



OPINION
Santa Bahadur Pun



VIEWPOINT
Arup Rajouria



FORUM
Lalit Bickram Shah

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NEPAL'S ENERGY TRANSITION

Gaps In The Pathway

INSIDE



INTERVIEW
DINESH KUMAR GHIMIRE



PM'S UN AND CHINA VISITS
A DIPLOMATIC CRUCIBLE



FACE TO FACE
KUL MAN GHISING

NOTICE: PoA Design Consultation Meeting

Imperative Global Projects Pte Ltd (Imperative) and Sustainable Prosperity Initiative (SPI) Nepal are launching Programme of Activities (PoA) in collaboration with the Gold Standard. The primary objective of this PoA is to provide improved cookstoves to households and communities to promote clean cooking solutions in municipalities of the Terai and Hilly regions of Nepal. To discuss the project, PoA design consultation meeting will be organized on 26th September 2023 in Kathmandu.

Please note that attendance is by invitation only.

For questions and to express your interest, kindly contact us at info@spinepal.com.np or 9741803701.



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Notes From The Editor



Recent political statements by Prime Minister Pushpa Kamal Dahal Prachanda, who will attend the UN General Assembly in New York followed by a planned visit to the People's Republic of China, suggest something is brewing. These remarks imply that Nepal's politics are heading towards uncertainty. With only 32 seats in the House of Representatives, Prachanda is one of the weakest prime ministers. The Nepali Congress and CPN-UML alliance may pose a threat to the current coalition government led by Prachanda. However, he recently declared that his administration will remain in power for five years. Prime Minister Prachanda took an unusual political stance by warning of taking to the streets in response to any potential threat of overthrow to his government. Instead of causing conflicts, Prachanda's statements may offer a solution to reconcile the political differences between Nepali Congress and CPN-UML's leadership. The future of the government will depend on the outcome of Prime Minister Prachanda's upcoming visit to the UN and his planned trip to the People's Republic of China. Despite numerous attempts by Prime Minister Prachanda and his team, China has not yet sent an official invitation. Even if China extends a formal invitation, Prachanda faces obstacles in making critical decisions. Given the political unrest, we have chosen to feature Nepal's energy transition as this week's cover story. Through interviews with Dinesh Kumar Ghimire, Secretary of Energy, Water Resources, and Irrigation, and Kul Man Ghising, Managing Director of Nepal Electricity Authority, we aim to analyze Nepal's energy transition and how the country will address this issue at the upcoming COP28 in the UAE.

Keshab Poudel

Editor

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A Diplomatic Crucible

The forthcoming attendance of Prime Minister Pushpa Kamal Dahal Prachanda at the United Nations General Assembly and the Sustainable Development Goals Summit, followed by his visit to China, carries immense diplomatic significance for Nepal

By A CORRESPONDENT

Despite leading a coalition government with the Nepali Congress, the largest party in the House of Representatives, Prime Minister Prachanda's upcoming attendance at the UN meeting and visit to China hold significant implications.

Prachanda will be the first prime minister in the past four years to address the United Nations General Assembly and embark on an official visit to the People's Republic of China. His attendance at the UN General Assembly offers critical assistance to less powerful countries, such as Nepal.

At the 2022 United Nations General Assembly, Foreign Secretary Bharat Raj Paudyal led the Nepali delegation and delivered a speech on behalf of the prime minister and foreign minister, who were unavailable due to national elections. Previously, Foreign Ministers Dr. Narayan Khadka and Pradip Gyawali had represented Nepal at the UNGA.

According to a recent announcement, Prime Minister Prachanda is scheduled to embark on a ten-day official tour to the United States and China starting on September 16. He will initially travel to the United States to attend the 78th United Nations General Assembly, which is slated to take place in New York from September 18 to September 26.

In addition to leading the Nepalese delegation to the Asian Games in Beijing, the Prime Minister is set to participate in high-level political meetings in China. Reports from the Prime Minister's close aides suggest that he will hold discussions with Chinese President Xi Jinping and other officials. The focus will be on road construction and cross-border transmission connections.

The Prime Minister is expected to return to Kathmandu on September 25 after his ten-day visit to the United States and China.

Prime Minister Prachanda was elected in December of the previous year. In June, the 68-year-old leader of the Communist Party of Nepal-Maoist Center (CPN-MC) went on his first foreign trip since assuming office for the third time. The specific date of his journey to China, however, has not been announced yet.



The opening ceremony for the 2023 Asian Games is scheduled to take place in Hangzhou, China, during the United Nations General Assembly in New York. Prime Minister Prachanda has been invited to visit China and has expressed eagerness to attend the opening ceremony.

Officials from the Ministry of Foreign Affairs are making preparations for the Prime Minister to participate in both the opening session of the UNGA and the Asian Games Tournament. The Prime Minister has been allocated time during the UNGA to deliver his speech.

However, organizing transportation for the Prime Minister's trips to both New York and China poses a logistical challenge as Nepal lacks the necessary infrastructure for such travel.

The United Nations General Assembly is set to convene on Septem-

ber 20th, and prior to that, a significant UN body will host the SDG Summit. Prime Minister Prachanda has prioritized his visit to New York, where heads of state and government will be present for the SDG Summit.

As the dates for the United Nations General Assembly and visits to China approach, Prime Minister Dahal and President Paudel met on September 4 at Shital Niwas to discuss the situation. Prime Minister Dahal's Secretariat announced that he informed President

Paudel about his upcoming trips to the United States and China, along with recent political developments. This meeting followed a previous one between the two leaders on August 10.

Senior officials from the Department of State are currently preparing for this crucial high-level visit under the leadership of Secretary of State NP Saud and Foreign Secretary Paudyal.

Nepal's recently appointed Permanent Representative to the United Nations, Lok Bahadur Thapa, presented his credentials to the UN Secretary-General and is making other arrangements in New York.

Secretary Paudyal, well-known for his diplomatic expertise and experience, will join in providing essential support to Prime Minister Dahal and his delegation during the visit.

It should be noted that Prime Minister Prachanda previously faced a difficult situation when he relinquished power in embarrassing circumstances while attending the Olympics in Beijing. The effect of his appearance at the opening ceremony of the Asian Games on his political position has yet to be determined.

NEWSNOTES

Prime Minister Prachanda, US Senator Meet



Prime Minister Pushpa Kamal Dahal 'Prachanda' and the US senator Chris Van Hollen held a meeting .

Hollen is a member of the Senate Foreign Relations Committee and Appropriations Sub-committee on State and Foreign Operations.

Matters related to mutual interest and collaboration were discussed in the meeting held at the Prime Minister residence, Baluwatar. Senator Hollen arrived Kathmandu itself on an official visit.

During the visit, he will engage in various meetings aimed at further strengthening the political and professional relations between the United States of America and Nepal, according to the US Embassy in Kathmandu. He will be meeting government officials, youth leaders, lawmakers and the business community, it is said.

He will also discuss with concerned agencies about the US cooperation in the areas of health and infrastructure of Nepal.

Similarly, a delegation from United States (US) Congress called on President Ramchandra Paudel on Thursday. The delegation led by Mark Pocan called on the President at the Sheetal Niwas.

During the meet, President Paudel said establishment of democracy was imperative for keeping human values in society and the new Constitution of Nepal promulgated after the reinstatement of democracy has institutionalized human values, including inclusive provisions, according to the President's press advisor Kiran Pokharel.

Chinese Ambassador and Health Minister Hold Meeting

Chinese ambassador to Nepal, Chen Song, paid a courtesy call on Minister for Health and Population, Mohan Bahadur Basnet.

According to Minister's press coordinator, Ramchandra Dulal, the meeting was held in view of Prime Minister Pushpa Kamal Dahal Prachanda's upcoming visit to China.

In the meeting held at the Minister's office, the two exchanged views on further systematizing the Tatiana transit along the Nepal-China border and on the establishment of additional infrastructure of Bir Hospital in Bhaktapur.

During the meeting, the Minister thanked the Chinese government for its economic and technical support to the Nepal's health sector, seeking its cooperation in the develop-

ment of Jumla-based Karnali Academy of Health Sciences as well.

He hoped to receive the Chinese assistance in the expansion of quality health care, of infra-



structure and in the procurement of advanced medical equipment.

In response, the Chinese ambassador pledged that the Chinese assistance to Nepal would be continued. (RSS) **Passenger Transportation Has Resumed At Tatopani Border Point**

Passenger transportation in the China-Nepal #Zhangmu_Kodari Port resumed. Looking forward to closer economic, trade and people-to-people exchanges between our two friendly neighbors, Chinese ambassador to Nepal", Chen Song stated in the social networking site X, formerly known as twitter.

The mobility of the people across the border was restricted following the COVID-19 pandemic. Access road to the border point was severely damaged due to the earthquake in 2015 and it took years to repair the road but when it was rebuilt the pandemic started.



British Ambassador to Nepal Rob Fenn meets Energy Minister Basnet

British Ambassador to Nepal Rob Fenn paid a courtesy call on the Minister for Energy, Water and Irrigation Shakti Bahadur Basnet.

During the meeting held at the Ministry of Energy, Water Resources and Irrigation, various issues of bilateral interest and concern were discussed.

Energy Minister Basnet said that Nepal and the UK have full diplomatic and friendly relations and will further strengthen them.

Mentioning that the government is moving forward with short, medium and long term thinking for the development of the energy sector, he said that the support and assistance of the British government is necessary.

While thanking the British government for its long-standing support in the development of Nepal, Minister Basnet mentioned that they will cooperate in more areas in the future.

He said that even though Nepal's role in greenhouse gas emissions is minimal, countries like Nepal are facing major problems due to climate change and are looking for adaptation measures to avoid it.

According to the secretariat of Energy Minister Basnet, important discussions were also held on various issues of bilateral interest and concern.

British Ambassador Rob Fenn said



that Nepal has made significant achievements in the energy sector in recent days and he is ready to work with the Nepalese government for further cooperation.

Mentioning that Nepal and the UK have a long-standing bilateral friendly relationship, he said that they will move forward respecting each other's common interests.

Dinesh Kumar Ghimire, Secretary, Ministry of Energy, Water Resources and Irrigation attended the meeting.

Similarly, Zhaio Liang, representative of Chinese Exim Bank, had a courtesy meeting with Energy Minister Basnet today. In the meeting, Energy Minister Basnet thanked the Chinese government and the Chinese side for the support provided by the Chinese government for the development of Nepal's energy sector.

They discussed further cooperation and expansion for the development of Nepal's energy sector in the coming days.

Korean Ambassador Tae-Young Park And Nepal Police Chief Kunwar Jointly Laid Foundation Of Cyber Bureau Building

The Korean Ambassador to Nepal Tae-Young Park and Inspector General of Police (IGP) Basanta Bahadur Kunwar jointly conducted the ground breaking ceremony of Cyber Bureau Building at Samakhushi.

The state of art Nepal Police Cyber Bureau building is being constructed under the project "Establishment of Cyber Bureau with Capacity Building for Nepal Police". Along with the building KOICA shall provide equipment related to cyber-crime investigation and digital forensic lab and capacity building of relevant human resources of Nepal Police that shall strengthen



the anti-cyber-crime capabilities of Nepal Police. The total project budget is USD 8

million and the project shall be completed by 2026. The cyber Bureau building will be completed by February 2025.

Korea International Cooperation Agency (KOICA) in coordination with Nepal Police organized the ground-breaking ceremony of the Cyber Bureau building being supported by the Korean government on 30 August 2023.

In recent years, KOICA has increased aid in digital sector. KOICA's Aid In digital sectors are increasing in Nepal, This is the part of it.

KOICA And MoFA Signed MoU For Green Job

KOICA and the Ministry of Federal Affairs and General Administration (MoFAGA) signed the Record of Discussion (RoD) for the project "Green Job Creation through Recycling and Upcycling Project in Pokhara Metropolitan City" on August 30 2023 at MoFAGA.

The RoD was signed by Mr. Mooheon Kong, Country Director of KOICA Nepal Office and Mr. Kamal Prasad

Bhattarai, Joint Secretary of the MoFAGA in the presence of Mr. Binod Prakash Singh, Secretary, MoFAGA. The Korean Government through KOICA has allocated USD 9.8 Million for this project. The main goal of this project is to promote sustainable recycling and upcycling enterprises contributing to the green economy.

The project shall Establish Green Venture Zone (GVZ) at the heart of Pokhara and provide business incubation support (financial, technological and market linkage) to new and existing RU enterprises.

The project aims to establish more than 30 Recycle Upcycle (RU) enterprises and create thousands of green job in Pokhara. The project activities will lead to massive behavioral change at the community level, where people will adopt waste segregation at household level. This will reduce the burden of Pokhara's waste dumping site. Most importantly, KOICA shall establish GVZ, which be one of the state of art centers for understanding recycle, upcycle, innovation and startups. The GVZ will also have outlets for final products made out of recycled and upcycled materials and exhibition halls to host national and international events related to environmental sector.

Korean government's aid through KOICA has been increasing continuously in Nepal since last many years as Nepal is one of the priority countries for KOICA. Over the years not only KOICA's aid budget has been increasing in Nepal but also the sectors have expanded. In recent years, KOICA has focused on rural development/agriculture sector and environmental sector. KOICA have identified various projects in various parts of Nepal to support the regional development of Nepal. In last two decades KOICA have successfully implemented various projects in health, technical education, e-governance and rural development sectors in Nepal.

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Nepal And Bangladesh To Sign Power Trade Agreement Soon: Minister Basnet

Minister for Energy, Water Resources and Irrigation Shakti Bahadur Basnet has said that the power trade agreement with Bangladesh will be signed soon. Speaking to journalists in Bharatpur recently, Minister Basnet clarified that the agreement will be formally announced this year.

"There are some tasks that need to be formalized and that too has reached the final stage. After the agreement, it will be implemented," said Minister Basnet.

