

Source: Republica, July 19, 2014

## Indian proposal on energy cooperation draws flak from political leaders

### REPUBLICA

**KATHMANDU, July 18:**Political leaders have criticized India's proposal on energy cooperation and accused the government of working unilaterally on issues of national importance.

Speaking at a discussion in Kathmandu on Friday, Nepali Congress (NC) leader and former energy minister Laxman Ghimire blamed the government for keeping everyone in dark about the proposal.

Nepal's Ministry of Energy has started an internal study on the proposal on 'energy cooperation' forwarded by the Indian government.

Indian Prime Minister Narendra Modi is visiting Nepal in August. Similarly, Indian Minister for External Affairs is visiting Nepal on July 25.

Minister for Energy Radha Gyawali held discussions on the proposal with former energy ministers, including Ghimire, a week ago. During the discussion, Ghimire and some others had expressed strong protest against the proposal.

"We only want to sell energy like other commodities. But we want to develop our hydropower projects ourselves," Ghimire said, adding, "The Indian intention seems to be on occupying our rivers."

Likewise, CPN-UML secretary Pradeep Gyawali said the government should sign energy cooperation agreement with India only after forging political consensus. "We should not enter into such a power development agreement as reported in the media," Gyawali said, adding that agreement should be on power trade rather than on power development.

Ghimire also expressed doubts on the Indian proposal, saying that the proposal also includes bilateral agreement on renewable energy cooperation.

Rastriya Prajatantra Party leader Prakash Chandra Lohani also said there was no need to enter into any fresh agreement as the country has already signed power trade agreement with India in 1997.

Political leaders have also expressed dissatisfaction with the Indian government which has not responded to Nepal's proposal of entering into power trade.

Nepal had forwarded a proposal for energy trade to India in 2010.

Source: Republica, July 20, 2014

## **'NPC-led body will resolve problems in hydropower development'**

### **REPUBLICA**

Govind Raj Pokharel, vice-chairman of National Planning Commission, was executive director at Alternative Energy Promotion Centre, a national nodal agency for renewable energy, before joining the apex policy making body of the government. The government aims to end load-shedding within three years and has endorsed a reform plan for the energy sector by forming a powerful mechanism led by NPC to sort out problems related to land acquisition and forest clearance and to coordinate with all the government agencies for construction of transmission lines. **Republica's Rudra Pangen** caught up with Pokharel to know about the government's reform plans for ending load-shedding.

### **Why are parliamentarians skeptical about finance minister's announcement that the government would end load-shedding within three years?**

Times have shown that plans seldom get implemented. We have decided to take several measures to attain this goal. Firstly, we should construct transmission lines to evacuate electricity generated by projects meant for domestic consumption and to facilitate electricity trade with India. Secondly, to meet seasonal imbalance of the energy supply and demand, we should barter electricity with India for which we need energy surplus. Thirdly, we should promote financially attractive options like solar power and adopt other energy-efficient measures.

### **The government has announced that it would form a powerful mechanism led by the National Planning Commission for inter-ministerial coordination to sort out problems related to construction of transmission lines, such as land acquisition and forest clearance? How will the mechanism work?**

Although adequate budget has been allocated for construction of transmission lines, land acquisition continues to remain a major problem. Locals of the project area demand high prices for their land but the existing laws have failed to sort out problems in acquisitioning land. The mechanism will strike a balance between peoples' expectations and market reality. The mechanism will also support other preparatory works for transmission lines. The mechanism will also facilitate forest clearance and identify the local's need for physical infrastructures. Amid weak spending on transmission line projects, the mechanism has been designed to address problems regarding evacuation of power from several hydropower projects.

### **The government has unveiled policy reforms but critics say it is difficult to translate them into action?**

Budget spending depends on endorsement of laws and policies as envisioned by the government through its budget programs. Hence, we should lobby for timely endorsement of those laws and policies from parliament. I believe our lawmakers are very conscious about development and I am optimistic that those laws and policies would be endorsed by parliament without any difficulty.

The government has announced incentives for the private sector but has not introduced any plans whatsoever for structural reforms.

Incentives will address the problems of developers who have been complaining of escalating cost of hydropower projects, while the NPC led mechanism would address problems regarding construction of transmission lines. Construction of internal as well as cross-border transmission lines, formation of a power trading company, capacity enhancement of the Nepal Investment Board, and exploration of alternative options are the our other plans. We intend to sort out the problem by being specific. The private sector, especially the industrial sector, is the hardest hit due to energy crisis. Pinpointing problems alone will not solve the problem. All stakeholders should comply with the laws and the help the government attain the goal of ending load-shedding within three years.

