

Source: The Himalayan Times; 14 May, 2014

## **Upper Marsyangdi-A project work halted**

Himalayan News Service Lamjung, May 13

The under construction 50MW Upper Marsyangdi A Hydro-project in Lamjung has been shut indefinitely from Sunday due to workers' protest.

All construction work at the project came to a standstill after workers came up with their threepoint demand.

"As the management didn't heed workers' demands, they resorted to the protest, said a source.

The agitators have demanded extra salary for overtime work and dismissal of the Chinese foreman, who manhandled workers. The workers were compelled to intensify their protest as the project management refused to sack the Chinese foreman though it agreed to address the other two demands.

As Syno Hydro and Sagarmatha Power Company refused to remove the foreman from his position, the workers announced closure of all construction work and quit the ongoing talks with the management.

"Though the administration was very flexible regarding other demands, it did not agree to sack the foreman. On the other hand, the workers didn't budge an inch from their stance. This has marred the

negotiations," said the project's concerned committee spokesperson Ajaya Tamang.

Chaangfa Pin, Assistant Managing Director of Syno Sagarmatha Hydro-Power Company Limited, said they were committed to complete the construction work of the project if there was no obstruction.

He also appealed to the district residents to cooperate with the project for its timely completion.

The project aims to generate and supply hydro-electricity by June 31, 2015. According to a project source, construction of infrastructure has almost been completed.

Mechanical and hydro-mechanical work will start very soon.

Construction of two-km of the sixkm tunnel of the project has also been completed. Four subsidiary tunnels also have been erected in different places, said Director of the power company Harsha Man Shrestha.

As per the company, the project aims to start power generation commercially from October 2016 at an estimated cost of Rs 12 billion for completion of the project.

Chinese company Syno is investing 90 per cent and the Nepalese company Sagarmatha Hydro-power is investing 10 per cent of the total investment.

Source: The Kathmandu Post; 15 May, 2014

# NPC identifies 5 priority projects as being troubled

***Prithvi Man Shrestha***

A field study conducted by the National Planning Commission (NPC) has identified five important projects as being troubled.

The NPC, which normally monitors top priority projects, has singled out the 14 MW Kulekhani III Hydropower Project, 30 MW Chameliya Hydropower Project, President Chure Conservation Programme, Mahakali River Control Programme and Mid-Western Regional Hospital in Surkhet as being projects in distress. According to the NPC, the budget allotted to Kulekhani III had not been released even at the end of second trimester of the current fiscal year. Kulekhani III has been plagued by cost overruns with its estimated outlay ballooning from Rs 2.43 billion to Rs 4.46 billion. The project is expected to be completed by September 2014.

The contract for its construction was awarded to another company after the original contractor could not implement it satisfactorily. There has been no proper coordination between the civil works, mechanical works and consultants, according to the NPC's evaluation.

Meanwhile, due to delays in the implementation of the Chameliya Hydropower Project, the warranty for the equipment used in the electro-mechanical and hydro-mechanical works and the equipment purchased for a 132 KW transmission line is expiring.

The Economic Development and Cooperation Fund (EDCF), the South Korean aid agency which funded the electro-mechanical and hydro-mechanical works of the project which are being done by a South Korean contractor, has blamed the poor performance of the Chinese contractor assigned to do the civil works including digging the tunnel for the delay.

In its assessment report after the field visit, the EDCF said that delays in the civil works had affected the electromechanical works too. China Gezhouba Water and Power (Group) Company has been carrying out the project's civil construction works.

Meanwhile, the contractor recently complained in a press note that it faced huge losses as the Nepal Electricity Authority (NEA) failed to fulfil its obligations.

According to the NPC report, the consulting firm appointed for the project failed to make field visits for a long time. The NEA, which has been developing the project, has also failed to supervise the works, according to the evaluation report. An 843-metre segment of the project's tunnel, which is almost one-fourth of its total length, had to be reconstructed due to its being squeezed. However, the cost estimate is yet to be made, according to the NPC.

The 30 MW project, located in Darchula district in far western Nepal, was originally scheduled to be completed in 2011. The deadline was postponed to August 2013 and extended again to March 2015 due to its poor progress. Releasing the budget for Chameliya was also delayed due to the Finance Ministry's concern about cost overruns. "This was the scenario until April, but I have to reconfirm the latest status," said Tirtha Dhakal, chief of the monitoring and evaluation department at the NPC.

Meanwhile, not a single penny of the Rs 400 million budget allocated for the Mahakali River Control Programme for this year was released until the end of the second trimester. The Rs 2 billion project

has been divided into 13 packages. “Not a single stone has been moved at the project site until mid-April,” said Dhakal, adding that there was a risk that the upcoming monsoon would result in massive flooding in the region due to lack of progress in the project to control the Mahakali River.

“The contractor selection process has just begun, and when the contractor starts work, the monsoon is likely to start and may hinder the project,” Dhakal said.

The programme was launched after massive flooding last year caused huge damage to people’s property, particularly in Darchula district. Under an emergency relief measure, Rs 13.5 million was spent following the flooding.

Similarly, the President Chure Conservation Programme is another high priority programme, but the NPC said it had not yet received its programme document. The programme was initiated in fiscal year 2010-11 to manage the Chure area properly after massive exploitation of the land for gravel and deforestation posed a huge risk to the entire hill range.

The NPC said that since there is no programme document, it is not clear what kind of activities will be initiated in the long and medium terms. “Although a limited number of activities are being carried out with the resources allotted annually, they have not been implemented in a planned way,” stated the NPC’s evaluation report.

In the case of the Mid-Western Regional Hospital, the capacity has been reduced to 50 beds from the 300 beds in the original master plan. The hospital’s estimated outlay is Rs 650 million.

Currently, the construction of a one-storey building with a capacity of 27 beds has been completed, and a budget has been allocated for the remaining 23 beds. But only Rs 69.2 million of the budget has been spent. “Despite the completion of the 27-bed section, its handover has not been done and it has not come into operation,” NPC said.