He said Nepal will become self-sufficient in electricity during both the dry and rainy seasons. "We will become completely independent and all problems will be solved," he said.



NEWSNOTES

Minister Basnet claims that the situation of excess power production in the rainy season and insufficient supply in the dry season will soon be resolved. According to him, work is underway to organize the distribution system by increasing production.

By increasing the electrification from only 50% of the areas to 98% of the areas, he claimed that the current problems will be solved soon.

He said, "In the next dry season, the problems we



see now will be solved. The government is working to organize the production, transmission and distribution system of the energy sector with an integrated plan.

Along with this, Minister Basnet said that

they have moved forward with an integrated plan by including the issue of power trading in an accessible manner. He said, "We are working on policy and legal reforms to make everyone more effective.

Inspector Umesh Gurung Of Nepal Police To Join French Policy Academy For One Training

For the first time, an officer from the Nepal Police, Inspector Umesh Gurung, will be joining the France's National Police College (École Nationale Supérieure de la Police or ENSP) located in Saint-Cyr-au-Mont-d'Or, near Lyon, for a one-year training course of Police Commissioner.

According to a press release issued by Embassy of France, Commissioners of Police in France are entrusted with the highest management and executive responsibilities within the French National Police. Inspector Umesh Gurung had been nominated by the Nepal Police and the Ministry of Home Affairs, and his nomination was approved by a French multi-institutional commission.

As part of the scholarship, his training and travel will be covered by the French Government and Gurung will also



receive a monthly stipend to help cover his expenses throughout the duration of the training. He was also received and felicitated by the Chargé d'Affaire a.i. Ms. Leela Devaradjalou before his departure to France.

This program is dedicated to enable foreign police officers already trained in their home country to further

gain more knowledge and develop their international profile, strengthening and perpetuating exchanges between two countries, and, for some of them, leading them to positions of greater responsibility or with an international focus. This training course is part of a continuous cooperation between Nepali and French law enforcement authorities.

Japanese Lawmakers call on President Paudel

Two lawmakers of the upper house of the parliament of Japan paid a courtesy call on President Ram Chandra Paudel at the Office of the President.

The Japanese Members of Parliament- Kobayashi Kajuhiko and Nagai Manbu- held a meeting with the President. The two are also members of the Nepal-Japan Parliamentary Friendship Group, it is stated.

On the occasion, President Paudel said that Nepal

and Japan have very close and

cordial relations, stated a press

note issued by Shailaja Regmi

Bhattacharai,

spokesperson at the Office of the President.



The President also expressed gratitude for the consistent cooperation provided by the Government of Japan for the promotion and strengthening of democracy in Nepal.

President Ram Chandra Paudel Meets UN Resident Coordinator Hanaa Singer-Hamdy

President Ram Chandra Paudel met the United Nations Resident Coordinator in Nepal Ms. Hanaa Singer-Hamdy at the Office of the President.

The President and the UN Resident Coordinator discussed long-standing history of collaboration, the Peace Keeping Operations, and the road ahead to meet the Sustainable Development Goals by 2030.

In

addition, they

also discussed

Nepal's leadership in LDC

Graduation; progress on

SDGs and the need to accelerate it, and

UN's five-year plan to support the Government of Nepal

in inclusive economic growth, social development; disaster

risk reduction and climate change adaptation. The UN Resident Coordinator highlighted the upcoming SDGs summit and the Education Summit in September in New York and the po-



tential for Nepal to offer a model of how education can help consolidate a peace process.

The UN Resident Coordinator Hanaa Singer-Hamdy reiterated UN’s commitment to collaborate with the government to strengthen the Nepal’s social sector, the importance of building resilient communities to better prepare for crisis and improve coordination among all the stakeholders.

Concluding the meeting, Honorable President assured the Government of Nepal’s commitment to work with the UN agencies on core issues of mutual importance.

Japan Hands Over The Medical Equipment To Sushma Koirala Memorial Hospital

The handover ceremony of the medical equipment supported by the Government of Japan to Sushma Koirala Memorial Hospital (SKMH) in Shankharapur Municipality, Kathmandu District was held .

KIKUTA Yutaka, Ambassador of Japan to Nepal, attended the ceremony. Under the Grant Assistance for Grassroots Human Security Projects (GGP) of the Government of



Japan, the project to install medical equipment for severe burn patients at SKMH was supported with USD 90,550 (approximately NPR 10 million).

This project provided two ventilators and an autologous skin graft expander for skin graft surgery, which were installed in the ICU and the operating room of the hospital. On this occasion, Ambassador Kikuta congratulated and expressed his appreciation for the efforts of all those involved in the project.

He emphasized that the project has been a great help for the patients since it is important for severe burns to give immediate and specialized treatment to prevent complications. He also expressed his hope that the development of SKMH’s medical services and the well-being of patients, their families, and communities would be significantly improved through the project.

Nepal’s Development Partners And Nepal Government Formalize School Education Sector Plan

The Government of Nepal and eight development partners finalized the signing of a joint financing arrangement for the implementation of School Education Sector Plan (SESP) that seeks to support Nepal’s long-term goal of ensuring inclusive access to quality education for all children. The arrangement encompasses a combined US\$780 million in pooled-budget support development assistance.

The SESP, developed under the leadership of the Ministry of Education, Science and Technology (MoEST), is based on a comprehensive education sector analysis that involved extensive

consultations with implementors, stakeholders and beneficiaries.

The SESP covers the entire school education sector in the country from pre-primary to grade 12, including non-formal education and alternative pathways for children and youth. It is slated for completion in 2032, extending the trajectory of the education sector beyond the 2030 Sustainable Development Goal (SDG) timeline.

The strategic plan extends over a 10-year period, with funding requirements of approximately NPR 955 billion (US\$7.2 billion) for the initial five years. The Government is projected to provide NPR 833 billion (US\$6.3 billion), leaving a funding gap of around US\$900 million.

The eight Joint Financing Partners – the Asian Development Bank, European Union, Finland, Global Partnership for Education, Norway, UNICEF, USAID and the World Bank – have committed a combined US\$780 million budget support over the next five years.



Japan Assists the Construction of Water Supply Facility

The handover ceremony of the water supply facilities under “Project for Improving Water Access and Agriculture Income” was held today at Balefi Rural Municipality, Sindhupalchok District. Ambassador of Japan to Nepal Kikuta Yutaka as the chief guest of the program.

Developing access to a stable water supply is a challenging task in Nepal. As a part of the project supported by the Government of Japan under the Grant Assistance for Japanese NGO Projects schemes, the Peace Winds Japan, a Japanese NGO, has been implementing the project since 2020, constructing water supply facilities in Sindhupalchowk District.

The project aims not only to improve access to water for daily needs, but also to provide support for agriculture, making it possible to develop various vegetable farming.

Agricultural materials have been provided to three areas of Sindhupalchowk including Balefi Rural Municipality.

The project has also provided training for the local people so that the water supply facilities can be operated and managed by them after the completion of the project. On this occasion, Ambassador Kikuta congratulated and thanked all those involved in the construction of the water supply facilities for their efforts.



BUSINESS BRIEF

American Senator Hollen Discusses With Nepalis Businessmen On Trade And Investment Issue

American Senator Chris Van Hollen has highlighted Nepal as a promising country for investment.

Speaking at an interaction programme organized by the American Chamber of Commerce (AmCham) Nepal in Kathmandu the other day, he expressed his commitment to inspire American investors to explore investment opportunities within Nepal.

During the event, Senator Hollen discussed the potential for investments in various sectors in Nepal, including energy, technology, and tourism, in recent times.

He also emphasized the role that AmCham could play in coordinating between Nepal and American investors, citing the long-standing and deep ties between the two nations.

As part of the international programme, AmCham had presented brief videos on energy, technology, and tourism in Nepal based on their priorities.

Senator Hollen acknowledged the significant potential in these sectors within Nepal, highlighting the proactive efforts of the Millennium Challenge Account Nepal in the energy sector. He mentioned that the United States had been supportive not only in the energy sector but also in various other areas in Nepal.

Furthermore, he praised Nepal's investment-friendly ecosystem and highlighted the ease of doing business in the country. He noted the efforts made by AmCham in promoting effective coordination among American investors.



Speaking on the occasion, US Ambassador to Nepal Dean Thompson expressed his delight in AmCham's effective coordination with American investors in Nepal.

The programme featured presentations by various

American entrepreneurs and businesses, showcasing their investments in Nepal. These included a presentation by Rishi Chopra on Soaltee Hotel, Motilal Dugar on Megha Energy Company, and Hemamal Shrestha on Parakosma Software.

During the programme, Ajit Shah, the President of AmCham, mentioned the vast untapped potential in energy, technology, and tourism sectors in Nepal and emphasized the importance of American investments in these areas.

NRB And IFC Joins Hands To Strengthen Nepal's Fintech Ecosystem

The Nepal Rastra Bank (NRB) and International Finance Corporation (IFC) have just formalized an agreement to bolster the financial technology (fintech) ecosystem in Nepal through increased uptake of electronic payments and enhanced innovation in digital financial services.

The partnership – which falls under NRB and IFC's Nepal Digital Financial Services Project – will support in strengthening reforms in the fintech ecosystem over the next three years by working closely with NRB and fintech market participants.

Nepal's fintech industry is in its nascent stages; as of February 2022, there were only 70 registered fintech firms.

"We are committed to supporting a strong fintech ecosystem to stimulate investments within the sector," said Babacar S. Faye, Country Representative for IFC in Nepal. "This initiative is aligned with Nepal's development priorities, which focus on addressing critical developmental gaps, including financial inclusion, through a combination of investment and advisory initiatives."

IFC's Nepal Financial Inclusion Report 2023 highlighted that 90% of Nepal's 30 million strong population used formal financial services, but as indicated in the Global Findex Report 2021, only 29% were actively engaged in digital payments, trailing behind the 34% average for South Asia. However, with a mobile penetration rate of 94%, as reported by IFC's A2F 2021/22 survey, the country holds ample potential for the digital uptake of financial products and services.



Nepal And Bangladesh Need To Explore IT Sector: Ambassador Bhandari

Nepalese Ambassador to Bangladesh Ghanshyam Bhandari highlighted the contribution of IT sector to the economic development of Nepal and stressed the need for enhanced collaboration between Nepal and Bangladesh in the area of information technology.

In an program organized by the Embassy on "Strengthening Nepal-Bangladesh Tech Relations" in collaboration with the Nepal Association for Software and IT Services Companies (NAS -IT) and Genese Solution this afternoon at the Embassy's premises, ambassador Bhandari underlined the need to leverage each other's strengths and expertise for a shared goal of growth and innovation.

Organized with an aim to promoting dialogues and networks among IT professionals and entrepreneurs, the event focused on enhancing cooperation and partnership in the IT sector between Nepal and Bangladesh. The deliberations covered a range of matters of mutual interest, including government initiatives, best practices and sharing of skills and networks.

Speaking on the occasion, The Chief Guest of the event Secretary of ICT Division of Bangladesh Md. Shamsul Arefin shared the initiatives and policies of the Government of Bangladesh and stressed the need to further deepen bilateral partnership in technological cooperation.



Nepal Has Failed To Fully Capitalized On Export Opportunities Within Its Neighborhood: SAWTEE Study

Despite tremendous potential, Nepal has failed to fully capitalize on its export opportunities within its immediate neighborhood due to its limitations in production capacity and supply-side issues as well as various tariff, non-tariff and para-tariff barriers imposed by the destination countries.

Experts emphasized the need to address these challenges in order to boost regional trade—be it merchandize, service or electricity—during a discussion held today by South Asia Watch on Trade, Economics and Environment (SAWTEE). The discussion programme titled “Nepal’s regional trade: Prospects and challenges” was part of the seminar on Small State Capabilities: Navigating Competition and Foreign Policy Priorities in Nepal, led by the Asia Foundation (TAF).

The deliberation mostly concentrated on Nepal’s trade with Bangladesh and India and the prospects of diversifying existing merchandise trade into electricity trade as well. Nepal’s heavy reliance on India for its exports and trade is evident, while its trade activities with countries beyond India remain lackluster. A study conducted by SAWTEE on Nepal-Bangladesh trade has found that Nepal’s exports to Bangladesh have mainly centered on agricultural products, with lentils making up approximately 90 percent of exports over the past five years.

As Nepal moves closer to graduating from the Least Developed Country (LDC) status, it becomes crucial to explore alternative markets to mitigate the impact of tariff increment in some of its major trade destinations. In this context, there exists substantial potential to strengthen bilateral trade ties with Bangladesh, Mr. Kshitiz Dahal, Senior Research Officer, and SAWTEE, pointed out during his presentation.

He argued that while non-tariff barriers do exist, it is the tariff/para-tariff barriers that constrain Nepal’s export to Bangladesh. Mr. Dahal, the author of the report, said that a Preferential Trade Agreement (PTA) could remove this constraint but there are various challenges to successfully conducting a PTA.

Startup Policy Should Be Announced And Implemented: Chandra Prasad Dhakal

Chandra Prasad Dhakal, President of the FNCCI, informed that this is a campaign to promote entrepreneurship and startup businesses. “Startup policy should be announced and implemented soon as it would define the startups because lack of clear identification of startups has hindered the execution of the startups-friendly policy announced by the government,” he said.

Addressing the two day conference ‘Nepal Startup Nation 2030’ – two-day conference, Dhakal said public-private partnership in arranging capital and policy for startups and develop startup ecosystem would be more impactful.

Organized by the Ministry of Industries, Commerce and Supplies (MoICS), the FNCCI, University Grants Commission (UGC), PUM Netherlands, ICIMOD and Antarprerana Pvt. Ltd, the

two day conference aim to promote start up in Nepal.

