4.	Annapurna Quarries	Rishi Agrawal	Rs 111,725,757
5.	Udayapur Minerals Tech	Prabal Jung Pandey	Rs 17,971,776
6.	United Cement	Naresh Dugad	Rs 96,940,500
7.	Sonapur Minerals and Oil	Nipesh Tayal	Rs 69,899,415
8.	Kanchan Quarries	Bhim Bahadur Thapa Chhetri	Rs 30,869,159
9.	Delomite Limestone Industry	Man Bahadur Shrestha	Rs 54,321,200

the product or services they produce and sell in the market?"

Pandey further said making profits in an ethical manner is essential for the sustainability of any company. "If a company cannot earn profits or faces continued losses, there will be no alternative other than to shut down the enterprise," he shared, adding, "We must have more profit-making companies not only for their sustainability but also for generating more employment, enhancing production, and finally for reinvestment."

He further cited the emergence of more billionaires in China, despite the country following the unitary/socialist or communist political system. "China respects and investors and as a result it has emerged as the second largest economy of the world and a rising global power."

#### **Poster boy politics attacks private sector**

"If you look at entrepreneurs closely then metamorphically we are like bees. There is a lot of running around to do to operate an enterprise, it is a multidisciplinary task," shares Anada Raj Batas, Chairman of Batas Group. "Like how bees are important for pollination which is essential for the entire ecological system, entrepreneurs are essential for the survival of a nation."

Batas feels that he has been victimised by the government, especially by the poster boy politics or political stunts taken by ministers for public consumption.

Batas Group has been forcibly kicked off from the properties they had leased through a unilateral decision of the government. Minister for Culture, Tourism and Civil Aviation, Prem Bahadur Ale, recently gave instructions to demolish the structures built by the Batas Group to run a cafeteria within the premises of Narayanhiti Palace Museum. Batas had legally won the bid to operate the cafeteria and for conservation of the park

on the museum premises and for developing structures and garden/park and had duly signed an agreement for the purpose with the government-formed Narayanhiti Palace Museum Development Committee. However, when the government started facing criticism for awarding the contract to operate the cafeteria and building concrete structures, Minister Ale initiated action against Batas Group. He himself was present at the site when the structures built by Batas Group on the museum premises were being demolished.

Following the instruction of Minister Ale, the Pashupati Area Development Trust (PADT) has also scrapped the lease agreement of Pashupati Dharmashala – a rest house for pilgrims – built with Indian assistance within the premises of the Pashupatinath Temple. Hotel Ananda, promoted by the Batas Group, had taken over the management of the facility about two years back by winning the bid called by the PADT. But Minister Ale has claimed that the lease agreement with Hotel Ananda was signed without approval of Dharmashala Operation Guidelines and that the hotel has developed the interiors and subleased some sections of the property to different offices and vehicle showroom in an illegal manner.

However, Batas states that it is not for a private sector company to confirm whether the guidelines and other legal documents are in proper place or not. "I was called to sign the contract by PADT and I checked the contract provisions based on which I could operate the management," he shares. "Moreover, all the interiors were developed under the inspection of the government. I have been alleged for charging high rates for rooms but people have to understand that charges depend on the facilities being provided."

While Minister Ale has been credited for kicking off Batas from the Narayanhiti Palace Museum premises and is in the

limelight now, misinformation about Batas is making the rounds on social media tarnishing his image.

"This is poster boy politics," says Semanta Dahal, a legal expert, "The government agencies or for that matter even a minister cannot exercise undue power and must act following the due processes of law."

When the lease agreement was signed with Hotel Ananda, Dr Milan Kumar Thapa was the Treasurer of PADT. And though the Batas Group has been condemned for the agreement, Minister Ale has appointed Dr Thapa in the senior-most role of PADT as its Member Secretary and convenor of the investigation panel formed by the Ministry of Culture, Tourism and Civil Aviation that has been tasked with submitting the investigation report regarding the lease contract with Batas Group.

"The private sector has been victimised frequently even though we have no authority in state functions. It is government that enforces the law, inspects and regulates private sector companies," said Shekhar Golchha, President of the Federation of Nepalese Chambers of Commerce and Industry. "I feel really let down and ashamed to see such activities against the private sector."

#### **Private sector condemns attack**

Private sector umbrella bodies: FNCCI, Confederation of Nepalese Industries (CNI) and Nepal Chamber of Commerce (NCC) have condemned the series of attacks against the private sector. Issuing a joint press note, the private sector umbrella bodies have said the unreasonable attacks by state authorities will have an adverse impact on private sector growth which will consequently affect investment flow, employment, revenue and production.

"It is a pity that the private sector has been facing series of extortions despite its contribution in inclusive

economic growth and stability of the economy," reads the statement. "Self-reliance in cement production has been achieved through facilitation of the government and investment of the private sector."

The private sector umbrella bodies have further said that the private sector is trying to get back on its feet from the adverse impacts of the Covid 19 pandemic but it will lose business confidence due to the series of attacks including the corruption charges on cement factories.

Dr Sumitra Shrestha Amatya, Commissioner at CIAA, counters that private firms have been accused of hurting the government's revenue by extracting more limestone than they were given permit for. "It is not that the anti-graft body investigates only the private sector parties, the commission also conducts investigations when necessary against non-governmental organisations and community user groups that concern or involve public sector corruption," she says.

"What we have to realise is that mining or extracting ore to be precise is like donating blood, there are certain rules and standards which need to be followed," she shares. "What will happen if you start donating blood every fortnight instead of every three months?", she questions.

Mahesh Acharya, leader of Nepali Congress and former Finance Minister who is credited for leading privatisation in Nepal, says the process of reforms to leverage the advantage of privatisation has halted and there a few private sector players who have started pleasing their political masters to bring down others. "I am not generalising the private sector here because a majority of them work genuinely. It is the duty of the government to keep things in order rather than meddling with the private sector," he adds. **B**

# THE BOOK TO READ IF YOU WANT TO UNDERSTAND INFLATION

Robert Murphy's new book "Understanding Money Mechanics" is an excellent primer for learning what money is, why it originated, and how it works in the world today.



DAVID WEINBERGER  
FORMERLY WORKED  
AT A PUBLIC POLICY  
INSTITUTION. FOLLOW  
HIM ON TWITTER @  
DWEINBERGER03.

As inflation climbs across the globe, the demand grows for understanding what money is and how it works in today's world. Fortunately,

economist Robert Murphy's recent book *Understanding Money Mechanics* is an excellent primer. From explaining the origins of money, to the rise of the banking system and its modern operations, to the workings of the Federal Reserve, to simple guides to Bitcoin and Modern Monetary Theory (MMT), to timely lessons on inflation of the money supply, the book makes complicated topics easy.

For example, ever wonder where money came from? The answer is neither from the government nor from a central bank. As Dr. Murphy explains, long before the paper dollars we use today were introduced, people engaged in "direct exchange," or barter, by trading the items they produced. For instance, a cobbler might trade his shoes to the baker in exchange for her bread.

But while barter may work for a short time, it faces insuperable problems. Consider what happens when the baker wants the cobbler's shoes but the cobbler does not want the baker's bread. Trade comes to a halt. This problem is overcome only if the baker is willing to trade her bread to a third person, say, a farmer, in exchange for the farmer's eggs, even though she (the baker) does not want to consume the eggs herself. Rather, she trades knowing that the cobbler is willing to trade his shoes for the eggs. Eggs thus become for her a "medium of exchange."



In a free market economy, traders quickly learn what items are marketable, the most "liquid" of which will emerge as money. Murphy cites, as a modern example, cigarettes in war camps and penitentiaries, which spontaneously arise among prisoners as a medium of exchange.

Historically, it is not difficult to see why precious metals like gold and silver emerged as the most enduring mediums of exchange (although cattle, tobacco, salt, tea, and other commodities have been used at various times throughout history). Not only are they inherently desirable, but they are durable, difficult to counterfeit, easily transportable, and divisible.

Murphy chronicles the experience of the United States under the Gold Standard, which

persisted throughout most of the period from the founding in the late-1780s until 1914, though the 1870s-1914 is considered to be the "classical era" of the gold standard, since most major countries had adopted it during that time. Under the gold standard, the federal government issued currency either directly in or backed by gold and silver. The result, he argues, is that fiscal discipline was generally enforced and the dollar typically held its value. If the federal government spent too much, gold would flow out of the United States and to foreign governments, forcing the US government to cut its spending (Murphy nicely illustrates the mechanics of this process).

Whatever the merits or demerits of the Gold Standard, it is a far cry from our world today. The Federal Reserve Act of 1913 significantly weakened it, and it officially ended in 1971 under Richard Nixon. Today, instead of using "commodity money," that is, a commodity like gold that is desirable independently of its use as money, we use "fiat money," or money that has no intrinsic desirability outside its legal status as money.

Under such a system, it is easy for the Federal Reserve (Fed) to expand the money supply, which it did to the tune of trillions of dollars following the 2008 crisis, and again after the 2020 shutdowns from Covid 19. In fact, expansion of the money supply has become so effortless that a burgeoning movement of economists argue that, because the Fed can "print" an unlimited number of dollars, we should not worry about how to "pay for" any government programmes we desire.

After all, the thinking goes, we can never run out of money. This is known as "Modern Monetary

**4 Critics of Modern Monetary Theory all too often dismiss it as a crackpot theory. This is a mistake. The movement has grown rapidly in recent years, and even enjoys support from members of Congress. Cavalier treatment of a seductive theory only serves to embolden its defenders and increase its attraction in the eyes of the public.**



Theory,” or MMT. Critics of MMT all too often dismiss it as a crackpot theory. This is a mistake. The movement has grown rapidly in recent years, and even enjoys support from members of Congress. Cavalier treatment of a seductive theory only serves to embolden its defenders and increase its attraction in the eyes of the public. That is why Murphy’s careful critique of it may be the most important chapter of the book.

While there are several problems with the theory, the most fundamental is that it confuses money with resources. When the government spends, even with money “printed out of thin air,”

it transfers real resources in the economy. For example, when the government builds a new factory, the cost is not in terms of dollars, but in terms of the scarce resources it soaks up—the machinery, raw materials, labor, and capital.

The relevant question therefore is not how much it costs or whether we can “afford it,” but what those resources would have done had they not been commandeered by the government. Put simply, supporters of MMT tend to either neglect or deny the fundamental problem of resource constraints.

Nevertheless, most of Murphy’s book covers the many important and non-controversial aspects of money, including the economics

**4** When the government spends, even with money “printed out of thin air,” it transfers real resources in the economy.

of inflation so relevant today. Where matters of controversy are concerned, he does a good job of covering the standard textbook treatments of the issue (with additional links and resources included in the footnotes) and then critiquing them with insights they generally neglect.

Most impressively, he demystifies the complexities of money in the modern economy so that, no matter which economic camp one belongs to, everyone who reads it will find it worthwhile. **B**

Source: fee.org

**WWW.**



<http://www.b360nepal.com/>

**“We assess the risks and opportunities and determine a mitigation plan for business continuity. What we basically do is to try to not only help Nepali companies grow but also usher in more professionalism in the work culture”**



**Roshan Shrestha**  
CEO, Nepal Realistic Solution

A self-made entrepreneur, Roshan Shrestha is the founder of Nepal Realistic Solution, an organisation that provides consultation services to domestic companies in Nepal. Shrestha describes himself as a proactive individual with abundance of enthusiasm for all things big and small.

Through his company, Shrestha has been overseeing the development of business strategies and marketing initiatives that position companies for continued growth as they compete with emerging companies on different national and international platforms.

He is a certified Management Auditor and has specialised in standards that come under the International Organisation of Standardisation (ISO) like ISO 9001:2015, ISMS 27001:2013, OHSAS, FSMS, HACCP, GMP, EMS and many more. Shrestha specialises in strategic management, marketing, finance, and human capital.

**Business 360** caught up with Shrestha to learn more about Nepal Realistic Solution and the other initiatives that he is engaged in.

**What got you to start Nepal Realistic Solution?**

While I was in the UK,

I began to realise one key thing; the UK's manufacturing sector contributes to around 20% of the overall GDP while 80% comes from services. I recognised that the UK makes the most of financial capital from selling a service rather than making a product. I had always been attentive to things around me and took this observation as an opportunity to start something in Nepal. However, before starting my own company, I observed the consulting industry in Nepal and made comparisons accordingly.

My boldness and vision to initiate new thoughts and enforce innovative approaches

through guided directions gave me the opportunity to work for one of the top management consultancies in Nepal. I looked into the consulting industry in the country and wanted to bring about a systemic change in the industry by introducing new and innovative ways to run businesses.

The goal of Nepal Realistic Solution is to transform and reinvent the ways we conduct businesses to survive and thrive in today's competitive market. We are passionate about finding new and inventive ways to sustain companies in the long run, to improve people's lives, and make the world a better place.

**What is your area of focus while providing management consultations?**

At Nepal Realistic Solution, we work with companies in different industries ranging from manufacturing, service, construction, finance, IT, hospitality, food industry, and so on. We help them with all areas of their business like Inventory and Asset Management, Human Resource Management, as well as all operations and processes of the business. We assess the risks and opportunities and determine a mitigation plan for business continuity. What we basically do is to try to not only help Nepali companies grow but also usher in more professionalism in the work culture.

**What do you feel differentiates Nepal Realistic Solution from other firms that provide consultancy services in Nepal?**

There is no doubt that consulting is a job that requires a high level of skill and expertise. The USP of Nepal Realistic Solution is that we have been able to successfully manage skilled consultants from all around the globe to provide the best solutions for any kind of business problem in Nepal. We have played a pioneering role in the management consulting industry in Nepal to bring the most innovative changes in the business. Our vast network with international companies has allowed us to introduce expertise from all over the world. We have collaborated with international companies and have utilised their insight to revolutionise business operations in Nepal.

**It is said that the PDCA approach is one of the better systems for management. What exactly does this approach entail? Could you please elaborate?**

At Nepal Realistic Solution, we operate with the Plan, Do, Check, Act (PDCA) approach. This is a management method that works for the continual improvement of an organisation. It is a methodical



approach designed to yield the best results in an organisation so there is a constant and consistent change towards the improvement of the company. This cyclical method optimises all the processes in an organisation through the steps Plan, Do, Check, and Act where a problem is identified, different solutions are tested, the best solution is selected, and then implemented throughout the company.

**What are the major consultancy services that companies in Nepal seek?**

Some of the major services that companies in Nepal look for are Human Resource Counselling, ISO Certification, and Management Counselling. Numerous companies all over Nepal engage in outsourcing work with international partners. Having an internationally recognised certification like the ISO 27001, or the ISO 9001:2015 contributes greatly towards solidifying trust between international clients. This allows for a smoother trade and will also help companies to scale up easily at the international level.

