Dear Readers,

Nepal has certainly come a long way in its efforts to consolidate the achievements of Jana Aandolan-II and empower the marginalized sections of the population. The achievements are encouraging, but there still remains a long way to go in order to reach the envisaged goals outlined in the bilateral partnership. The European Commission, which was present in Nepal since 1992 for technical cooperation, was upgraded in 2002 to a Delegation with a diplomatic status similar to that of other diplomatic missions in Nepal. It has tried its utmost to support the aspirations of the Nepalese for peace, stability, democracy and development over all these years. At this point of time, I would wish to reiterate that the European Union as a whole is contributing around € 200 million annually of which some € 40 million comes directly from the European Commission. We earnestly wish to see that the government of Nepal is able to make the most out of the assistance being delivered for the all round progress and prosperity of the Nepalese.

Recounting the past experiences of how Europe managed to overcome all differences to work ahead for the wellbeing of the Europeans at large, one must agree that ‘consensus’ among the European nations to opt for bigger goals related to peace, democracy, rule of law and human rights was instrumental in triggering the much awaited changes. The member states of EU have upheld the belief that consensus should always be priority even if it causes a little bit of discomfort to some while negotiating.

We are hopeful that the Nepalese too would give continuity to their ongoing exercise of forging consensus on important social, economic and political issues to encourage the European Commission to hold firmly to its unwavering commitment of wishing to see rapid development and progress in Nepal.

Lastly, reaffirming the Delegation’s commitment to give continuity to its endeavours of building prosperous and peaceful Nepal, I would like to wish all Nepalese a very happy New Year 2066 BS. May the New Year give added strength to the Nepal Government, all other Nepal institutions and non-state actors as well as the Delegation to work tirelessly for the wellbeing of the Nepalese living across the length and breadth of the country.

Alexander Spachis
Minister Counsellor
Charge d’ Affaires a.i.
European Commission pledges €10 million for disaster preparedness

In line with its commitment to support Disaster Risk Reduction, the European Commission’s humanitarian aid department (ECHO) has allocated €10 million to South Asia. The fifth ECHO Disaster Preparedness Programme (DIPECHO) action plan will aim to work with up to twenty four international implementing partners to improve the response capacity of the local population to disasters in the region.

With floods, landslides, droughts, earthquakes, tsunamis, cyclones and forest fires, South Asia is one of the most natural disaster-prone regions of the world. Social and political structures, population pressure, building and agricultural practices and economic development combined make South Asia’s population extremely susceptible to the effects of natural catastrophes.

At a regional “Lessons Learned” seminar hosted in Nepal in February 2009, almost a hundred participants from six SAARC countries gathered to discuss their experiences and share lessons on the best practices that have worked within community based disaster preparedness initiatives.

“Disaster Risk Reduction is everybody’s business. Disaster Risk Reduction is an investment for the future not a cost,” said Alexander Spachis, the European Commission’s Charge d’affaires for Nepal. “Therefore we have to invest all our efforts for continued and joint interventions towards a culture of prevention as our only way forward and upscale our level of preparedness for future disasters.”

DIPECHO funds earmarked for South Asia will consider preparedness programmes in Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka.

The European Commission humanitarian aid department provides emergency assistance and relief to the victims of natural disasters or armed conflict outside the European Union. The aid is intended to go directly and impartially to those in distress, irrespective of race, religion or political convictions. The aid is channelled through Non Governmental Organisations, United-Nations Agencies and members of the Red Cross family. Since 1992, ECHO has funded humanitarian aid in more than 85 countries. In 2007 alone, the European Commission funded over € 760 million worth of humanitarian projects, including disaster preparedness ones.
EU steps in to boost Nepal's trade capacity

The EC-Nepal WTO Assistance Programme celebrated its first birthday only some weeks back following its inception on the 3rd of April, 2008. The programme designed to address Nepal's trade related obligations following its accession to the World Trade Organization in April 2004 is gathering steam each passing day. Nepal's WTO accession has undoubtedly widened the prospects for greater trade volume and eventually bigger dividends in terms of export revenue. But something that needs serious consideration is the timely steps towards conforming to the set standard and quality of goods specified by the world's largest trading regime. Works ranging from rebuilding and refurbishing of infrastructure at the laboratories for carrying out internationally accredited tests to remove the Technical Barriers to Trade (TBT) are some of the daunting tasks that remain. In the pretext that Nepal is still devoid of laboratories that are on par with the international standards for the testing of export items, myriad trade barriers have been impeding Nepal from achieving the envisaged economic prosperity. Nepalese officials who were well aware about the barriers spent several years running from pillar to post for assistance to prepare the grounds for international accreditation of the country's laboratories.