“We believe that the startups would utilize domestic resources and raw materials and create employment for local people that will help local as well as the national economy,” said Dhakal

Addressing the conference, Minister for Industry, Commerce and Supplies, Ramesh Rijal, said that he expected stronger collaborations with the private sector and other concerned organizations in promoting startups.

Likewise, Pim De Bokx, PUM Programme Manager of PUM Netherlands, suggested backing the people who are struggling to become an entrepreneur. “Make plan and take action. Only planning doesn’t work,” he said.

Similarly, Izabella Koziell, Deputy Director General of ICIMOD, said that if right policy framework and resources are in place, startups can do wonders. However, she suggested the businesses not just to earn profit but also think about the planet. According to Juna Mathema, Chairperson of Startup and Innovation Forum at the FNCCI, there is urgency to ignite the spirit of innovation and entrepreneurship.

Nepal’s Public Debt Has Accelerated Recently

Over-ambitious growth and development plans, a surge in public expenditure in the wake of federalism, growing social security expenditure and changing landscape of official development assistance have accelerated Nepal’s public borrowing in the last few years. Although the present volume of debt does not signal immediate distress, the exponential growth in borrowing despite its limited effectiveness in building productive call for a cautious approach to prevent falling off the debt cliff, a latest study suggests.

The findings of the report was discussed at a programme titled “Assessment of Nepal’s public debt, and experiences of Pakistan and Sri Lanka”, organized by South Asia Watch on Trade, Economics and Environment (SAWTEE) during the seminar on Small State Capabilities: Navigating Competition and Foreign Policy Priorities in Nepal, led by the Asia Foundation (TAF) to initiate a discussion in the realm of Nepal’s public debt and assess whether Nepal is veering towards an unsustainable path of debt accumulation.

Though the concessionary nature of Nepal’s external debt indicates a low level of debt distress, the steady rise of government debt from a low of about 25 percent of GDP in FY 2014/15 to 41.5 percent of GDP in FY 2021/22 and structural shifts pose a risk pushing Nepal down the path of rapid debt accumulation, finds the SAWTEE study.



Urgent Call To Action: Navigating LDC Graduation And Climate Challenges At COP 28



BY: ARUPRAJOURIA

Least Developed Countries (LDCs) face significant challenges in achieving sustainable development. Graduating from LDC status is a milestone, but it also comes with costs and impacts, especially regarding climate change. Graduating from the status of Least Developed Countries (LDCs) symbolizes progress towards this goal. As we approach COP 28, it becomes essential to factor in the implications of LDC graduation and the urgent need for sustainable support for these nations.

LDC graduation serves as an indicator of a country's economic development, involving a meticulous evaluation process. Criteria include Gross National Income (GNI) per capita, Human Assets Index (HAI), and Economic Vulnerability Index (EVI). To be eligible for graduation, a country must meet two of the three criteria consistently throughout two consecutive triennial reviews by the United Nations Committee for Development Policy (CDP).

LDCs, despite contributing minimally to climate change, bear the brunt of its devastating consequences due to their vulnerability. Graduation further exacerbates this vulnerability by curbing access to vital international support measures imperative for climate change adaptation and mitigation. When LDCs graduate, they lose access to some of this support, such as the Least Developed Countries Fund (LDCF) and preferential market access arrangements. This can make it more difficult for them to build climate-resilient infrastructure and protect their populations from the impacts of climate change.

The United Nations Conference on Trade and Development (UNCTAD) highlights a potent implication of LDC graduation on global climate change response. LDCs stand as an example by which history will judge the world's response to this pressing crisis. Hence, graduation inadvertently signals to the international community that these countries no longer require special treatment, potentially diminishing the urgency of coordinated action against climate change. This must serve as a wake-up call for the international community.

Bhutan is poised to achieve a milestone by transitioning from the ranks of Least Developed Countries (LDCs) to a middle-income country. United Nation's Un-

der Secretary General Rabab Fatima recently stated that "Several forms of LDC-specific support will cease after graduation. The world is already grappling with multiple, overlapping crises, which will also impact Bhutan after graduation". However, this remarkable progression is mirrored by the trajectory of six additional countries in the pipeline, projected to graduate within the next four years or by 2026, with five in Asia and two in Africa. Amidst these triumphs, the undercurrent of human-induced climate change continues to cast a shadow over their collective development endeavors.

LDC graduation is a rigorous evaluation process that considers a country's Gross National Income (GNI) per capita, Human Assets Index (HAI), and Economic Vulnerability Index (EVI). Countries that meet two of these criteria consecutively for two triennial reviews are eligible to graduate. As Nepal approaches graduation in 2026, it is crucial to examine the consequences related to climate change.

The imminent graduation of Nepal from its Least Developed Country (LDC) status serves as a prime example. Nepal, being a profoundly susceptible nation currently witnessing the repercussions of human induced climate change, faces an added challenge upon its transition out of the LDC status. This transition will heighten the intricacies of adapting to these climate shifts and mitigating their consequences.

Nepal faces the compounded challenge of heightened vulnerability to adverse conditions driven by human-induced climate change due to its geographical location in the Himalayan landscape. This susceptibility is further compounded by the looming potential of transitioning from the Least Developed Country (LDC) status, which could disrupt essential support mechanisms required for effective adaptation. Adding to this vulnerability is Nepal's unique geography, which makes it highly susceptible to the impacts of climate change. The nation is extremely exposed to a range of natural hazards including floods, landslides, and droughts, with climate change exacerbating these risks and imperiling crucial sectors such as agriculture, water resources, hydroelectric projects, and ecosystems. Consequently, the potential loss of access to international support

measures, vital for both climate change adaptation and mitigation, further intensifies Nepal's overall vulnerability.

Nepal, as an LDC, has benefited from critical international support that have strengthened its efforts towards climate change adaptation and mitigation. However, the graduation process implies the loss of these vital sources, presenting tough economic challenges. For Nepal, the potential consequences are significant. The loss of preferential market access, debt relief, and official development assistance (ODA) will impact its ability to sustainably address human induced climate change.

As Nepal, an exceptionally vulnerable nation characterized by low income levels, weak infrastructures and economic fragility, embarks on the path of LDC graduation, the stakes are high. While commendable strides have been made towards sustainable development, the forthcoming process of graduation unveils significant costs and impacts. In light of this, the urgency to address Nepal's distinctive predicament becomes even more distinct as the global community converges at COP 28.

The country, situated in the fragile Himalayan region, is exceptionally vulnerable to the impacts of climate change. Graduating from LDC status intensifies this susceptibility, Nepal may lose access to international support measures crucial for climate change adaptation. Funding schemes like the Least Developed Countries Fund (LDCF) have supported Nepal in implementing climate-resilient infrastructure projects and enhancing disaster preparedness systems. The loss of such funding could hinder the country's ability to protect itself against the adverse effects of human induced climate change.

Furthermore, Nepal's LDC graduation could affect its ability to export climate-friendly goods and services. The termination of preferential market access schemes may hinder the growth of Nepal's climate-friendly industries, preventing it from realizing its full potential in contributing to global climate change mitigation efforts.

The world needs to come together to find solutions that will help LDCs continue to address climate

change even after they graduate from the LDC category, with a particular focus on gender-specific impact of LDC graduation.

It is essential to prioritize the needs of women and girls in LDCs and ensure that they receive the necessary support to continue their efforts in combating climate change. COP 28 provides an opportunity to address the specific challenges faced by women in LDCs in the context of climate change. The world must take urgent action to address the gendered impact of LDC graduation on climate change.

As Nepal journeys towards LDC graduation, COP 28 provides a crucial opportunity for global leaders to address the specific challenges faced by Nepal and other LDCs that are graduating. It is imperative for the international community to recognize the unique vulnerability of Nepal

and other LDCs, and extend continued support for their climate change adaptation and mitigation efforts. This support must include financial resources, technological assistance, and capacity-building initiatives tailored to Nepal's post-graduation needs. COP 28 should be a forum where nations unite to ensure the continuity of Nepal's momentum towards sustainable development and



resilience is maintained.

In conclusion, Nepal's upcoming graduation from LDC status presents both opportunities and challenges, especially regarding climate change. The international community must act now to provide Nepal with the necessary support to build back better and become more resilient to address the impacts of human induced climate change. Prioritizing the needs of women and vulnerable groups in Nepal is also crucial. At COP 28, let us work together to ensure that Nepal and other LDCs can create a more resilient, sustainable and an equitable future for us all.

Rajouria is a former Member Secretary of NTNC. He also worked for UNDP, UN-Habitat, UNEP and USAID. He completed MPA from Kennedy School of Government, Harvard University, and Climate Change & Public Policy Issues. Chairman, Climate & Co-Existence, and is also on the Board of like minded organizations.

Nepal And India Will Soon Sign A Final Power Deal: Secretary Ghimire

DINESH KUMAR GHIMIRE, Secretary, Ministry of Energy, Water Resources, and Irrigation, has worked at the Ministry in various capacities for almost three decades. Secretary Ghimire also heads the Ministry of Energy as Nepal embarks on a clean and green energy transition in order to meet the country's Nationally Determined Contribution (NDC) of zero emissions by 20245. As COP 28 UAE approaches, the discussion of clean energy challenges is taking precedence. Secretary Ghimire, a soft-spoken man with vast understanding of Nepal's energy difficulties, spoke to KESHAB POUDEL about a variety of topics. Excerpts:

Although you signed the initial Nepal-India power deal in the presence of both Prime Ministers three months ago, the Indian Cabinet has yet to approve the final signing. The delay in signing the agreement has raised concerns among Nepalis. What do you think?

There is no reason to doubt the final agreement, as long-term trade agreements often take several months to finalize. Now that both Prime Ministers have openly declared it, there is no reason to dispute the agreement. I am confident that Nepal and India will soon sign the deal.

What justifies your high expectations and level of confidence?

First, after extensive discussions and years of negotiations, two secretaries of energy signed the agreement. Most importantly, the commitment to the deal has been publicly announced by both the Prime Ministers of India and Nepal. This historic agreement was reached by both nations in the interests of their respective people.

How often do you communicate with your counterpart regarding the issue? How do they typically respond?

The Power Secretary of India and I have been regularly communicating, and they've voiced their support for the agreement. Cabinet approval will take some time due to the technical complexity of the matter. Although the process is taking some time, the issues with Nepal have been resolved, and now the Indians are reviewing particular implementation details, such as how the agreement will pro-

gress as a routine part of the process. The approval of the energy deal is expected to proceed smoothly provided that all hitches are sorted out before finalization. Both Indian and Nepalese leaders have indicated their desire to finalize the agreement that was initiated by the energy secretary.

What does the process of finalizing the agreement involve?

This is a 25-year deal with a goal of exporting 10,000 MW in 10 years time frame. Based on the progress within that time frame, the Joint Steering Committee (JSC) co-chaired by the two energy secretaries will be setting subsequent targets for the remaining period of the agreement. The Indian Power Secretary and I have maintained regular communication, with him providing continual updates on the situation. The pact will be signed after following all appropriate procedures. Even though the deal is already in the Indian cabinet, some details need clarification. The final agreement will be signed shortly in Kathmandu.

What is the reason for the delay then?

Due to the lengthy duration of the contract, the other party must examine every detail thoroughly. Delay is to be anticipated as specific terms are necessary. Furthermore, it is in our best interest to avoid obstacles during implementation for future success. Waiting a few more months will not be detrimental. As the energy minister, I hold a constructive stance on fully explaining the agreement before signing. There will be no more waiting. We'll sign the final document to establish a formal program and



extend an invitation to the Indian electricity secretary to visit Nepal.

The Ministry of Energy, Water, and Irrigation has been unable to obtain a proper position in the discussions despite being a significant UNFCCC stakeholder. How will the Ministry's involvement be noticed at the COP 28 given that several crucial topics pertaining to water and energy will be covered?

The Ministry will participate in COP 28 in a very active manner. We have been arguing that Nepal should be the main nation in the transition to sustainable energy since we got back from attending COP 27. We have been speaking out about this problem.

What's the rationale for this?

Numerous evidences supports our claim. At COP 28 in the UAE, we will advocate for the establishment of a Clean Energy Transition Fund via the LDC group. COP 27's main topic was the Loss and Damage Fund. Given the current energy crisis, LDC countries like Nepal must establish a sustainable energy transition fund before implementing a sustainable energy policy. If such a fund is created, Nepal

will be eligible to receive funds from it.

Why does Nepal need to raise such an agenda through LDC?

Nepal is a prime source of clean energy due to hydropower's generation of 100% of the country's energy. Developing large-scale storage hydropower projects is capital-intensive, hence Nepal needs support in this area. Establishing a Clean Energy Transition Fund will hugely benefit Nepal.

Since Nepal already has surplus energy, why do you need large storage projects?

Of course, Nepal already has plenty of renewable energy that will last for many years. However, we intend to construct the reservoir project to deliver clean hydropower to both India and Bangladesh. Nepal will be eligible for resources from such a fund because it is an LDC with a negligible contribution to carbon emissions. Because the nations in our region emit massive amounts of carbon, Nepal has fantastic potential to develop clean hydropower and reduce emissions. We require the assistance of our development partners.

INTERVIEW

How do you see the possibility of mobilizing the various green funds that already exist?

As Nepal expands its green hydropower infrastructure and boosts generation, transmission and distribution systems must keep pace. This will require significant financial resources. To accomplish this, development partners such as the World Bank Green and Climate Fund and the Asian Development Bank need to prioritize Nepal. Construction of national and international transmission lines is essential. As a result, Nepal requires financial assistance. Nepal is currently transitioning to a zero-emissions energy system. However, Nepal can significantly contribute by providing clean energy to the area and lowering emissions. By exchanging electricity across borders, Nepal can help lower our neighbors' emissions. Thus, Nepal could become a country that not only decreases emissions locally and regionally but also contributes globally. To achieve this, Nepal should offer a renewable energy transition fund through the LDC group.