**You have long experience in the energy sector. What should be done to ensure sustainable energy supply for Nepal?**

It is very necessary for us to develop reservoir based projects as there is a stark mismatch between the demand and supply of electricity. Moreover, we should start building not only internal transmission lines but also cross-border transmission lines to facilitate electricity trade. If we do not construct transmission lines, we will have to start exploring options to utilize surplus electricity. Moreover, we have also proposed both medium and long-term strategy to ensure sustainable energy. Electricity can address many problems but not all of the problems. We should go for total energy solutions. Solar energy is another viable option. Estimates say that even a 500 MW solar plant that only supplies power during sunshine can make a difference of 1.5 percent growth in the gross domestic product as we can save power. So when we formulate a long-term strategy we need to keep all options open.

**Will there be any incentive for rooftop solar plant installations as announced in the budget program?**

There will be some incentives like tax rebate and accelerated depreciation facility (depreciation can be calculated within two years as it will affect the balance sheet positively for the private sector) and installation subsidy. We will develop a separate mechanism for selling electricity to Nepal Electricity Authority through net-metering as households will only pay net tariff.

**What is your opinion about power development proposal from India?**

I have not seen the document myself. We had sent a document to the Government of India in 2010 but now the government has received a proposal from India. It should be taken as their draft proposal and it may not be a final one to be signed. They have sent it for review from our side. Normally bureaucrats first develop such documents. It is not the final version from the political level. We should discuss the proposal extensively before sitting for negotiations.

**Does the budget program encourage the private sector to invest in hydropower?**

It depends on how we are able to reform policies to attract private sector investment. The government plans to endorse 35 laws related to hydropower development within this fiscal year. Besides, the government has announced a number of incentives for the private sector. Likewise, adequate budget has been allocated for construction of transmission lines. Once the transmission lines are constructed, the private sector will be encouraged. Cross-border transmission lines and formation of power trading company are among our other plans, which should encourage private sector investment. The government also plans to unbundle NEA into production, transmission and distribution units within a year. Again the scale of private sector investment would depend on how quickly we implement the plans.

Source: Republica, July 20, 2014

## Chilime MD recall decision triggers outrage among locals

### REPUBLICA

**KATHMANDU, July 19:** The Energy Ministry's decision to recall Managing Director Kulman Ghising of Chilime Hydro Power Company (CHPC) has triggered outrage among residents of Rasuwa and Sindhupalchok, where CHPC's subsidiary companies have been developing Middle Bhoté Koshi Hydropower Project (MBKHP), Sanjen Hydroelectric Project (SHP) and Sanjen (Upper) Hydroelectric Project (SUHEP).

MBKHP and SHP are being developed by CHCL's subsidiary companies Madhya Bhotekoshi Jalavidhyut Company Limited and Sanjen Jalavidhyut Company Limited respectively. The combined installed capacity of these projects is 116.8 megawatts.

MBKHP is being developed by Madhya Bhotekoshi Jalavidhyut Company Limited while SHP and SUHEP being taken ahead by Sanjen Jalavidhyut Company Limited. These companies are the subsidiaries of the CHPC.

According to a senior project staff at MBKHP, the locals at Sindhupalchowk have padlocked the project office demanding rollback of the decision to recall Ghising.

"The locals say that they fear that the project would be delayed due to leadership vacuum or changes which will ultimately hamper share distribution to the locals and resettlement plans. So, they have resorted to protests demanding Ghising's reinstatement," the project official added.

The official also told Republica that CHCL and other project officials are also dissatisfied with the decision. The Nepal Electricity Authority (NEA) board, which is chaired by the energy minister, had decided to recall Ghising, citing that his four-year tenure has ended. NEA has 51 percent stake in CHCL.

NEA has said that Ghising was recalled after his tenure as director ended on June 19, 2014. It has cited a provision of the Company Act which states that the tenure of a director of a public company shall not exceed four years. NEA had deputed Ghising as director of the board and later the board chose him as the managing director.

Likewise, the locals of Chilime and Goljung have also padlocked the offices of 42 megawatts Sanjel hydropower project and 14.8 megawatts upper Sanjel hydro project, said project in-charge Ram Gopal Siwakoti.

"With long experience in a major hydropower company of the country, Ghising knows the gravity of the problem. The CHCL and its other subsidiaries were formed to discourage political interference seen in other projects developed by NEA. However, the decision to recall MD Ghising from CHCL is politically motivated and this would pave the way for political meddling in this company as well," another official told Republica seeking anonymity.