Referring to past experiences, Dr. Sita Ram Joshi, Director General, at the Nepal Bureau of Standards and Metrology (NBSM) says, "We failed to get a positive response from the donors despite our all out efforts. Setting the necessary infrastructure for the testing of various products and above all obtaining accreditation from an internationally recognised institution is highly expensive. Although there are nearly 200 labs spread across the country, none of them have international accreditation. The future of Nepal's trade started showing some hopes only after the European Commission stepped in to upgrade our laboratory facilities, says Dr. Joshi.

Dr. Joshi is hopeful that the process of obtaining accreditation for the labs would be completed by mid 2010. He says that a Bill for the setting up of an Accreditation Board has already been forwarded to the parliament. The endorsement of the Bill would pave the way for giving out accreditations to many more laboratories across the country. The NBSM alone has 19 laboratories. Six of the 25 rooms at NBSM are currently undergoing refurbishment to upgrade them on par with testing facilities of international standards.

"We will undoubtedly complete the accreditation process, but the only worry looming large is whether we would be able to sustain the facilities in the future, Dr. Joshi says.

Poorna Prasad Manandhar, National Programme Coordinator of the Assistance Programme, says the project would seek to establish an efficient testing infrastructure for sanitary and Phyto-sanitary standards and technical assistance to strengthen the Technical Barriers to Trade (TBT) infrastructure. "After the setting up of the necessary infrastructure, the quality levels of exported products will be increased so as to meet the requirements of the importing countries and increase the competitiveness of Nepalese exports."

The overall objective of the assistance programme is to assist Nepal’s integration into the world economy and ultimately contributing to economic development and poverty alleviation through the achievement of trade-related conditions for sustained and stable economic growth. The Assistance Programme is being run under the joint partnership of the Nepal Government and the EU with the technical assistance provided by the United Nations Industrial Development Organization (UNIDO) and the Economic And Social Commission for Asia & Pacific (ESCAP).

Funding

<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Contribution in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>2000000</td>
</tr>
<tr>
<td>UNIDO</td>
<td>170000</td>
</tr>
<tr>
<td>UNESCAP</td>
<td>27000</td>
</tr>
<tr>
<td>Nepal Government</td>
<td>114,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2311000</strong></td>
</tr>
</tbody>
</table>
Battling Climate Change
EUROPE TAKES THE LEAD
WANTS OTHERS TO LEAD ALSO

The European Parliament’s adoption of a Climate and Energy Package on December 17, 2008 aimed at translating its earlier commitments to fight ‘climate change’ and take the lead to push forward for a tangible outcome at the Copenhagen UN Climate Conference in December, 2009. The energy package has been widely hailed for reasons no other than the fact that the European Union set a precedent before the world in transforming itself into a low-carbon economy and increase energy security. The highlights of the Package include setting up of a legally binding target of reducing greenhouse gas emissions by at least 20 per cent by 2020, establishing 20 per cent share for renewable energy and improving energy efficiency by 20 per cent among others.

Dimas said the EU wishes that other nations also take the lead and take cue from the examples and commitment which EU has set so far.

There are already encouraging signs from countries such as United States, Australia and Japan, which are developing emissions’ trading systems and commitments to making meaningful CO2 reductions. These developments bode well for an agreement in Copenhagen next December.

With the elapse of nearly a year after the adoption of the Energy Package, the European Commission on January 28, 2009, set out its proposals for a comprehensive and ambitious new global agreement to tackle climate change and how it could be financed. The new pact is due to be concluded at the Copenhagen Conference.

In order to keep temperature increase below 2°C, developing countries would require substantially higher funding from the developed world and multilateral institutions to help them shoulder their contribution to addressing climate change. The Commission’s proposals include the creation of an OECD-wide carbon market by 2015 and of innovative international funding sources based on countries’ emissions and ability to pay.

Copenhagen Goal

The EU’s goal is to limit global warming to less than 2°C above the pre-industrial temperature as there is strong scientific evidence that climate change will become dangerous beyond this point. The Copenhagen deal should both set global goals to reduce emissions and provide the basis for strengthening countries’ ability to adapt to climate change.

