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Summary:

Bangladesh: Bangladesh's president has pardoned 20 death-row prisoners four years after they were sentenced for the murder of a then-ruling party activist, a prison official said Tuesday. Corruption and five deals with India that 'compromise national interest' top the protest agenda of main opposition Bangladesh Nationalist Party (BNP). The party's chief and former prime minister Khaleda Zia, who conferred with her political aides Wednesday, is expected to announce a series of protests after the holidays to mark Eid-ul-Fitr, The government intends to file cases under Anti Money Laundering Act against anyone who manipulates the stockmarket or who trades on insider information, according to a working paper prepared by the finance ministry. Anthrax has already spread in many districts of Bangladesh, forcing the authorities issue a red alert, the government is hoping the disease will not turn into an epidemic. Muslims in Bangladesh are preparing to celebrate the Eid-ul-Fitr on 10 sep, the largest religious festival in Islam. The Eidgah grounds are ready to hold congregations. Additional security measures have also been arranged all over the country to celebrate Eid peacefully. The International Monetary Fund, which set out a year ago to sell about 13 percent of its gold holdings, sold 10 metric tons to Bangladesh for \$403 million. The Government of Bangladesh has announced US\$ 2 million relief assistance for the flood victims of Pakistan, said a message received here on Tuesday. US\$ 1 million would be spent on the visit of about 38 doctors and paramedics, who left Dhaka for Karachi Tuesday to take up their assignment in Thatta and Hyderabad. Railway officials of India and Bangladesh have finalized railway link alignment to improve connectivity between the two countries in Agartala. It will reduce the distance to Kolkata by nearly three times. Bangladesh plans to build a series of dams to reclaim 600 square kilometres (230 square miles) of land from the sea over the next five years, officials said Sunday. The government has approved the ambitious project under which dams would be built in the Meghna estuary to connect islands and help deposit hundreds of millions of tonnes of sediment, project chief Hafizur Rahman said."

Nepal: The seventh round of prime ministerial election is taking place at the Legislature Parliament on Tuesday as earlier elections failed to elect a new Prime Minister. The parties have been unable to agree on the shape of the new administration and a series of votes in the 601-member parliament have proved inconclusive, with none of the candidates securing an overall majority. The caretaker government in Nepal and opposition Maoists are on a collision course over the role of United Nations Mission in Nepal (UNMIN), which is monitoring the country's peace process. India has taken note of the reports of alleged Chinese monetary interference in the on-going Prime Ministerial elections in Nepal. "New Delhi has taken note of the reports," Residential ambassadors of three member states of UN Security Council, United States, United Kingdom and France met with caretaker Prime Minister Madhav Kumar Nepal and Chairman Pushpa Kamal Dahal of Unified Maoists' Party separately and advised both of them not to be at loggerhead over the fate of United Nations' Political Mission in Nepal 'UNMIN', September 9, 2010. A meeting of office bearers of the Unified CPN (Maoist) Friday agreed to disallow new bills which would be table by the UML-led caretaker government in the legislature parliament. After weeks of speculation, the government sent a 'constructively ambiguous' letter to the UN requesting an extension of UNMIN's mandate. After a long prelude, it asked for a mandate that focused on monitoring of Maoist combatants and arms without specifically asking that the Nepal Army (NA) be taken off UNMIN monitoring. On the occasion of the International Literacy Day to celebrate the "Power of Women's Literacy", UNESCO issued a press release revealing that more than 4.5 million women in Nepal still cannot read and write, keeping many of them marginalised and poor. Millions of Muslims in every part of the world, including Nepal, are celebrating the festival of Eid, which marks the end of the holy month of Ramadan. Finance Minister Surendra Pandey said that donors should bear the expenditure incurred by the government on donor-funded projects in order to prevent the Balance of Payment (BoP) situation from further deteriorating. Nepal stood in 130th position among the 139 countries that featured in Global Competitiveness Report 2010-2011, which was released by the World Economic Forum on Thursday.

Sri Lanka: Paving the way for the current President Mahinda Rajapaksa to seek reelection for a third term, Sri Lanka's apex court has ruled that the proposed constitutional amendments are consistent with the country's Constitution and can be approved with a two-third majority in the parliament. The Speaker of Sri Lanka parliament will announce the Supreme Court's decision on the proposed 18th Amendment to the Constitution when the parliament meets today. Sri Lanka's main opposition United National Party members who have said they would vote in favor of the constitutional amendments in parliament this week have warned that they would join the government if disciplinary action is taken against them. The proposed 18th Amendment to the country's Constitution with a two-third majority, paving the way for the immensely popular President Mahinda Rajapaksa to seek reelection for a third term. Several legislators from the main opposition United National Party (UNP) have threatened to sit as independent members in parliament if the party crisis is not resolved soon. Sri Lanka's former Army Commander and

Democratic National Alliance (DNA) parliamentarian Sarath Fonseka said that 200 kilograms of gold had been unearthed from the Vellamullivaikkal area in the Mullaitivu District during his tenure as Army Chief. Fonseka told parliament during the debate to extend the emergency regulations that while larger stocks of gold had been recovered after his tenure as commander, no one knew what happened to the gold. The Canadian government is sending a former head of an intelligence agency to Sri Lanka and other Asian countries as a special envoy on human smuggling to prevent illegal immigrants entering into the country, the Canadian Press reported Thursday. An average of 12 persons commits suicide everyday in Sri Lanka according to police reports, Sri Lanka Sumithrayo, a counseling service, said today, on the International Day of Prevention of Suicide. The Japanese government has provided funds worth 57 million rupees for two early childhood care projects in Sri Lanka's Nuwara Eliya and Trincomalee Districts. Sri Lanka's benchmark share index hit a new record high on Thursday as investors picked up diversified and banking shares, with low interest rates and the passage of a constitutional amendment boosting the market. - Sri Lanka's construction industry is in talks with a top Indian infrastructure finance company on setting up a fund to support the island's post-war construction activity, an official said. Sri Lanka President Mahinda Rajapaksa has invited the country's business community to submit their views and proposals for the next year's budget that is being formulated now by the Finance Ministry. The World Bank announced Wednesday that it has approved a US\$ 57.4 million credit to strengthen access to finance for the Small and Medium Enterprises (SMEs) in Sri Lanka. Indian Army Chief Gen VK Singh arrived here in Sri Lanka on a five-day visit, which is expected to provide an impetus to defence cooperation between New Delhi and Colombo and lay the ground for a bilateral defence dialogue.

Detailed News:

Bangladesh:

Bangladesh pardons 20 death-row prisoners

DHAKA — Bangladesh's president has pardoned 20 death-row prisoners four years after they were sentenced for the murder of a then-ruling party activist, a prison official said Tuesday. Ten of the prisoners were freed from the capital Dhaka's central jail, with the rest being released from a jail in northwestern Bangladesh, central jail superintendent Touhidul Islam told AFP. "We received the presidential clemency order last night," he said. A fast-track court, which deals only with serious crime, sentenced the 20 to death in 2006 for the murder of then-ruling Bangladesh Nationalist Party (BNP) student activist Sabbir Ahmed in northwestern district town of Natore. Sabbir was also a nephew of a junior BNP minister. According to the local media reports, all 20 men were active members of then-main opposition Awami League party. The Awami League has always maintained that the case was politically motivated and the men innocent of all charges. Led by the current premier Sheikh Hasina, the Awami League swept to power following a landslide victory in December 2008 elections. It installed a party veteran as the country's president. The position of president in Bangladesh is largely ceremonial, but has the power to grant clemency on all death sentences. Earlier this year, the president used his limited power to quash graft cases against Awami League officials, including one against the son of its deputy party chief.