In the last four years of your tenure as the Energy Secretary, Nepal has moved towards an energy transition from reducing fossil fuels to increasing the use of clean energy. How do you define transition?

We must maintain our current momentum towards renewable energy. Four years ago, Nepal was an energy-deficient country, but now we have a surplus of electricity. The widespread adoption of electricity in cooking, transportation, and other industries is reducing Nepal's dependence on petroleum products, which is a significant transformation. However, there will be various challenges to overcome. We have decreased our power outages by completely eliminating load shedding. Reliable and high-quality power sources are currently in high demand. Consumers expect power that is more dependable and of high

What are the challenges now?

Of course, we have surplus capacity. It's time for us to enhance the reliability and quality of our supply. We need to invest more in smart grids, transmission, distribution, and automation. We've

already started talks with our development partners. Additionally, we need to keep expanding our generation capacity. Our impressive 43,000 MW generation capacity will significantly aid in fulfilling the clean energy requirements of India and Bangladesh. Because climate change is a worldwide issue, we need to think beyond our own country and consider the entire world. Therefore, the group of Least Developed Countries (LDCs) and developing nations will be involved in our efforts. This means we will be helping our neighbors achieve their objectives. In addition, we should request funds from the region through carbon trading. Currently, carbon trading is only feasible at small and micro-hydro levels. Nepal requested that India consider compensating for the carbon footprint resulting from Nepal's use of clean energy during a recent conference between secretaries.

The ministry is also taking up the issue of carbon trading in parallel.

Yes, this is a critical issue for Nepal as an LDC. By supplying renewable energy, we help other countries reduce their emissions. Nepal should be honored for its efforts.

What will the future energy scenario be?

The Ministry will continue to accelerate Nepal's shift from a deficit to a surplus nation. We are presently crafting a 10-year strategy through 2035, focusing on boosting generation, transmission, and distribution while accounting for power trading. This approach will further aid Nepal's clean energy initiative. Additionally, we are exploring reopening the PPA, which has been dormant for quite some time. This is essential to boost output. We will soon open the PPA to sign additional projects. We are expanding our reach to both domestic and regional markets. Bhutan has previously announced its intention to purchase 9000 MW of power from Nepal and India intends to import huge amount of hydropower from Nepal and Bhutan in order to meet its 500 Giggawatt target by 2030 as her available hydro potential is not enough and Solar and wind power has already been over generated deteriorating system stability.

NEPAL'S ENERGY TRANSITION Gaps In The Pathway

Thanks to the policy of the Ministry of Energy, Water Resources, and Irrigation and the efforts of the Nepal Electricity Authority (NEA), Nepal has made impressive progress in generating, transmitting, and distributing hydropower throughout the country. Though frequent but brief power outages continue to be a concern for those considering a shift to electric transportation, household cooking, and industry, recent trends in increasing electricity consumption and decreasing imports of petroleum products demonstrate that Nepal is making progress in transitioning from dirty fossil fuels to clean hydropower. Despite ongoing economic and geopolitical crises, the energy transition is accelerating but it remains too sluggish to meet the NDC targets

By KESHAB POUDEL

The latest report from the Department of Customs shows the Nepal's import of petroleum products, including LPG, has decreased by over Rs.4 billion in the first month (July 17 - August 17) of the current fiscal year. This isn't a new development, as Nepal's import of petroleum products has been declining since last year due to surplus power generation.

The number of households using electric stove tops has significantly increased since NEA began supplying reliable and high-quality electricity, though they have not yet to address the tipping issue.

Furthermore, industries have ceased burning diesel to generate power and the import of electric vehicles, including microbuses, exceeded 10,000 last year.

As the total generation capacity has now reached 2,822 MW due to the commissioning of new projects with a capacity of 491 MW until August 17th, the decrease in the importation of increasingly costly petroleum

products appears to be expected, petroleum products worth Rs. 21.98 billion have been imported this year, as opposed to the Rs. 25 billion imported in reports in July last year, according to NOC.

Energy Transition

Energy transition refers to the energy sector's shift from fossil-based systems of energy production and consumption - including oil, natural gas, and coal - to renewable energy sources such as hydropower, wind, solar, and lithium-ion batteries.

The increasing penetration of hydropower in the energy supply mix, the onset of electrification, and improvements in energy storage are key drivers of the energy transition.

Minister for Energy, Water Resources and Irrigation Shakti Bahadur Basnet has said that the government will further enhance the process of transition, encouraging more investment in the hydropower sector.

He said that Nepal will become self-sufficient in electricity during both the dry and rainy seasons in the next few years, that all the prob-

lems will be resolved."

Minister Basnet claims that the situation of excess power production in the rainy season and insufficient supply in the dry season will soon be resolved.

He said that the problems that Nepal is facing now will be solved from the next dry season, as the government is working to strengthen and expand the generation, transmission and distribution system of the energy sector with an integrated plan."

Nepal's case

Nepal's dependence on imported fossil fuels, including diesel, petrol, and liquefied petroleum gas (LPG), has declined significantly since NEA began providing consistent and reliable electricity.

This trend marks the first decline in fossil fuel imports in the country in the past thirty years. The increase in fossil fuel imports had put immense pressure on Nepal's foreign exchange reserves and overall trade deficit.

Nepal had started generating



the surplus electricity after the completion of the 456 MW Upper Tamakoshi Hydropower Project in August 2021 as Nepal's transition. The situation was further aggravated by the Russian invasion of Ukraine and the subsequent rise in world market prices.

As a result, consumers in Nepal were forced to reassess their energy options. In response, the government introduced plans to promote domestic surplus energy for local consumption.

Under the current scenario, the share of hydropower in the energy mix will increase, but it may fall well short of the levels needed to meet global warming targets. The share of oil and LPG is declining, but not fast enough.

The challenge is how to bridge the gap while ensuring a just and smooth transition that maintains the security, reliability, and affordability of energy for all.

In the midst of the global energy crisis, which has seen fossil fuel prices soar from \$70 to \$180 per barrel, Nepal was faced with the need to develop its own hydropower resources

to manage foreign exchange reserves.

According to Prof. Dr. Amrit Man Nakarmi, Nepal's energy resources expert who teaches at Nepal Engineering College, the current surplus of hydropower generation is a great boon in achieving net zero emissions by 2045.

"The development of hydropower and other renewable energy in the country is critical for decarbonizing the national energy systems. The

expansion and strengthening of transmission and distribution systems in the country, as well as cross-border infrastructure, are promoting the use of electric cookstoves, electric vehicles and other electric appliances, as well as electrification in the industrial and transport sectors," said Professor Nakarmi.

Shifting power

Over the past year, Nepal has witnessed a significant shift towards





the dry season was disappointing for everyone. For example, NEA's hydro-power plants generated 2,930 GWh of electricity in the year, which is a 10.10% decrease from the highest recorded annual energy of 3,259 GWh in FY 2021/22. The reduction was mainly due to unexpectedly low river discharge during the dry season.

The energy purchased from Independent Power Producers (IPPs) and NEA's subsidiaries increased by 19.41% and 25.91%, respectively, reaching 5,118 GWh and 2,488 GWh, compared to 4,286 GWh and 1,976 GWh in FY 2021/22. The amount of energy imported from India in fiscal year 2022/23 was 1,833 GWh, representing an 18.79% increase compared to 1,534 GWh in fiscal year 2021/22.

The total energy available in the system has also increased by 11.80% to 12,369 GWh in fiscal year 2022/23, up from 11,064 GWh in fiscal year 2021/22.

Out of the total available energy, NEA and its subsidiaries contributed 43.80%, while imports from India and purchases from domestic independent power producers accounted for 14.82% and 41.38% respectively. The contribution of domestic generation to the total available energy has remained approximately the same with a slight decrease from 86% in FY 2021/22 to 85.18% in FY 2022/23.

"Per capita electricity consumption has increased from about 235 to 380 units." "Within the last two years, we have allowed 800 MVA

electric vehicles with the import of more than 10,000 electric vehicles and the establishment of more than 30 charging stations by NEA.

This surge in electric vehicle adoption has led to increased demand for electricity, which NEA has met by expanding the transmission and distribution networks, which now cover approximately 95% of the population.

According to the Department of Customs, imports of petroleum products decreased significantly compared to the previous fiscal year.

Diesel imports have decreased by 346,439 kiloliters, and gasoline imports have decreased by 57,729 kiloliters. LP gas imports have also decreased by 21,524,647 kilograms in last fiscal year.

This reduction in fossil fuel imports has resulted in significant savings in foreign currency and customs duties for the government. However, the decline in custom duty revenue is offset by the increasing adoption of electric vehicles and electric cooking, promoting the utilization of green energy sources.

"The number of consumers has been gradually increasing over the years. In the FY 2022/23, it has reached 5.14 million, which is a 7.76% increase compared to 4.77 mil-

lion in the previous year." The number provided excludes consumers served by Community Rural Electrification, which currently serves approximately 0.51 million consumers throughout the country. Like in previous years, the largest consumer sector was domestic, representing 92.32% of the total. Industrial and other consumers made up 1.31% and 6.37%, respectively," said Kul Man Ghising, NEA's managing director. He said that the total population with access to grid-connected electricity has reached 95.03% in FY 2022/23. (see interview)

Energy Scenario:

Although Nepal's energy generation has been increasing annually, this year's generation during



COVERSTORY

of industrial power load,” stated MD Ghising. “In November 2021, Nepal began exporting 39 MW of electricity to India, and we currently export over 450 MW of electricity.” MD Ghising also

shared that the total generation capacity has now reached 2822 MW with the commissioning of new projects that have a combined capacity of 491 MW. (See Interview)

Sales of Electric Stoves

For the first time, there has been a significant increase in the import of electric stoves. As per the annual report of Nepal Custom Department, Nepal has imported 200,000 units of electric stoves, as reported by an online news portal.

This is over a 200 percent increase compared to 2076/077. In the fiscal year 2076/77, Nepal imported only 10,435 induction stoves. However, after three financial years, the annual import of electric stoves in Nepal has surpassed 200,000 units.

In the fiscal year 2079/80, Nepal imported 204,393 electric stoves with a total cost of 452 million rupees. This includes 130,745 induction stoves and 73,648 infrared stoves.

With the reliable and uninterrupted supply of electricity, more and more people are opting for electric ovens. According to the Federation of Nepal Electricians, every household has an electric stove as an alternative, even if they already have a gas stove.

In recent years, the number of imported electric ovens has surged from around 1,000 per year to 100,000.

From small restaurants to

home kitchens and even star hotels, induction and infrared stoves are becoming increasingly popular alternatives. Due to the growing popularity of electric stoves and cooking gas, businessmen report increased demand for their import and sale.

Energy expert Dr. Jaganath Shrestha suggests that the government should encourage Nepali citizens to switch to electric stoves as they are less expensive than LPG and can help save foreign currency. According to him, the use of electricity is in the country’s best interest.

Shrestha stated that there should be a supply of quality and uninterrupted electricity during cooking. Through a partnership between the government and private sector, a quality standard for Induction and Infrad has been established and is currently awaiting cabinet approval.

These advancements indicate Nepal’s praiseworthy shift from fossil fuel-based energy to cleaner options. The recent progress in energy reduction is an encouraging initial step that aligns with Nepal’s commitment to achieving zero emissions by 2045 via its Nationally Determined Contribution (NDC). Additionally, it is part of the Sustainable Development Goals (SDGs) to reduce LPG consumption by 30%.



Shift to Electric Vehicle

The trend towards electric vehicles is growing, as demonstrated by the import of 6,000 electric motorcycles and 4,000 electric vehicles last year. Nepal now has roughly 10,000 electric cars and motorcycles. Additionally, Bagmati Province has unveiled a plan to gradually replace gasoline taxis with electric ones, encouraging the adoption of environmentally friendly transportation.

Over the last year, Nepal experienced a marked transition towards electric vehicles, with the importation of more than 10,000 electric vehicles and the establishment of over 30 charging stations by NEA.

This adoption of electric vehicles caused an upsurge in the demand for electricity, which the NEA satisfied by extending the transmission and distribution networks, currently reaching approximately 95% of the population.

“The Nepali government is pleased with the decline in LPG imports, as it has helped in reducing losses incurred by the Nepal Oil Corporation (NOC) due to subsidies for LPG cylinders. According to the Ministry of Finance spokesperson, this change is due to a rising trend of households adopting electric cooking, aided by government incentives like lower customs duties on electric vehicles and subsidies for household electricity consumption.”

Both the provincial and local governments have taken steps to en-



courage the adoption of electric cooking and electric vehicles, contributing to a reduction in petroleum, oil, and lubricants (POL) usage.

Nepal has the potential to shift rapidly from polluting energy sources to cleaner electricity, reducing its greenhouse gas (GHG) emissions and economic vulnerability. This is possible as 98% of the country's electricity generation already comes from hydropower and other renewable energy sources. Besides domestic emission reduction, Nepal can offset greenhouse gas emissions in the South Asian region by exporting its significant clean electricity generation.

At the same time, Nepal is rapidly transitioning from its reliance on fossil fuels to electric energy. This shift will help to decrease emissions of greenhouse gases and lower economic risks.

Through the widespread adoption of clean energy, Nepal can also reduce greenhouse gas emissions domestically and across South Asia. To accomplish this, Nepal must properly manage clean energy during the dry season. By doing this, Nepal can earn \$9 billion annually from 45 gigawatts of hydropower and nine gigawatts of solar power. This trade could reduce over 100 million tons of carbon dioxide per year.

The Government of Nepal announced its target to achieve net-zero carbon emissions by 2045 at COP26 last year. However, Nepal's energy sector mainly relies on traditional biomass and imported fossil fuels, which have adverse impacts on the



environment, health, and the national economy.