Another thing that is integral for companies is to

have a well-trained human resources management system. Businesses rely heavily on their human resources to stay organised and productive. This is why so many companies need assistance in how to manage their human resources effectively.

Another service that most companies in Nepal are in need of is Management Consulting. Seeing how the pandemic affected so many businesses all over the world, it is more evident than ever that businesses need a long-term vision and a goal to work towards. Having the right management consulting can secure the future of a company and sustain it for a long time. This is why these services are vital for companies in Nepal right now.

**How do you view the culture of startups and youth entrepreneurship growing in Nepal?**

Currently, the environment for startups and entrepreneurship has no shortage of problems with the political and economic instability we see today. With the lockdowns, frequently changing border restrictions, and a fluctuating production of necessary resources, it is

difficult for startups to take off and maintain themselves. A lot of the promises made by the government are also not fulfilled in such uncertain times. There are a lot of challenges that are being faced by entrepreneurs looking to grow and sustain themselves today. While there are platforms that feature entrepreneurs, they are usually exclusive to those companies that are backed with a lot of financial support. So, instead of highlighting startups that are in need of growth, these platforms cater to those companies that already have a platform. Startups are undoubtedly going to have a hard time, however, there is definitely more hope for their future. This will be a harsh learning opportunity for a lot of entrepreneurs, but if they get through these struggles, they will be able to navigate the world of business seamlessly.

**Tell us about the 100 Internship Programme. How will participants benefit from this event?**

As we helped different companies with their human resources, we noticed a pattern with their needs. Most companies were looking for human resources with some training so they are able to fulfil the demands of their work. We observed a need for trained individuals but there were not many institutions that were willing to provide such training. Most companies' preliminary training would not be sufficient in providing the interns with a wide range of skills and the companies could not spend more time in training as they prioritised productivity. So, we took the initiative to provide comprehensive training to recent graduates and people just entering the workforce. We were there to give them holistic training so they are prepared for their careers in the future, so that they have a solid baseline for their careers. It will help them with their own business ventures down the line and will also allow them to build their own network in their field of work. **B**





# The struggle of an impoverished family to keep their new-born warm and protected from the harsh winter gave birth to the invention of Nyano Nani.

It was during a trip to Okhaldhunga that Mahip KC, a member of the National Innovation Centre, developed the idea of creating a baby warmer which is economical, user-friendly as well as functional. "I remember visiting a family who had kept their new-born baby under electric bulbs to keep the child warm," he recalls, "It just sort of hit me right in the heart."

Baby warmers are available not only in urban areas of the country but also in some rural regions. However, they are out of the reach of many families because of the cost. It was out of this need to help those less fortunate to be able to care for their children that KC and his team worked on the concept of Nyano Nani. "It was to help people in the rural areas where basic facilities too are scarce."

KC shares that filament lamps do provide some heat to babies and saves them from the freezing cold but such lamps do not work for all new-born babies. He reveals that while developing the equipment his team conducted research in the rural areas and it was then that he realised how people had been surviving the harsh winters.

When asked why he chose the name 'Nyano Nani' for his invention, KC says that the name is self-explanatory; a baby who is snug and warm. "In the past two years we have received a lot of praise for the invention and also its name," he shares. KC adds they have plans to use the brand name for a similar range of products in the future.

Work on developing the Nyano Nani started in early 2019 and by the end of the year, a prototype was ready to

be delivered to the market. KC says there was a lot of research and hard work involved before they could actually launch the equipment. "It began with the proof of concept and the design," he mentions, adding the constituents then had to be checked individually before they could assemble the parts into one equipment, and again test the complete machine. "The entire product development procedure was broken down into several phases."

A diverse team of engineers and technicians had to be utilised to develop the Nyano Nani. "We had mechanical and electrical engineers along with electronic experts working on different components," he explains, and all the sub-systems had to be ultimately integrated before the final product was ready. "The current version available for sale is an outcome of an iterative development process which went through a lot of changes and optimisations through the months," he reveals.

There are many similar products available in the market, however KC states that Nyano Nani has been able to carve a niche for itself because it is the first biomedical equipment that is totally indigenous while fulfilling all international safety guidelines. Nyano Nani is being sold at Rs 85,000 a unit, which is similar to the cost of other such machines but KC says, "We provide better quality."

"The other aspect is the 24-hour service we can provide with the help of our wide local network of service technicians and engineers," he adds, elaborating, "We also provide thorough training to medical



**Mahip KC**  
Product Development Engineer, Nyano Nani

workers to enable them to use the device independently."

Nyano Nani has a strong customer base. Besides individual orders, KC says one of their main customers is Jyoti Bikas Bank which has been buying and supplying Nyano Nani to different health institutions under their CSR initiative.

KC say he is now working to add some more features to the product so that it can also be used in the ICU departments of hospitals. "We are also looking into some innovative designs of Phototherapy Units which help in preventing jaundice in new-born babies."

For KC, it was not about just developing and selling a product in the market. "We wanted to conform to international health and safety guidelines and biomedical standards," he emphasises, something that

was extremely difficult while procuring high-quality medical-grade components. The other major hurdle, he shares, is that Nepali consumers do not tend to believe in domestic products in comparison to international products. "The government talks about the importance of such innovations from time to time but when it comes to actually supporting such innovations, it hardly does anything," he rues.

He adds if the government was more supportive then entrepreneurship and innovation culture would have grown in Nepal. "There is a lot that can be done here, especially in the IT sector and it does not require much investment. However, the right environment must be created to foster such developments," he concludes. **B**

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# beed's take on the market

The Nepal Stock Exchange (NEPSE) index surged considerably by 411.11 points (+16.31%) to close at 2931.34 points during the review period of December 24, 2021 to January 20, 2022. Carrying on from the previous review period's dwindling investor confidence, the review period opened on a feeble note to reach as low as 2518.99 points on December 28, 2021. However, the index continued to strengthen thereafter through modest gains, and ended the review period on a firmly higher gain. Nevertheless, as the second quarter ended, the existing liquidity crisis in the banking system remains a key hurdle amidst minimal capital expenditure by the government. The overall volume during the review period increased by a notable 29.62% and reached Rs 112.27 billion.

During the review period, contrary to the previous review period, all sub-indices landed in the green zone.

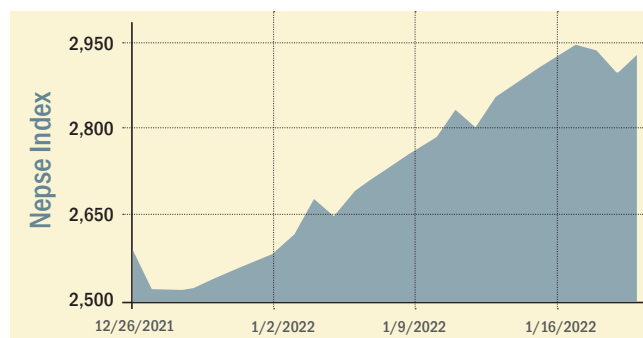
Life Insurance sub-index (+25.079%) was the biggest winner as share value of Life Insurance Company (+Rs 405), Nepal Life Insurance (+Rs 350) and National Life Insurance (+Rs 297) increased

substantially. Hydropower sub-index (+23.45%) was second in line with rise in the share value of Radhi Hydropower (+Rs 189.4), Ngadi Group Power (+Rs 109) and Api Power (+Rs 105.1). Finance sub-index (+21.97%) also witnessed an increase in the share prices of ICFC Finance (+Rs 173.2), Pokhara Finance (+Rs 130) and Goodwill Finance (+Rs 119).

Development Bank sub-index (+20.83%) followed suit with rise in the share prices of Kamana Sewa Development Bank (+Rs 110.3), Lumbini Development Bank (+Rs 109) and Shangrila Development Bank (+Rs 106). Non-life insurance sub-index (+20.34%) also progressed as share value of Rastriya Beema Company (+Rs 3,805.9), IME General Insurance (+Rs 218) and Sagarmatha Insurance (+Rs 211) went up.

Similarly, Manufacturing and Processing (+17.37%) witnessed a surge in the share prices of Bottlers Nepal (+Rs 1,100) and Shivam Cements (+Rs 254). Microfinance sub-index (+15.67%) also substantially inflated with rise in the share value of Asha Microfinance (+Rs 330), Samudayik Microfinance

**Figure 1 NEPSE Index during the review period**  
(Dec 26th 2021 to Jan 20th, 2022)



Source: Nepal Stock Exchange Ltd.

(+Rs 290.9) and Global IME Microfinance (+Rs 279).

Others sub-index (+12.68%) increased as share value of Citizen Investment Trust (+Rs 474) and Nepal Telecom (+Rs 122) expanded. Commercial bank sub-index (+11.26%) witnessed an expansion in the share prices of NIC Asia Bank (+Rs 157), Standard Chartered Bank (+Rs 76.9) and Everest Bank (+Rs 75). Likewise, Hotels and Tourism sub-index (+8.75%) increased marginally with rise in share value of Oriental Hotels (+Rs 40), Soaltee Hotel (+Rs 22.2) and Taragaon Regency (+Rs 18).

## News and Highlights

On the public issue front, SEBON has added the Initial Public Offerings (IPOs) of three hydropower companies to its pipeline. It includes Asian Hydropower worth Rs 118 million, Rasuwagadhi Hydropower worth Rs 684.2 million and People's Power worth Rs 309.9 million. NMB Capital, Siddhartha Capital and Prabhu Capital have been appointed as the issue managers for the three hydropower companies, respectively.

Likewise, SEBON has approved the rights shares of Shikhar Insurance (10:3 ratio) worth Rs 527.55 million and IME General Insurance

(10:4 ratio) worth Rs 463.03 million. NIBL Ace Capital and Global IME Capital have been appointed as the issue managers respectively.

## Outlook

Investors have remained wary as the banking system's liquidity shortage remains a key bottleneck, along with rising interest rates. Despite the current market reversal, the market remains speculative with some expected corrections given the spike has not been backed up by significant market activity. Despite this, certain encouraging developments such as local elections scheduled for Baisakh of the upcoming Nepali fiscal year, have sparked some market confidence. **B**

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**Table 1: Sub-indices during the review period**

(Dec 26th 2021 to Jan 20th, 2022)

	Dec 26th, 2021	Jan 20th, 2022	% Change
NEPSE Index	2,520.23	2,931.34	16.31%
Sub-Indices			
Commercial Bank	1,716.62	1,909.96	11.26%
Development Bank	4,368.82	5,278.74	20.83%
Hydropower	2,840.61	3,506.64	23.45%
Finance	2,156.33	2,630.06	21.97%
Non-Life Insurance	11,101.76	13,359.94	20.34%
Others	1,967.88	2,217.35	12.68%
Hotels and Tourism	3,015.35	3,279.13	8.75%
Microfinance	4,851.65	5,611.96	15.67%
Life Insurance	13,315.57	16,654.94	25.079%
Manufacturing & Processing	6,420.42	7,535.59	17.37%

Source: Nepal Stock Exchange Ltd.





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# Gold Outlook In 2022



**Vivek Risal** is the Country Program Coordinator at IMFA Global, a globally reputed brand for facilitating financial markets training. He can be reached at [vivek@imfaglobal.com](mailto:vivek@imfaglobal.com)

The number one question doing the rounds in the commodity market is: What will transpire in the bullion market in 2022 given the bearish trend in 2021? Having just emerged out of strong bullish momentum in 2020, prices had opened at \$1899.44 per ounce in 2021. However, due to the opening of economies around the globe and the mass drive towards vaccines, prices slumped and ended the year at \$1829.26 per ounce, a fall of 3.69% for the year. The preceding year was coined as a volatile year for precious metals and difficult to forecast. But with the advent of 2022 and yet another challenging prospect ahead, here are the major drivers that could influence gold.

## Monetary Policy

The first attribute affecting gold has been the monetary policies of major economies, especially the US. The central bank of the USA, the Federal Reserve, along with its impact on the US dollar is a decisive factor for the price of gold in 2022. The response to the pandemic has yielded unprecedented levels of printing money and fixing interest rates near to zero. While the central banks have firmly stated that they believe inflation to be a transitory answer to the

previous years, deflationary pressure, the ongoing rise in the prices casts a major doubt. Given the economies are still fighting the pandemic in various magnitudes, the supply channels are still exemplifying a minimum sense of recovery.

The diverse stance in the monetary policies around the globe will be expected to have large implications for gold price and many forecasts will be based on this very issue. With economic recovery continuing at a decent pace and inflation rates rising, the policies could turn hawkish giving ample reasons for gold to turn bearish. If the QE could start to taper into 2022 along with rise in interest rates, the value of the yellow metal could diminish under pressure in 2022. However, the current accommodative monetary policy and high inflation rates will continue to provide support to gold prices.

## Covid situation

Regardless of a relatively successful vaccination programme in the UK, US and Europe, there is still a significant issue in the vaccination drives in less developed nations. Monetary policy could be influenced by the Covid situation in the nations in question.

With a large dependence on vaccines from developed nations, the rise in the Delta and Omicron variants still holds potential risks in 2022. The past two years have provided numerous examples corroborating the fact that Covid can still surprise us in no uncertain terms. How the global economy resists the pressures of the pandemic during the winter and into 2022 will inevitably have an impact on global economic recovery and influence decisions enveloping monetary policies.



## Geopolitical issues

Analysts opine that the key and most uncertain element could be developing geopolitical issues that wreaked havoc in the bullion markets in 2018 and 2019. Trade wars and sanctions between major economies could stifle economic growth and escalate the demand for bullion in a short span of time. Relations between the US and nations like China and Russia are still poor, and argumentative remarks could trigger massive long positions in gold.

The Middle East is another closely watched region in the world. The Taliban's coup in Afghanistan will raise the fear of increased terrorism in the region and bullion markets could have a reprieve if any untoward incidents occur in the region.

## Central bank demand

Central banks around the globe tend to store gold in their vaults to protect their national wealth. But as the pandemic took centre stage, buying had somewhat paused. However, late into 2021 and into 2022, numerous central banks have once again started to buy more

gold reserves. India, Brazil, Turkey among others have all added gold to their reserves and if this trend continues, the demand for gold will accelerate and will maintain support for the value of gold into 2022.

## Conclusion

Analysts and market pundits have varied opinions on their predictions for gold in 2022. However, everyone agrees that gold will maintain a level across the current prices based on the performance so far this year. The continuation of economic recovery will offset any potential gains from the other hawkish factors. The forecast for 2022 is likely to fluctuate significantly reflecting the extraordinary repercussions caused by the pandemic in the last two years. Traders will need to tread carefully with any price predictions since prices could rise or fall as events unfold. Overall, the price forecast may not represent the troughs and the peaks that gold could observe in 2022 and if anything, be ready to be surprised with the developments. **B**



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# It's Not Just Behind Closed Doors Anymore

## ONEPLUS'S FIRST FLAGSHIP SINCE OPPO MERGER: ONEPLUS 10 PRO

BBK Electronics is a name that we don't hear much on the consumer end of the smartphone market. Still, they remain one of the top players in the segment, thanks to the brands that they have under their umbrella. While you might not have heard much about BBK Electronics, you must have heard of the brands under its banner: Oppo, Vivo, Realme, and OnePlus.