Deals with India top Bangladesh opposition's protest agenda

Corruption and five deals with India that 'compromise national interest' top the protest agenda of main opposition Bangladesh Nationalist Party (BNP). The party's chief and former prime minister Khaleda Zia, who conferred with her political aides Wednesday, is expected to announce a series of protests after the holidays to mark Eid-ul-Fitr, New Age newspaper said Thursday. Prime Minister Sheikh Hasina signed five deals during her visit to India in January covering power

generation, exchange of information on criminals, cooperation to fight terrorism and measures to boost bilateral trade. Zia plans to focus on her principal political rival Hasina's failures in running the government and highlight the misdeeds of activists of the ruling Awami League, BNP officials told the newspaper. The BNP is also to focus its agitation alleging 'conspiracy against (former president) Ziaur Rahman's family'. Khaleda is the widow of the slain former president Ziaur Rahman, who founded the BNP. The government wants to bring back their two sons, Tarique Rahman and Arafat Rahman Koko, now living abroad on medical grounds, to face trial in a number of graft cases. BNP Standing committee member Moudud Ahmed said the party would go for 'tactical' anti-government programmes after Eid and the programme would be law-abiding but more effective.

<http://sify.com/news/deals-with-india-top-bangladesh-opposition-s-protest-agenda-news-international-kjilOdhggd.html>

New laws to bar insider trades, cornered markets

The government intends to file cases under Anti Money Laundering Act against anyone who manipulates the stockmarket or who trades on insider information, according to a working paper prepared by the finance ministry. Finance Minister AMA Muhith may finalise the changes at today's meeting he will chair. The changes would help the government conform to the 2009 money-laundering law, which requires it to strengthen its investigation and discipline of the capital markets to keep them fair for all investors. The initiative would include manipulation and insider trading under the list of crimes covered in the anti money-laundering act. The working paper for the meeting describes manipulation -- trying to control the market for personal interest -- and insider trading profiting from market trades based on information about a publicly listed company from its staff -- before it is made public. Under the revised money-laundering act, bankers, stockbrokers, portfolio managers, securities custodians, fund managers, NGOs and non-profit organisations would have to regularly update Bangladesh Bank on all suspicious transactions. The Financial Action Taskforce (FAT), an organisation which monitors money laundering globally, suggested the move in 2009. The FAT told Bangladesh to set a plan by October to meet international standards. The government will fix a date to update the law in the meeting.

Anthrax spreads in Bangladesh

While Anthrax has already spread in many districts of Bangladesh, forcing the authorities issue a red alert, the government is hoping the disease will not turn into an epidemic. The Institute of Epidemiology, Disease Control and Research (IEDCR) confirmed on Thursday that 447 people in eight districts had been infected with anthrax in the last three weeks. IEDCR virologist A.S.M. Alamgir said treatment facilities had been made available in all affected areas and claimed more than half the infected people had already been cured. Health Ministry officials initially said the northern Sirajganj district had the most number of infected, numbering 207. But they feared the

situation was worse in another northern district, Lalmonirhat, where doctors suspect 320 people to be infected. Officials also confirmed the disease spread after villagers consumed anthrax-infected meat sold at low prices. Veterinary officials also confirmed that half a dozen anthrax-infected cows died in Lalmonirhat. They said despite vaccinating cows, they were receiving more infection in people. Officials reported acute vaccine shortage in most of the areas. However, after visiting several anthrax patients at the Dhaka Medical College Hospital, Health Minister A.F.M. Ruhul Haque said there was “no reason to worry about anthrax. It will not be an epidemic and its treatment is fairly easy. All required medicines are available everywhere.”

<http://www.thehindu.com/news/international/article623516.ece>

Schedules of Dhaka Eid congregations

Dhaka, Sep 9 (bdnews24.com) --- Muslims in Bangladesh are preparing to celebrate the Eid-ul-Fitr, the largest religious festival in Islam. The Eidgah grounds are ready to hold congregations. Additional security measures have also been arranged all over the country to celebrate Eid peacefully. The main Eid congregation or Jamaat will be held at the National Eidgah ground, adjacent to the High Court, at 8:30am. The khatib of Baitul Mukarram national mosque, Moulana Mohammad Salahuddin, will lead the Eid jamaat, an Islamic Foundation statement said on Wednesday. President Zillur Rahman, cabinet members, diplomats, politicians and Muslims from all parts of the society will take part in the Eidgah ground congregation. Special arrangements have been made for women to take part in the Eid prayer. Space has also been allocated for the wives of foreign ambassadors and diplomats. Dhaka City Corporation has arranged for adequate water supply and mobile toilets. The corporation has arranged for 360 Eid congregations in the capital's 90 wards. A separate congregation will be held at the playground of Dhaka University, taking the total number of congregations in the city to 361. The parliament secretariat will arrange another congregation at 9:30am at the south plaza of the parliament building. Baitul Mukarram will hold five congregations, with the first at 8:00am, the second at 9:00am, the third at 10:00am, the fourth at 11:00am and the final one at 12pm. At the Banani Darbar Sharif of Biswa Jaker Manjil, the first Jamaat will be held at 8am, the second at 9am, the third at 10am and the last will be held at 11am, a statement from the organisation said. The statement said the organisation will also hold a congregation at 10am in Faridpur. The Dhaka University Central Mosque will hold two Eid congregations, the first at 8am and the second at 9am. Two additional congregations will also be held at Salimullah Hall Mosque at 8am and on the lawn of Shahidullah Hall at 8:30am. There will be three congregations at Bab-e-Rahmat of Dewanbagh Sarif in Motijheel at 8am, 9am, and 10am respectively.

<http://www.bdnews24.com/details.php?id=172907&cid=2>

IMF Sells 10 Tons Gold to Bangladesh; Sales to Central Banks Now 222 Tons

The International Monetary Fund, which set out a year ago to sell about 13 percent of its gold holdings, sold 10 metric tons to Bangladesh for \$403 million. The transaction brings total central

bank purchases from the fund to 222 tons, according to fund data. India has bought 200 tons, Sri Lanka 10 tons and Mauritius 2 tons. A further 88.3 tons has been sold under the agency's "on-market" sales program, it said in a statement yesterday. The lender's executive board approved the sale of 403.3 tons of bullion on Sept. 18 last year as part of a plan to shore up its finances and lend at reduced rates to low-income countries. After selling only to central banks, it expanded sales to the open market in February. The transaction "will push gold higher as central bank purchases have traditionally been a major factor fueling the price," said Hwang Il Doo, a senior trader at Korea Exchange Bank Futures Co. in Seoul. "Central banks want to diversify their reserves because of the unstable dollar and we may see more buying down the road."

Gold for immediate delivery gained 0.2 percent to \$1,246.45 an ounce today, and is about \$19 below its record \$1,265.30 an ounce on June 21. The price dropped 0.9 percent yesterday, the biggest decline since July 27, as a rally in equities reduced investor demand for wealth protection. The "on-market" sales don't "preclude further off-market gold sales directly to interested central banks or other official holders," the fund said. "Whenever these things come out, they tend to be relatively supportive of the gold price," said Darren Heathcote, head of trading at Investec Bank (Australia) Ltd. in Sydney. "It's not huge. It will add more support to what is already a well-supported market." Calls by Bloomberg News to the phone listed on the central bank's website for M. Abdul Haque, general manager for the Forex Reserves and Treasury Management Department, were unanswered.

<http://www.bloomberg.com/news/2010-09-10/imf-sells-10-tons-gold-to-bangladesh-sales-to-central-banks-now-222-tons.html>

Bangladesh to provide US\$ 2 million relief assistance for flood victims

The Government of Bangladesh has announced US\$ 2 million relief assistance for the flood victims of Pakistan, said a message received here on Tuesday. US\$ 1 million would be spent on the visit of about 38 doctors and paramedics, who left Dhaka for Karachi Tuesday to take up their assignment in Thatta and Hyderabad. They were seen off at the airport by Mijarul Quayes, Foreign Secretary of Bangladesh and Ashraf Qureshi, High Commissioner of Pakistan to Bangladesh. Remaining US\$ 1 million are being spent on the procurement of medicines, food supplies, blankets, tents and other relief items. Pakistan International Airline has already lifted about 11 tons of medicines from Bangladesh as it is partner to the Government of Bangladesh in airlifting the relief goods.