Source: Republica, July 20, 2014

## **Chilime office padlocked against NEA decision to call back Ghising**

### **LAXMAN BIYOGI**

**KATHMANDU, July 19:** Residents of Rasuwa and Sindhupalchok padlocked the offices of Madhyabhotekoshi hydropower project and Sanjen hydropower project in protest of Nepal Electricity Authority (NEA)'s decision to call back Managing Director Kulman Ghising.

The locals have padlocked the offices of Sanjel hydropower project, 42 megawatts (MW), and upper Sanjel hydro project, 14.8 MW, indefinitely, said project In-charge Ram Gopal Siwakoti.

Similarly, the office of Madhyabhotekoshi with 102 MW has also been padlocked from today itself, one of the project staff informed.

The locals of Chilime and Goljung have warned that they will not withdraw their protest until NEA reinstates Ghising at the company, said Siwakoti.

NEA Board meeting on Wednesday decided to call back Ghising.

NEA said Ghising was called back after his tenure as director ended on June 19, 2014, citing the Company Act's provision which states that the tenure of a director of a public company shall not exceed four years.

With 51% ownership in Chilime Hydropower Company Limited (CHCL), NEA had deputed Ghising as director of the board and later the board chose him as the managing director.

MD Ghising is credited with expanding Chilime into the country's leading power developing company.

CHCL was incorporated in 1995.

Source: The Kathmandu Post, July 20, 2014

## PDA negotiations at final stage

Upper Karnali hydropower project

[MUKUL HUMAGAIN](#)

KATHMANDU, JUL 19 -

Negotiations between Investment Board Nepal (IBN) and India's GMR-ITD Consortium on a power development agreement (PDA) for Upper Karnali Hydropower Project have entered the final stage, with informed sources suggesting that an initial deal could be reached in the next couple of days.

The IBN, which has been mandated to hold the PDA talks, and the GMR have been engaged in discussions for the last five days. As per IBN plan, an initial agreement could be signed by Wednesday, before it is tabled at the IBN board chaired by Prime Minister Sushil Koirala for endorsement.

"We are engaged in making the final draft of the PDA and discussing the terminologies," said an IBN source.

According to the source, the issues figured in this round of talks were use of the transmission lines to be built for the Upper Karnali for other projects, purchasing the transmission lines by Nepal if required at a later date, and giving Nepal first priority to buy the power remaining after GMR has signed a PPA to sell 55 percent of the energy generated to another party.

The other issues being discussed are categorisation of force majeure and termination compensation. "In any PDA, there are two major issues, categorisation of force majeure and termination compensation," said the source. The government will not be legally responsible in case of natural force majeure while it will have to compensate the developers in the event of political force majeure.

"We're currently defining events that come under political force majeure and trying to limit the number of such events," said the source.

The provisions under termination compensation are much better than those for the Khimti and West Seti projects, added the source.

Similarly, the two sides have been discussing whether Nepal will get dividends as it is getting 27 percent free equity in the Upper Karnali project. The IBN will be holding talks with major political parties before inking the final PDA.

According to the IBN, controversial issues figured in the 2008 memorandum of understanding between Nepal government and the GMR has been addressed in the PDA. It has also asked the GMR to allow future power projects to use the transmission lines that it will erect to evacuate power from the Upper Karnali project. The GMR has been given two years to make the financial closure and five years to complete the construction of the project.

After concluding the accord with the GMR, the board will hold PDA talks with another Indian power developer Sutlej Jalvidyut Nigam for the 900 MW Arun 3 Hydropower Project located in eastern Nepal.

Both the IBN and the GMR stand to benefit from the new Financial Act that has granted tax exemption to developers—something they have been demanding for some time. Power projects will

get a 100 percent income tax exemption for the first 10 years and a 50 percent exemption for another five years. In order to qualify for the benefit, they have to generate electricity and feed it to the national grid by fiscal year 2020-21. The developers will also get a subsidy of Rs 5 million per MW.

The Upper Karnali and Arun 3 projects will be developed under the Build-Own-Operate-Transfer (BOOT) model. The power developers will hand over the projects to the Nepal government after operating them commercially for 25 years.

Nepal would earn Rs 800 billion from the two projects over that period, according to the IBN.

Both GMR and Sutlej have agreed to provide 12 percent and 21 percent free energy to Nepal from Upper Karnali and Arun 3 respectively. Nepal will get 305 MW of free electricity from the two projects worth Rs 247 billion.

Source: The Kathmandu Post, July 20, 2014

## Energy Ministry barred from water resource meet in Delhi

### [POST REPORT](#)

KATHMANDU, JUL 19 -

The government has decided not to attend the eighth meeting of the bilateral energy secretary-level Joint Committee on Water Resources (JCWR) planned to take place in New Delhi.