Hydropower is a key factor in Nepal's electricity system; however, the variability in hydropower generation poses a significant challenge. Surplus electricity generation occurs during the wet season whereas insufficient electricity generation and/or significant electricity import from India occurs during dry seasons. "Smoothly meeting the increasing demand for electricity in Nepal, generating electricity efficiently, and exporting surplus energy pose significant policy challenges for hydropower development in the country," stated Dinesh Kumar Ghimire, Secretary at the Ministry of Energy, Water Resources, and Irrigation.

"Nepal has the potential to

swiftly transition from polluting energy sources to cleaner electricity, resulting in lowered GHG emissions and increased economic resilience. Currently, 98% of Nepal's electricity generation is derived from renewable sources such as hydropower. Additionally, Nepal can mitigate GHG emissions throughout South Asia by exporting its abundant clean electricity generation."

Nepal is undergoing an energy transition from dirty to clean, led by Kul Man Ghising. This shift involves breaking down complex energy systems into smaller, more sustainable parts. Redundant energy sources are being removed, and precision in selecting alternative solutions is a top priority. The formal language used in communicating these changes is balanced to ensure clarity in messaging without being stilted. Throughout the transition, the core message remains unchanged, with quoted material repeated verbatim. Additionally, grammatical correctness is ensured, helping to convey the intended meaning.



Nepal Is In The Midst Of An Energy Transition From Dirty To Clean : Kul Man Ghising

As the Managing Director of Nepal Electricity Authority (NEA), Nepal's largest public utility, KUL MAN GHISING starts his day early in the morning. With the responsibility of providing electricity to over 98% of the population and managing 15,000 employees, CEO Ghising must remain vigilant and works until late evening. Any power outages lasting even an hour in any part of Nepal put him under immense pressure. Even members of Parliament call his resignation over electricity-related concerns. Although his schedule is tight, MD Ghising met with KESHAB POUDEL at his office to discuss various issues related to Nepal's transition to sustainable energy. Here are some excerpts from conversation:

With surplus electricity and a reduction in petroleum imports in recent years, Nepal is undergoing an energy transition. How do you envision the future of energy use in Nepal?

Nepal has recently transformed from a nation with chronic power deficits to one with power surplus. All the data indicates that Nepal is in an energy transition and moving in the right direction. There have been significant shifts in the way consumers use energy, with electricity replacing petroleum products in households, transportation, industry, and construction due to surplus energy and a reliable supply. Comparing data from the last seven years demonstrates the smooth progress of Nepal's energy transition. Seven years ago, Nepal consumed only 3.67 billion units of electricity; now it consumes over 10 billion units, a threefold increase. With an energy surplus, Nepal has also exported around 452 MW of hydropower to India via the Indian Energy Exchange (IEX) on a day-ahead basis.

Nepal's ability to meet rising demand remains largely unchanged. How do you look at it?

However, simply examining the capacity over a two to three-hour period does not provide a complete picture. In the previous fiscal year, Nepal's total generation capacity was 2,684 MW with an additional 491 MW introduced through new projects. Nevertheless, the fact that the total power supply period is now over 20 hours signals that Nepal is currently undergoing an energy transition. The consumption of electricity is on the rise, while the use of fossil fuels such as LPG, petrol, and diesel is decreasing.

Will this translate into an increased demand for electrical appliances?

According to colleagues at the district distribution center whom I recently visited in Chitwan, sales of air conditioners are indeed on the upswing in the area. They reported that over 1,000 AC units were installed in different households in certain areas just last month. The demand for air conditioners is so high

that customers must book a month in advance to ensure timely delivery. There is a surge in purchases of electric vehicles due to their novelty.

What features are included?

Electricity has reached every corner of the villages in Nepal, greatly impacting the environment. While many people used to rely on liquefied petroleum gas (LPG), they have now switched to electric stoves rather than using wood or LPG for cooking. Though it is frequently cited that the lack of dependable and high-quality electricity supply does not assist in decreasing the utilization of LPG, the reality is that residents from various regions of Nepal have greatly turned to electric appliances to prepare food, heat water, and more.

Additionally, what is the future outlook for electricity usage in the transportation sector, as more individuals are now opting for electric vehicles instead of petroleum vehicles?

The recently published data from the Ministry of Customs supports this claim. There are significant uncertainties regarding charging station availability. Recently, we accompanied Energy, Water Resources, and Irrigation Minister Shakti Bahadur Basnet and Secretary Dinesh Kumar Ghimire during a visit to a charging station in Bharatpur Bus Park. Five electric microbuses were awaiting charging. Apart from Bharatpur, NEA has established 51 smart electric charging stations throughout Nepal. The cost of operating an electric vehicle is 50 times less expensive. When I inquired with the drivers, they indicated that they previously had to spend up to \$80 on diesel per trip. Now, they only spend around \$5 on electricity.

Do you anticipate a shift towards electric vehicles for transportation?

The answer is undoubtedly yes, considering the cost of electricity. With some government support, electric buses, minibuses, taxis, and cars could replace



their traditional counterparts. No tariff incentives or subsidies are necessary, but the government should remain flexible in granting road permits and lifting restrictions on electric taxis in cities such as Kathmandu. This will also significantly decrease emissions, backing the Nepalese government's pledge to attain zero emissions by 2045 and fulfill the SDG targets for increased utilization of clean energy. Electrifying the transportation industry is essential for accomplishing this task.

It has been noted that the quantity of charging stations is insufficient. How is the NEA addressing this issue?

Indeed, as the vehicle electrification process picks up steam, NEA cannot fulfill the demand alone. Therefore, the government must encourage the private sector to open charging stations. Currently, the private sector is only permitted to add 20% to the fee imposed by the government, which causes reluctance to invest. We will revise this provision to facilitate the private sector, and I will bring this matter to the ERC to modify the clause. The private sector should have the opportunity to earn a return on its investment. Instead of a few vehicles, we should encourage the private sector to construct hub-style charging stations on 2 to 3 acres of land to charge 200-300 vehicles in areas such as Butwal, Narayanghad, Hetauda, Birgunj, Biratnagar, Ithari, Jhapa, and Kohalpur. This would significantly alter the situation.

In your annual statement, you mentioned that NEA's own and private sector generation capacity experienced significant reductions, leading to substantial revenue losses caused by delayed snow-melt. Can you provide more information about the extent of this impact?

The past year experienced a notable decline in power generation from both NEA and IPP projects, as a result of an exceedingly dry winter. The outcome was an increase in imports at a comparably higher market value. This type of occurrence has been somewhat regular in the past. Nevertheless, in the recent years, the situation has been dire. NEA's proprietary generation dwindled to 30 percent and the case was similar for IPPs. For example, the Kabela corridor in eastern Nepal has a generating capacity of 200 MW but currently only supplies 20 MW, representing just 10 percent of its capacity.

Do you think climate change played a role in this inefficient operation?

As for climate change, Nepal has experienced extreme weather conditions like excessive rain and drought in recent times. Although Nepal's contribution to emissions is negligible, it still has to pay the price. We prioritize utilizing clean and renewable energy sources. Nepal's energy sector faced significant revenue loss as a result of the dry season, but our contribution was negligible. Thermal energy comprises 70% of global energy production. Studies have demonstrated

FACE TO FACE

the adverse impact of thermal energy emissions on the Himalayas. Developed and middle-income countries rely heavily on thermal energy, exacerbating this issue. Despite implementing green energy, Nepal continues to struggle with its energy needs.

The forthcoming COP 28 in the United Arab Emirates will address the matter of loss and damage, as Nepal's hydropower sector grapples with numerous climate change-induced crises resulting from extreme weather events. What is your stance?

The country ought to be remunerated for its losses. As Nepal gains more access to clean hydropower, it can attain negative emissions instead of settling for zero. I do not mean net-zero emissions; rather, we can accomplish negative emissions. With our current hydropower generation targets, we are on track to have a significant surplus by 2045. In light of this development, Nepal could have a strong case to advocate for loss and damage alongside other nations during the COP 28 meeting.

The NEA is a key player in the clean energy sector, but unfortunately, they are not yet represented in this meeting. What are your thoughts on this issue?

There is no denying that the NEA plays a crucial role in implementing emissions-free initiatives. In the upcoming UNFCCC, our ministry will have significant representation in negotiations and planning. In addition to supplying clean hydropower domestically, Nepal is exporting it to India and soon to Bangladesh to replace thermal energy, ultimately helping to reduce carbon emissions.

How can we further increase production?

The NEA is promoting the adoption of electric vehicles and electric cooking to replace petroleum products. Furthermore, the government has already chosen to shift towards the use of hydrogen, which will help reduce pollution from other sources.

Nepal's building structures will require more energy for heating and cooling in the future due to the lack of energy efficiency guidelines for buildings. How is NEA addressing this issue?

NEA has always prioritized energy efficiency as a core sector. Generation, transmission, and distribution alone cannot suffice; the efficient supply and utilization of energy are equally significant. Additionally, we are implementing a program to promote efficient electricity supply and usage. NEA, in partnership with local governments, has implemented smart street



lighting for urban centers' streets and roads, reducing energy consumption by 25%. NEA is currently promoting smart street lighting installations throughout Nepal. This intelligent system can be adjusted based on the daylight. NEA has executed large-scale energy efficiency programs. However, the nodal agency for the energy efficiency program is the Alternative Energy Promotion Center (AEPC). Although AEPC can handle promotions, NEA is the primary agency responsible for implementing the energy efficiency program. Public awareness plays a crucial role in improving energy efficiency in building architecture. Energy savings lead to increased energy production.

What has NEA learned from their experience with this program?

NEA has achieved significant success in reducing electricity losses. Over the last seven years, they have been able to lower technical losses from over 24 percent to just 13 percent today. This accomplishment is a crucial aspect of the energy efficiency program. Even when there is an energy surplus, energy efficiency always remains a priority because it is essential for energy generation.

What's your take on the recent report that Nepal has seen a drop in imports of petroleum products?

I am not surprised. Up until two years ago, Hongshi Cement, the country's largest cement factory, guzzled 60,000 liters of diesel each day, costing them roughly 250 million rupees. However, since plugging into the national grid two years ago, Hongshi's energy costs have dropped to zero, and they now fork out around 80 million rupees a month to the NEA. Over the past two years, we have significantly enhanced the distribution system and transmission capacity across all

industrial sectors. Once the new substation was constructed, all industries within the Bhairwa and Nawalparasi industrial corridors became completely reliant on NEA. Furthermore, companies no longer utilize oil or coal to generate electricity, thus discontinuing their use of diesel.

Can you provide an update on the usage of electric vehicles within NEA and its offices?

The NEA plans to replace all petroleum vehicles with electric ones. Already, over 100 electric vehicles have been distributed throughout our provincial and distribution offices. During my recent visit to one of the provincial offices, I perused the logbook of one of our electric vehicles, and discovered remarkable results. The vehicle travelled over 12,000 kilometers in five months, only consuming approximately \$170 worth of electricity. For the same distance, our diesel vehicles would normally consume approximately \$3,900.



The operating cost for electricity is nearly negligible. In a diesel vehicle, the operational cost for driving 5000 kilometers used to be \$100,000 for replacing air, diesel, and mobile filters. In contrast, for an electric vehicle, we only spent \$13,000, in comparison to roughly \$500,000 for petrol vehicles. This represents significant savings when using an electric vehicle. Our official data supports this claim.

You turned Nepal's energy sector around from a significant power deficit to a surplus in your initial six years in office. Do you have any plans in mind for the remainder of your tenure?

I have already finished my four-year term earlier and have finished two years of my second term. Thus far, we have entirely eliminated power outages, to the extent that Nepal is now exporting surplus electricity to India. Six years ago, 60% of the population had access to electricity and experienced up to 15 hours of power outages. The number of customers has steadily increased to 5.14 million in FY 2022-23, a 7.76% rise from 4.77 million the previous year. This number excludes consumers under Community Rural Electrification, who currently cater to about 0.51 million people nationally. The population

with access to grid-connected electricity reached a total of 95.03% in FY 2022-23. Nepal aims to achieve universal electricity coverage within two years, enabling all Nepalis to have access to electricity.

There is an increasing need for electricity in irrigation. What are the plans of NEA in this regard?

NEA aims to enhance food security by providing electricity to farmers at subsidized rates, enabling them to produce more food. The Terai region has a substantial demand for electricity for irrigation, and NEA intends to dis-

tribute electricity to each plot of land owned by farmers. NEA has begun talks with local and provincial governments to ensure food security. We plan to electrify all fields in the Terai to power the pumps, and provide electricity for chemical fertilizer production. Hydrogen power will be essential for this goal. The NEA has already conducted a study on this matter. Over the next few

years, we will initiate a pilot project for hydrogen production. Our plan involves utilizing all of Nepal's water sources for both electricity and irrigation purposes. We are currently importing 800,000 metric tons, but if we manufacture our own fertilizer, we can become self-reliant and end the need for imports. The electrification and creation of chemical fertilizers remain crucial components for food security.

How do you manage more resources?

We are also in discussions with AIIB and KfW. JICA is assisting with enhancing the distribution system in the Kathmandu Valley. Likewise, the Indian Exim Bank is allocating \$700 million for the expansion of the east-west transmission line along the Hulaki highway and the distribution system in the area. We have approached the Korean Exim Bank for \$400 million to support the transmission line. Nepal's plan is to generate 25,000 MW in the next 15 years, exporting 10,000 MW to India, 5,000 MW to Bangladesh, and utilizing 7,000 MW domestically. My remaining two years in office will serve to establish the groundwork for these projects.

Prosperity Through Water Resources

Approximately two-thirds of the human body contains water - a critical life-sustaining resource. Water is used for drinking, irrigation or energy production, livestock and aquaculture production, and to improve sanitation and health. Some mining or manufacturing industries use water extensively to produce goods and services.