<http://www.pakistantimes.net/pt/detail.php?newsId=14487>

India-Bangladesh finalize railway links

Railway officials of India and Bangladesh have finalized railway link alignment to improve connectivity between the two countries in Agartala. It will reduce the distance to Kolkata by nearly three times. The distance between Agartala and Kolkata via Guwahati is 1,200 kilometres

(km) at present which would be reduced to 519 km if the linkage was completed. Officials of Tripura government, the Northeast Frontier Railways (NFR) and Bangladesh Railways met here on Wednesday to complete technical formalities for laying the Akhaurah-Agartala railway link."Indian party also visited and now we will finalize the alignment. Both the government will decide if they can accept it, or they can modify it, whatever they will decide. We will propose today," said Y. Ali Mirdha, Bangladesh Railway's Chief Engineer. The proposed railway link is 13 kilometres long, 5.4 kilometers of which would be in the Indian territory. The construction of the Akhaurah-Agartala railway link, to be financed by India, was agreed upon during the visit of Bangladesh Prime Minister Sheikh Hasina to India in January 2010. By Pinaki Das (ANI)

<http://news.oneindia.in/2010/09/09/indiabangladesh-finalize-railwaylinks.html>

Bangladesh sends medical team for Pakistan flood

Bangladesh today sent a 39-member medical team to Pakistan to help the people affected by the country's worst floods in decades. A foreign ministry spokesman said 25 doctors and 14 pharmacists and nurses would extend medical services to the flood victims in the worst affected areas in southern Hyderabad region for the next four weeks. "Being a disaster-prone country, Bangladesh has experience of facing such floods. We hope our experience would be of some help for the flood affected people in Pakistan," Foreign secretary Mohamed Mijarul Quayes said as he saw off the team at Hazrat Shahjalal International Airport. Officials said eight tonnes of drugs alone, apart from the other relief materials, were also sent to Pakistan as part of USD 2 million humanitarian aid Bangladesh announced last month. This was the second such consignment. The Bangladesh relief assistance includes 5,000 tents, 10,000 blankets, 500,000 water purification tablets, mineral waters, oral saline, hygiene kit, biscuits and packed dry food. Pakistani High Commissioner in Dhaka Ashraf Qureshi said the medical services alongside the supplies would be of great help for the flood-hit people as they were now exposed to fresh dangers of epidemiology with gradual recession of waters. Floods and torrential rains in some parts of Pakistan have so far claimed more than 1,600 lives and affected 20 million people. United Nations' aid coordination body said that more than 650,000 homeless families were still without basic shelter.

<http://news.in.msn.com/international/article.aspx?cp-documentid=4350125>

Bangladesh dams to reclaim 600 square kms of land

Bangladesh plans to build a series of dams to reclaim 600 square kilometres (230 square miles) of land from the sea over the next five years, officials said Sunday. The government has approved the ambitious project under which dams would be built in the Meghna estuary to connect islands and help deposit hundreds of millions of tonnes of sediment, project chief Hafizur Rahman said. "The project would cost only 1.20 billion taka (18 million dollars). The dams will expedite

sedimentations and manage the tidal system. They won't allow loss of any sediments to the sea," he told AFP. "The whole process will reclaim at least 600 square kilometres of new land from the sea in just five years." The mighty Ganges and the Brahmaputra rivers join in Bangladesh before flowing into the Bay of the Bengal. Studies have found that the two rivers carry more than one billion tonnes of sediment a year. Rahman said the dams would be designed so that small islands would become linked with the mainland as shallow areas in the estuary fill up with sediment. A study by the Dutch-funded Institute of Water Modelling (IWM) has found that the damming process would not affect other parts of the coastline or aggravate erosion of the country's largest island, Bhola. "We have done some water models of the project and found some 600 square kilometres of new land could be reclaimed without any side-effects," IWM principal researcher Jahirul Haq Khan told AFP. The study has been verified by Dutch experts, he added. Bangladesh reclaimed 1,000 square kilometres of new land in the Meghna estuary by building two dams in 1957 and 1964. Despite the success, the reclamation process was halted due to lack of donor financing. The impoverished country has been one of the worse victims of climate change, with the UN's Intergovernmental Panel on Climate Change (IPCC) predicting that 17 percent of its land would go under a rising sea by 2050

Nepal

Seventh round of Prime Ministerial election today, chances slim

Kathmandu, Nepal -- The seventh round of prime ministerial election is taking place at the Legislature Parliament on Tuesday as earlier elections failed to elect a new Prime Minister. Today's election is also uncertain to get a new Prime Minister as CPN UML and Madhesh based parties except Madhesi Janadhikar Forum are sticking on their decision of no vote. A meeting of the parliament is slated at 3 pm. Political parties mainly the UCPN Maoist is expediting its consultation with other political parties with the hope of electing its candidate Pushpa Kamal Dalal. However, there have been some slim chances of electing Maoist candidate as Upendra Yadav led from would vote in favor of Maoist. the Forum with 25 seats in the parliament, had separated from the United Democratic Madhesi Front (UDMF) and made up its mind to vote for the Unified CPN (Maoist) candidate on today's election. However, other three political parties in the Front have been staying neutral. With the votes of forum, Nepal Workers and Peasants Party (NWPP) and CPN (ML-Samajwadi), splinter faction of the CPN ML, Maoists will have about 270 votes in their favor on today's election. However, to get the chance of having Prime Minister the Maoist still need another 30 votes.

http://www.reviewnepal.com/detail_news.php?id=847

Nepal govt vs Maoists over UN

The caretaker government in Nepal and opposition Maoists are on a collision course over the role of United Nations Mission in Nepal (UNMIN), which is monitoring the country's peace process. While the government wants it to change its current mandate and monitor only the

Maoist combatants and their arms, the Maoists want it to continue monitoring the Nepal Army as well. There is another difference. The government wants UNMIN's tenure, which expires on September 15, to be extended by four months while the Maoists want the UNMIN to remain for six months or till the peace process is complete. A day after the government sent a letter to United Nations Security Council seeking an extension for UNMIN, the Maoists on Thursday shot a separate letter to UN Secretary General Ban Ki-moon. In his letter Maoist chief Pushpa Kamal Dahal asked the SC not to change UNMIN's mandate and extend its tenure by six months.

Nepal parliament fails to elect new leader

Nepal's parliament failed to elect a new prime minister for the seventh time on Tuesday, prolonging a stalemate that has held up vital public spending and threatened the fragile peace process. The country has been without a government since June 30, when former prime minister Madhav Kumar Nepal stood down under pressure from the opposition Maoist party to pave the way for a new national unity government. Since then, the parties have been unable to agree on the shape of the new administration and a series of votes in the 601-member parliament have proved inconclusive, with none of the candidates securing an overall majority. The Maoists, who fought a decade-long civil war against the state before transforming themselves into a political party and winning 2008 elections, hold the largest number of seats in parliament, but not enough to govern alone. Maoist leader and former warlord Pushpa Kamal Dahal, better known as Prachanda or "the fierce one", won 252 votes in Tuesday's poll, beating his only opponent but still falling well short of the necessary majority. Rival candidate Ram Chandra Poudel, chairman of the second-largest party in parliament, the centrist Nepali Congress, took 119 votes. Parliament has said the next election will be held on September 26, further delaying the annual budget and holding up much-needed public spending in one of the world's poorest countries. The stalemate has also halted work on the peace process that began when the bloody civil war ended in 2006. The United Nations Mission in Nepal (UNMIN) warned Tuesday that there were "few signs of a consensual way forward in Nepal's peace process with the major parties preoccupied with internal fissures and the question of power sharing." In a statement, it said a UN report due to be published in New York later Tuesday would also highlight "other challenges such as continued insecurity and reports of lawlessness... and lack of progress in addressing impunity for human rights violations." UNMIN was set up after the war ended with a temporary mandate to monitor the Maoist and national armies and assist with the peace process, and has repeatedly expressed frustration at the slow pace of progress. Its current term is due to expire on September 15, but is expected to be extended further.

India Takes Note of 'Chinese Interference' in Nepal PM's Polls

India has taken note of the reports of alleged Chinese monetary interference in the on-going Prime Ministerial elections in Nepal. "New Delhi has taken note of the reports," sources said here

on Sept 6, two days after allegations of a Maoist leader trying to buy MPs with the help of a Chinese “friend” surfaced. A wiretap on Sept 4 alleged that the Maoists have sought Rs 500 million from China to “buy” lawmakers to get their supreme elected to the coveted post. In a telephonic conversation, the tape of which was leaked to the media in Kathmandu, Unified CPN-Maoists’ Foreign Department chief Krishna Bahadur Mahara was purportedly heard asking an unknown Chinese official for Rs 500 million to buy 50 MPs, apparently from Terai-based Madhesi parties which have been boycotting the polls. However, Mahara, in a statement, dismissed the tape as “fabricated, misleading and fictitious.”