Each of these companies works in tandem to share a specific demographic, possibly to take over the market more efficiently.

For a while in the past, Realme operated as a sub-brand to Oppo, much like how Poco worked under the Xiaomi umbrella. But as of recently, Realme has evolved into an independent entity (still under BBK, just not under Oppo), and OnePlus has switched places with it instead.

Now, with OnePlus' merger with its sister brand ironed out, it seems to have changed a few things with its marketing — most noticeably the release date of its flagship devices. OnePlus 10 Pro is now the first flagship phone to launch from the brand with that merger completed, which is at least a couple of months earlier than expected. Albeit, it was a China-only launch. So, by the time that the rest of the world gets this device in their hands, it'll probably be in line with OnePlus' usual release dates.

Regardless, we are more interested in what this device has to offer than contemplating why OnePlus is changing release dates.

Just looking at the OnePlus 10 Pro, it is fairly obvious that the phone took a few design cues from Samsung's flagships



from last year.

The matt texture on the back of the device is broken by the camera unit that has a glossy finish. The protruding camera housing has three cameras, and a flash arranges in perfect symmetry, but the way that it melts into the rails is what's reminiscent of Samsung.

Well, it's not exactly how Samsung did it. Still, it's frustrating not being able to see companies experimenting independently with their design, at least. I mean, the front of the phone has to be all screen at this point, give us something to be excited about with the design out back.

Anyways, the camera housing also continues OnePlus' partnership with Hasselblad. As for the hardware itself, there has been little change in the hardware. The rear featured a triple camera array: a 48MP wide, a 50MP ultrawide with up to 150-degree FoV, and an 8MP telephoto.

Something that the photo-fanatics can be excited about would be: 10-bit colour capture on all lenses, 12-bit

RAW capture on all lenses, Dual OIS on at least one lens, and Second-gen Hasselblad software. Not to forget, the 150-degree ultrawide is almost fisheye territory and should be tremendously fun to play with.

The front has a 32MP shooter, which is twice the megapixels of the OnePlus 9 Pro.

Flip the phone to the front, and you'll be greeted with a 6.7-inch LTPO AMOLED display. Having an LTPO display means that the phone can switch between different refresh rates depending on the content that's on the screen — good for the battery.

The QHD+ display (1440p) would definitely look crisp, but the battery might suffer. Thankfully, this time around, the battery is a bigger unit: a 5,000 mAh battery. Not just that, it has a stupidly fast 80-watt charger IN THE BOX! Yup!

The unit also supports a 50-watt wireless charger with the proprietary charger. Oh, and there's reverse wireless charging for those looking for it.

All in all, the battery should

theoretically last much longer than the previous generations also because of the new chipset featured on the device. The OnePlus 10 Pro runs on the latest and greatest chipset from Qualcomm — Snapdragon 8 Gen 1. This chipset is also an insurance that the phone will outperform every phone from last year in terms of computing capabilities, but for most, it's a glass ceiling that they might never experience.

It might still be a while for the rest of the world to get their hands on this China-only device as of this writing. But, one thing is for sure, the OnePlus 10 Pro is a phone many are eagerly looking forward to, especially in countries like Nepal.

The Chinese release was at 4,699 yuan, which roughly translates to \$737 for the base variant (8GB/128GB), and the speced-out version (12GB/256GB) was going for 5,299 yuan, which is around \$830. We might have to wait a couple more months to see how the prices stack up for the Nepali market. **B**





**Standard (Tufted)**



# Employee Share Ownership



**Pratikshya Dahal** is a corporate lawyer and holds an LLM in International Commercial Law from the University of Reading, UK. She currently works as a Senior Associate at Pioneer Law Associates.

Employee Share Ownership Plan (ESOP) is a scheme which companies deploy to enable their employees to participate in the ownership of the company by way of share acquisition. ESOPs are designed to provide investment opportunity, sharing of benefits, incentive or non-monitory compensation for the employees. ESOPs are voluntary schemes adopted by companies and is not a mandatory requirement under the laws of Nepal.

One of the first ESOPs is believed to have been adopted in 1956 by founders of Peninsula Newspapers, Inc who in their 80s wanted to give succession of their business to the employees. Modern-day service and tech-oriented companies that employ highly qualified professionals also view ESOPs as an alternative to the traditional collective bargaining schemes that were born during the industrial revolution and ensures that the employees' involvement is more participative and aligned with the interest of the business. Likewise, startups that frequently face budget restraints use ESOPs to attract and retain talent.

Lately India has witnessed record ESOPs in tech and startup industries. In February 2021, fintech startup



PhonePe issued ESOPs worth \$200 million to its 2,200 employees to encourage collaboration, long-term focus and organisation-first thinking. Flipkart created an ESOP of \$2.6 billion crore in December 2021 making it the largest ESOP pool size ever made by an Indian tech company. Chinese telecom company Huawei that is owned approximately 99% by its employees considers employee ownership instrumental for its rapid growth into becoming a telecom giant.

It is not just the companies that benefit from ESOPs; a sense of ownership that ESOPs offer to employees increases productivity, loyalty, commitment, job security and satisfaction for the employees. ESOPs in various Silicon Valley companies have been successful in making their workers millionaires. Paytm, an Indian fin tech startup

founded in 2010 has set another example by creating a net worth of at least 10 million Indian rupees each for its 350 ESOP holders after its IPO in November 2021. In 2021 alone, Indian startups set records after buying back ESOP shares from their employees by paying them a total of \$440 million.

ESOPs can be tailored to fit the needs of any business and Nepali law provides a lot of flexibility for companies to structure ESOP terms and conditions. One of the first policy issues for companies to consider is the eligibility criteria to participate in an ESOP. The eligibility can be linked to the years of service, performance milestones, position level, type of employment, etc.

The second key issue can be on how many shares will be issued and the pricing. Unlisted companies in Nepal are free to decide how many shares from their capital will be allocated

to the ESOP. Publicly listed companies, on the other hand, can only issue a maximum of 5% of the total shares allotted to the public under an ESOP. The pricing of ESOP shares also becomes a fundamental matter. When offered as an investment opportunity, employees are usually required to make payment based on the prevailing valuation of the company. Companies that devise ESOP as an incentive plan offer shares to employees at a discounted price or even as a non-monitory compensation/bonus. ESOP shares can also be issued by way of payroll deduction rather than requiring employees to put in more money. When an ESOP requires employees to make payment, companies can also provide ESOP acquisition loan to its employees. This ESOP acquisition loan is an exception to the general prohibition on companies prescribed by the





law to provide financing for purchase of its own shares.

Companies are free to issue ESOP shares to as many employees as they want. The holders of ESOP shares will not be counted as shareholders even though they can be given rights and privilege similar to other shareholders. As a result, even though a private company can only have a maximum of 100 shareholders, it can additionally have holders of ESOP shares. ESOP shares may or may not have voting rights. Voting rights allow employees to participate in the decision-making process and elect directors.

However, an increased level of administration from the company may be required to facilitate the voting rights depending on the number of employees.

As a matter of process, companies usually sign ESOP agreements with employees once they become eligible to participate in the ESOP. This agreement will set out the terms and conditions and create contractually enforceable rights and obligations on parts of both the company and employee. ESOP agreements will grant the employees share options and a right to convert the share options after certain

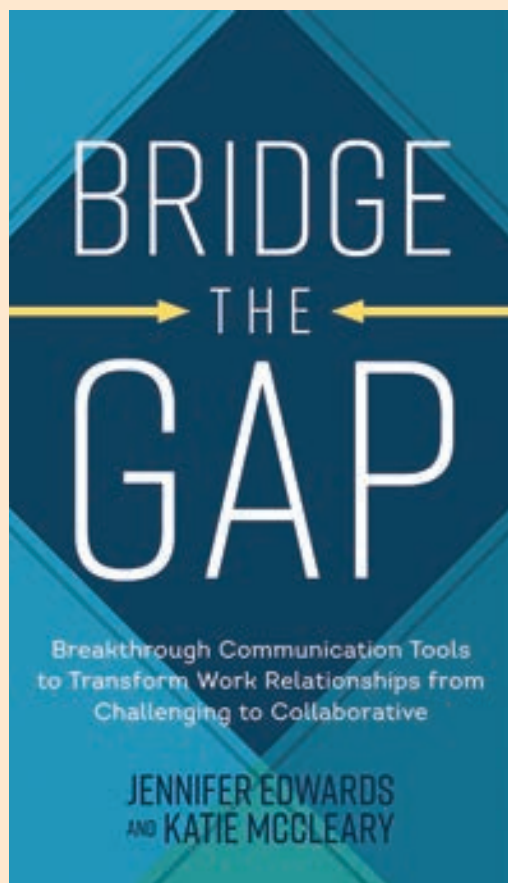
time period – also known as ‘vesting period’.

Employees will need to pay the purchase consideration also known as ‘exercise price’ (if required) at the end of the vesting period. Other policy issues that companies will need to consider is whether there will be any lock-in period whereby the employees will be barred from transferring their shares for a certain time and who can they transfer the shares to. ESOP holder in public listed companies in Nepal cannot transfer their shares for at least three years from the date of issuance. The law requires ESOP holders to

obtain approval from the board of directors before selling the ESOP shares. If the idea is to ensure that ESOP shares are only held by employees that are working in the company, the company has the option of buying back the ESOP shares of departing employees. A well formulated ESOP can be a gateway for companies to hire and retain the talent needed for its growth as well as to enhance employee and company performance.

\*This article only intends to provide a general guide to ESOPs. It is important to consult a specialist while formulating such a policy. **B**

## BOOK OF THE MONTH



### Bridge The Gap

BREAKTHROUGH COMMUNICATION TOOLS TO TRANSFORM WORK RELATIONSHIPS FROM CHALLENGING TO COLLABORATIVE

Author: **Jennifer Edwards & Katie McCleary**

Human beings are born to connect but in today's increasingly polarised world, we're losing sight of the importance of building and maintaining professional relationships. And that's bad for business.

In Bridge the Gap, two prominent Fortune 500 coaches explore how your biology and biography define and refine your behavior in relationships where you struggle to connect. Focusing on personal responsibility and awareness, meta-cognition, and curiosity, they provide a reliable and replicable framework to enhance open communication. And they illuminate the inner workings of the human brain and mind, and how they impact the way you connect, communicate, and collaborate.

Inside, you'll find eye-opening techniques to help you:

- Master your biological reactions when pressure, stress, and

anxiety hijack your efforts to connect

- Understand how you and others can better learn from and listen to each other
- Lead with curiosity in all your communication strategies and learn how to give authentic feedback
- Feel more comfortable working on diverse team and embrace all cultural backgrounds

What makes this book different from others is that it focuses on the how rather than just the why of fostering better communication. And, whether you are entry level staff or a C-Suite executive, these techniques can be applied at all levels and all capacities.

Filled with practical exercises, colourful stories, and illustrative case studies, Bridge the Gap reveals how to harness the real and raw power of your mind to build solid workplace relationships in any situation.



# Toyota Raize: Reliable, Comfortable & Refined

United Traders Syndicate (UTS), the authorised dealer of Toyota, recently launched its all-new compact SUV, Raize, in Nepal. The Raize is the most affordable and smallest SUV in Toyota's lineup for Nepal. Toyota has launched the car in just one variant with an option of automatic and manual transmission. The compact SUV is available at a starting price of Rs 66,00,000 for the manual and Rs 72,50,000 for the automatic transmission. You can also order the Raize with 1.0L Turbocharged engine for which the starting price is Rs 82,00,000. We were able to get our hands on the 1.2L Automatic Transmission variant of the SUV. So, here is our take on the vehicle.

## Exterior

As soon as you look at the new Toyota Raize, the car looks quite bold and smart. The squared-up style with angular cuts and creases gives it a bold appearance. The front of the car is the busiest with lots of sharp lines and cuts. The sweepback headlamps and the upside down 'L' shaped muscular design grabs your attention and make it look aggressive and sporty. The blacked-out trapezoidal front grille adds up to the sportiness of the SUV. Although you get parking sensors on the front of the car, the car is not provided with DRLs and fog lamps. However, you can always install it later.

Being a SUV, the Raize gets thick black plastic cladding around the car which is there not just for aesthetic purposes but also to protect the paint while off-roading. There is not much going on the sides. The minimal lines and creases on the sides provide the vehicle a clean and smart side profile. A bit of chrome accent and

diamond cut alloy wheel could add premiumness to the vehicle. Like the front, the rear also looks quite busy. The black plastic housing for the parking sensors retains the 'L' shaped design element from the front and trapezoidal cut out on the lower part of the bumper is also carried out from the front. The most unique design element on the rear of the Raize is the thick black plastic lining across the boot.

## Interior and Features

As soon as you get into the SUV, you are welcomed by a neatly laid out cabin. The blackout interior with a bit of silver accents looks simple yet smart. The silver surround on the AC vents carries the trapezoidal shape from the exterior. Right in the middle of the dashboard you will find a 7-inch touchscreen infotainment system supporting Apple CarPlay and Android Auto along with USB and Bluetooth. On the lower half of the dash, you will find manual controls for the fan and AC. Right below that you will find a USB port and 12V power socket. On the driver's side, you will find steering mounted audio controls and an analogue instrument cluster with a small digital driver's display which I think looks a bit dated.



You will find plenty of storage compartments inside the cabin making it very practical. Adding to the practicality is the 369L boot space and 60:40 folding and reclining rear seats. Talking about the seats, materials used are of high-quality fabric and the well cushioned seat gives proper support to your back. You can find your perfect driving position thanks to the six-way adjustable driver seat. The wide opening rear doors make it effortless to get into the seat. The seat itself is quite comfortable and you will find ample head, knee and shoulder space. However, the rear occupants don't get AC vent and charging port. Other features that the car misses out on are wireless charging pad, automatic climate control and push start/stop button.

## Performance and Safety

The best thing about the new Toyota Raize is its driving quality. The naturally aspirated 1.2 litre, 3-cylinder petrol engine feels very refined and smooth. Engine noise and vibrations are very less even at higher RPM. The 1198cc engine chunks out a maximum power of 87hp and 113 Nm of torque which is more than adequate for city drive and occasional long drive. The

torque kicks in at around 2000 RPM. Mated to the 1.2L engine is the CVT transmission which is responsive, and the gear shifts are smooth and unnoticeable. According to Toyota, the SUV can go to a top speed of 160 km/h. The vehicle has a soft suspension setup and relatively higher 200mm ground clearance, so it deals with the ups and downs of the road rather well, and you will barely notice them. You will experience a bit of body roll while going through a corner at higher speeds. The steering feels relaxing as it is well adapted for city and highway cruising.

