

**Source: The Rising Nepal, August 23, 2020**

## **Development Performance Remains Dismal Despite Plans For Better Outcome**

**Kathmandu, Aug. 23:** It's been about three years since the 456 Megawatt Upper Tamakoshi Hydroelectricity Project in Dolakha district had witnessed 99 per cent progress but the project will take some more months to start power-generation as it missed the deadline of the last fiscal year.

After a decade of dilly dallying and contractor's deception, the Melamchi Water Supply Project (MWSP) was expected to complete by the end of this year despite the coronavirus pandemic but the recent accident with the gate damage has created doubts of its timely completion. The Gautam Buddha International Airport in Bhairahawa was announced to be completed by the end of 2019 and would start operation with the launch of the Visit Nepal Year 2020 but the project is still under construction while the national tourism campaign was scrapped immediately after the pandemic gripped the country and the globe. These instances are enough to understand that infrastructure development in Nepal is a serious business with projects taking decades to implement and develop. Every government taking power had promised to give the much-needed impetus to the projects and complete them on time, but the result was never encouraging. Examples are abundant with Melamchi, airports and Kathmandu-Terai Expressway projects being the crown in the failure. The expressway was finally handed to the Nepal Army as the government couldn't find the developer of the pride project about three years ago with a mandate to complete in four years. However, the project had achieved only about 17 per cent progress before the pandemic hit the country while the process for critical infrastructure like the tunnels and bridges is not started yet. According to infrastructure experts, the project will witness multiple year time overrun. West Seti Hydroelectricity Project is still in the conception phase after 23 years of announcement while the reservoir-based 1200 MW Budhigandaki Hydel Project is entangled in land acquisition works for the past several years. There is a National Development Action Committee (NDAC) led by the Prime Minister and coordinated by the Vice-Chairman of the National Planning Commission that works as the

oversight mechanism for the large-scale infrastructure and development projects. Likewise, the development ministries like the Ministry of Physical Infrastructure and Development (MoPIT), Ministry for Culture, Tourism and Civil Aviation (MoCTCA), and Ministry of Energy, Water Resources and Irrigation (MoEWRI) have Ministry-Level DAC to discuss the challenges faced by the projects and address them. Unfortunately, these mechanisms seem to be dysfunctional. Despite regular ministry-level NDAC, the pride projects under the MoCTCA are continuously lagging. Meanwhile, the Millennium Challenge Account Nepal which is developing cross-border transmission lines and upgrading roads with the US support is listed as the pride project. It is in controversy from the very beginning and already failed to launch the project on the announced date of June 30 this year. The root cause of delay in the poor performance of the development projects begins with poor preparedness. “Most of the projects are started or contracted out without completing land acquisition, resolving the forest and environment issues. It creates multiple problems when the project formally begins,” said Tulasi Prasad Sitaula, former Secretary of the Infrastructure Ministry.

He also said that

poor resource allocation and weak inter-agency coordination had resulted in pathetic development performance.

Likewise, experts, including Sitaula, mentioned non-performing contractors, weak engineering and poor supervision and quality control as reasons behind the dismal progress. The multilateral donor Asian Development Bank, financier of the MWSP, was so much annoyed with the unaccountable bureaucrats and their frequent transfers that it had expressed the grievances with the press. It is one of the issues that was frequently raised in the NDAC meeting as well. However, the country has no dedicated supervision and quality control mechanism and agency to monitor and evaluate the projects and facilitate in the course. Experts suggest resource assurance to the projects, responsible and accountable bureaucracy, and practical cooperation among the government agencies as the remedy to the sick projects. The problem has been so acute that the Commission for the Investigation of Abuse of Authority (CIAA) had conducted a study last year to look into the matter and found that majority of the large and medium size projects were sick. The anti-graft body had found that 1,032

infrastructure projects were sick, but the contractors had siphoned off about Rs. 24 billion as 20 per cent mobilisation cost.

“The ministries and development agencies must have better coordination, and the government must give directions to the vital offices like District Forest Office, Nepal Electricity Authority in clear terms to support the projects,” said Sitaula.

However, the NPC said that it was putting in its efforts to facilitate the projects. Coronavirus fallout

Amidst the challenging situation during the coronavirus outbreak, the Investment Board of Nepal (IBN), the one-door facilitator for large-scale projects, and the NPC are facilitating the infrastructure projects to make sure that they continue to make progress.

“We are updating the statistics of the development projects including the pride projects. The challenges posed by COVID-19 will be discussed in the NDAC meeting that will be organised soon,” said Kishor Joshi, Joint Secretary of National Planning Commission (NPC).

He said that though most of the projects were not obstructed due to the coronavirus, their speed had been compromised due to the labour and material crises which would result in time and cost overrun.

Likewise, the IBN was active from the very beginning of the pandemic. “We have asked the projects facilitated by the IBN to discuss the challenges with us so that we can sort them out together,” said Dharmendra Kumar Mishra, Spokesperson of the IBN.

The board is extending quick response online to help the projects to manage equipment, materials and human resources. It also has been continuing the follow-up work regarding the

Investment Summit organised last year.

However, both the agencies are yet to calculate the financial losses incurred by the infrastructure projects due to the coronavirus pandemic and subsequent lockdowns.

**Source: The Rising Nepal, August 26, 2020**

## **Upper Dordi 'A' Hydel Project In Final Phase**

*Lamjung, Aug 26* : The Upper Dordi 'A' project being constructed in hilly district, Lamjung, has come to its final phase. Almost 98 percent of the project construction has complete so far.

Liberty Energy Hydropower promoted the 35-MW hydropower project under construction at Dordi rural municipality-6, Dhodeni. Project manager Rajendra Wasti shared some tunnel works along with the installation of flood-swept machineries were underway right at the moment.

“The project has set its target to complete the construction by coming mid-October if the coronavirus would not affect much”.

The project construction had started some seven years back.

Though it was set to complete the project in 2017 AD, the blockade enforced following the devastating earthquake and massive flooding last year caused to defer the construction works, said project sources.

As per the contract, the project construction works have to be completed by 12 April 2020.

Failing to meet the contract-stipulated target, the project has reviewed its works and expanded fresh target to accomplish the project, Wasti added.

With the timeline extension the cost estimation would also go up by Rs 676 million.

The project was envisaged to be completed at the estimated cost of Rs 3.96 billion but its cost has increased to over Rs 4.63 billion.

According to the company, the project would annually generate over 136.78 million unit electricity.

The district has five under-construction projects including Upper Dordi along its Dordii corridor.

Most of these projects are in preparation to produce electricity within this fiscal year.