<http://www.indiajournal.com/pages/event.php?id=12412>

UNMIN’s role in Nepal is not yet complete: US-UK-France

Residential ambassadors of three member states of UN Security Council, United States, United Kingdom and France met with caretaker Prime Minister Madhav Kumar Nepal and Chairman Pushpa Kamal Dahal of Unified Maoists’ Party separately and advised both of them not to be at loggerhead over the fate of United Nations’ Political Mission in Nepal ‘UNMIN’, September 9, 2010. The Ambassadors, claim reports, in their meetings opined that “UNMIN’s role in Nepal is not yet complete”. Experts here in Nepal believe that let alone effectively monitoring Maoists’ Militias and guarding deposited weapons properly, the UNMIN has so far been the main cause of dispute between Nepal’s political parties. It has been observed that parties considered as traditionally close to the Indian regime have been advocating UNMIN’s ouster though they have been extending the tenure of UNMIN every now and then, under one pretext or the other. The unceremonious ouster of UNMIN, if that at all happens, will send negative signal in the world community about Nepal and the fresh lobbying by Chief of the Army Staff General Chhatra Man Singh Gurung against the UNMIN will certainly have its adverse impact in the participation of Nepal Army further in the UN led Peace Missions abroad, observers note. Of UNMIN writes, C. Raja Mohan from New Delhi (Indian Express), “The United Nations Mission in Nepal (UNMIN) might have served as a valuable “Shikhandi” in the past, but it is no substitute to Delhi’s own consultations with the major powers.” Raja Mohan is India’s foreign policy expert. This Raja Mohan in a subtle way wants India to perform the duties for which the UNMIN had been invited to Nepal. No wonder! Indian analysts write such stories glorifying their own country. Old habits die hard. But who cares! Be that as it may, ambassador Scott H. DeLisi of the United States, John Anthony Tucknott of the UK and the Charge d’ affairs of France Jean-Charles Demarquis met with the Prime Minister and stressed on the unity between various political parties over the fate of UNMIN. “It would have been much easier if parties would be united, we wish to see political parties forging consensus”, Rajan Bhattarai, PM’s advisor quotes the Ambassadors as saying. The three ambassadors expressed concerns over communication held by the Government and the Unified Maoists’ Party separately with the United Nation’s Security Council over the fate of UNMIN. “Whereas, the Government has asked the UNSC to extend UNMIN tenure by curbing its mandate, the Maoists have on the contrary, asked for extending UNMIN tenure with the same mandate”, reports confirm.

UCPN-M decides to block new bills; Saturday's CC meeting to discuss PM run-off

A meeting of office bearers of the Unified CPN (Maoist) Friday agreed to disallow new bills which would be table by the UML-led caretaker government in the legislature parliament. Today's meeting held at the party chairman Puspha Kamal Dahal's residence at Nayabazaar decided that the current government has no any legitimacy to table bills in the parliament, Maoist vice chairman Narayan Kaji Shrestha informed Nepalnews. "The bearers also held discussion of the recent proposal of the finance minister, Surendra Pandey, seeking approval from other parties including the UCPN-M to bring full fledged fiscal budget," Shrestha added. According to Shrestha, Maoists leaders raised serious concern regarding such an attempt from the caretaker government, and decided to disapprove the proposal. Meanwhile, Maoist's leaders also decided to put off Friday's central committee meeting for Saturday. "We want to end prime ministerial election fiasco through our central committee meeting tomorrow," Shrestha said, adding, "For this we need sufficient preparations." Shrestha further explained that today's meeting also held discussion regarding two separate letters, one from the government and another from the Maoists, which were sent to United Nations Security Council putting different views regarding extension of UNMIN's tenure in Nepal. "We are also coordinating with the government regarding this and discussing if we can merge both the letters into one," he informed Indian envoy meets Nepal PM amid India bashing Amid growing India bashing by Nepal's opposition Maoist party and a section of the Nepali media, India's Ambassador to Nepal Rakesh Sood on Sunday met caretaker Prime Minister Madhav Kumar Nepal ahead of the failed sixth round of the prime ministerial election. The prime minister's foreign affairs advisor Rajen Bhattarai said the meeting discussed bilateral issues, Nepal's political situation and the tenure of a UN political agency. The UN Mission in Nepal (UNMIN) was invited in 2007 due to the insistence of the Maoists to help in the ongoing peace process. Currently, UNMIN supervises the arms and troops of the Nepal Army as well as nearly 20,000 Maoists' guerrilla combatants. UNMIN's tenure will end on Sep 15. However, due to the protracted political stalemate and the inability of Nepal's parties to choose a new prime minister even after six rounds of election, the government has yet not said if UNMIN will get another extension. While the Maoists want the UN body to stay on, Nepal's major parties as well as the national army are opposed to it. The army especially feels its soldiers should no longer remain under UN observation now that the insurgency has ended and the election taken place. The Maoists have been blaming India for the parties' reluctance to extend UNMIN's term. They have also alleged India to be behind the surfacing of an audio tape last week in which a man, purported to be Maoist lawmaker Krishna Bahadur Mahara, asks a "friend" in China for NRS 500 million to buy 50 MPs for Sunday's election. The Maoists are being backed by a section of Nepal's media disgruntled at not receiving advertisement support from Indian joint ventures in Nepal.

<http://timesofindia.indiatimes.com/world/south-asia/Indian-envoy-meets-Nepal-PM-amid-India-bashing/articleshow/6500869.cms#ixzz0z6xcbVBt>

New imbalance

After weeks of speculation, the government sent a 'constructively ambiguous' letter to the UN requesting an extension of UNMIN's mandate. After a long prelude, it asked for a mandate that focused on monitoring of Maoist combatants and arms without specifically asking that the Nepal Army (NA) be taken off UNMIN monitoring. Three and a half years after the interim legislature was constituted and two years after the special committee was formed, the government has discovered these developments mean there are no longer 'two sides' to the conflict, and that the government's voice is the only legitimate voice. Why were they going through the charade of consulting the Maoists on UNMIN extension all this time? Or, why did the Maoist government have to consult the NC on the issue? And why did they not revise agreements to reflect this reality, and change the mandate request accordingly, earlier? The letter also tells the UN that the situation has 'evolved rapidly' and many of UNMIN's tasks are 'redundant'. One wonders what progress Baluwater and its allies have seen in the peace process since the last extension in May, for the rest of the country can only see stagnation. But the letter's details, and the legalistic claims and counter claims on both sides, are not really the core of the issue. Neither is UNMIN's functioning. It is the politics behind the extension. The change in the balance of power since the agreements were signed originally, and the differing motivations of the actors who signed those pacts, explains why UNMIN manages to invite ire at such regular intervals despite its fairly marginal role in day-to-day politics. Think back to the end of 2006. The CPA was greeted with euphoria. The Seven Party Alliance and the Maoists saw themselves as partners against the monarch. The NA was still treated with deep suspicion, to the extent that GP Koirala gave the Maoists the green signal to inflate the numbers of the PLA in cantonments to 'balance the army'. Prachanda obliged way beyond Koirala's imaginings, and sent his core fighters to the YCL, but that is another matter. Koirala decided that the best way to bring the Maoists 'into the mainstream' was by creating a new framework and new institutions that could accommodate them. The interim constitution, interim legislature, and interim government were constituted. The republican agenda was accepted. And UNMIN was invited, to give a sense of security to the Maoists, who wanted international legitimacy, and to fulfill the tasks of arms monitoring that no other external force could. Few people in the NC and UML really believed in the new framework. But they privately knew Maoist strength had played a key role in bringing them back to power through the People's Movement. They also hoped this would 'lock' the Maoists in and co-opt them, and eventually through elections the hegemony of 'democratic forces' could be restored. Think about all that has changed since then. The king has gone and there is no common 'enemy'. After the elections, but particularly since the Katawal incident last year, NC and UML started seeing the NA as a partner in their battle against the Maoists. This is a historic and unprecedented shift in Nepali politics; the NC and NA are on the same side. There is