On the safety side, the car is equipped with Vehicle Stability Control (VSC), Anti-lock Braking System (ABS), Hill-start Assist Control (HAC), Back Monitor, Parking Sensors, Reverse Camera and two front airbags.

## Verdict

The newest and smallest offering, the Raize is also the most affordable SUV from Toyota. With the much growing demand for compact SUVs and Toyota's reputation for quality and durability, the Raize can be a great option for those who are looking for a reliable, comfortable and refined family SUV. **B**



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# Standard Operating Procedure: Need Of The Hour



**Tulsi Khemka** is a CA with 18+ years of experience in the space of risk, systems and security having worked with corporates in India, Nepal, US and UK.

Most people think standard operating procedures are a waste of resources, time and money. Over the years I have heard statements like no one in the organisation ever reads them, our organisation is too complex for a straight forward document, we are in the creative space and SOP will limit our flexibility, the department will be able to draft it in a few days.

In the ever-increasing time of digitalisation, need for customisation and reduction of expected execution turn arounds, has resulted in fuelling the complexities of our world. In turn impacting possible decision-making options have grown multiple-fold adding to the complexities.

It's humanly not possible for anyone to remember all the action steps they need to perform at any given point of time. The Checklist Manifesto:



How to Get Things Right by Atul Gawande, talks about n number of such situations which have resulted in million-dollar losses, and which could have been prevented with a simple stupid checklist aka SOP.

Keystone Initiative conducted a project on line infection rates in Michigan's ICUs. They published their findings in December 2006 edition of the New England Journal of Medicine. The findings helped hospitals reduce line infections in ICUs by 66% within the first three months resulting in an estimated saving of \$175 million and more than 1,500 lives. 'The solution that

has still sustained for several years now was a stupid little checklist that was created for ICUs' – The Checklist Manifesto: How to Get Things Right.

A stupid little checklist has resulted in saving invaluable lives of people, heavy pieces of technology, expensive state-of-the-art helicopters to millions in savings across corporates.

What is SOP and checklist?

If one Googles the meaning of the two words – 'checklist' and 'SOP' – you will come across multiple definitions and explanations. The crux of all explanations – list of things that need to be done and

step-by-step instructions that help anyone perform routine operations efficiently, with quality, consistency, timeliness while ensuring compliance. These documents help create an environment that ensures fail safes and well-trained resources.

## 1. Do we really need these documents?

The benefits of having a well-invested SOP and checklist exceeds the initial effort and cost involved. While actually executing daily operational needs and challenges whilst handling numerous pressures of the day, we all respond and execute the same situation differently in comparison to training and expected execution requirements. Regardless of the size of the organisation, there are a few ways SOPs can help:

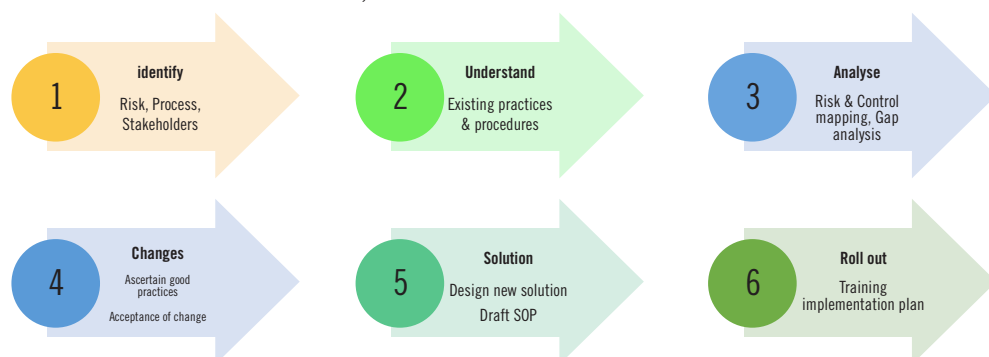
Consistency in process and across the organisation

Every head of department, team member, person in the organisation will perform the same task differently, address the same challenge differently. These varying approaches may be the best individually but collectively as an organisation it reflects poorly besides the challenges of controlling actions, costs, economies of scale, its impact and addressing risks.

SOP provides with that consistent base, detailed process listing, checks and balances to perform, role definition and predictable outcomes-based organisational vision and tone on top.

## Reduction in errors

Humans are not perfect and there will be errors in tasks to be performed. Although errors cannot be completely prevented or eliminated they can be managed resulting in reduction of cost and increase



in efficiency. During the test trial of the American military's next-generation long-range bomber in 1935, the flying fortress crashed resulting in a loss of millions of dollars. The reason for the crash was identified as 'pilot error'. The ingenious solution to the pilot error was a pilot checklist.

#### Reduction in learning curve

The biggest cost and impact on efficiency of any new joiner is the learning curve. Time is cost and crucial in any business. A well written document helps employees understand the tasks, goals, expectations, reportability and purpose of what they need to achieve and deliver.

With an SOP in place, training about the processes, delivery timelines and contact persons are articulately shared and employees can acclimatise themselves with the business environment and organisational culture with minimal need for face-to-face training and involvement of other team members.

#### Process optimisation and cost saving

An optimised process helps businesses meet efficiency and economics. It helps in improving performance and gives agility and ability to make informed decisions in expedited timelines. While drafting a well-documented SOP, all processes are reviewed for standardisation across the board, inter-department interfaces are reviewed, process input and output are reviewed, along with effort duplication, control maturity and control completeness. This helps the overall internal control framework for the company.

#### How do you draft a SOP?

Every business is unique in its own way. Today, the world has moved from the concept of globally accepted best controls to what is best and good for an individual organisation. That is why no two business can have identical SOPs. However, a few critical steps remain the same while drafting the document.

Businesses should keep tips like these in mind to ensure the SOP evolves and is beneficial with each passing year:

- Review annually and whenever there is a major change in process
- Know your target audience while drafting
- Language should be clear, crisp and simple
- Ensure consistency in writing style, formats across different SOPs
- Draft in the language must be easily understood by the audience
- Have a central repository
- Track all changes to the SOP
- Allot new version number when any change is made
- Test the accuracy of the SOP prior to roll out
- Ensure input and output across departments and processes are in sync

#### Helping your business

SOPs can be that fundamental way to internal and external communication across all levels and can do a great deal of good to businesses of any size. It also helps employees improve and deliver better experiences for themselves, team members and most importantly customers. It's time to be that change that your organisation needs. **B**

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## Global growth to slow through 2023 adding to risk of 'Hard Landing' in Developing Economies

Following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from Covid 19 variants and a rise in inflation, debt and income inequality that could endanger the recovery in emerging and developing economies, according to the World Bank's latest Global Economic Prospects report. Global growth is expected to decelerate markedly from 5.5% in 2021 to 4.1% in 2022 and 3.2% in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world.

The rapid spread of the Omicron variant indicates that the pandemic will likely continue to disrupt economic activity in the near term. In addition, a notable deceleration in major economies — including the United States and China — will weigh on external demand in emerging and developing economies. At a time when governments in many developing economies lack the policy space to support activity if needed, new Covid 19 outbreaks, persistent supply-chain bottlenecks and inflationary pressures, and elevated financial vulnerabilities in large swathes of the world could increase the risk of a hard landing.

"The world economy is simultaneously facing Covid 19, inflation, and policy uncertainty, with government spending and monetary policies in uncharted territory. Rising inequality and security challenges are particularly harmful for developing countries," said World Bank Group President David Malpass. "Putting more countries on a favourable growth path requires concerted international action and a comprehensive set of national policy responses."

The slowdown will coincide with a widening divergence in

growth rates between advanced economies and emerging and developing economies. Growth in advanced economies is expected to decline from 5% in 2021 to 3.8% in 2022 and 2.3% in 2023 — a pace that, while moderating, will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3% in 2021 to 4.6% in 2022 and 4.4% in 2023. By 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4% below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5% below its pre-pandemic trend, and output of small island states will be 8.5% below.

Meanwhile, rising inflation — which hits low-income workers particularly hard — is constraining monetary policy. Globally and in advanced economies, inflation is running at the highest rates since 2008. In emerging market and developing economies, it has reached its highest rate since 2011. Many emerging and developing economies are withdrawing policy support to contain inflationary pressures — well before the recovery is complete.

The latest Global Economic Prospects report features analytical sections that provide fresh insights into three emerging obstacles to a durable recovery in developing economies. The first, on debt, compares the latest international initiative to tackle unsustainable debt in developing economies — the G20 Common Framework — with previous coordinated initiatives to facilitate debt relief. Noting that Covid 19 pushed total global debt to the highest level in half a century even as the creditors' landscape became increasingly complex, it finds that future coordinated

debt relief initiatives will face higher hurdles to success. Applying lessons from the past restructurings to the G20 Common Framework can increase its effectiveness and avoid the shortcomings faced by earlier initiatives.

"The choices policymakers make in the next few years will decide the course of the next decade," said Mari Pangestu, the World Bank's Managing Director for Development Policy and Partnerships. "The immediate priority should be to ensure that vaccines are deployed more widely and equitably so the pandemic can be brought under control. But tackling reversals in development progress such as rising inequality will require sustained support. In a time of high debt, global cooperation will be essential to help expand the financial resources of developing economies so they can achieve green, resilient, and inclusive development."

The second analytical section examines the implications of boom-and-bust cycles of commodity prices for emerging market and developing economies, most of which are heavily dependent on commodity exports. It finds that these cycles were particularly intense in the past two years, when commodity prices collapsed with the arrival of Covid 19 and then surged, in some cases to all time-highs last year. Global macroeconomic developments and commodity supply factors will likely cause boom-bust cycles to continue in commodity markets. For many commodities, these cycles may be amplified by the forces of climate change and the energy transition away from fossil fuels. The analysis also shows that commodity-price booms since the 1970s have tended to be larger than busts, creating significant opportunities for stronger and more sustainable growth in commodity-exporting countries — if they employ disciplined policies during booms to take advantage of

windfalls.

The third analytical section explores Covid 19's impact on global inequality. It finds that the pandemic has raised global income inequality, partly reversing the decline that was achieved over the previous two decades. It has also increased inequality in many other spheres of human activity — in the availability of vaccines; in economic growth; in access to education and health care; and in the scale of job and income losses, which have been higher for women and low-skilled and informal workers. This trend has the potential to leave lasting scars: for example, losses to human capital caused by disruptions in education can spill over across generations.

Ayhan Kose, Director of the World Bank's Prospects Group, said: "In light of the projected slowdown in output and investment growth, limited policy space, and substantial risks clouding the outlook, emerging and developing economies will need to carefully calibrate fiscal and monetary policies. They also need to undertake reforms to erase the scars of the pandemic. These reforms should be designed to improve investment and human capital, reverse income and gender inequality, and cope with challenges of climate change."

## Consumer price inflation at 7.11%, remittance inflow down 6.8%

The Current Macroeconomic and Financial Situation of Nepal based on the five months' data ending mid-December, 2021/22, released by Nepal Rastra Bank shows the year-on-year consumer price inflation stood at 7.11% in the fifth month of 2021/22 compared to 2.93% a year ago. Food and beverage inflation stood at 5.67% whereas non-food and service inflation stood at 8.25% in the review month.

The price of ghee and oil; transportation; pulses and legumes; education and



tobacco products subcategories rose 28.52%, 16.25%, 11.79%, 11.78% and 11.74%, respectively on y-o-y basis.

In the review month, the Kathmandu Valley, Terai, Hill and Mountain recorded 5.91%, 7.52%, 6.95% and 4.91% inflation, respectively. Inflation in these regions was 3.71%, 2.35%, 3.95% and 4.22%, respectively a year ago.

Meanwhile, the y-o-y wholesale price inflation stood at 7.22% in the review month compared to 7.46% a year ago. The y-o-y wholesale price of consumption goods, intermediate goods and capital goods increased 9.22%, 6.11% and 7.24%, respectively. The wholesale price of construction materials increased 19.34% in the review month.

The y-o-y consumer price inflation in Nepal in the fifth month of 2020/21 remained at 7.11%. Such inflation in India was 5.59% in December 2021.

Meanwhile, remittance inflows decreased 6.8% to Rs 388.58 billion in the review period against an increase of 11% in the same period of the previous year. In US dollar terms, remittance inflows decreased 7.3% to 3.26 billion in the review period against an increase of 6.4% in the same period of the previous year.

The number of Nepali workers (institutional and individual-new and legalised) taking approval for foreign employment increased significantly to 131,082 in the review period. It had decreased 92.7% in the same period of the previous year. The number of Nepali workers (Renew entry) taking approval for foreign employment increased 295.8% to 99,580 in the review period. It had decreased 77.3% in the same period of the previous year.

Net transfer decreased 5.7% to Rs 433.92 billion in the review period. Such transfer had increased 8.5% in the same period of the previous year.

As per the central bank's report, the current account remained at a deficit of Rs

## NMB Bank concludes 26th AGM



NMB Bank held its 26th annual general meeting on January 6 in Kathmandu. The AGM was held under the chairmanship of Pawan Kumar Golyan. The AGM approved the proposal to distribute 12.5% bonus shares and 3.3% cash dividend on the current paid-up capital of the bank. The bank has earned Rs 2.71 billion net profit, collected more than Rs 166.45 billion deposits and invested over Rs 158.04 billion loans till the end of the last fiscal year. It has been informed that the bank's paid up capital will be Rs 18.37 billion after the distribution of bonus shares.

In recognition of its continued commitment towards sustainable banking practices, digitisation and corporate governance, The Financial Times, London awarded NMB Bank with the prestigious Bank of the Year 2021, Asia Award; the first bank in Nepal to win this award. NMB Bank is currently providing its services through 201 branches, 138 ATMs and 9 extension counters.

300.69 billion in the review period compared to a deficit of Rs 23 billion in the same period of the previous year. In US dollar terms, the current account registered a deficit of 2.52 billion in the review period compared to deficit of 196.6 million in the same period last year.

In the review period, capital transfer decreased 2.4% to Rs 4.64 billion while net foreign direct investment (FDI) increased 57% to Rs 7.07 billion. In the same period of the previous year, capital transfer and net FDI amounted to Rs 4.75 billion and Rs 4.50 billion, respectively.

Balance of Payments (BOP), meanwhile, remained at a deficit of Rs 195.01 billion in the review period against a surplus of Rs 106.48 billion in the same period of the previous year. In US dollar terms, the BOP remained at a deficit of 1.64 billion in the review period against a surplus of 896.5 million in the same period of the previous year.