The Copenhagen agreement should also provide a framework to help countries adapt to inevitable climate change. All developed and developing countries should be required to elaborate national adaptation strategies. Support for adaptation should be provided to the most vulnerable Least Developed Countries and small island developing states. Global net additional investment may need to rise to around €175 billion per year in 2020 according to independent estimates.
€950 M for Erasmus Mundus now
Good news for Nepalese students

Nepalese students eyeing for bigger career goals through academic progress have some good news to keep them moving towards their destination. They now have wider prospects to enrol for a higher degree from European Universities under the Erasmus Mundus Scholarship.

Aspiring Nepalese students might be surprised when learning that a total of 81 of their peers were granted scholarships at some of the most prestigious universities in Europe between the years 2006 to 2009. Latest record reveals that a total of 35 Nepalese students and one scholar received the scholarship for the academic year 2009/2010. The figure says enough, more so when the European Union has decided to increase its support to the most highly-talented students and professors from countries outside the EU with grants to take part in joint programmes in Europe. It will also extend the scope of the programme to the doctoral level and give more financial support to European students.

The expected budget for Erasmus Mundus will be an indicative amount of €950 million from 2009 to 2013, a significant increase in the total allocation for partnerships under Erasmus Mundus and the Erasmus Mundus External Cooperation Windows during 2004 - 2008.

The European Commissioner for Education, Training, Culture and Youth, Mr Ján Figel’ said: ‘The new, second phase of Erasmus Mundus builds on the phenomenal success of the first, and will, in the fullness of time, become the reference programme for promoting European higher education around the globe. I am particularly pleased that the European Parliament and the Council allocated such a significant increase in the funding for Erasmus Mundus.’

The European Commissioner for External Relations and Neighbourhood Policy, Mrs Benita Ferrero-Waldner emphasised the importance of this programme in building a more united world: “Erasmus Mundus enables the brightest students inside and outside the EU to fulfil their potential and maximise their opportunities in life,” she said.

The Erasmus Mundus programme (2009-2013) will fully integrate the former ‘Erasmus Mundus External Cooperation Windows’ and continue to support partnerships between EU and non-EU higher education institutions as a basis for mobility among students and academics.

Erasmus Mundus Action 2
South Asian EM Students by nationality and gender
Selection decision for 2008/2009

<table>
<thead>
<tr>
<th>Country</th>
<th>EM General Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal</td>
<td>F 22</td>
<td>18.5% 81.5%</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>0 1 1</td>
<td>0.0% 100.0%</td>
</tr>
<tr>
<td>Bhutan</td>
<td>1 0 1</td>
<td>100% 0.0%</td>
</tr>
<tr>
<td>India</td>
<td>49 115 164</td>
<td>29.9% 70.1%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>7 62 69</td>
<td>10.1% 89.9%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>6 48 54</td>
<td>11.9% 88.9%</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>5 5 10</td>
<td>50.0% 50.0%</td>
</tr>
<tr>
<td>Maldives</td>
<td>- - -</td>
<td>- - -</td>
</tr>
</tbody>
</table>

NB: Figures by countries are subject to changes due to drop-outs and possible replacement from reserve lists.
Review of European Commission strategy for Nepal underway

The European Commission started the work for a mid review of Nepal Country Strategy Paper (CSP) covering the period 2007-2013. The CSP is the foundation for implementing the prioritized development projects for Nepal. The review of the CSP started with considering the relevance of the ongoing assistance on Education, Peace Building and Trade facilitation in the Multi Annual Indicative Programme (MIP) covering the period 2007-2013. The said areas of development project are the three major focal points for EC-Nepal Cooperation.

The CSP has been charted out dividing the duration of cooperation into two parts – 2007-2010 referred to as MIP-I and 2011-2013 as MIP-II. The budget earmarked for MIP-I and MIP-II is € 6 million each. A three member EC mission team comprised of Rensje Teerink, Deputy Head of Unit for RELEX H3 (India, Nepal, Bhutan), Ramon Mestre Brugada, International Coordination Officer, RELEX H1 and Michael Pennington, Cooperation Officer, AIDCO, DI visited Nepal to kick start together with the EC delegation an initial assessment of the ongoing EC Cooperation Strategy. The mission met national and international stakeholders involved in the development community in Nepal. The team participated in consultation meetings with high ranking officials at the Ministry of Finance, National Planning Commission, Federation of Nepalese Chambers of Commerce and Industries, UNDP Resident Representative and senior economist of the World Bank, ICIMOD and the civil society.

The consultations aimed at identifying possible new areas of interventions in development cooperation in addition to any possible inputs for the said three major areas of EC-Nepal cooperation.

European Commission felicitates long serving staff

Dr. Alexander Spachis, Charge d affaires, a.i., Delegation of the European Commission to Nepal gave medals to Delegation staff who have completed 10 years of service.