almost a consensus in the 'democratic camp' that Koirala gave 'too much' to the Maoists, who are seen to have gone back on their promises. The logic of the anti-Maoist Madhav Nepal coalition was that it is not by giving the Maoists space, but by isolating them entirely, that they will be 'weakened' and forced to 'reform'. So keeping them out of power, and getting all domestic and international actors to pressure the Maoists, became a primary goal. But there is a problem. Two institutions serve as a constant reminder to the spirit of those heady 2006 days – the CA and UNMIN. Until the CA is around, the Maoists cannot be sidelined. The prospect of them coming to power remains, and their agenda cannot be brushed aside. Until UNMIN is present, there is a symbolic acceptance of 'two armies' since that was the basis of the Agreement on Monitoring the Management of Arms and Armies. And there remains international recognition of the Maoists as a genuine 50 per cent stakeholder in the peace process. If understood in the context of this anti-Maoist strategy, the attack on UNMIN makes perfect sense. But it is a reminder of how far we have moved from the days of the 2006 political framework, the new balance of power, and how implementing the peace accords has become infinitely more difficult now.

Nepal's Maoists request extension of UN mission, but on their terms

Nepal's Maoist party sent a letter to the United Nations Thursday, asking for the UN's peace-monitoring mission in the Himalayan country to be extended under different terms than those requested by the prime minister. The Maoists objected to the four-month extension sought by Prime Minister Madhav Kumar Nepal Tuesday as well as his request for a shift in the mission's focus that the Maoists said would take attention away from the Nepalese Army. Maoist vice chairman Narayan Kaji Shrestha said the premier's request breached a peace accord the Maoists and government signed in 2006 and his party wanted a six-month extension. The prime minister's letter requested the UN focus its supervision on the Maoists, which entered politics after laying down their arms following a decadelong civil war. Under the peace pact, more than 19,000 of their former fighters now live in UN-supervised camps around the country. Barsha Man Pun, head of the Maoists' military wing, said the premier's letter "leaves room for double interpretation, including the removal of the Nepalese Army from the monitoring of the UN." The UN mission's mandate expires September 15 after it was extended for a sixth time in May. UN Secretary General Ban Ki-moon said last week that he would prefer to draw down the mission because it has been made a "scapegoat" for the failure by the government and Maoist forces to settle their political disputes. Nepal is now under a caretaker government after Prime Minister Nepal resigned in June under Maoist pressure. A deadlock in the legislature has caused seven votes on his successor to fail.

<http://www.earthtimes.org/articles/news/343462,extension-un-mission-terms.html>

UNESCO reveals 4.5m women illiterate in Nepal

On the occasion of the International Literacy Day to celebrate the "Power of Women's Literacy", UNESCO issued a press release revealing that more than 4.5 million women in Nepal still cannot

read and write, keeping many of them marginalised and poor. In Nepal, as in other parts of the world, literacy remains an elusive target despite widespread efforts to address the issue. Worldwide, some 759 million adults lack minimum literacy skills; one in every six adults is still not literate and women make up two thirds of the world's illiterate population. In Nepal, 6.4 million men and women are still illiterate and women represent close to three quarters of this figure. "This is an intolerable situation reflecting one of the most persistent injustices of our times: unequal access to education equalities," said UNESCO director-general Irina Bokova in her address on International Literacy Day 2010. "Literacy gives women a voice; in their families, in political life and on the world stage. It is a first step towards personal freedom and broader prosperity. When women are literate, it is all society that gains," added Bokova. Axel Plathe, Head of the UNESCO Office in Kathmandu and UNESCO Representative to Nepal said: "In Nepal, many women live in deep poverty due to a lack of access to basic reading and writing skills. UNESCO helps the government and other partners in the country in promoting literacy through a variety of activities including supporting literacy programmes in mother tongue and strengthening capacities to provide literacy programmes." In Nepal, as in many other countries, International Literacy Day, that is celebrated this year under the motto: "The Power of Women's Literacy" will highlight the highly influential role literacy plays in empowering women to dramatically change their lives for the better. UNESCO joins Nepal in observing this year's Literacy Day through supporting various activities such as writing competitions for neo-literates, rallies, talk programmes, the preparation of wall newspapers and street dramas, etc.; which all help promote women's literacy, together with Non-Formal Education Centres, Community Learning Centres and NGOs nationwide. Also on the occasion of World Literacy Day, the Non-Formal Education Centre in Nepal will receive on 8 September at UNESCO Headquarters in Paris the UNESCO Confucius Prize for Literacy for its National Literacy Campaign, integrating themes such as the environment, maternal and child health, women's development and income generation. The prize, supported by China, is worth USD\$20,000. First proclaimed by UNESCO in 1965, the first International Literacy Day was celebrated on 8 September 1966. Through this day, UNESCO reminds the international community of the status and challenges of literacy and adult learning globally.

<http://www.thehimalayantimes.com/fullNews.php?headline=UNESCO+reveals+4.5m+women+i+literate+in+Nepal&NewsID=257023>

Eid being observed today

Millions of Muslims in every part of the world, including Nepal, are celebrating the festival of Eid, which marks the end of the holy month of Ramadan. The largest festival of Muslims is marked by reading special prayers from the Muslim holy book Koran, visits to friends and family and exchanging best wishes with each other. In Nepal, the Muslim community is celebrating the festival, which bears important religious significance, by attending special congregational prayers in mosques across the country. On the day of the celebration, a typical Muslim family wakes up very early and after the first normal everyday prayer, is required to eat in a small

quantity, symbolising the end of Ramadan. After the special prayers, festivities and merriment are commonly observed with visits to the homes of relatives and friends to ask Allah for blessings. It is also a day of forgiveness, moral victory, peace of congregation, fellowship, brotherhood and unity.

Donors should offset govt's expenditures: FM Pandey

Finance Minister Surendra Pandey said that donors should bear the expenditure incurred by the government on donor-funded projects in order to prevent the Balance of Payment (BoP) situation from further deteriorating. While addressing a meeting of Nepal Portfolio Performance Review 2010 that kicked off the capital on Thursday, the minister came up with the remarks to this effect. Speaking on the same occasion, government officials also bemoaned that the donors' strict terms and conditions were major reasons for the low spending from the donors' resources. "Fewer conditions in the government-funded projects were key to the projects that witnessed faster progress," said Finance Secretary Rameshwor Khanal. He highlighted rapid progress made in two such projects - Mid-Hill Highway and Sikta Irrigation Project to justify his point. He ascribed donors' strict conditions to the sluggish movement of projects like the Rural Reconstruction and Rehabilitation Project aimed at carrying forward post-conflict reconstruction, Flood Rehabilitation Project aimed at rehabilitating victims of Koshi floods and construction of bridge over the Koshi river in Chatara. Khanal also said that delay in dispatch of expenditure authorisation with approved programmes by line ministries, low disbursement of foreign loans and grant, absence of elected office-bearers in local bodies, reimbursement backlog, obstacles by local people and ineffective monitoring as some of the hindrances facing development efforts. National Planning Commission (NPC) vice-chairman Dr Jagdish Chandra Pokharel said the donor communities should compare performances of government-funded projects and donor-funded projects. On the other hand, the donor community complained that the political instability and bickering have cast blight on the development efforts. Donors sought full implementation of the next development plan with a robust and transparent result framework. They also asked the government to make commitment for a genuine dialogue with donors that is open and transparent. Susan Goldmark, country representative of World Bank in Nepal, said that the capacity building of government staff is key to development. She pointed out the crunch of technical staff stating that there is lack of skilled manpower in public finance management, procurement and monitoring. The government also admitted that most of the monitoring and evaluation units in the ministries are under-funded and under-staffed and lack capable human resources. Realizing this fact, we have started providing separate resources for this, claimed government officials.