BY: BATU UPRETY

The 27th Session of the Conference of the Parties (CoP 27) to the UN Framework Convention on Climate Change (UNFCCC) has, for the first time in 2022, recognized 'the critical role of protecting, conserving, and restoring water and water-related ecosystems in delivering climate adaptation benefits and co-benefits, while ensuring social and environmental safeguards'. The window for international undertaking through the climate negotiation process is now open to address the adverse impacts of climate change on water resources. Now countries like Nepal experiencing severe effects of climate-induced disasters namely flood, landslide and drought may wish to lobby for ongoing threats and explore opportunities for accessing funds, technologies and building in-country capacities.

About two-thirds of the human body contains water - critical life-supporting resource. Water is used for drinking, irrigation or energy generation, livestock and aquaculture production, and improve sanitation and health. Several mining or manufacturing industries use water extensively to produce goods and services. Wetlands, watershed and soil management, and agroforestry expansion all require significant quantity of water. Environmental flows or dry season minimum flows to maintain downstream aquatic ecosystems have been a major concern in recent years. Furthermore, water is used to convert waste-to-energy or change the modes of transportation and to meet water requirements of human settlements in urban areas.

Water resource is unexpectedly and rapidly affected by frequent and intense extreme weather events. Heavy monsoon rains have claimed human lives and prop-

erty in Shankhuwasabha, Panchthar and Taplejung in the third week of June 2023. The flood completely damaged the under-construction Super Hewa Hydroelectricity Project at Chainpur and destroyed Hewa bridge and other infrastructures. In mid-August 2023, unexpected flood in Kagbeni - religious place in Mustang district experiencing rain-shadow effect - swept away nearly two and half dozens of residential buildings and hotels. The Kag river was dammed by a landslide, burst and flooded in the lower reach, and displaced more than 150 people. These two examples provide clear evidence of climate-induced disasters.

In early August 2023, Nepal's largest 456 MW Upper Tamakoshi Hydroelectricity Project faced low water flow and extreme weather conditions, which resulted in low electricity generation. It is reported that dry season flow from April to June was notably worse as compared to the previous year and the Project could not supply 50 percent of the contracted energy, resulting in penalties(<https://www.spotlightnepal.com/2023/08/04/upper-tamakoshi-faced-significant-setback-year-due-low-water-flow-ceo-mohan-gautam/>).The 2014 study on economic impact of climate change in key sectors estimated loss equivalent to an annual cost of 1.5 to 2% of GDP from current climate variability and extreme events. It predicted future economic costs of climate change equivalent to an additional 2 to 3% of current GDP/year by mid-century. After nearly a decade of this study, Nepal is frequently experiencing direct effects of climate- and water-induced disasters on economic sectors such as agriculture and water resources. National economy



is further affected by the destruction of roads and energy generation facilities. Less clean energy supply and damage to infrastructures will have direct economic loss in multiple sectors. It clearly signals to consider change in climate system, assess vulnerabilities and risks, and take actions to reduce potential and/or integrate climate science while utilizing water resources.

The ICIMOD study informs the melting of about 36 percent of glaciers in the Himalaya by the end of this century even if temperature is maintained at 1.50C as per the Paris Agreement. This is due to predicted higher temperature by 0.30C to 0.70C in the Himalaya. A recent study of ICIMOD further informs glacier loss by 65 percent. Overall water availability is expected to decrease by the end of this century. This is an urgent call to build capacity for climate change adaptation to survive from forthcoming climate-induced disasters and direct impact on water resources, economy, and ecology.

Nepal has developed several policies and plans to address climate change impacts. Implementation for SDG 6 (clean water and sanitation for all), National Adaptation Plan (NAP), Nationally Determined Contribution (NDC) and net zero emissions by 2045 require multi-billion \$. Non-implementation of ambitious national commitments will further affect our economy and ecology. Nepal will further experience increased frequency of climate- and water-induced disasters that will continue to claim lives, properties, natural resources, and infrastructures, including water infrastructures.

Studies inform water sector policies yet to focus to make water resources climate resilient, promote ecosystem-based adaptation, adopt nature-based solutions, and maintain ecosystem services. Recalling the importance of water for both climate adaptation and mitigation, Nepal is yet to realize water inclusive climate policies and climate-smart water policies and plans.

Review of the progress of SDG 6 urged to take urgent action on water resources management and WASH services. This provided a basis to develop a Global Water Leadership (GWL) Program to explore possibilities to make water sector climate resilient and inclusive and address climate risks and opportunities. GWL is under implementa-

tion in 10 countries of Asia and Africa. In Nepal, WECS is coordinating and leading this program through multi-stakeholder consultative processes. In July 2022, this consultative process prioritized policy implementation, institutional coordination and data and capacity building as the key barriers. Stakeholders also prioritized root causes for barriers such as inadequate political will, incoherent approach for policy formulation, and inadequate capacity to implement existing policies. Overlapping of roles and responsibilities in 3-tiers of government is prevalent. Nepal lacks a policy for data generation and sharing, including institutional memory and knowledge-based human resources to imple-

ment the priority actions. Within a year, a response strategy has been drafted through multi-stakeholder consultative process.

On 18-19 August 2023, this consultative meeting was addressed by two secretaries of the Government of Nepal. Er. Dinesh Kumar Ghimire, Secretary at MoEWRI reiterated the delay in enacting water resources bill to implement the National Water Resources Policy (2020) and re-

alized the need for sensitizing parliamentarians on the bill for early approval to sustainably manage water resources and expand its sustainable use for economic prosperity. Mr. Ghimire informed the strong commitment of the ministry to internalize and implement the response strategy and actions to minimize the adverse effects of barriers and their root causes.

Sushil Chandra Tiwari, Secretary at WECS underscored the importance of water for economic development and considered inadequate implementation of policies such as on integrated water resources management. Er. Tiwari informed nearing to completion of the river basin plans and stressed the need for a regulatory institution on water resources to ensure strong coordination, and monitoring. Er. Tiwari also informed the need to discuss the response strategy with the concerned ministries and development partners and water institutions.

The strategy is expected to contribute to make 'climate-smart' water resources policies and plans, and 'water-inclusive' climate policy to address the adverse impacts of climate change by accessing and mobilizing bilateral and multilateral funding sources, including the climate finance.



Count Down Begins

Facing massive opposition from within and neighboring countries, the government led by Prachanda has finally decided to implement the MCC Nepal Compact on August 30th

By A CORRESPONDENT

Following the announcement of the implementation of the Millennium Challenge Corporation (MCC)-supported Compact in Nepal, the country has avoided a major crisis in transmitting electricity from its generation center to the distribution center outlined in the plan.

As a component of the MCC, the government of the United States will grant Nepal \$400 million for the construction of a strategically significant transmission line and the enhancement of a segment of the East-West Highway.

Under the MCC Grant, MCA-Nepal will construct 315 kilometers of double circuit 400kV transmission lines and three additional substations. In addition, the 77-kilometer segment of the East-West Highway in Dang will be upgraded using new technology.

Although the Millennium Challenge Corporation (MCC) provided more than \$400 million in grant funding to build a 315-kilometer 400 kV transmission line and a road section, the implementation of the MCA-Nepal project took nearly seven years due to political pressures from both extreme left and right-wing groups, as well as the visible and hidden influence of Nepal's neighboring countries.

After the World Bank withdrew from the Arun III hydroelectric project in 1995 and the US-supported education policy in 1970, the MCC-Nepal project became the first to enter into regional geopolitics.

The ratification and implementation stages of MCC-Nepal have faced challenges due to Nepal's unstable political situation and geopolitical complexities. The future of MCC-Nepal may prove to be a difficult path.

However, on August 30, the Nepalese government and the Millennium Challenge Corporation (MCC) commenced the official implementation of the MCC Nepal Compact. The program is jointly financed by the Nepalese government and the MCC, representing a note-

worthy accomplishment. This achievement follows an agreement between Nepal and the MCC on the substantial progress made during project preparation.

Finance Minister Dr. Prakash Sharan Mahat and MCC Vice President for Compact Operations Cameron Alford exchanged the Nepal Compact Entry into Force (EIF) Letter in the presence of key stakeholders at a meeting held at the Ministry of Finance.

The EIF marks an important milestone for MCC compacts, signifying the completion of necessary requirements and preparations needed to ensure the successful conclusion of compact projects within the next five years.



“We are pleased to celebrate the milestone achievement of implementing the Electricity Transmission Project and the Road Maintenance Project, both of which will invest in Nepal's strategic road network,” Dr. Mahat stated on the occasion. He expressed his conviction that the MCC Nepal Compact, with its projects supporting Nepal's growth, will benefit the people of Nepal by providing them with improved road infrastructure and reliable electricity.”

“This is an exciting moment for the MCC-Nepal partnership,” MCC VP Alford said. “MCC is proud to work alongside our Nepali partners to invest in Nepal's greatest asset, its people. Together, we will advance economic growth by creating business opportunities for Nepalis, improving road maintenance on the strate-

gic road network, and finding innovative ways to improve the reliability of electricity all while protecting the environment.”

Khadga Bahadur Bisht, Executive Director at MCA-Nepal, highlighted the implementing entity of the program. “We are looking forward to complete the projects successfully within the set budget and time frame as per the direction from the Government of Nepal and with MCC's cooperation,” said Bisht.

The Nepal Government and MCC signed the MCC Nepal Compact on September 14, 2017 for two projects: the Electricity Transmission Project and the Road Maintenance Project. These projects aim to increase electricity reliability and decrease transportation costs in Nepal.

The program is co-funded by the US Government's Millennium Challenge Corporation (MCC) Compact grant of \$500 million and the Nepal government's contribution of \$197 million.

In a nation where problematic projects with persistent delays and budget overruns have overshadowed infrastructure development, a \$697 million mega infrastructure project (equivalent to over \$92 billion at the current exchange rate) began on Wednesday, August 30th, with a five-year timeline for completion.

It is noteworthy that every political party and all former prime ministers - Sher Bahadur Deuba, KP Sharma Oli, Pushpa Kamal Dahal Prachanda (who currently holds the position of PM), Sushil Koirala, and Dr. Baburam Bhattarai, as well as the Chairman of the Council of Ministers during the caretaker government in 2013 - have advanced the agreement since the nation was chosen for the Nepal Threshold Program of the MCC in 2011.

Prepared through a 12-year-long process, the successful implementation of MCA-Nepal is crucial in demonstrating to the global community that Nepal is an investment-friendly destination for building infrastructure.

Long Wait To Catch Something, Someday



BY: HEMANT ARJYAL

A commemorative book titled “A Man with A Mission”, The Life and Times of Captain Bobby Bikram Shah was recently released in Kathmandu. It details all his achievements and features write-ups from many of his friends, subordinates and family members. It also comes with lots of Nepal aviation related facts and photographs. It is co-authored by his wife, Jaya and a colleague at RNAC, Maheshwor B. Shrestha. I was pleasantly surprised to be invited even though I had no direct connection with Bobby. However, my father gave him and his sister tuition at their Kopundole house and he likely studied at Patan High School as his two younger brothers were there too. That said, I will now try to explain how I got bitten by the aviation bug so as to link it with one of the most memorable incidents in Bobby’s entire flying career.

We try to learn as many new things as possible on subjects or areas of our interest. It then becomes a passion, not just a hobby, if one tries to get deeply into it. It often gets unleashed during growing up years, but one’s age is seldom a barrier in getting interest aroused. But it was challenging, mostly for being unable to gather adequate information or insight into the subject, especially as this scribe felt during the mid-sixties. Getting fascinated by aviation was easy, but it was difficult to get necessary information. See this in the context of what we have at our disposal presently.

For me knowing, aircraft communicated with ground through “radio”, but not exactly how and where about. In 1962 August a RA/DC3 on its flight to Delhi went missing for nine days and the incident had aroused grave concern all over. Subsequently, on 26 August, few days after the DC3’s wreckage was found, a Pilatus PC6 Porter(9N-AAF) was dispatched with an accident investigation team that had six on board, including Nepal’s only forensic surgeon Dr. Mohan Mani Dixit. It was quite unfortunate that the single engine aircraft also crashed not too far from Dhorpatan.

I recall Sri Biranchi Man Pradhan, the then manager at Gauchar (Airport), who usually dropped by Dixit’s place in Patan Dhoka and provided up to date information about the search. I heard him telling that the communication could also be heard over the “radio”. And that bit of information was good enough to arouse my interest, so I started twisting and turning the radio knob at any opportunity available, became my pastime. Obviously, it

always resulted in being greeted by “dead silence”. My tuning spots were far away from normal radio broadcasts that people listened to. Undeterred, I still continued doing so, all in the hope that it would catch something, someday. It took quite a long time, but my “eureka moment” finally arrived in 1966.

In contrast, trying to tune into VHF communication, which is different from HF and well beyond the reach of a household radio. VHF has a very small catchment area and is used extensively in aviation during approach and departure. For effective VHF communication, stations have to be in each other’s line of sight. In the early seventies “Three-in-one” were popular as it came with radio with MW/SW/FM bands, a cassette player and a turntable. The FM band was of no use as it produced nothing but hissing noise. But despite the constant hiss, I was able to tune one day into a very “feeble” Kathmandu tower through one such set in 1972 given my earlier HF tuning success. My persistence paid, thankfully because there were no FM radio stations then. Incidentally, RA had just acquired a B727 that year. I managed with that

“□□□□□” jugad until 1978 when I finally secured a small Sony, AIR receiver (Airwaves radio). I missed all the excitement, for not being here, when Bobby safely landed the B727/9N-ABN.