## HRM Awards for Corporate Excellence



Corporate Club, a subsidiary of Growth Sellers, conducted the 'HRM Nepal Awards for Corporate Excellence 2021' and 'HRM Nepal Awards for Distinguished Service 2021' in Kathmandu on January 7.

The HRM Nepal Awards for Corporate Excellence were given to 13 companies while six companies were honoured with the HRM Nepal Awards for Distinguished Service 2021. The awards honour organisations and individuals who have made significant contribution to the overall economic and social development of the country by doing excellent work in the

private sector. Mohan Ojha is the Chairman of the organising committee. The jury panel had Punya Prasad Neupane, former secretary to the Government of Nepal; Prof Dr Rita Shrestha, Tribhuvan University; Ashutosh Tiwari, CEO at SAFAL Partners; former banker Barsha Shrestha and journalist Mukul Humagain, and was headed by Prof Dr Subash KC, former Dean of the Faculty of Management, Kathmandu University.

## Daraz Nepal appoints Kunwar as its new managing director



Nepal's leading online marketplace, Daraz Nepal, has named Aanchal Kunwar as its very first female Managing Director. Daraz CEO Bjarke Mikkelsen announced the news through LinkedIn. After being appointed the MD, Kunwar said, "I feel privileged and honoured for this opportunity to lead a very talented group of professionals in creating a world-class online shopping experience for my fellow Nepali people. Daraz's rapid growth and impact on the Nepali e-commerce industry is evident even from a distance. Thus, I feel very excited to be a part in establishing Daraz Nepal as a household name and a one-stop solution for all our customers' shopping needs. As Darazians, we will continue to live by our strong values and purpose of uplifting our communities through the power of commerce."

Born and raised in Nepal, Aanchal has an MBA from the Carlson School of Management and a BS in Mathematics and Economics from St Cloud State University, Minnesota.



During her 13+ years in the US corporate sector, she worked for various leading companies such as Carlson Wagonlit Travel (CWT) and e-commerce pioneer, Amazon, where she worked in establishing the company in new markets like Sweden, Poland, Saudi Arabia and Egypt.

After a long and successful career in the US, Kunwar will be leading Daraz Nepal at a time when the company enters a new phase of growth. This also happens to be at a time when the company is going through a rebranding. Further, with her appointment, all of Daraz's operating countries now have native MDs. Kunwar will be taking office as incumbent MD Lino Ahlering moves to a regional role at the Daraz Headquarters in Singapore.

## SCB Nepal appoints Rana as Deputy CEO



Standard Chartered Bank Nepal has announced the appointment of Gorakh Rana as Deputy Chief Executive Officer with effect from January 1. Rana has banking experience spanning over 27 years and has been representing Standard Chartered in several industry and regulatory forums.

Rana joined SCBNL in 1994 in the Retail and Private Banking and moved to Corporate and Institutional Banking in 1996 where he has served in various capacities ranging from Relationship Manager, Senior Credit Manager, Head of Client Coverage among others, with the last appointment being the Head of Global Banking and Commercial Banking. Along with the role of Deputy

CEO, he will continue to head Client Coverage, Corporate, Commercial and Institutional Banking in Nepal.

## THAI Smile Airways appoints Society International Travel Services as GSA for Nepal



THAI Smile Airways, a regional airline operating with full services, has announced Society International Travel Services, one of Nepal's leading travel agencies, as its General Sales Agent (GSA) for the Nepal market. The appointment came into effect from December 1, 2021. As per the agreement, Society International Travel Services will be providing a wide range of sales, marketing, and airport operational services as well as full customer and agency support services for THAI Smile Airways.

Through this agreement, THAI Smile Airways intends to not only tap the opportunity present within the Nepali market by strengthening the services and facilities towards the Nepali people but also to bridge the gap between Nepal and Thailand by providing air connectivity on this route previously served by THAI Airways International since 1968.

Rabi Chandra Singh, Chairman of Society International Travel Services, a part of the RR Group of companies, stated, "We are honoured to be working with THAI Smile Airways in Nepal. Our appointment is a perfect reflection of Society International Travel's

specialised offering of localised expertise and networks, supported by international best practices, to expand the international market share and sales of our partner airlines."

## FOCUSONE signs pact with IMS Software

FOCUSONE has signed a MoU with IMS Software to collaborate on allowing users to make payments through dynamic QR Codes generated by IMS Software. Under this agreement, IMS will integrate MOCO-Digital Wallet with IMS's Consumer Software which will let the wallet identify and scan the QR code presented by IMS. This will improve the user experience and empower clients to perform cashless and card-less transactions.



IMS Software has been involved in developing software solutions that help fulfil the demand of both local and international markets. It provides high performance software to businesses that helps them to adapt to technology and innovation without interfering with normal operations.

FOCUSONE Payment Solutions is a payment service provider, licensed by Nepal Rastra Bank. Since establishment it has been adopting various industry standards to ensure highly secured transactions and extend various services to its users. MOCO, a non-store value wallet is the product of FOCUSONE that provides QR code based Acquiring Service to merchants as a merchant aggregator for national and international payment associations that includes Alipay, Nepal Pay (Nepal Clearing House), UnionPay International and VISA.

The collaboration between IMS software and MOCO-Digital Wallet will act as a step towards revolutionising Digital Nepal by promoting cardless transactions.

## Idea Studio Nepal Season 6 announced



Idea Studio Nepal Season 6 has announced call for applications which was open until January 31. Idea Studio provides a platform where promising ideas can find investors and turn it into business or social enterprises.

People can apply for the competition from across the country and the best ideas are selected and mentored by some of the best business leaders at KUSOM-Idea Studio. Ideas are categorised into four parts: Greenovation, High Flying, Made in Nepal and Social Impact.

Innovators present their ideas on television for an opportunity to partner with business leaders. Ideas that are chosen for investment by business leaders and financial institutions via the television show are then further developed and implemented. A MoU was also signed between Tribhuvan University - School of Management and Idea Studio for Season 6. This year, KUSOM contributes as a Knowledge Partner and World Wildlife Nepal as the Eco Impact Partner. Prabhu Bank continues as the Banking Partner and National Youth Council as the Policy Partner.





## FNCCI President Golchha urges government to give serious attention to capital expenditure



President of the Federation of Nepalese Chambers of Commerce and Industry Shekhar Golchha has urged the government to give serious attention to spending the capital budget, as it is about meeting revenue collection targets. He stated that the liquidity crisis that the market is facing at present could be somehow managed if the government increased its capital expenditure. Golchha was speaking while welcoming the newly elected representatives of Bhaktapur CCI at the FNCCI secretariat in Teku on January 2. He added that the economy which was just about recovering from the impact of the Covid 19 pandemic was again facing problems due to liquidity crunch. Golchha also said that often times the business community is blamed for only focusing on trade and not the productive sector. However, if the government is able to provide a conducive environment, then businesses will be more involved in the productive sector.

## Protest against imposition of luxury tax on menstrual products

A street drama, flash mob and display of banners and placards raising voice against the imposition of luxury tax which increases the price of menstrual products and tampons are back in Nepal. Youth activists have again resorted to peaceful protest after a pause of a few months as the government committed to making efforts to bring the price of pads and tampons down. "Though they said that no additional taxes have been imposed, there has been no implementation so we are back on the streets," Anisha Jha, one of the demonstrators said on January 7.

"This is huge discrimination. Government should not impose any tax because menstruation products are not a luxury, we are not using them as luxury items, it is an essential item," said Priyanka Budhathoki, one of

the producers of podcast series 'Talks About Periods'.

Protest against the imposition of the tax had started in Nepal right after the House of Representatives approved a replacement bill amending the annual budget plan of 2021/22. The new approval subsequently increased the price of sanitary pads in the market, creating a hullabaloo on social media across the country.

This ultimately pushed campaigners to hit the streets urging the government to remove pads and tampons from the list of luxury items and asking for tax rebates. The government though has stated that it had no role in the hike in prices.

The Finance Ministry on September 24 last year issued a press statement that said some people were spreading fake news and attacking the government without doing due research. But it subsequently accepted that a 15% customs tax has been imposed on

sanitary pads since the fiscal year 2012-13.

A 10% tax is imposed on raw materials used to make them in Nepal. But, the budget ordinance brought on May 29 changed it to 5% as the government wanted more businesses to make sanitary pads in Nepal instead of importing them. Regarding the allegation made by businesses, the ministry stated that it has not increased any form of tax on sanitary pads.

The demonstrators had waited for the government to make efforts to reduce the

price of the menstrual products which is yet to be brought into practice.

Even though the government has not increased the taxes, it still imposes a 13% value added tax on the products that are imported from abroad as well as produced within the country.

As per the statistics of the Department of Customs, a total of 1.73 million kilograms of sanitary pads worth Rs 1.05 billion were imported in the fiscal year 2020/21. The government pocketed a total of Rs 300 million in taxes.

## FNCCI submits suggestions to amend Food Hygiene and Quality Bill, 2077



A delegation of the Federation of Nepalese Chambers of Commerce and Industry led by its President Shekhar Golchha met Parshuram Meghi Gurung, Chairperson of the Legislative Management Committee of the National Assembly and other committee members and submitted suggestions for necessary amendments to the Food Hygiene and Quality Bill 2077 on January 5.

The FNCCI team also held a meeting with Mahindra Ray Yadav, Minister for Agriculture and Livestock Development, and Bimal Prasad Shrivastav, Chairperson of Industry, Commerce, Labour and Consumer Interest Protection Committee of the Parliament on January 4 and submitted the recommendations.

While submitting the recommendations, Golchha stated that private companies that are associated with the food industry are quite apprehensive about the bill. He urged the government to hold discussions with the private sector and make the necessary changes before implementing rules. He also made it clear that if the bill is implemented without holding talks with the private sector players and making the needed changes then none of the companies involved in the food industry would be able to operate their businesses.





## Samsung unveils Galaxy S21 FE 5G



Samsung has launched its first 2022 flagship, Galaxy S21 FE 5G. Power packed with Galaxy S21 premium features, Galaxy S21 FE 5G comes with eye-catching design, powerful performance, pro-grade camera and seamless ecosystem connectivity.

Galaxy S21 FE 5G sports best-in-class triple camera set-up that will set your social media feed on fire. On the rear, it has the flagship grade 12MP (UW) + 12MP (W) + 8MP (Tele) camera that captures bright and stunning pictures. The ultra-wide lens fits all the details in one frame. The 32MP front camera captures stunning eye-catching selfies. The pro-grade camera system comes with dual recording, portrait mode, enhanced night mode and 30X Space Zoom for an epic experience.

The Galaxy S21 FE 5G features a beautiful 6.4-inch FHD+ Dynamic AMOLED 2X display with super smooth 120Hz refresh rate, 240Hz Touch Sampling Rate and AI based blue light control for dynamic and silky-smooth scrolling experience that's easy on the eyes. Powered by 5nm Exynos 2100 processor and 4500mAh battery, Galaxy S21 FE 5G ensures high speed and unstoppable performance. It comes with wireless power share and wireless fast charging 2.0 and supports 25W super-fast charging. The IP68 rating makes the smartphone dust and water resistant. The phone comes with flagship power, speed and performance with an all-day intelligent battery, 5G and wi-fi 6 connectivity.

Galaxy S21FE 5G is available at select brand stores. It is available in three beautiful colours – graphite, lavender and olive. The price of the phone

has been set at Rs 89,999 and comes in 8+256GB variant.

## Himalaya flies Nepal's first humanitarian flight to Kabul



Moving a step ahead in its CSR undertakings to support the nation, Himalaya Airlines operated its first humanitarian flight to Kabul, Afghanistan on January 16, carrying 9.7 tonnes (9715 kg) of relief materials upon the request of the Ministry of Foreign Affairs of Nepal. Adhering to its CSR commitments, Himalaya has contributed a total of \$106,850 equivalent to Rs 1.25 crore approximately to the cause by operating the flight free of cost.

Himalaya's Airbus 319-115, 9N AJK took off to Kabul on January 16 at 09:17 hrs with the humanitarian aid of essential medicines, clothing, shoes, blankets cutlery etc. The 15-member delegation onboard included officials from Ministry of Foreign Affairs, representatives of business organisations and media houses and Honorary Counsels.

During the press meet held at the airport prior to the flight departure, Dr Narayan Khadka, Minister of Foreign Affairs, addressed the media to brief about the humanitarian mission. "Extending a helping hand to the people of Afghanistan during the humanitarian crisis, by way of relief support supplies is the moral responsibility of Nepal. We hope this special mission helps to build the image of Nepal."

Vijay Shrestha, Vice President, Himalaya Airlines

stated, "We are glad to stand by the people irrespective of borders and boundaries and would stand by the Government of Nepal for extending possible assistance in such humanitarian missions."

Flight H9 5931 landed at the Kabul International Airport at 11:08 hrs. (local time) and the relief materials were handed over to the officials of United Nations Assistance Mission in Afghanistan (UNAMA) at the United Nation's lounge located at the Kabul International Airport.

## Nimbus bags HRM Award for Corporate Excellence

Nimbus has bagged the HRM Award for Corporate Excellence 2021 in the agri-enterprise group for corporate excellence. Nimbus won the title at the first HRM Award for Corporate Excellence 2021 held in Kathmandu on January 7. On winning the award, Nimbus has said that it is honoured the company's unique and progressive development as well as its contribution to the agricultural sector of Nepal has been recognised. Anand Bagaria, Executive Chairman of Nimbus, said that Nimbus has started corporate culture through agro-based industries and the credit for this goes to customers and diligent employees. He also said this award has encouraged him to be more determined in the field of agro-enterprise. "This award is the result of our hard work and preparation not only this year but also in previous years. Wherever we are today, that is

not possible at once. It is the result of our early vision and dedication to the goal, and of the preparations we have made in the past," he said. Nimbus started its business in 2004 with the aim of producing the first pellet feed in the country. The company's animal feed brand 'Shakti' gradually expanded its business across the country and eventually became the most preferred brand in Nepal.

## Bajaj Pulsar sponsors Cricket Excellence Centre



Hansraj Hulaschand & Co, the sole authorised distributor of Bajaj Motorcycles for Nepal, has signed an agreement to sponsor the Cricket Excellence Centre. After this, it will be named Pulsar Cricket Excellence Centre. Speaking at the signing ceremony, Abhimanyu Golchha, Director of Golchha Group, said, "We are glad to be associated with the Cricket Excellence Centre. Nepali youths have always loved Bajaj Pulsar and cricket has also become their passion in recent years. Nepal has been performing exceptionally well in cricket. This association will help create more quality cricketers from across the country. Bajaj Pulsar remains committed to the development of sports in Nepal."