<http://www.nepalnews.com/main/index.php/business-a-economy/9061-donors-should-offset-govts-expenditures-fm-pandey.html>

Nepal in bottom 10 in Global Competitiveness Report

Nepal stood in 130th position among the 139 countries that featured in Global Competitiveness Report 2010-2011, which was released by the World Economic Forum on Thursday. Nepal featured in bottom ten as it could not meet the basic requirement such as institution, infrastructure, macroeconomic environment, and health and primary education. The report also presented that due to the government instability, corruption, policy instability, inefficient system of government and inadequate supply of infrastructure has adversely affected the business in Nepal. Briefing on the report, Bharat Pokharel, executive director of Centre for Economic Development and Administration Research (CEDA) of Tribhuvan University said that the research was carried out in 139 countries and the rankings are calculated from both publicly available data and the Executive Opinion Survey. He also said that the comprehensive annual survey is conducted by the World Economic Forum together with its network of Partner Institutes (leading research institutes and business organizations), CEDA in Nepal. According to the report, Switzerland stood at the top of the list followed by Sweden, Singapore, the US, Germany, Japan, Finland, Denmark and Canada stood respectively in the top ten list. Similarly, Chad, Angola, Burundi, Zimbabwe, Mauritania, Burkina Faso, Timor-Leste, Mali, Mozambique and Nepal stood in the last ten positions in the Global Competitiveness Report 2010-2011. Nepal stood in 125th position out of 130 countries in last year's Global Competitiveness Report. The report was prepared on the basis of institutions, infrastructure, macroeconomic stability, health and primary education, education and training, good market efficiency, labour distribution, financial sophistication technological readiness, market size, business sophistication and innovation.

Srilanka

Sri Lanka Supreme Court approves amendments to Constitution

Sept 07, Colombo: Paving the way for the current President Mahinda Rajapaksa to seek reelection for a third term, Sri Lanka's apex court has ruled that the proposed constitutional amendments are consistent with the country's Constitution and can be approved with a two-third majority in the parliament, the Speaker announced today to the House. The Speaker, Chamal Rajapaksa said the Supreme Court has approved the proposed 18th amendment to the Constitution and ruled that a referendum is not needed, but requires a two-third majority for the amendments to be enacted. Following Article 122 of the Constitution, Supreme Court delivered its decision on the amendments to the President and the Speaker last week after they were presented to the Court following the approval by the Cabinet of Ministers. The 18th amendment removes the term limits on Executive Presidency allowing the President to run for a third term. The opposition has criticized the proposed change as a move to strengthen the powers of the President but the President recently said his powers would actually be "diluted" by the amendment. "This will ensure supremacy of Parliament and in fact the proposed 18th Amendment will dilute some of the powers of the Executive President," the President told the media recently. The President has said that when the presidency is limited to two terms, the

incumbent could become indifferent to people's wishes during the second term as he or she would not face an election at the end of the term."That could affect one's mentality in a way as to waiver in commitment," he said. When a candidate has to face the people again, it will enhance his or her commitment to the people, the President pointed out. The amendment makes it mandatory for the President to appear in Parliament once in three months. The 18th amendment also proposes the appointment of a five-member Parliamentary Council in place of the Constitutional Council specified by the 17th Amendment. Following today's announcement by the Speaker, the Draft Bill will be presented tomorrow to the legislature by Prime Minister D.M. Jayaratne for debate. The legislature will vote on the bill after the debate at the end of day's proceedings. The ruling alliance is confident of passing the Bill with a two-third majority in the 225-member parliament with at least 160 votes in favor.

Speaker to announce the Supreme Court decision on 18th Amendment in Sri Lanka parliament today

Sept 07, Colombo: The Speaker of Sri Lanka parliament will announce the Supreme Court's decision on the proposed 18th Amendment to the Constitution when the parliament meets today. Following Article 122 of the Constitution, Sri Lanka Supreme Court delivered its decision on the proposed amendments to the country's Constitution to the President and the Speaker on September 01, 24 hours after they were presented to the highest court. A five-judge bench of Supreme Court took up the Draft Bill approved by the Cabinet to decide whether the proposed amendments are consistent with the Constitution. The main amendments to the Constitution are the deletion of clause 2 of article 31 which specifies term limits on Executive Presidency, appointment of a five-member Parliamentary Council in place of the Constitutional Council specified by the 17th Amendment and permission for President to attend parliament once in three months. Following the Speaker's announcement today on the Order Paper of the parliament, the Draft Bill will be presented tomorrow to the legislature by Prime Minister D.M. Jayaratne for debate. The legislature will vote on the bill after the debate at the end of day's proceedings. The ruling alliance is confident of passing the Bill with a two-third majority in the 225-member parliament with at least 160 votes in favor. Meanwhile, the parliament is also to debate on the extension of Emergency Regulations for another month when it convenes today.

Sri Lanka opposition MPs threaten to join government if sacked from the party

Sri Lanka's main opposition United National Party members who have said they would vote in favor of the constitutional amendments in parliament this week have warned that they would join the government if disciplinary action is taken against them. The UNP has said the party would

take disciplinary action against the party's MPs who vote with the government on the constitutional amendments, as the Working Committee had last week decided to remove any UNP MP who votes in favor of the constitutional amendments. UNP parliamentarian Earl Gunasekara has told the local media that the decision by several UNP members to support the government by voting in favor of the constitutional amendments was part of the democracy within the party. He has said that action should be taken against UNP deputy leader Karu Jayasuriya for joining the government during the war and later rejoining the UNP, if the party is to take disciplinary actions against the MPs who vote for the constitutional amendments. Gunasekara has warned that the UNP members who have decided to vote with the government for the constitutional amendments will not hesitate to join the government if the UNP attempts to take against them. Four UNP MPs, Abdul Cader, Earl Gunasekara, Lakshman Seneviratne, and Manusha Nanayakkara have said they would vote in favor of the constitutional amendments.

Sri Lanka parliament approves constitutional reforms with two-third majority

the proposed 18th Amendment to the country's Constitution with a two-third majority, paving the way for the immensely popular President Mahinda Rajapaksa to seek reelection for a third term. The amendment was passed with 161 votes in favor and 17 against it in the 225-member parliament. This is the first time a Sri Lankan government had two-third majority in the parliament since 1977. The Supreme Court ruled Tuesday that the proposed constitutional amendments are consistent with the Constitution and can be approved with a two-third majority in the parliament without holding a referendum. The main opposition United National Party (UNP) boycotted the debate and the party members were not present in the House during voting. Ahead of the voting this evening six UNP legislators crossed over to the government expressing their support to the proposed constitutional amendments. Sri Lanka Muslim Congress (SLMC), an ally of the opposition, decided to support the amendments earlier. During the debate today SLMC leader Rauf Hakeem told the parliament today that his party will lend maximum support to the government to pass the 18th constitutional amendment. Meanwhile, the Tamil National Alliance Digamadulla parliamentarian H. A. Piyasena has also decided to vote with the government for the 18th amendment today. Crossed-over UNP MP Earl Gunasekara said that a stable government will help to revolutionize the country's economy and this amendment has carefully prepared to fulfill this aspiration. The 18th amendment removes the term limits on Executive Presidency allowing the President to run for a third term. The main opposition United National Party (UNP) has criticized the proposed change as a move to strengthen the powers of the President but the President recently said his powers would actually be "diluted" by the amendment. The 18th amendment among other reforms proposes the appointment of a parliamentary council instead of the Constitutional Council born out of the 17th amendment that decides the appointment of independent posts like commissioners of election, human rights and

Supreme Court judges. Critics of the 18th amendment say the proposed parliamentary council has no powers and the President would have more powers over many independent institutions, seriously impacting the justice, free elections, and human rights.