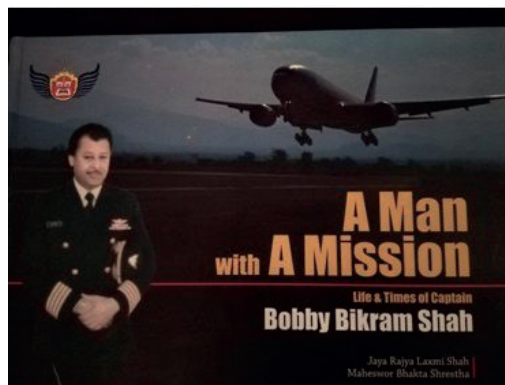
It was still fine, as Kanak had made a recording of the live VHF audio that I was able to listen later. Dixit brothers were more interested in flights they could simultaneously see and tune, I was more interested in long range HF monitoring, especially at night with no one disturbing.

HF, which used to be the backbone of long-distance communication in aviation has now been sidelined and is used only sparingly and relegated as a backup. Procedures of regular HF waypoint reporting have been taken over by more reliable digital transmissions. Digitization has largely improved clarity as HF transmissions are often hampered by poor reception and fading of signals. Sadly, it has also effectively killed the long distance monitoring hobby that many of us followed passionately.

The lyrics of “Radio Ga Ga” sung by Freddie Mercury of Queen beautifully capture these thoughts in the following lines:

“I’d sit alone and watch your light / my only friend through teenage nights / and everything I had to know I heard it on my Radio”. I take it as a fitting ode to my good old 9 valve monster Philips that gave me endless hours of happy monitoring.

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International Civil Aviation At A Glance: A Tribute To Captain Bobby's Airmanship



BY: LALIT BICKRAM SHAH

This article is dedicated to the warm memory of late Captain Bobby Bikram Shah who flew a wide range of different types of aircraft in the unforgiving skies of Nepal and in the international airspace in the world. During his remarkable illustrious service with Royal Nepal Airlines Corporation (RNAC) right till the time he served as the head of the National Flag Carrier- a proud corporate body that had evolved as house-hold name in the re-

gion. But the even I wish to remember him by the most is his feat as a flyer on the night of 24 November 1978. The starry night was crisp and had a nip in the air- a prelude in the December winter months and unfortunately, long lost to the prevailing Kathmandu

weather of the 2020s. The sleepy population of Kathmandu woke up to the roaring sounds of jet engine in the valley, the Boeing 727 Aircraft a bit notorious for its noise emission in its family of aircraft.

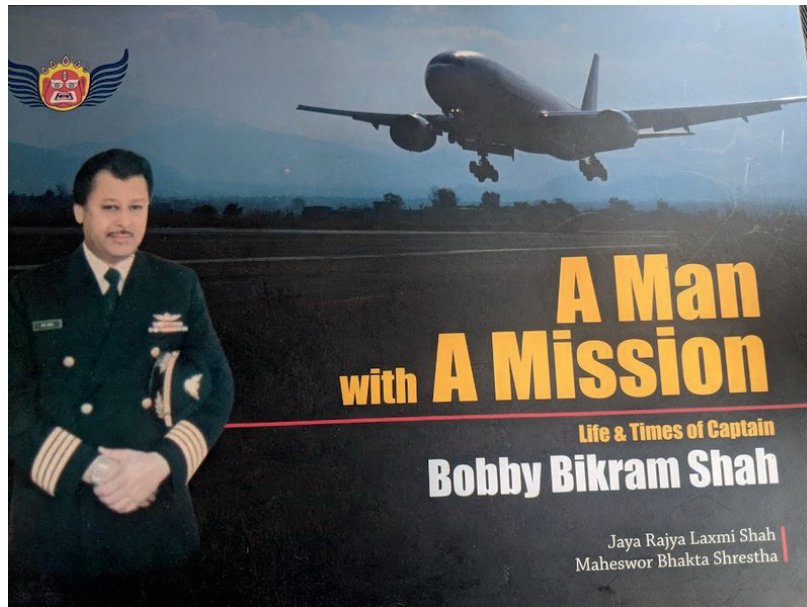
The aircraft kept on circling in the valley and in due course of time, everyone was

award that something was amiss. I was informed by Tribhuvan International Airport that RNAC Boeing 727 aircraft piloted by Captain Bobby B. Shah on its flight to Hong Kong on a British Gurkha charters was having problems on extending its nose landing gear. I rushed to the airport, so did many other colleagues. After sometimes the aircraft kept on circling, word had got around that the aircraft's nose wheel was sucking in its well,

and that Captain Bobby was piloting the aircraft. Media, forces friends, relatives and onlookers all rushed to the airport in hordes- a human challenge to the airport management and security.

Then clipped in the voice of the Captain-sharp crisp, clear without betraying the seriousness of the

gravity the airport was in. He said he would burn up more fuel, execute a specific maneuver and requested visual sightings of the nose-gear position, if possible. Asked if you would prefer another airport of choice-such as Calcutta in India, he come back with a curt response that his choice was TIA and considering other ancillary factors,



he would prefer TIA and Kathmandu.

He executed several low flights over the runway, each time abruptly up in a steep climb, hoping to lodge the stuck nose gear in a free extension- but it apparently did not work. After this more than dramatic maneuver, a fire tender spotlight was aimed at the nose gear position, tracking the aircraft flight in its low sweep over the runway. It was a spectacle right out of a Hollywood box office, done in real terms, lives with the highest professionalism, an epitome of cooperation and technical skill. It was reported to the Captain that nothing could be sighted on the nose wheel and that it apparently was stubbornly staying in its well. .

In consideration with the aircraft, tender vehicles of the Airport Fire and Rescue Service Sprayed the center portion along the runway with foam to minimize the possibility of fire developing during the actual landing. In the meantime, all the relevant agencies and units had already been alerted. Close communication was maintained between the Aerodrome Control Tower, the flight and airport Fire and Rescue Unit.

Then came in the voice of the Captain informing the controller that he was coming in for a nose up landing - he would make usual approaches from the southern direction on runway 02. As the flight had the airport to itself and visibility was very good and the Captain made a very long and steady approaches with its landing lights visible miles out. On the ground, we all followed the path of the flight without hearts in our mouth, accompanied by mobilizing of prayers while the real-time demand was unfolding. Never for a moment, the cockpit crew betrayed the seriousness of the flight in their voice-steady, calm and decisive as ever.

The aircraft came in, slow and steady like a beautiful big bird- and just before committing



to a touchdown. Captain Bobby quipped in famously- I look forwards to sharing a glass of beer with you guys after the flight is over. The Controller responded-Certainly, it was being a glass to remember.

The aircraft touched down at its usual threshold spot, rolled down the runway bleeding its speed but just enough to settle its nose gently on the runway, as all of us held our breath. The maneuver was breath taking-it was sheer poetry in motion.

The aircraft came to a gentle stop, with its nose skidding along with the runway for a short distance, incurring pencil thin marks on the under surface of its nose section. The aircraft was on the way center line a bit past mid-way, with its nose resting on the runway –giving the impression that the aircraft was bowing to pay come to Pashupati Nath and Boudha Nath stupa, both sitting in a distance north of the airport.

It was well past midnight, which we received Captain Bobby, with Captain A.J. Tamang at his side, all smiles and waving happily. Captain Bobby wrote poetry with an aircraft of that night- a culmination of experience, par excellence air-manship and goodwill.

Shah is a former regional head, ICAO Asia And Pacific Office, Former Director General of Department Of Civil Aviation, Nepal

The article is reproduced from a recently published book : A Man With A Mission, Life and Times of Captain Bobby Bikram Shah Written by Jaya Rajya Laxmi Shah and Maheswor Bhakta Shrestha

UTHL'S 15TH ANNUAL GENERAL MEETING

Flying High

The 15th AGM approved all the proposals put forward by the management, hoping to see the company flourish in the coming year.

By A CORRESPONDENT

It was a hectic but exciting time for Mohan Prasad Gautam, Chief Executive Officer of Upper Tamakoshi Hydropower Ltd (UTHL), as he successfully concluded the 15th Annual General Meeting (AGM) of the company. Attended by around 400 shareholders, the AGM approved the proposals for the coming year.

According to the regulations, the company has to hold AGM every year. The 15th AGM was postponed few more months this time. Though Gautam was appointed as CEO a little over four months ago, he presented his programs clearly and concisely before general shareholders and board members.

“The Fifteenth Annual General Meeting (AGM) of Upper Tamakoshi Hydropower Limited (UTHL) was successfully concluded on Wednesday, August 23, 2023 (6th Bhadra 2080). I express my sincere gratitude to the esteemed shareholders, the Board of Directors of the Company, the regulatory authorities

and all the employees,” writes Gautam on his social media.

This 15th AGM is very significant as UTHL will issue 100% equity shares from September 1, 2023.

At the meeting, the Managing Director of Nepal Electricity Authority (NEA), Kulman Ghising, who is the chairman of

the company, presented the report and assured the shareholders of more benefits in the coming years.

“High level efforts are being made to keep the interest rate of the company’s current loans in single digit. The NEB would agree well with the PPA of the Rollwalling project,” said Ghising.

He also said that the board is trying to extend the term of the generation license to reduce the annual depreciation of the project structure.

To make Upper Tamakoshi more attractive, he proposed a special proposal for capital increase through rights shares based on the report received from the sub-committee after analyzing the overall financial of the company last year.

NEA MD Ghising said that after completing the construction of the Upper Tamakoshi Hydropower



Project, NEA’s goal is to construct the Tamakoshi Fifth Project with a capacity of 99 MW through an 8 km tunnel. He said that the opportunity to invest in the company has also been secured through the meeting of the Tamakoshi Hydropower Board of Directors.

Addressing the AGM, CEO Gautam said that he is committed to making the company more profitable and attractive to the shareholders.

He said that maintaining good governance in the company, providing necessary manpower and completing the rollwalling project within the stipulated time are his priorities now.

CEO Gautam also said that he will also initiate a high level mechanism to improve the financial situation.

He said that he will uphold the right to information and transparency and will always welcome and address the creative suggestions of the shareholders.

CEO Gautam also announced that the company will own a stake in



Tamakoshi V and will study and develop new project identification.

CEO Gautam also said that the construction of Rolwaling Diversion, Rolwaling River hydropower projects will enhance the Upper Tamakoshi generation. We will complete the construction of Rolwaling River Hydropower Project according to the schedule.

At present, Upper Tamakoshi's share price is less than 500 rupees. Tamakoshi's 105.9 million shares are listed on NEPSE.

The AGM, among other things, approved the annual report of the fiscal year 2078/79. And also approved the auditor's report with PNL statements, financial reports and cash flow reports.

Progress on the Upper Tamakoshi

As long predicted, UTHL has proven that it can benefit the country and its shareholders in the short and long term.

As Upper Tamakoshi is the backbone project to transform Nepal from an energy deficit to an energy surplus country, the company has contributed immensely to the national economy. Though this year the company had been producing marginally low electricity during the dry season due to the slow process of snow melting, it is now generating cheapest energy in full scale.

Just two years after the start of generation, UTHL has already announced to issue 1:1 (100 percent) on



its current paid-up capital. As per the 257th meeting of the Board of Directors held on Ashad 30, 2079, which decided to submit a proposal for the issuance of equity shares in the ratio of 1:1 (100%) on its current paid-up capital, the 14th Annual General Meeting of the company has approved it.

The Upper Tamakoshi Plant, located east of Kathmandu, is being built with domestic funding. The national pride project was originally scheduled to be completed in mid-July 2016, but the earthquakes, India's trade blockade, and various technical and social issues pushed back the completion date.

As the 15th Annual General Meeting (AGM) was held in Kathmandu last month, the proposal to issue 100 percent equity shares of the company was approved. After the rights issue, the paid-up capital will reach Rs 21.18 billion.

At present, the share price of Upper Tamakoshi is less than 500 rupees. U P P E R ' s 105.9 million shares are listed on NEPSE.

E s - established in March 2007,

Upper Tamakoshi Hydropower Limited is an executing agency for the implementation of the project, the majority share (51%) of the company is held by four public sector entities, namely, Nepal Electricity Authority (NEA), Nepal Telecom (NTC), Citizen Investment Trust (CIT) and Rashtriya Bema Sansthan (RBS). NEA owns 41%, NTC owns 6%, and CIT and RBS each own 2% of the company.

Similarly, the general public and the people of Dolakha district will have 15% and 10% shares respectively. The remaining 24% shares will be held by Employees Provident Fund (EPF) contributors, NEA & Company employees and employees of financial institutions providing loans.

Construction started in February 2011 and the project was originally scheduled to be completed in July 2016. However, after several delays in the completion schedule, it has been completed in August 2021. On July 5, 2021, the project was inaugurated by the then Prime Minister KP Sharma Oli.

As the company has completed the 15th AGM with new CEO Gautam, who replaced Bigyan Prasad Shrestha, a long-serving CEO, it is likely to bring changes to strengthen the company's profit and financial position.



Deputy Prime Minister And Water Resources Minister Shailaja Acharya As I Knew Her



BY: SANTA BAHADUR PUN

My first association with Ms Shailaja Acharya was only in 1997 when she became the Deputy Prime Minister of the Ministry of Water Resources where I had been posted as Officer on Special Duty (OSD) from Nepal Electricity Authority. I had heard that she was a no-nonsense, straight-forward lady who resigned as Minister of Agriculture citing corruption at the ministry. At meetings in our Ministry, she sometimes used to tell us, 'Mero ta bachcha bachchi chaina. Tapaiharu ko bachcha bachchi ko Bhabisyaa ko lagi kehi na kehi garnu parchha!' Such wise words! I cannot forget a similar sentiment expressed by a Black American at a meeting in the hall of Water and Energy Commission in Singha Durbar. I can not remember his name but he was President Clinton's Assistant Under-Secretary of Energy who had come to Nepal for the first time probably to push forward Enron's attempt to get the Karnali Chisapani license. During his talk, he said 'I see that Nepal has plenty of water resources. When developing it, do not compromise the Future of the future generations of Nepalese to come.' Though I worked under DPM Shailaja for a very short period, I found her very frank, outspoken, principled and patriotic.