The Cricket Excellence Centre is a private academy based in Kathmandu, Nepal which provides professional coaching for all cricketers, aiming to develop home-grown players and pave a pathway for professional cricket career. It was founded by Nepal's former captains Paras Khadka and Gyanendra Malla with the sole aim of providing quality cricket training, world-class cricketing infrastructure, and an opportunity to learn from experts.

## Daraz unveils new brand look



Daraz, South Asia's leading e-commerce platform, unveiled its new brand look on January 17, building on a successful 2021 of significant progress for the company. Bjarke Mikkelsen, Founder and CEO of Daraz Group, said the launch marks an exciting step forward for the business.

"Daraz has grown so much over the past seven years and as we move to the next chapter of our journey, now is the right time for us to evolve the brand to showcase how we are shifting gears as a business to drive a significantly enhanced customer experience," he said.

"The new brand look still represents the elements that have always been part of our DNA – progress, innovation, exploration, and discovery. At the same time, it signifies a shift to a more personal experience that will allow us to create greater connectivity between buyers and sellers on our platform," added Mikkelsen.

One of the main drivers to refresh the brand is Daraz's ambition to make e-commerce a key part of people's daily lives across its five markets in South Asia - Pakistan, Bangladesh, Sri Lanka, Nepal, and Myanmar.

A key change is the new icon, which represents a package that is symbolic of how the e-commerce platform physically connects SME sellers to customers. At the centre of the icon is an arrow that highlights the focus on progress and fast deliveries, but also resembles a 'play button' symbolising how Daraz is continually innovating to create a more dynamic content experience for users.

As part of the new brand look, Daraz is also consolidating all of its brands under the overall Daraz umbrella-brand to simplify the experience for

customers. Daraz has also launched a new website, Daraz.com, that showcases the new brand and gives people a better understanding of who Daraz is and what it stands for.

## Century Commercial Bank holds 11th AGM



Century Commercial Bank held its 11th annual general meeting under the chairmanship of Rajesh Kumar Shrestha, Chairman of the bank, on January 14. The AGM passed the proposal to distribute 6.05% dividend of its paid-up capital.

Till the end of the last fiscal year the bank's paid-up capital stood at over Rs 9.03 billion. Of the 6.05% dividend the AGM has decided to distribute 5.75% as bonus shares and 0.30% as cash dividend for tax purposes. The meeting also endorsed the audit report of the last fiscal year along with the financial statement of the bank. It also endorsed the proposal put forward by the board of directors to reduce the share of promoters from 53.41% to 51%.

## Sahaj Challenge Fund calls for applications



The Nepal Agricultural Market Development Programme Phase II (NAMDP/ Sahaj) in collaboration with Idea Studio Nepal announced applications open for 'Sahaj

Challenge Fund'. The announcement was made during a virtual press meet on January 18.

The first round of challenge fund will be used to solicit innovative ideas to address some of the most challenging problems and obstacles identified in logistics services and supply chain of agriculture in Province 1.

Sahaj Challenge Fund intends to contribute to increasing employment and value-add in the agricultural sectors (maize, dairy, vegetables and cardamom) of Province 1. The fund will primarily issue grants to co-finance costs involved in developing and piloting new business models and solutions, reducing the commercial risk hurdle.

The total budget for round 1 of the Sahaj Challenge Fund is expected to be approximately Rs 19.5 million. Support provided will be Rs 500,000 up to Rs 50,00,000, although exceptions are possible if approved by the SCF. Awards and accompanying support for innovations are expected to last for one year.

Interested candidates can apply by visiting [www.sahajcf.com](http://www.sahajcf.com) or by filling the application offline at the premises of Idea Studio Nepal, Kathmandu or Purbanchal University School of Management, Biratnagar. The deadline for submitting the applications is February 18.

## Litmus Cables concludes Power Partners Meet 2078



Lumbini Vidyut Udyog, Nepal's number one cable company, has recently concluded Power Partners Meet- 2078 in Butwal. The company has been producing various wires and cables, with advanced German technology and modern infrastructure under the brand name Litmus Cables. The event was

attended by Superstar Rajesh Hamal, who is also the brand ambassador of Litmus Cables.

The objective of the event was to deepen the mutual relations between partners across the country and to further expand the sales and services that Litmus Cables has been providing to its valued customers for many years. The upcoming strategy and future plans of the company were discussed at the programme.

Established in 1977, Lumbini Vidyut Udyog is the first Aluminium Conductor Steel Reinforced (ACSR) production company in Nepal. The company is a sister concern of one of the largest private industrial and business groups in Nepal, Ramesh Corp.

## Julies relocates to new space



Julie's, which has been catering to its customers with a wide array of cakes and pastries over the years, has relocated to a new space on December 7. The new outlet is around 900 square feet big and is located in Kandeavsthan, Kupondole. Along with serving its regular delicacies, Julie's will also be serving different varieties of coffee in the new location.

## World renowned 'Segway-Ninebot' launches Smart Electric Scooter E100 in Nepal

Segway-Ninebot, a global leader in short-distance transportation solutions and robotic service industries, continues to traverse new technological fronts with the release of its chic and innovative smart eBikes. The company launched the popular model, Segway E100, in Nepal on January 26. The company is famous for its two wheeled self-balancing personal transporter



and provides a wide range of small electric vehicles since 1999.



Even though Segway made its way into robotic technology since 1999, its strides in technological advancement over the years has placed itself among the best in bomb disposal robot, personal robot and delivery robot, among others, especially after Segway and Ninebot Inc completed a strategic combination.

Ihub Pvt Ltd is the authorised importer and distributor in Nepal for Segway-Ninebot. Ihub will bring other models of Segway e-scooters in the near future for the Nepali market. The Segway E100 comes with some of the best safety features. Until and unless the rider sits on the scooter, it will not start. Similarly, it will not start until the scooter stand is pulled back. This electric scooter features keyless system. Apart from the cutely designed key, the remote control has two buttons – one fulfils the purpose of putting the vehicle on ON/OFF mode while the other key helps to lock the scooter.

A 22-litre seat cask at the bottom of the seat cushion can hold a full size helmet or items of similar size like a backpack for a 13-inch laptop. There's enough room for items like six books, a MI backpack, and a camera lens case. Aside from that, certain little things can be placed in the corners.

The huge front 220mm + rear 180mm perforated brake disks provide exceptional braking performance and ensure driving safety.

From the upside-down position, there are four buttons on the right of the left handlebar: dimmer, turn light, horn, and continuous speed

endurance. The constant speed endurance button is used to lock the current speed of

the Ninebot eScooter E100, reducing rider fatigue.

Ninebot eScooter E100 is available in four distinct colour options – black, white, blue and red. It has a tiny body size compared to other conventional electric vehicles, with a specified size of 1755mm x 675mm x 1135mm. Despite being an electric vehicle, the Ninebot eScooter E100 weighs in at 80 kg.

The Ninebot eScooter E100 comes with an intelligent matrix LED headlamp with six lenses that uses Intelligent Sensor technology to automatically adjust the brightness in response to changes in the environment. This e-scooter also has other features like mobile charger slot, three driving modes, Lithium-ion water resistant battery – IPX5 (Battery-IPX7) and provides better torque.

The Ninebot eScooter takes about seven hours to charge from 4% volume to 100% volume. Under the dual battery mode, 200 km endurance for a long trip can be achieved. The Ninebot eScooter E100 also has an independently developed shock absorption system that precisely calculates and adjusts stiffness and damping to respond to the situation of the road surface, minimising light vibrations. Segway E100 is priced at Rs 291,000 in Nepal.

### JAWA Motorcycle's BSVI models introduced in Nepal

Agni MotoInc, a subsidiary of Agni Group, the sole authorised distributor of Classic Legends, has begun

the distribution and delivery of BSVI models of Jawa and Jawa forty-two through its dealership network across the country. JAWA admirers can now find both models of JAWA motorcycles available for bookings at the dealer locations of Agni MotoInc such as Birtamode, Dharan, Itahari, Biratnagar, Lahan, Pokhara, Narayanghat, Butwal, Bhairahawa, Nepalgunj, Birgunj, Surkhet, Dang, Dhangadhi and Baglung.

The 293cc liquid cooled single cylinder DOHC engine now includes cross port technology, which improves the volumetric efficiency of the engine by allowing for better charge and exhaust gas flow, as well as increased power and torque production.



As it is the world's first single cylinder engine with a cross port arrangement that produces equivalent power and torque to the BS4 configuration, it provides customers with the same great riding experience. This technology allows the motorcycles to keep their distinctive twin exhaust look while meeting the higher BSVI pollution criteria and also while maintaining identical power and torque figures.

The JAWA's newly positioned lambda sensor monitors internal and external variables even more efficiently, resulting in constant performance and cleaner emissions independent of driving conditions, thanks to the world's first Cross Port layout on a single cylinder engine. Likewise, the throttle response has also been sharpened to respond to even the smallest inputs with precision through better fuelling.

With a new seat pan

and cushioning, the seat has been reengineered to provide additional comfort on extended rides. Chrome plating now comes with thorough testing that is two and a half times the industry norm in the cosmetic department. Both JAWA models continue to sport best in class braking systems equipped with (single and dual channel) ABS by Continental, offering shortest braking distance and best control among its competitors.

In addition, there have also been a slew of improvements under the hood, ranging from the horn's tone to a slicker gearbox.

### World Bank-financed Moderna vaccines arrive in Nepal to protect children and youth from Covid 19

A total of 1.66 million of the four million doses of Moderna vaccines financed by the World Bank arrived in Nepal on January 24. The remaining doses will be delivered shortly. Nepal will deploy these vaccines for adolescents 12-17 years to safeguard them from the health impacts of Covid 19.

The vaccines, procured under the COVAX cost-share option, comply with World Bank's Vaccine Approval Criteria for financing and are certified as safe and effective for children as young as 12 years of age by the European Medicines Agency and the UK's Medicines and Healthcare Products Regulatory Agency.

"Nepal was the second country globally to finalise procurement of vaccines through the COVAX cost-share scheme. The supply of Moderna vaccines is timely for Nepal, as we expand our vaccine coverage to adolescents 12-17 years of age," said Birodh Khatiwada, Minister of Health and Population. "The government is committed to vaccinating the entire eligible population by mid-April 2022 and the World Bank-financed Moderna vaccines will be instrumental in





# सबको विश्ववासी बहुल्दे





helping Nepal achieve its Covid 19 vaccination goal.”

In line with the recommendations of the National Immunisation Advisory Committee and the National Immunisation Committee, the Moderna vaccines will be administered to adolescent populations through immunisation sites set up in schools, as well as sites to reach out-of-school adolescent populations.



The World Bank also approved a second round of additional financing in the amount of \$18 million on January 12, bringing its cumulative Covid 19 health response financing to \$122 million to support Nepal in scaling-up its vaccination efforts to cover its additional eligible populations.

This Second Additional Financing and the COVID-19 Emergency Response and Health Systems Preparedness (CERHSP) aim to prevent, detect, and respond to the threat posed by Covid 19 and strengthen the systems for public health preparedness in Nepal. The CERHSP project and its additional financing will continue to be implemented under the leadership of the Ministry of Health and Population by the Department of Health Services and associated institutional bodies.

“I am very pleased that the World Bank has been able to help make safe and effective vaccines available for Nepal’s adolescent and youth populations. This is critical since Nepal’s children have already missed almost two years of in-person schooling because of the pandemic,” said Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal and Sri Lanka. “I am hopeful that these vaccines will help increase health and protection of

children in the classrooms and support continued learning to make up the learning lost due to Covid 19.”

The World Bank supports countries’ Covid 19 vaccine implementation plans. Countries make choices about vaccines and therapeutics based on their specific needs and the World Health Organisation’s recommended policy and guidelines. Vaccines purchased with resources from the World Bank must meet specific eligibility criteria. Eligible Covid 19 vaccines are those that have received regular or emergency licensure or authorisation from at least one of the Stringent Regulatory Authorities identified by WHO for vaccines procured and/or supplied under the COVAX Facility or have received WHO Prequalification or WHO Emergency Use Listing. All vaccines under the COVAX Facility are procured, supplied, and transported by UNICEF.

COVAX, the vaccines pillar of the Access to Covid 19 Tools (ACT) Accelerator, is co-led by the Coalition for Epidemic Preparedness Innovations, Gavi, the Vaccine Alliance and WHO working in partnership with UNICEF as key implementing partner, as well as civil society organisations, vaccine manufacturers, the World Bank, and others.

### Ek Ek Paila launches telemedicine services for Dolpa’s remote village



Ek Ek Paila, an initiative of a group of volunteers, has begun telemedicine services for people residing in remote Dho Tarap, a village in Dolpa Buddha Rural Municipality, Dolpa District. In 2019, Ek Ek Paila had provided health services in north-western

Nepal’s remote village Dho Tarap in collaboration with the local people. Apart from providing telemedicine services, this time Ek Ek Paila also plans on a Hepatitis B project in Dolpa to address the very high prevalence of the disease.

President of Ek Ek Paila, Dr Suman S Thapa, said, “Though we have launched telemedicine services, it will effectively come into operation as soon as the local residents who have migrated to the lower altitude due to cold weather return.” He expects the Hepatitis B project to be of great assistance as one in every five locals have been detected with the viral infection.

Meanwhile, Ek Ek Paila is establishing a laboratory for a population of around 5,000 including others residing in the vicinity of Dho Tarap, Dr Thapa informed. He said the non-profit organisation has also planned to provide training to health assistants of Dho Tarap at their centre in Kathmandu.

“As we are trying to provide medical consultation to this very remote village through telemedicine, we are aware that there is only one district-level pharmacy set up with the initiative of the government. So, we also have plans to make medicines available in the near future,” Dr Thapa shared.

Ek Ek Paila came into existence following the mega earthquake of 2015, when a group of like-minded people came together to provide free health services in the affected areas. The organisation started its first ‘Paila’ or ‘Step’ on June 6, 2015 from Sindhupalchok district which was the most devastated region by the earthquake. So far, it has reached 19 destinations in remote areas of Nepal providing free health services.

### Kanodia of KL Dugar Group felicitated

Biratnagar Customs Office under the Department of Customs felicitated Shyam Sunder Kanodia of KL Dugar Group on the occasion of the 70th International Customs

Day. Kanodia was honoured for his contribution to business facilitation and revenue collection, according to Biratnagar Customs office. The customs office presented him the Letter of Appreciation on January 26.

Meanwhile, the government launched the electronic payment system for the submission of customs tax on the occasion of the 70th International Customs Day. With the innovative system in place, traders can submit customs duty via e-payment method. With the help of the system, one can request the customs check pass, which will facilitate the collection of customs duties.

### Aloft Kathmandu Thamel conducts customer appreciation awards



Aloft Kathmandu Thamel conducted the ‘Aloft Customer Appreciation Awards 2021’ on December 24 held to honour and recognise business houses for the support they have shown to the hotel.