Those receiving medals were the Delegation Local Agents, Saphala Shrestha, Anand Karmacharya, Suberna Moktan and Man Bahadur Pulami.

Handing over the medals on the 5th of April, Dr. Spachis extended his gratitude to the award recipients and said the day to day work at the Delegation is only possible through the joint efforts of all the delegation staff from both EU member states and Nepal.

He hoped that the recognition would encourage them to do their work with the same or even more zeal and commitment in the days ahead.

“Although I have already spent 18 long years at the Delegation, I feel as though I have joined afresh,” said Shrestha who looks after the administration section.

Other recipients were equally thrilled for having been honoured by the Delegation.

The occasion coincided with a social outing of the Delegation Staff and their family members for a Sunday lunch with live music.
Czech Republic takes over European Union Presidency from France

Finland holds the local EU presidency on behalf of Czech Republic

The Czech Republic took over the presidency of the Council from France on the 1st of January 2009. “Europe without barriers” is the slogan of the Czech presidency with priorities focussed on economy, energy and external relations. The Czech presidency has underscored the need to develop the strength within the EU to moderate the European debate and find compromises between the positions of the Member States. In an apparent reference to the economic crisis, the presidency holds the view that in addition to striving to tackle the entire financial make up of the EU, it would be useful for the individual member states to take measures within their own territories.

The presidency went on to elucidate that the crisis gave indications that it was considerably wiser to have a single regulator. The presidency shares the European Commission’s view that the financial crisis cannot be broken by breaking economic competition rules and strongly avers that the rules must apply equally for the bad times also.

On proposals for energy sector, the EU presidency emphasised on making a thorough analysis of energy supply and demand within the EU. Furthermore, the presidency has voiced for intensive EU-wide cooperation in the energy sector, including better network interconnections.

European Instrument for Democracy and Human Rights (EIDHR)

Four EIDHR micro and sixteen macro projects running in Nepal

The EIDHR was adopted by the European Council in 1999 and is the financial instrument which underpins and complements the European Union’s human rights and democratisation policy. It provides financial support for activities aimed at promoting and defending human rights and fundamental freedoms, supporting the processes of democratisation and preventing conflicts and dealing with their consequences.

EIDHR funding consists of two trails. Macroprojects are projects under a given campaign with a minimum support volume of € 300,000 for EU-based applicants and € 150,000 for International organisations, independent national public institutions and civil society organisations to implement the project. Funding for the macroprojects range from € 150,000–1,500,000 (NPR. 15,450,000–154,500,000) Microprojects are mostly implemented by national organisations as these organisations play an essential role in fostering social capital and the democratic development of their societies. As the name indicates the Microprojects are small-scale initiatives; thus, funding range from € 20,000-250,000 (NRs. 2,060,000-25,750,000).

Currently, there are four ongoing macro projects and sixteen micro projects. Please log on to the commission’s website to get further updates on the projects.

Website: www.delnpl.ec.europa.eu
EU Fact Sheet

Number of inhabitants: 497,198,700
Number of official languages: 23
Surface area of EU (Km²): 4,324,782
Gross domestic product/capita: 24,900

Europe Day: 09-May
Motto: United in Diversity
Date of the first European elections: Jun-79

Average life expectancy in the EU27: 74.6
Three Main EU Institutions: European Parliament, European Commission, Council of the EU
Currency of the 16-member eurozone: Euro

Biggest state (Surface): France
Smallest state (Surface): Malta
Most populated state: Germany
Least populated state: Malta

Source: eurostat_en

New Funding Opportunities for 2009

In addition to the global calls posted at http://ec.europa.eu/europeaid/work/funding/index_en.htm the delegation is going to launch call for proposals under the instruments for Non-State Actors in Development (NSA) and the European Instrument for Democracy & Human Rights (EIDHR). The Commission will also carry out briefing sessions on the calls sometime in the second half of May. Please log on to www.delnpl.ec.europa.eu for updated information.

Published by Dr. Alexander Spachis, Minister Counsellor
Charge d’Affaires a.i., Delegation of the European Commission in Nepal
Editor: Ambar Mainali

To learn more please consult our website or contact us:
Delegation of the European Commission to Nepal
Uttar Dhoka Sadak, Lainchaur, P.O. Box: 6754, Kathmandu, Nepal.
Tel.: +977-1-4429445/6, Fax: +977-1-4423541
E-mail: delegation-nepal@ec.europa.eu, Website: www.delnpl.ec.europa.eu