An attempt is made below to portray some of her qualities from my short association with her:

i) Foundation Laying Ceremony of Chilime Hydropower Station at Syapru/Rasuwa: Dr. Damber Bahadur Nepali, the Project Manager of Chilime Hydropower Company, had invited DPM Shailaja Acharya to lay the foundation stone at the site in Syapru/Rasuwa. She was planning to go there in a vehicle but Prime Minister GP Koirala instructed her to go by helicopter as the CPN-Maoists were very active in that area. I had also been invited and went there in a vehicle. A good crowd of local villagers along with the local political Netas had assembled.

At the ceremony, DPM Shailaja Acharya, the local Netas and the Project Manager gave their speeches regarding Chilime hydropower and the Rasuwa district.

After the ceremony, lunch had been arranged for the DPM and the local Netas in a room where I was also present. The local Netas sat around the DPM and as usual talked Rasuwa politics while eating. A local Nepali Congress Neta, putting his half-eaten plate under his chair, got up and folding both his hands in Namaskar told

the DPM that as he had another function at Dhunche, he was taking leave. A clearly irritated DPM, pointing to the half-eaten plate under his chair, said 'Ke gareko tyo? Hamro kati Nepali haru khanu na payera adha pet basnu pareko chha. Tyo phaleko?' The speechless Neta merely gave an embarrassed smile. Such was her character.

ii) Quest for Upper Karnali, 'the Jewel in the Crown': Nepal's power sector had just opened up to the private sector and, instead of adopting the competitive bidding process, followed the questionable scandalous MOUs route. So while the American multinational, Enron, was busy chasing the 10,800 MW Karnali Chisapani Multipurpose Project, Canada's SNC Lavelin had its eyes fixed on the 300 MW Upper Karnali. Under the World Bank finance, the feasibility study of Upper Karnali was conducted by the Canadian consultants and hence SNC Lavelin was well aware of the attractiveness of the 'Jewel in the Crown' Project. Prime Minister GP Koirala was approached by SNC Lavelin and despite the opposition by Water Resources DPM Shailaja Acharya, he was adamant on awarding the Upper Karnali license to SNC Lavelin on the MOU basis. In fact, the SNC Lavelin executive came to the Water Resources Ministry and informed the officers there that if the

Upper Karnali license was not given by the next day, he would be leaving Kathmandu as he had an appointment with Bangladesh Prime Minister Khaleda Zia the day after that – so powerful and arrogant are these multinational executives!

Hence, we (MOWR Secretary Bishwa Raj Regmi, Joint Secretary Ratneshwar Lal Kayasth, EDC Chief Dr. Kishore Babu Aryal and I) went to the DPM and related what the SNC Lavelin had said and told her that such an attractive project should not be given on an MOU basis. She told us that she had failed to convince the Prime Minister and called over for discussion Dr. Rameshananda Vaidya, member/water resources at the National Planning Commission. The DPM then suggested that we all go to the Prime Minister ourselves and convince him. She rang up the Prime Minister's office and arranged our meeting immediately with the PM.

At the Prime Minister's office, he listened to our pros and cons of the MOU versus the competitive bidding. Prime Minister GP Koirala then immediately concluded 'Teso bhaye, tes lai tehi bhani dinu' and in a warning tone added 'Ra uslai eta uta na

hallai rakhnu!' An elated group returned to the DPM office to apprise her of the Prime Minister's decision. So overwhelmed was Joint Secretary Ratneshwar Lal Kayasth that he effused 'Pradhan Mantrijiu kasto dynamic, kasto turunta decision dine!' An un-impressed DPM Shailaja Acharya rebutted 'Ho, decision ta turunta dine tara ke garne sabai wrong decision bhayera po!'

SJVN Chairman and Managing Director Nand Lal Sharma reaffirmed SJVN's commitment to complete the construction of 900MW Arun-3 hydro-power project in Nepal by the fiscal year 2023-24, one year ahead of the scheduled commissioning of the project in February 2025, 'DPM Shailaja Acharya, a dedicated Nepali Congress patriot, unfortunate-

ly passed away on June 12, 2009 at the age of 65 years.'

In support of DPM Shailaja Acharya's characterization of Prime Minister GP Koirala, the writer would like to exemplify it with the World Bank-led 201 MW Arun III episode. Yes, in 1994 not only Nepal's local but also international anti-Arun groups were heavily lobbying for its cancellation. Yes, the CPN-UML General Secretary MK Nepal on October 18, 1994 did send that much-quoted letter to World Bank President expressing his 'serious concerns over the proposed Arun III' and that the caretaker Nepali Congress government "...does not have the right to conduct any negotiations or reach into agreements that may have long term consequences in the interest of Nepal or the Nepali people....'



Many charge that this October 1994 letter of Secretary General MK Nepal delivered that fatal knock-out blow to Arun III. But very few are aware that actually Prime Minister GP Koirala had already unwittingly delivered the fatal blow to Arun III. In order to 'teach' his renegade Congress MPs a lesson, Prime Minister GP Koirala decided to call an un-called-for Mid-term

election on July 11, 1994. The World Bank had the scheduled Board meeting on July 26, 1994 to finalize the Arun III Project. Due to this Mid-term poll announcement, the Bank decided to postpone its Board meeting to November 3, 1994. It is believed the July 26, 1994 Board meeting would have definitely approved the Arun III Project. If Prime Minister GP Koirala had delayed his Mid-term poll decision by only 16 days then the Arun III Project would have been approved by the World Bank. Hence, Prime Minister GP Koirala is actually responsible for firing the fatal shot at Arun III. Secretary General MK Nepal merely delivered the coup de grace!

iii) 10,800 MW Karnali Chisapani – Enron Episode: With Nepal's power sector wide opened to

OPINION

the private sector, Enron, America’s seventh largest multinational, came hunting for the 10,800 MW Karnali Chisapani Multipurpose Project license in late 1996. Due to pressures from Enron’s local agent, Prime Minister Sher Bahadur Deuba, without consulting his Water Resources Minister, Pashupati SJB Rana, was on the verge of signing the letter authorizing the license. Just before signing the letter, when Prime Minister Deuba did consult his Minister Rana, he was persuaded to retract. Despite Nepal’s then fluid politics, Enron kept up the pressure to acquire the Karnali Chisapani license. In fact, in February 1998 Enron’s President, Joe Sutton, made a half day visit to Kathmandu and yet was able to meet Prime Minister Surya Bahadur Thapa and Water Resources Minister Pashupati Rana. Both the leaders gave ‘positive assurances on granting the American conglomerate what it has been seeking – a survey license for the Karnali Chisapani’.

Later in July 1998 during Prime Minister GP Koirala’s tenure, Deputy Prime Minister and Water Resources Minister, Shailaja Acharya, delivered the final coup de grace to Enron. Her Water Resources Ministry wrote to Enron’s David Ramm that until ‘... an understanding is reached with India for fair and reasonable settlement of d/s (sic downstream) benefit issue...’ the government would like ‘to request you for your patience in the Karnali matters...’ There were up- roars among Nepalese parliamentarians, both Nepali Congress and CPN-UML. They vociferously vented their ire in the Parliament at Deputy Prime Minister, Shailaja Acharya, for having dashed Nepal’s opportunity to get rich quickly. Enron, in October 2001, shocked the US market with a loss of US\$ 638 million and a write-off of US\$ 1.2 billion. Two months later in December 2001, Enron declared bankruptcy. In 2004 Enron’s Chief Executives Kenneth Lay and Jeffrey Skilling were indicted for fraud/insider trad-

ing and in 2006 found guilty. Kenneth Lay is dead and Jeffrey Skilling is serving a 24 year jail sentence. While Ms Shailaja Acharya is unfortunately no longer in this world, those who vented their ire against her in the then parliament are all alive and kicking!

iv) Nepal’s Hydropower Development with Nepalese Skill and Resources – DPM Shailaja Acharya believed in the famed Schumaker’s philosophy Small is Beautiful. She firmly believed that Nepal’s hydropower must be developed with Nepal’s own resources and Nepal’s own skill. As Chairperson of the Nepal

Electricity Authority Board, she formed a sub-Committee (comprising of water resources member from National Planning Commission, Water Resources Secretary, Finance Secretary and NEA MD) to study and prepare a Report on Power Purchase from small private hydropower developers. As per that Report, DPM Shailaja Acharya-chaired 286 NEA Board meeting (2055 Marga 7 – 1998 November 23) made the following decisions to encourage small private hydropower developers:

- a) 100 KW to 1 MW – Wet Season (Baisakh to Mangsir end): Rs 3.00 per Unit

Dry Season (Poush to Chaitra end): Rs 4.25 per Unit

Price will be escalated at 6% for 5 years and after that period it will be reviewed.

- b) 1 MW to 5 MW – Same above rates will apply after 2059/60 fiscal year.

- c) 5 MW to 10 MW – Power purchase agreements at appropriate rates on Competitive basis.

Thus, DPM Shailaja Acharya came up, for the first time, with the above historic dry and wet season tariff. With such guaranteed electricity rates, local banks supported local developers who started constructing viable small hydropower projects



providing works for both the local contractors and local people. DPM Shailaja Acharya is, hence, responsible for kick-starting the development of small hydropower with Nepal's own finances, skills and contractors. That path, charted by her, flowered into a multitude of projects, the largest one being the 456 MW Upper Tamakoshi, financed entirely with Nepal's own resources!

v) Congress Ticket for Election – Before concluding, I would like to relate an interesting incident she related to us at the Ministry. The then office of the Nepali Congress Party was at Maharajgunj. Election was coming and she was sitting at the Party office when Dr. Thakur Nath Pant, ex-Finance Secretary, came to her room. Dr. Pant, garbed in that traditional gamcha of Nepali Congress, told her that he had been sent by Kishanji to meet her and get the Nepali Congress ticket for the upcoming election. She is supposed to have immediately flared up with 'How can a bureaucrat like you get the Congress ticket when there are people who have given their entire life for the party?' Such was her forthrightness and many, of course, were not happy with that character of her.

To conclude, when the media reported DPM Shailaja Acharya was at the ICU in Teaching Hospital, I felt that I should pay her a visit. Prior to getting sick, she had been appointed Nepal's ambassador to India. At the ICU I found her lying on a bed with a lady sitting next to her. I did my Namaskar and told her who I was. When I saw her merely gazing at me, I reminded her that I worked under her at the Water Resources Ministry. Only then the lady sitting next to her told me that she cannot speak as she is on ventilator. As there were no facial changes on seeing me, I concluded that she did not recognize me at all. The lady sitting next to her then told me 'Let us go out. We are not allowed to talk here.' On the way out, she told me she was Ms Shailaja's buhari, her brother's wife. Outside the ICU, I related her some of the above interesting episodes with the DPM regarding her frankness and outspokenness. Shailaja's buhari (with due apology for quoting without her permission) commented 'She is not a diplomat at all. My sasu is an excellent diplomat!'

May her Soul rest in peace!

1 Joint Secretary RL Kayasth later became Secretary at the Agriculture Ministry. After retiring, he joined Upendra Yadav's Madhesi Jana Adhikar

Forum and became the first Governor of Pradesh Number 2.

2 Arun III was initially a 402 MW project but when India gave her discreet 'nayet' to 200 MW import from that project, the World Bank downsized it to 201 MW and in 1995 abandoned it totally. Water Resources Minister Gyanendra Bahadur Karki then floated the global tender for the 402 MW Arun III in 2006 and India's Satluj Jal Viddhyut Nigam was awarded the project in 2008. After the Energy Ministry upgraded Arun III for 'optimization' to 900 MW, the project was transferred to the newly 2011 established Investment Board of Nepal. Thankfully, after 17 years the 900 MW Arun III is slated to be commissioned according to SJVN Chairman and Managing Director Nand Lal Sharma 'one year ahead of the scheduled commissioning of the project in February 2025'. - The Kathmandu Post, February 28, 2022

3 Alliance for Energy led by Bikash Pandey and Arun Concerned Group led by Gopal Sivakoti 'Chintan' in Nepal.

4 USA's International Rivers Network Centre led by Lori Udall.

5 The 36/Chhattise MPs of Nepali Congress.

6 Dr. Janak Karmacharya, Arun III Project Director, told this writer that the Consultants had already calculated that even if USA, that was not happy with Arun III, voted against the Project the World Bank Board would have voted for the Project. Voting was based on the share weight-ages of the country. Though USA had the largest share, it still could not out-vote the rest of the shareholders who were for the Project – Arun III's consultant was from Germany and the already decided Civil Contractors were Italian and French.

7 The Kathmandu Post, February 19, 1998.

8 The other members of the NEA Board were: MOWR Secretary Bishwa Raj Regmi, Himalaya SJB Rana, Bharat Krishna Sharma-Deputy Governor Nepal Rastra Bank, Ananda Raj Mulmi-Chairman/FNCCI, Gauri Nath Sharma and NEA MD Devi Prasad Banstola.

Pun is a former MD of NEA

विद्युतीय उपकरणको प्रयोगबाट बालबालिकामा पर्ने असर

विद्युतीय उपकरण(मोबाइल, ट्याब, ल्यापटप आदि)को अधिक प्रयोगले:

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- दिमागमा असर पर्ने,
- समयमा नसुत्ने,
- खानपान तथा दिसापिसाबमा समेत ध्यान नदिने,
- एकान्तमा बस्न मन पराउने,
- झिज्याहट हुने,
- साथीहरूसँग घुलमिल नहुने,
- एकै स्थानमा बसिरहँदा रक्त सञ्चारमा प्रभाव पर्ने,
- बालबालिकामा अटिजम, शारिरीक तथा मानसिक अपाङ्गतासमेत हुन सक्ने भएकोले

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