

## Press Release

Kathmandu, 5 November

Minister of State for Water Resources Gyanendra Bahadur Karki has expressed his commitment to complete the Upper Tamakoshi Hydroelectricity Project being built with Nepali investment. Minister Karki made this commitment while speaking at an interaction programme “Upper Tamakoshi Hydroelectricity Project and National Resources Mobilisation” organised by the Nepal Forum of Environmental Journalists. He said that many domestic and foreign companies had shown interest in investing in Nepal’s hydro-power sector. The doors to domestic investment had opened and hoped they would not close again.

According to Minister Karki, the management committee of Nepal Electricity Authority had given a deadline of one month to look for domestic investment, but this would be extended if the need arose. He said that poverty alleviation was not possible without the development of water resources and in the next 10 years 5,000 megawatt of electricity had to be produced.

Leader of the Communist Party of Nepal (United Marxist-Leninist) and former Minister of Water Resources Pradip Nepal said since Upper Tamakoshi is a big project, a national commitment is needed. A consensus between all political parties and the civil society had to be built for this, he said. Similarly, inter-governmental cooperation is also needed, he pointed out.

Chairman of the House of Representatives Natural Resources Management Committee Prakash Jwala said that Upper Tamakoshi is an opportunity for Nepalis to build a hydroelectricity project themselves and investment would not be a problem if there is political commitment. This should be made a national concern and the different related agendas should be discussed in various committees, Jwala said.

Member of Parliament representing constituency no. 2 of Dolakha district Anand Prasad Pokhrel said that investment would not be a problem if shares could be distributed to various financial organisations, district development committees and village development committees. Presenting a paper at the interaction programme, Pokhrel said that investment would be significantly reduced if the cost of infrastructure development were not included in project costs. He also mentioned that 404 megawatts of power, rather than 308 megawatts, could be produced and the production cost of each unit would only be 2.5 cents if the design of the Tamakoshi Hydropower Project were changed and joined with Rolwaling river. CPN (UML) Member of Parliament Raghu Pant said that he had been repeatedly saying in parliament that Upper Tamakoshi Hydroelectricity Project should be built by Nepalis themselves. If the leadership of political parties called for investment, he said Rs. 60 billion rather than Rs. 30 billion could be raised. He also said that CPN (UML) would be ready to help in any way it can.

Executive Director of Nepal Electricity Authority Arjun Kumar Karki said that the 309-megawatt the Upper Tamakoshi Hydroelectricity Project would cost Rs. 32.72 billion. He said that the project would have to be implemented with Nepali investment in order to save the Nepal Electricity Authority from loss. Governor of Nepal Rastra Bank Bijaya Nath Bhattarai said that since 18 commercial banks can invest, investment would not be a problem for the insurance companies if they have the will. He said that non-resident Nepalis were also interested in the project. Chairman of Rastriya Banijaya Bank Bhola Nath Chalise said that foreign companies would not have been interested if Upper Tamakoshi were not attractive. Therefore, investment would not be a problem for a viable project, Chalise said. Director of IIDS Dr. Dwarika Dhungel said that since no one was against this project, the private sector’s involvement should also be sought.

Kailash Karanjit of the Employees Provident Fund said that there would be no problem about investing if there is a guarantee that the investment would not sink since the Fund has invested in four hydropower

projects and results have been satisfactory. Chairman of the Small Hydropower Development Association Hari Bairagi Dahal said that costs of the project could be reduced by up to 40 percent. Murari Sharma of Beema Sansthan said that his insurance company would be positive if it were approached for investment. Subarna Das Shrestha of Sanima Hydropower Company said that non-resident Nepalis were interested in investing in hydropower and were ready to get the returns in Nepal itself. He said that Rs. 3-4 billion could be raised from non-resident Nepalis.

Sandeep Shah of the Independent Energy Producers' Association, Ram Prasad Bhandari, Jitbir Lama, Parbat Gurung, Bharat Sharma, Dibya Dhoj Karki, Krishna Bhandari of Care Nepal, representatives of various organisations, students and experts were also present at the programme.

The programme was chaired by President of NEFEJ Sahaj Man Shrestha and moderated by senior journalist Bhairab Risal.