Development Projects and Issues
IV. DEVELOPMENT PROJECTS AND ISSUES

*Development Research and Communication Group

Based from Lazimpat, Kathmandu, the Development Research and Communication Group, under the direction of Prachanda Pradhan, has recently conducted some interesting studies. Of particular note are:

Bista, Khem Bahadur
1981 Food preservation technology in Nepal: A Case Study of ciura. (Looks at technical, social, cultural, and economic aspects of ciura).

Dhungel, Ramesh
1981 Economics of tourism in Nepal. (Looks at the place of tourism in Nepalese economy).

DRCG is currently completing a mid-project evaluation study of the Rasuwa-Nuwakot Rural Development Project, which has been underway for over five years and was recently extended until March 1983.

Correspondence should be addressed to and copies of these publications and reports are available from Development Research and Communication Group, 24/416 Lazimpat, Kathmandu (P.O. Box 998), Nepal.

*Development Research Publications Available

The Development Research Center, Kathmandu, would like to circulate its research preparations to institutions and individuals interested in development in Nepal. For further information, write to the Development Research Center, P.O. Box 2991, Kathmandu, Nepal.

*IDA Approves Credit to Assist Cottage and Small Industries in Nepal

Cottage and small industries in Nepal will expand their production and exports with a credit of SDR 5.7 million ($6.5 million) from the International Development Association (IDA).

Products made by these industries in Nepal — carpets and other wool products, handloom fabrics, metal crafts, and forest-based products — have been found attractive to some foreign markets; exports have been growing at about 35 percent per year. About one million people are employed, mainly on a part-time basis, in such production. Rural dwellers in the Kathmandu Valley and hills of Nepal are engaged in agriculture for about four months in the year, and thus have time for these industries. They can improve their incomes and help earn foreign exchange if they can make better products and if they have better marketing facilities. The cottage and small industries project is designed to do this through private initiative but these efforts will be supplemented where needed by
the government. Private commercial organizations will be encouraged to expand production and exports. Commercial banks will provide credit for economically and financially viable enterprises. Three banks are participating in the project: the Agricultural Development Bank, the Nepal Bank Limited, and the Rastriga Baniyaa Bank. A refinance fund will be set up and administered by the Nepal Rastra Bank (central bank) to channel about $4.5 million of the IDA credit through these banks to the cottage and small industries.

In addition to the IDA credit, co-financing from the United Nations Development Programme of about $2 million will provide expert services and training for service agencies that will assist the industries with handicraft design, raw material supply, marketing and export promotion.

The IDA credit of SDR 5.7 million to Nepal will be for 50 years, with 10 years of grace; it will be interest-free but will bear a service fee of 3/4 of 1 percent to cover IDA administrative costs. The credit will be committed when funds are available.

NOTE: IDA credits are denominated in SDRs (Special Drawing Right's), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount of the IDA credit reflects the exchange rates existing at the time of negotiation of the credit. (From IDA news release no. 82/19, World Bank, November 25, 1981)

*Nepal Will Expand Manpower Training With IDA Assistance*

Nepal will establish a new training center for skilled craftsmen with the assistance of a SDR 12.5 million ($14.3 million) credit from the International Development Association (IDA). The credit will help reduce the shortage of skilled manpower.

At completion, the new training center at Pokhara will provide facilities for providing training to 160 craftsmen in basic engineering skills, and 90 technicians in civil, electrical, and mechanical engineering every year. Pokhara was selected to provide better access to this kind of training fro candidates from the relatively less well served areas of the Western and Far Western Regions. Since available accommodations are scarce in Pokhara, boarding for 400 students (90 percent of full enrollment) and for all 45 teaching staff will be provided on campus.

This project will be the second educational credit made to Nepal by IDA, the World Bank's concessional lending affiliate. The first IDA-assisted project is strengthening the existing certificate level training program for electrical and civil engineers at Pulchowk campus of the Institute of Engineering, near Kathmandu. Its programs are also being upgraded to diploma level civil engineering. A similar program at the Dharan campus is being assisted by the Asian Development Bank. Forestry education is also being assisted by the IDA with co-financing by the United States Agency for International Development, and the United Nations Development Programme.

The second educational project will also assist the establishment of national skills standards that will be applied to all training institutions.
Related staff training and specialist services will be partially financed by a grant from the United Nations Development Programme.

The IDA credit to Nepal is for 50 years including 10 years of grace; it is interest-free but carries a service charge of 3/4 of 1 percent a year to cover IDA administrative costs.

NOTE: IDA credits are denominated in SDRs (Special Drawing Rights), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount of the IDA credit reflects the exchange rates existing at the time of negotiation of the credit. (From IDA news release no. 82/26, December 24, 1981)