Sri Lanka's constitutional amendment Eighteenth time unlucky

NATIONAL constitutions come in two main types. Some are prescriptive, enshrining freedoms, curtailing the powers of the state and generally hampering would-be dictators. Others, however, tend to the descriptive, and are often revised to catch up with changes that have already happened. Into this class can be put Sri Lanka's 1978 constitution, this week amended for the 18th time, with unseemly haste. The Sri Lanka described in the revised charter is not a pretty place. It is one where the forms of parliamentary democracy are preserved but the substance has become subordinated to almost untrammelled presidential power. With the opposition divided, his rival in the presidential election in January in detention and his popularity still high, President Mahinda Rajapaksa already seems monarch of all he surveys. The amendment changes the constitution in two main ways. The first is to remove the bar on the president's serving more than two six-year terms. First elected president in 2005, and then re-elected with a thumping majority in January, Mr Rajapaksa has in fact not even started his second term. But he seems to be settling in for the long haul. As government spokesmen have pointed out, however, Sri Lanka's voters will at least have the chance to turf him out in six years' time. That is why it is the second change that is more pernicious. It is (such is the way of descriptive constitutions) to overturn the 17th amendment. This was an admittedly muddled attempt to curb the powers of the "executive presidency", partly through a "constitutional council". After the latest change, the constitution will both grant the president immunity and also give him final authority over all appointments to the civil service, the judiciary and the police. He is also commander-in-chief of the armed forces. Almost the only formal constraint on him—electoral considerations aside—is an obligation to show up in parliament once a quarter. Sri Lanka, goes the argument of Mr Rajapaksa's cheerleaders, needs a strong executive to seize the chances of peaceful development offered by last year's victory in the 26-year civil war with the Tamil Tigers. But confusingly they also point to that victory—grasped with a ruthlessness that shocked many of Sri Lanka's foreign friends—as evidence of the virtues of a powerful presidency. Indeed, whatever problems Sri Lanka's political system suffers from, the weakness of the presidency, which is already directly responsible for over 90 institutions, is not one of them. Quite the contrary: Mr Rajapaksa himself, before he tasted its benefits first-hand, used to campaign for the abolition of the executive presidency. His new vision of further strengthening the president's powers has been greeted with an outcry from Sri Lanka's liberals, but few mass protests. The public must feel bewildered by it all. The change was pushed through as an "urgent" parliamentary bill in under two weeks from the draft's first appearance, thanks to Mr Rajapaksa's recent acquisition of the requisite two-thirds majority. Such important changes should have been put to a referendum. Mr Rajapaksa might well have won one. But a campaign would at least have thrown the issues open to public debate and scrutiny.

Because he can

The only urgent compulsions facing Mr Rajapaksa and his brothers (two have senior jobs in his government and a third is the parliament's speaker) are those of parliamentary arithmetic and personal popularity. Still basking in the glow of military and electoral triumphs, the president has done in haste what he knows he can get away with. That he has preferred to put the consolidation of his family's power ahead of a sorely needed national reconciliation with an aggrieved Tamil minority is a decision Sri Lanka will repent at leisure.

http://www.economist.com/node/16992141?story_id=16992141&fsrc=rss

Opposition MPs threaten to sit independently in Sri Lanka parliament

Several legislators from the main opposition United National Party (UNP) have threatened to sit as independent members in parliament if the party crisis is not resolved soon. Following the defection of six UNP MPs to the government, 25 UNP legislators signed a letter and handed it over to opposition and UNP Leader Ranil Wickremasinghe to summon an urgent meeting to discuss the party's future. UNP parliamentarian Dayasiri Jayasekara told the local media that several UNP MPs including him would sit independently in parliament if the party crisis is not resolved by next week. "Enough is enough. For years we have been talking about revamping the party and no one is doing anything. This is a never ending problem for all the UNP supporters and members. We urge the leader to have a have a quick and urgent solution," Jayasekara has said. The UNP has called a meeting on next Tuesday (14) and the meeting is to take place between Wickremasinghe and several UNP members who have been calling for an end to the leadership crisis. In the letter handed over to Wickremasinghe on Wednesday, the UNP MPs had called for a meeting to take place that very evening, but the request has been rejected by Wickremasinghe. He has suggested the meeting to take place next week.

http://www.colombopage.com/archive_10B/Sep10_1284105527JR.php

Sri Lanka's former Army Commander says large hauls of gold recovered from LTTE areas

Sri Lanka's former Army Commander and Democratic National Alliance (DNA) parliamentarian Sarath Fonseka said that 200 kilograms of gold had been unearthed from the Vellamullivaikkal area in the Mullaitivu District during his tenure as Army Chief. Fonseka told parliament during the debate to extend the emergency regulations that while larger stocks of gold had been recovered after his tenure as commander, no one knew what happened to the gold. He added that Kumaran Pathmanathan alias KP had access to lot of money and its whereabouts are still unknown. Fonseka said that the comment made by KP in an interview that he and the Defence

Secretary thought alike had a deeper meaning.He said that had KP revealed such sentiments during the war, the lives of 5,000 soldiers could have been saved.

Canada sending former spy chief to Sri Lanka to prevent human smuggling

The Canadian government is sending a former head of an intelligence agency to Sri Lanka and other Asian countries as a special envoy on human smuggling to prevent illegal immigrants entering into the country, the Canadian Press reported Thursday.According to the report, Canada's Immigration Minister Jason Kenney has said that the former Canadian Security Intelligence Service director Ward Elcock will visit Sri Lanka, Thailand and other countries to improve co-operation and information sharing. Minister Kenney addressing the media has said that the government cannot eliminate the human smuggling but can reduce the frequency of those by cooperating with other countries."There's nothing that we can do to eliminate the possibility of human smuggling. There are some things we can probably do to decrease its frequency or its likelihood. One of those things is better co-operation with countries in the region," the Minister was quoted.The Minister has said that Elcock's visit to Asian countries including Sri Lanka is part of that effort.The Thai cargo ship MV Sun Sea, modified to carry human cargo, reached Vancouver In August with 492 Tamil asylum seekers on board. Intelligence reports say another ship is being prepared in Thailand to take another load of migrants to Canada.Canadian authorities have begun the process of confirming the identities of the migrants on board MV Sun Sea and evaluating their asylum claims. Identities of only 40 migrants have reportedly been verified so far. However, no one has been released yet from custody. One of the 492 immigrants is being held on suspicion of having links to the Tamil Tiger terrorist group LTTE. Earlier this week, Public Safety Minister Vic Toews has launched a public awareness campaign to fight human trafficking. According to the Immigration and Refugee Board most of the refugee claimants in Canada are from Sri Lanka's Tamil community and Sri Lankan Tamil refugees have the highest acceptance rate.Sri Lankan authorities say the Tamil migrants are economic refugees who are taking advantage of Canada's relaxed immigration laws. http://www.colombopage.com/archive_10B/Sep10_1284098200CH.php

An average of 12 persons commits suicide everyday in Sri Lanka

An average of 12 persons commits suicide everyday in Sri Lanka according to police reports, Sri Lanka Sumithrayo, a counseling service, said today, on the International Day of Prevention of Suicide.Around ten times of that number attempt to commit suicide everyday. The majority of the persons that commit suicide are males, says the organization.Although the suicide rate is declining in Sri Lanka after having one of the highest suicide rates in the world, 4,120 persons committed suicide in 2008 alone and 3,260 of them were males.Drugs, mental diseases, and personality disorders are identified as major causes for suicide and agricultural pesticide poisoning was the major means for committing suicide.Sumithrayo Colombo center director Nalini Ellawala blames media for highlighting suicide incidents and says it promotes suicide.

Japan grants funds for two children projects in Sri Lanka

The Japanese government has provided funds worth 57 million rupees for two early childhood care projects in Sri Lanka's Nuwara Eliya and Trincomalee Districts. A statement released by the Japanese Embassy in Colombo said the 'Project for Improving Environment of Child Education in Nuwara Eliya District' will be implemented by Plantation Rural Education and Development Organisation (PREDO) while the second project titled 'Early Childhood Care and Development Project in Trincomalee district, Phase 2' will be implemented by a Japanese NGO, Save the Children Japan (SCJ). Japanese Ambassador in Colombo Kunio Takahashi, Chairman of PREDO Michael Joachim and Operations Manager of SCJ Shunsuke Yamamoto signed the relevant grant contracts yesterday (08) at the Japanese Embassy. According to the release the first project is supported by the Grant Assistance for Grassroots Human Security Projects (GGP) scheme. The project aims to assist 11 plantation communities in Nuwara Eliya District to provide better early childhood care for more than 300 children. It plans to construct three pre-schools, provide study materials for 12 pre-schools, and train about 130 existing and newly employed teachers. The second project in Trincomalee district is a follow up of the Phase 1 project that helped resettled communities to construct and renovate pre-schools. Phase I has been successfully completed in June, 2010. The Phase 2 will include the construction and renovation of pre-schools, enhance teachers' trainings, community participation, and management of the pre-schools effectively, and also provide livelihood support for communities, the statement said. The Phase 2, supported by the Japan-NGO Cooperation Grant Scheme, which supports economical and social developments and emergency humanitarian reliefs through Japanese NGOs, is expected to benefit approximately 1,000 resettled families in Trincomalee district.