General Manager at Aloft Kathmandu Thamel, Vikram Singh shared, “The pandemic changed a lot of things, especially for the hospitality and tourism sectors. Aloft Kathmandu Thamel managed to stay open for the entire year, adopting all the required health protocols and safety measures. This has been possible with the assistance of our business partners, external and internal partners and the community.”

Various travel agents, reputed personalities and business owners took part in the ceremony.



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## Kathmandu University organising sixth edition of Hult Prize



Kathmandu University, the first university to launch the Hult Prize in Nepal is back again to organise the sixth edition of the Hult Prize. This year young business minds will work on a challenge 'Getting the World Back to Work'.

The Hult Prize is the world's largest youth social entrepreneurship challenge and most prestigious award for the creation of new social enterprises. Hult Prize is a crowd sourcing platform that brings students from around the globe to solve the world's most pressing issues by encouraging them to do good and make life better for millions of people through creation of for-good social enterprises. It is also known as the Nobel Prize for students.

The prize aims to empower today's global generation to change the world through business. It focuses on energising young entrepreneurs to build for profit startups that focus on critical social challenges.

Every year, Hult Prize Foundation partnered with President Bill Clinton and the Clinton Global Initiative, and funded by Bertil Hult, brings new challenges aligned to SDGs for students across the world and the best suiting team wins \$1million. They select a different topic each year and students are challenged to come up with solutions to help deal with socio-economic problems. This year, the Hult Prize is asking teams around the world to engage in Getting the World Back to Work which addresses SDG 8 – Decent work

and economic growth. It wants students to build a business that will employ at least 2,000 people by 2024 while creating a positive impact on the world.

With a glorious history of starting the Hult Prize Challenge in Nepal for the first time back in 2016, every year Hult Prize at Kathmandu University has transformed university students across Nepal into budding entrepreneurs with business concepts, learning opportunities, multi-disciplinary networking, and a focused pathway to changing the world. Hult Prize at KU also organises many events, training and workshops that help develop the business leadership in each participant.

## Turkish Airlines starts using sustainable aviation fuel on its flights

Focusing on protecting the richness of nature for the future generations in Turkey and in 128 countries in its flight network, Turkish Airlines started to use sustainable aviation fuel on its flights. Aviation fuel obtained from sustainable sources was used for the first time on TK1823 flight that departed from Istanbul Airport for Paris Charles De Gaulle Airport on February 2. While sustainable fuel will be used for one day a week on the chosen route, there are plans to use it on different routes on a wider scale.

Aware of the effect the aviation sector has on climate change and developing projects to decrease that effect, the flag carrier airport took a significant step towards reducing the carbon footprint of its guests with the sustainable aviation fuel. Sustainable aviation fuel that will be used for Turkish Airlines has 87% less greenhouse gas compared to fossil fuels.

On the first flight with the sustainable aviation fuel, Turkish Airlines Chairman of the Board and Executive Committee, Prof Dr Ahmet Bolat stated; "We are the airline

that flies to more countries than any other in the world. This also means we are the airline that introduces its guests to the richest biodiversity. We conduct our work towards achieving sustainability with that mentality and responsibility. Our first flight that uses sustainable resources is a part of that vision. We believe that future generations will continue to be able to discover the world and its preserved beauty with Turkish Airlines. Our efforts focused on protecting our world will continue."

The fuelling process is also facilitated by Turkish Airlines' subsidiary Turkish Fuel Services (TFS). Sourced from Neste company, environmentally friendly product is stored in TFS fuel farm, and gets loaded to aircraft after it gets blended with jet fuel. Next goal of the flag carrier goes further than using sustainable fuel for its flights. Global brand is conducting 'Microalgae Based Sustainable BioJet Fuel Project (MICRO-JET)' with Bogaziçi University with the support of TUBITAK. When the project is complete, first carbon negative integrated bio refinery of Turkey and Europe will start its service.

This sustainable fuel with high energy helps to decrease harmful particles of SOx and NOx emissions due to clean burn. Produced from sustainable raw materials and without any harmful heavy metals, this fuel will be used once a week as a start in Istanbul-Stockholm flights.

## Beijing 2022 begins with Omega as official timekeeper

As a dramatic opening ceremony begins, the Olympic Winter Games Beijing 2022 are now underway. Over the next several weeks, Omega will fulfil the vital role as Official Timekeeper and record the dreams of the world's best winter athletes as they compete for glory.

Beijing 2022 marks the 30th occasion since 1932 that Omega has taken the

title of Official Timekeeper of the Olympic Games. For exactly 90 years, the Swiss watchmaker has been a leading name in sports measurement, continually developing the technologies that every result depends on.



Beijing 2022 is no exception. Along with 300 timekeepers and 200 tonnes of advanced equipment, the company is introducing several new technologies that will enhance the experience for athletes, coaches, judges, and spectators. These technologies will include a new Jump Analysis in Figure Skating, a new False Start Detection System in Speed Skating, and a new In-Game Display in Ice Hockey.

Of course, this is all in conjunction with the other important equipment that Omega uses to measure each second, such as photofinish cameras, electronic start pistols, scoreboards, photocells and Snowgate systems.

A total of 109 events in seven different sports will be featured at Beijing 2022. It's a huge task for the Official Timekeeper to precisely record each one, however Omega certainly has the experience and expertise to guarantee success. Perhaps most exciting of all is the debut of Monobob – a dynamic single-person bobsleigh sport that Omega has helped to develop since 2011.

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TOP PICK



**Rajesh Dhakhwa**

Founder & Head Designer, RD Chaahat Boutique

The Founder and Head Designer of RD Chaahat Boutique, Rajesh Dhakhwa is also involved in a few social initiatives. He is the President of Sahayogi Paila, a social organisation that believes in working for the community and helping those in need.

Specialised in colour combination and pattern-making from the Selegia Institute of Art and Design, Singapore, Dhakhwa opened his business in 1997 and has participated in various workshops at Bunka Gakuen University in Tokyo. Dhakhwa has also been awarded the Best Designer of the Year during the Fashion Parade in 1997.

He says that he has always been passionate about the fashion industry since a young age and now wants to help Nepali fashion get international recognition. "I also want to globalise my brand and enter the international fashion market to share my passion with people worldwide."

In this edition of **Business 360**, Dhakhwa shares his list of favourite brands, and what he has learned from some of them.

**Top 4 apps that you use the most**

YouTube, Facebook, Instagram, and other designing apps.

**3 destinations within Nepal you want to travel to**

- Kala Patthar
- Annapurna Base Camp
- Khaptad

**A startup business that you think will ace later**

Businesses that work on fusion designs of Nepali and Western cultures

**An entrepreneur who inspires you**

I was inspired by Gianni Versace to get into fashion.

**A non-profit you want to contribute to**

Heartbeat Nepal is an organisation I have been supporting.

**Your top 3 fashion designers**

- Gianni Versace
- Yohji Yamamoto
- Manish Malhotra

**How do you think we can support local businesses?**

We need to support local

businesses by first recognising their efforts. Everybody should get involved in promoting local businesses around us. And there has to be awareness to use domestic products and raw materials.

**If you could change ONE thing about the present entrepreneurial scene in Nepal, what would that be?**

Everyone should get equal opportunity to succeed.

**3 things patrons can do to promote local businesses**

Talk and share about the local businesses you support, encourage to interact with such businesses, and post on social media regarding the importance of supporting local products.

**Three Nepali designers you admire**

Basna Chettri, Sarita Tuladhar and Prabal Gurung

**Three must-haves for the perfect corporate look**

Pencil skirts/formal pants, well-fitted blazers, and a white shirt.

**The biggest fashion trends for 2022**

Clothes of masculine silhouette on women/feminine bodies and slim fitted pants and blazers on men.

**Colours that will dominate the fashion scene this year**

Earthy colours like rust, navy, sage, turmeric, browns, and other neutrals for men, and pastels for women.

**Three qualities a good designer must possess**

Creativity, open minded, passionate and dedicated.

**Your thoughts on fast fashion and environment sustainability**

Fast fashion should be discouraged. People should start thinking about the environment while purchasing clothes or accessories, and look for timeless pieces rather than what is in 'trend' at the moment. Trends start and end in a flash. Thus, we should buy fashion pieces that will last for more than a season. **B**



# *Corolla Cross*

## **RULE THE ROAD**





**“WOMEN HAVE ALWAYS HAD AN IMPACT IN THE WORLD OF FINANCE AND BANKING, BUT THEY ARE BEING OBSERVED CLOSER THAN EVER IN TODAY’S MARKET. WOMEN ARE TAKING ON MORE EXECUTIVE LEADERSHIP ROLES ACROSS THE BOARD IN THE FINANCIAL AND BANKING WORLD, INCLUDING PRIVATE EQUITY AND VENTURE CAPITAL”**



**Swati Roongta Agarwal**

Director, Laxmi Bank & Managing Partner, Nepal Global Equity Fund

‘When you truly believe in something give it your 100%’ is what Swati Roongta Agarwal, Director of Laxmi Bank and Managing Partner of Nepal Global Equity Fund lives by. She says that one must be dedicated to their goal to such an extent that the thought of

achieving it shouldn’t let you sleep. “When a person has the gift of enthusiasm nothing can stop her,” she adds for good measure.

Apart from several internships, Agarwal’s first job was with the Credit Suisse Bank in investment banking.

After a successful two-year stint, she decided to return to Nepal to seek out opportunities in investment and portfolio management. “With my education and experience, I got the opportunity to represent public investors as the Director of Laxmi Bank,”

she explains also saying that she also was part of the board as an Independent Director of Prime Life Insurance. “I was the youngest female independent director in the insurance sector in Nepal.”

In 2019, Securities Board of Nepal introduced Specialised Investment Fund Regulations which allowed opportunities for creating special purpose vehicles such as private equity, venture capital and hedge funds for investments in businesses in Nepal, she shares. “I joined Global Equity Fund, which is a private equity and venture capital fund, as its Managing Partner to create funds which invest in growth-stage companies in the country,” she shares.

In a short span, Agrawal has been able to make a mark as a sound professional and an achiever. What does success mean to her? “If a person is happy in whatever they are doing, they are truly successful.” This, she points out, is irrespective of what one chooses to do in life, whether one is a farmer or the CEO of a large company.

In this edition of **Business 360**, we caught up with Agarwal to learn about the five things that have influenced her work and life.

#### **Breaking out of the cocoon**

The biggest life-changing and life-defining decision I made was after passing my SLC exams. I decided to break out of the cocoon and move out of my hometown and go to India for further education. It taught me to be tough, motivated, independent, and to

always pursue my dreams and aspirations.

#### **My father, my inspiration**

My father has been the most hard-working person I have ever seen. Even without any formal education, he has built multiple businesses from the ground up across various sectors through sheer hard-work, focus and determination.

THE DAY WE STOP  
HAVING THE NEED  
FOR QUESTIONS  
LIKE HOW  
EFFECTIVE WOMEN  
LEADERS HAVE  
BEEN IS THE DAY  
MEN AND WOMEN  
WILL BE TRULY  
EQUAL.

#### **Learn to dream**

The most significant advice which I have received and follow is to be able to set your dreams and goals, be aspirational, and give it your 100% to achieve it. There will always be times when things may not work out as planned but with every challenge there is always an opportunity. For instance, as with each and every sector in the country, the Covid pandemic adversely affected the operations of Global Equity Fund (GEF). We have been impacted as we were seeking licence from Securities Board of Nepal but due to two consecutive lockdowns, our licence process has been severely impacted. We have received the pre-operating licence which has allowed us to start operations but we are still awaiting the final operating licence.

However, the pandemic has given us opportunities to evaluate which businesses have the mettle to survive such adverse scenarios. At the same time, it has allowed new-age businesses to emerge and grow. In addition, PE/VC Fund provides Risk Capital to businesses to survive so it also gave us an opportunity to invest in sectors which were adversely impacted by Covid lockdowns so that it can be scaled back to its original stage and grow to the next level.

#### **Life will have its ups and downs**

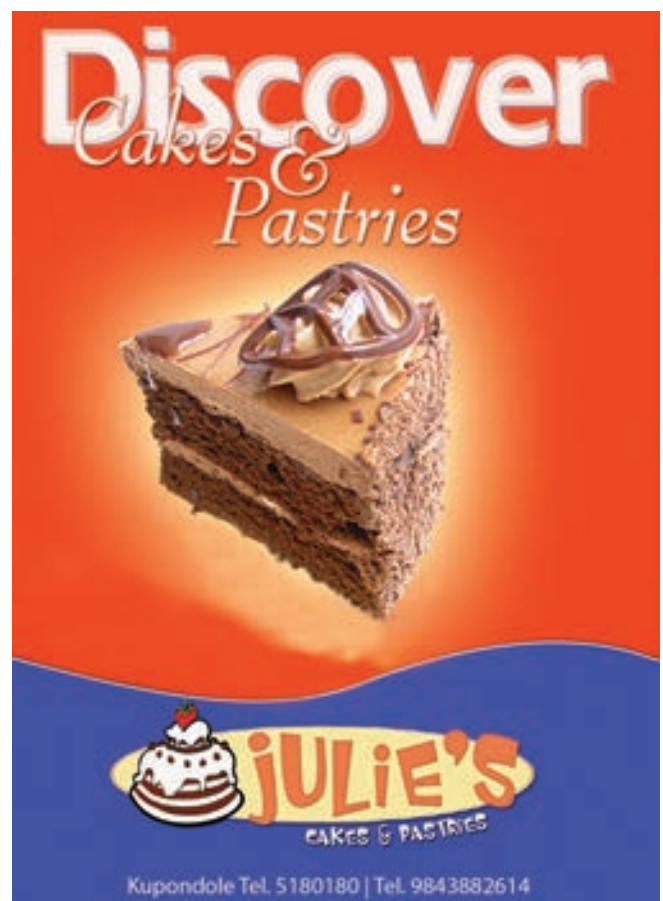
I always believe that life has its ups and downs. The first and foremost thing is to step out of the emotions of the situation and evaluate objectively and rationally the pros and cons of the situation. It helps us to come to the most effective conclusion, and decision-making becomes much more thought-out and pillared on rationale and logic.

#### **Women have risen to the task**

The day we stop having the need for questions like how effective women leaders have been is the day men and women will be truly equal. But on a more serious note, in today's day and age, women have been taking a much more active role in leading organisations, businesses and decision-making in all spheres and sectors. The life-experiences of a woman goes to help her naturally become tougher and hardened leader. Women have always had an impact in the world of finance and banking, but they are being observed closer than ever in today's market. Women are taking on more executive leadership roles across the board in the financial and banking world, including private equity and venture capital. In Nepal as well we have examples of women leading in banks and other areas of financial services. **B**



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## WHY CARDIO TRAINING IS IMPORTANT FOR YOU



**Sandesh Palungwa Limbu**, Certified professional fitness instructor, founder of RAGE Fitness, and specialises in mixed martial arts.