Sri Lanka bourse hits new peak on growth hopes; low rates

Market passes 6,000 barrier; up 1.02 pct

* Political stability; low rates push bourse up

* Rupee up on importer demand for dollars

COLOMBO, Sept 9 (Reuters) - Sri Lanka's benchmark share index hit a new record high on Thursday as investors picked up diversified and banking shares, with low interest rates and the passage of a constitutional amendment boosting the market. Sri Lanka's main share index .CSE jumped 1.02 percent or 60.79 points to hit a record of 6,023.41. It touched an intraday high of 6,065.59 points. The index is Asia's best performer in 2010 with a 78 percent gain. Analysts said shrinking fixed-income returns and parliaments backing of a constitutional amendment on Wednesday boosted the market. Yields in 182- and 364-day T-bills fell 52 and 45 basis points respectively on Tuesday. The market has gained over 7.5 percent since the cabinet backed the amendment which became law on Wednesday, giving President Mahinda Rajapaksa the chance to run for a third term after his present one expires in 2017. Shares in private lender Hatton National Bank HNB.CM jumped 7.49 percent to 330 rupees a share while the market

heavyweight and top conglomerate John Keells Holdings JKH.CM rose 2.04 percent to 280.10 rupees. Turnover was 4.2 billion rupees (\$37.2 million), seven times the 2009 average. Foreign investors sold a net 37.7 million rupees' in shares, and they have sold a net 14.1 billion rupees' worth this year. The rupee LKR= closed firmer at 112.65/68 a dollar from Wednesday's 112.72/75 due to high importer demand for dollars, dealers said. Markets will be closed on Friday for the Muslim holiday of Id-Ul-Fitr, or the Ramazan festival. Trading resumes on Monday.

FACTORS TO WATCH:

Why foreign investors are selling despite post-war economic optimism

- Whether there will be a drastic technical correction
- Tax reforms promised by the government

DATA

Colombo Stock Exchange:

Stock Market Volume (Shares)

Current Volume Average Volume 90 Days

101,253,319 75,474,811

Yield and Price of Sri Lanka's sovereign bonds:

Maturing year	Tenure	amount	Reuters	yield
LK032736246=	2012	5-yr	\$500	4.202-3.777
LK045930114=	2014	5-yr	\$500	5.287-5.131

* For Sri Lankan treasury securities benchmarks and data, please click LKBMK= and LKCMTBMK=

* For interbank lending rate or call money rate CLIBOR or CLIBOS

Sri Lanka construction industry in talks with Indian infrastructure fund

Sept 10, 2010 (LBO) - Sri Lanka's construction industry is in talks with a top Indian infrastructure finance company on setting up a fund to support the island's post-war construction activity, an official said. Surath Wickramasinghe, president of the Chamber of Construction Industry, said the Infrastructure Development Finance Company, top Indian infrastructure finance player, had submitted a proposal which they want to discuss with government. "We have drawn the attention of the secretary to the finance ministry on the need to set up an infrastructure development fund," he told the opening of 'Excon 2010', the CCI's annual international construction trade fair and exhibition. The exhibition draws both local and foreign participants involved in the construction industry and this year will also focus on reconstruction activity in the north and east which recovering from a 30-year war which ended in May 2009. "The infrastructure development fund has been discussed for several years," Wickramasinghe said. "The CCI has now made contact with India's IDFC. They have given us proposal and we've asked for a meeting with the secretary to the finance ministry to see how we can go further on

this." Wickramasinghe said the Infrastructure Development Finance Company had supported the rapid development of 'mega' cities in India and similar funding was needed for post-war reconstruction and modernisation in Sri Lanka. Sri Lankan companies lack the funding to support big construction projects and is seeking overseas finance, industry officials said.

<http://www.lankabusinessonline.com/fullstory.php?nid=822259578>

Sri Lanka President invites business community to submit proposals for next year's budget

Sri Lanka President Mahinda Rajapaksa has invited the country's business community to submit their views and proposals for the next year's budget that is being formulated now by the Finance Ministry. The President has extended this invitation at a meeting held with the business community at the Temple Trees on Thursday to enlighten the business community on the massive economic development taking place in Hambantota and the opportunities it presents to the potential investors. During the meeting the business community was informed of the large scale development projects that are in operation in the Hambantota District. The two main projects are the Magampura Harbour and the Mattala International Airport. The government plans to develop Hambantota and the surrounding towns as a leading commercial hub and invited the entrepreneurs to take advantage of the opportunities. A workshop showcasing the progress in development in Hambantota was also organized at Temple Trees. Minister Prof. G.L. Peiris, Parliamentarians Namal Rajapaksa, Governor of Central Bank Ajith Nivard Cabraal, Secretary to the President Lalith Weeratunga, and many government officials participated in the workshop. Taking up on President's call, the Sri Lanka Chamber of Commerce has said that it will present its views and proposals for the next budget to the government shortly.

World Bank approves US\$ 57.4 million to support small and medium business development in Sri Lanka

The World Bank announced Wednesday that it has approved a US\$ 57.4 million credit to strengthen access to finance for the Small and Medium Enterprises (SMEs) in Sri Lanka. The Small and Medium Enterprise Development Facility Project supports the Sri Lankan government's efforts to improve access to finance for SMEs affected by the Global Financial Crisis. Announcing the credit, the monetary institute said although the Sri Lankan banking sector has proven resilient to the effects of the global credit crisis, SMEs, which represent 91% of firms, have been more impacted. "The World Bank is uniquely positioned to help Sri Lankan banks to gain better access to medium and long term funds, for on-lending to SMEs," a communique issued by the World Bank quoting Daniel J. Boyce, World Bank Acting Country Director for Sri Lanka and the Maldives said. Boyce was hopeful that the development of SMEs will lead to higher incomes and increasing employment opportunities for a larger segment of the population in the country. The project, funded under the Pilot Crisis Response Facility, consists of two components. According to the World bank, the first component, Financing and Risk

Sharing Facility, includes a Line of credit to participating state and private commercial banks to refinance SME loans and a risk sharing facility providing partial credit guarantees to reduce the banks' risk of lending to SME borrowers. The second component focuses on policy and capacity enhancement for SME banking providing technical assistance to support banks in developing their SME banking capabilities. The project will also provide complementary technical assistance at the SME level to help SMEs strengthen their operations and improve their access to finance, the lender said. According to economist Cecile Niang, World Bank and Task Team leader of the project says the project aims to give banks the incentive to provide credit to SMEs while building their SME lending capability over time. "The banks can independently access the line of credit or risk sharing facility, but the success of the facilities will depend on the application of modern SME lending technologies and risk management procedures," Niang added.

Indian Army chief reaches Sri Lanka

COLOMBO: Indian Army Chief Gen VK Singh arrived here in Sri Lanka on a five-day visit, which is expected to provide an impetus to defence cooperation between New Delhi and Colombo and lay the ground for a bilateral defence dialogue, the Times of India newspaper reported on Sunday. Accompanied by his wife, General Singh was received by his Sri Lankan counterpart Lt Gen Jagath Jayasuriya at the airport. During his stay in Sri Lanka, the Indian general is scheduled to meet President Mahinda Rajapaksa, Prime Minister DM Jayaratne, Defence Secretary Gotabhaya Rajapaksa and External Affairs Minister GL Peires. The paper reported that the visit of the Indian general was considered preparatory to the Indo-Lanka defence dialogue that was scheduled to start next year. The Indian Army chief will be given a ceremonial guard of honour today (Monday) before he starts discussions with Gen Jayasuriya and other top military officials. daily times monitor

http://www.dailytimes.com.pk/default.asp?page=2010\09\06\story_6-9-2010_pg4_8