Cardio, short for cardiovascular exercise, is movement that gets your heart rate up and increases blood circulation. It is an integral component of any fitness plan. Some people love it, and some dread it. There are various methods and variations of cardio exercise, and an equal number of health benefits to it. Here, I'll outline a few benefits

that go beyond burning excess calories and fat loss.

### **Improves heart health:**

The heart muscle is like any other muscle in the body and requires exercise to help strengthen it. If you don't work on it, over a period of time, it weakens. By getting your heart rate up and pumping on a regular basis, you keep it strong and healthy. If you get tired walking up a flight or two of stairs or are unable to walk fast even for a short length of time, please understand that you need to start exercising. Regular physical activity helps prevent a wide range of health issues and concerns including stroke, diabetes, depression, certain types of cancer, arthritis, etc

### **Increased metabolism:**

Cardio exercise also increases the efficiency of other

processes in your body also known as metabolism. Increased metabolism will help you maintain your weight. An intense cardio session will definitely see an increased metabolic rate. Exercise also boosts energy increasing strength and endurance.

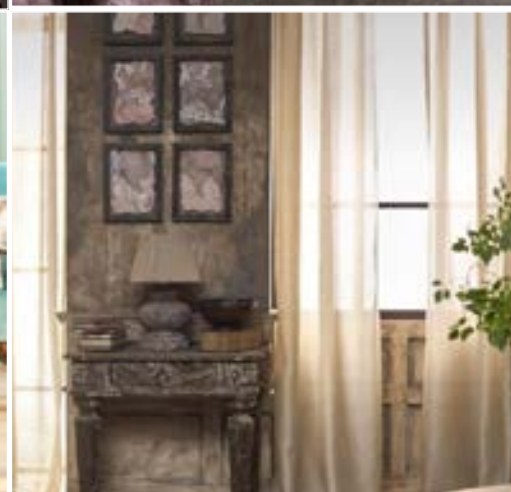
**Improved hormonal profile:** Exercise increases the feel-good hormones in your body which eases symptoms of depression and fatigue. People regularly on cardio workouts show less stress and anxiety. Need an emotional lift or want to just get out of a day gone bad from your system, half an hour of exercise will ensure that you feel much better.

**Improved post exercise recovery ability:** Those who go through a hard session at the gym can benefit immensely through a cardio session on the

treadmill or elliptical, cycling or light jogging. Cardio brings more oxygen rich blood to the muscle tissue and helps in the repairing and rebuilding process. Building muscle is a combination of overloading stimulus and then rest to allow the muscle to heal itself, but maintaining balance is the key and can be learnt from your trainer.

As a general guideline, please try and get 30 -45 minutes of exercise 3-5 times a week. If you have specific fitness goals, you will need to commit more time and effort. Always take a clearance from your doctor before you start an exercise program if you are over 40 or have any health concerns. **B**





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## THROUGH THE MYSTIC EYE

# DROP OUT OF THE RACE



**Sadhguru.** Ranked amongst the 50 most influential people in India, Sadhguru is a yogi, mystic, visionary and bestselling author. Sadhguru has been conferred the "Padma Vibhushan", India's highest annual civilian award, by the Government of India in 2017, for exceptional and distinguished service.

It does not matter what you want to be in the world, in some way you are always trying to be like someone or be better than someone. If you want to play music, you think of a certain kind of music only because you have heard it before. If you like someone's music, you either want to play like them or one step above them. Whatever you do with what is around you, you are always trying to either be like someone else or better than someone else.

But the word 'spirituality' fundamentally means you are not trying to be like anyone or better than anyone. The inner journey is to lose this race, to be out of this race within yourself. You are coming to a state where being 'myself' is more than enough.

The spiritual process is essentially to become in such a way that, "I am complete by myself. I don't need to become anything or to make myself into something. If I simply sit here, I am so absolute, all existence is within me." The ultimate goal and the process itself is such that it is not necessary to be like anyone else. Each individual can be his or her own way and still progress.



The problem is, you keep evaluating yourself by your own standards as to whether you are progressing or not. This evaluation should not be done by you. When you were in school, you were not the one who evaluated. Though it would have been quite simple to do it, it was someone else who did it for you. Even with a simple subject in school, you did not evaluate yourself. Someone else did it.

When that is so, why do you struggle by evaluating yourself when you are on the spiritual path? There is no need to evaluate yourself. You simply do what is needed. The evaluation will happen in a completely different dimension. You cannot do spirituality, you have to allow it. If you allow it, it will happen. To allow it, you need a certain level of maturity within you. Otherwise, you will want to meddle with it all the time.

Sadhana is just to mature your energies in such a way that if you sit down, you don't need to do anything. You are willing to allow whatever happens to happen. If you want small, petty things to happen to you,

you can do it, but if you really want something enormous to happen to you, this 'you' is not needed. If you know how to keep yourself aside, it will happen. "How do I do that?" You cannot do that. You just have to allow it. Yoga means to bring your energies to that level of stability where you can

just be. You are not trying to do anything or to get somewhere. You simply allow what has to happen to happen.

In life, no matter how much you aspire for something, unless you do the right things, what has to reach you will not reach you. It does not matter who is around you. Even if your guru is sitting right next to you, your mind can be somewhere else. For someone else sitting a thousand miles away, just the thought of the master can be so powerful that it explodes within him. But you may be sitting right next to him and missing the whole point. This is very much possible because it is not a question of distance, it is only a question of your willingness to allow it to happen. Unless you do the right thing, help will not come. Doing the right thing means to just allow it to happen. This is not a race that you have gotten yourself into. This is a way of settling back into yourself. **B**

**THE WORD 'SPIRITUALITY' FUNDAMENTALLY MEANS YOU ARE NOT TRYING TO BE LIKE ANYONE OR BETTER THAN ANYONE. THE INNER JOURNEY IS TO LOSE THIS RACE, TO BE OUT OF THIS RACE WITHIN YOURSELF. YOU ARE COMING TO A STATE WHERE BEING 'MYSELF' IS MORE THAN ENOUGH.**

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“ I HAVE BEEN THROUGH MANY SUCH BAD INCIDENTS DURING MY CAREER BUT THESE VERY EPISODES HAVE SHAPED MY CHARACTER AND GUIDED ME ALONG THE PATH TO MY DESTINY. YOU HAVE TO LEARN TO TAKE SUCH INCIDENTS WITH A PINCH OF SALT; IF YOU HAVE A POSITIVE OUTLOOK THEN THERE IS SO MUCH TO TAKE FROM EVEN THE WORST EVENTS IN LIFE. IN ANY SPHERE OF LIFE, YOU WILL ALWAYS MEET PEOPLE WHO WILL BE CRITICAL ABOUT OTHER PEOPLE’S LIFE AND PROGRESS. SO, THE BEST THING TO DO WOULD BE TO POLITELY IGNORE SUCH TYPES OF PEOPLE BUT AT THE SAME TIME LEARN FROM THOSE EXPERIENCES”



**BIKRAM PANDEY KAAJI**  
TOURISM ENTREPRENEUR

**T**here are various ways in which people define leadership but for Bikram Pandey Kaaji, who prefers to call himself a tourism personality rather than assigning any designation to his name, a true leader is someone who can uplift the people around them. “It is not about giving people money or feeding them. It is about sharing and teaching what you know to enable people to become capable of leading a good life,” he says.

Though Pandey has been responsible for introducing innovative tourism products like the Tenzing-Hillary Everest Marathon which is one of the most-awaited events on the tourism calendar, he is very modest talking about his achievements. “Others should be talking about your achievements, not you. But here I would like to say everything I have achieved is due to my inquisitive nature, my desire to learn,” he shares.

Reminiscing about his early days building a career, he reveals his first job was as part-time worker in Yeti Travels which was the number one tourism enterprise of the country in the 70's. “It was due to the desire to become financially independent that I took up that job,” he shares, “But as I was working, I realised the massive potential that tourism has and decided to devote my life to it.”

Today, Pandey is credited for a number of innovations in the tourism industry and is also the brain behind the Mayadevi Maternity Route in Lumbini. In this edition of **Business 360**, we spoke to Pandey about his perspective on what it entails to be a good leader. Excerpts:

#### How do you define a leader?

I was educated in a community type of public school and grew up in a joint family and the values that I have imbibed due to that environment all deal with the concept of ‘giving back’, sharing knowledge and skills

that I have acquired. The cultural value that I grew up in was to give back to the family which has now translated to society, which we could, in a way, call a bigger family. A true leader should be able to uphold the values of mankind and humanism of love and affection, to live in a community in the spirit of come together, live together, a self-perpetuating ecosystem.

Today, I can confidently say that true leadership is about upholding the value of humanism among the diverse communities we have, by giving back something. A leader is not a leader if they only take and make themselves rich by talking sweet and exploiting the masses. Unfortunately, this is what we see in Nepal these days.

I firmly believe that a leader creates opportunities for their fellow countrymen. It is about uplifting the society towards new heights of growth and prosperity. For me, leadership is when you can take along other people with you and progress together. A true leader will

achieve something in life. Like what they call in America ‘a dreamer’. When a person has a dream and can inspire others to join them to achieve a goal for a common purpose then this, I believe, is the birth of leadership.

#### Who comes to your mind as ‘an ideal leader’?

There are actually two people who come to my mind whenever anybody puts this question across – John Lennon of The Beatles and Dev Anand from Bollywood. I think they have been inspirational for millions of people regardless of their caste, colour, creed, nationality and origin. They have inspired generations to add value and purpose to life for peace and tranquility in the world. For instance, the film ‘Guide’ in which Anand has played the lead role inspired me to be involved in the travel tourism sector. I am being honest when I say the movie completely transformed me. It is not necessary for a leader to actually meet people to motivate them. There are

However, if I have to say and work on them, I would emphasise on responsible tourism and eco-tourism. The benefits derived from the industry must be shared with the rural communities and the less fortunate. If we dream of creating a civilised society, then my emphasis is we should uplift our fellow brethren from lesser fortunate communities as they form the foundation of society. That is what I mean by responsible tourism. Eco-tourism meanwhile is about being in sync with nature, caring for the plants and animals. This is of utmost importance in this modern world where the buzzword has been climate change and its adverse effects on the planet.

#### Any incident that has tested your leadership ability?

There have been many occasions when not only my opponents but also some close friends have tried to create problems in my work out of jealousy. Even when I first started a part-time job I faced this problem, it somehow seems to be like a perennial problem in life. I always tried to do things through a logical perception so as to be able to achieve far-reaching dreams. I never realised at the time that they had labelled me as a low-level intellectual who would never be able to do great things in life for his society and country. I have been through many such bad incidents during my career but these very episodes have shaped my character and guided me along the path to my destiny. You have to learn to take such incidents with a pinch of salt; if you have a positive outlook then there is so much to take from even the worst events in life. In any sphere of life, you will always meet people who will be critical about other people's life and progress. So, the best thing to do would be to politely ignore such types of people but at the same time learn from those experiences.

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always make sure to also make people around him capable of reaching greater heights.

#### Is leadership ‘in-born’ or ‘acquired’?

Some learned people say that leadership is ‘in-born’. That may be true for a low percentage of people, but I personally think it is the exposure to the wider society that gives the strength and inspiration to the birth of a leader. When a person starts to see the world through multiple meanings and ethical values, then they can form an opinion and create logical dreams to

various ways through which a leader can actually inspire people to dream and work on realising that dream.

#### Having been part of the tourism sector of the country in various capacities, what changes do you feel are needed?

It would not be apt for me to talk about the changes that are required in the tourism industry in a personal capacity. It is the people's choice; like how in politics people either choose capitalism or socialism. Any changes that are ushered in will have to ultimately be what the people desire.



## How important is it to have a good team to work with?

This is the most important factor, but what I would like to clarify here is that teamwork should not be an outcome of any religious rules or society created customs and rituals. If I were to lead a team, I would first define a purpose, vision and logical dream. I would then do all that is within my capacity to inspire likeminded people to join the team to achieve a common goal for the benefit of everybody.

## When should a leader hand over the leadership position?

A leader should hand over the leadership position only when the entire team is ready and the structure is fully matured. You cannot hand over leadership like how kings hand over their reign to their sons or some business people to their younger generation. Handing over of leadership is justified when the leader has created true leadership qualities among his deputies. Sadly, this doesn't happen in the Asian society.

## What do you consider your most significant accomplishment as a leader?

I would like to call whatever I have done or accomplished in life a success achieved by a common man, not as a leader. I have always done everything with equal passion, and have tried being an innovative tourism entrepreneur as well as a passionate Nepali tourist. Whatever I do or whatever I have achieved, it is for a purpose, for all my close acquaintances who have been supporting me throughout with the same dream and aspiration which I have created for them as well as for myself.

I actually do not care what the Oxford University or Harvard University says about leadership qualities. In my opinion, human societies evolve by human instinct and the message they receive from their inner selves to carry the society



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forward with a positive purpose and towards a meaningful destiny.

For some, a leader may be someone who has been successful in leading a business enterprise or a political party. But my definition of leadership is to be able to uplift societies.

## How can a leader prepare for the unknown?

From a business perspective, the best way a leader can prepare for the unknown is by saving things in stock which they might need for any unknown situation such as an unexpected disaster or natural calamity.

## What major challenges has Covid 19 brought to your line of business?

The Covid pandemic has brought about many challenges for literally all the sectors not only in Nepal but globally

because nobody was prepared for it. Honestly speaking, we can't speak about preparation too because no person, even from the medical fraternity, had anticipated the virus, let alone the damages it has caused in the last two years. However, I feel travel tourism has been one of the most affected industries. To put it in simple terms, tourism is all about travelling, so when travel restrictions are in place it affects everything that is associated with travel. The major challenge for us today is we have to revive tourism and the economy related to it so that all people can benefit from it. Tourism being one of the major contributors to the country's gross domestic product reviving the sector is the most important agenda for all of us today and for the government of Nepal.

## You are involved in so many areas. Where do you derive your motivation from?

I do multiple things to bring multiple colours to enrich my life. I am a happier person when I am doing multiple interesting activities. This makes my life more meaningful and gives me immense pleasure. I get motivation from myself, because I am a very passionate person. I enjoy the positive aspects of everything that God has created for us on this planet; from good food to good friendship, from good clothing to good formal uniforms, from good projects to good assignments, for the good purpose of life to good dreams. In essence, I enjoy every bit and piece of everything that I deal with in my life. I leave all the negative sides of everything to the mercy of learned men and the national leaders of the country. **B**

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