According to a minister, the Cabinet took the decision amid controversy over the 'Cooperation in Power Sector' agreement draft forwarded by India and the Energy Ministry not divulging much about the agenda for the JCWR.

The Cabinet had reservations about the Energy Ministry's reluctance to table the agenda of the JCWR meeting and discuss them with line agencies including the Foreign Ministry.

"As the Energy Ministry forwarded the proposal at the last moment, our participation in the meeting was cancelled," said a minister who attended the meeting. "The Energy Ministry didn't present the complete agenda of the JCWR. They only sought Cabinet nod for the meeting," said the minister.

Foreign Minister Mahendra Pandey confirmed that the Nepali side was not taking part in the scheduled meeting as the details of the homework were not reported. With the Energy Ministry not divulging details, not much is known about the contents of the draft forwarded by India. Sources say very few, including senior officials, have access to the closely guarded document. The southern neighbour had recently forwarded the draft to the ministry in response to the Power Trade Agreement sent by Nepal in 2010.

The document sent by India, according to sources, mentions that no major hydropower project could be developed in Nepal without India's consent. "How can we allow our officials to attend such a crucial meeting without the Cabinet endorsing the agenda," said a highly-placed government source. A Cabinet nod is necessary for a meeting of high importance.

The delegation for the July 20-21 meeting was supposed to be led by Energy Secretary Rajendra Kishore Kshetri. Nepali Embassy sources in New Delhi said they were informed three days ago that the energy secretary would be coming to India.

Meanwhile, the Energy Ministry has agreed to share the contents of India's proposal with other ministries. Energy Minister Radha Gyawali, during Friday's Cabinet meeting, agreed to share the document following criticism from her Cabinet colleagues.

Source: The Kathmandu Post, July 20, 2014

## Rasuwa locals demand Ghising's reinstatement

[KRISHNA THAPA](#)

RASUWA, JUL 19 -

After Nepal Electricity Authority (NEA) recalled Chilime Hydropower Company's Managing Director Kulman Ghising, locals from four villages and stakeholders' committees have launched an agitation demanding his reinstatement.

Ghising has been credited with expanding Chilime's business, by setting up four more hydropower projects with a combined capacity of around 270MW.

The subsidiaries include 11MW Rasuwagadi, 103MW Bhotekohsi III, 42MW Sanjen and 14MW Upper Sanjen. Ghising was also instrumental in Chilime's initial public offering that benefited the locals.

Local residents from Chilime, Gatlang, Goljung and Thuman VDCs and stakeholders' bodies such as Chilime Stakeholder Committee and Rasuwagadhi Hydropower Project Stakeholder Committee are currently in agitation. They have padlocked site offices of Chilime, Sanhen and Upper Sanjen, and have halted construction work on two projects for an indefinite period.

The agitators have warned they would divert the entire Chilime stream if Ghising is not reinstated by Sunday afternoon. They have submitted a memorandum to Chief District Officer Uddhav Bhattarai.

"Ghising provided shares to the locals through initial public offering and also started new projects," said a local Gumbu Chhiring Tamang. "That's why he should be reinstated."

Chilime Stakeholder Committee Secretary Dupsang Tamang said the government took a "biased decision" regarding Ghising, who was instrumental in providing shares to the locals. "We will obstruct all construction work until he is reinstated," he said.

NEA, however, has maintained Ghising was called back after his tenure as Chilime director ended on June 19, 2014.

NEA cited the Company Act's provision which states the tenure of a director of a public company shall not exceed four years. NEA board members have said the move was not guided by any hidden motive.

However, NEA move become controversial as it took the division without holding discussions with Chilime's board.

After he was removed from the post, Ghising had told the Post on Thursday it was unfair to call him back as the decision was taken only by the NEA board.

"Chilime has its own board, and the agenda should have been discussed there first," he had said.

This is not the first time Ghising is being called back. One year ago, then Energy Minister Umakanta Jha had decided to remove Ghising. But the decision was revoked following strong protest from NEA Trade Union and residents of Rasuwa, where the project is based.

Source: Republica, July 21, 2014

## **CPN-Maoist warns govt against signing unequal treaty with India**

### **REPUBLICA**

**KATHMANDU, July 20** :Taking strong exception to India's draft proposal for cooperation in the energy sector, Mohan Baidya-led CPN-Maoist has asked the government to clarify the contents of the proposal.

In a press statement issued by the party on Sunday, CPN-Maoist has also vented ire against the government for preparing to sign export-oriented Project Development Agreement (PDA) with India instead of scrapping previous unequal agreements. "The reports that preparations are under way to sign an agreement on handing over water resources to India and Indian companies have saddened the Nepali people," the statement said.

The CPN-Maoist has urged the government not to sign any unequal agreements with India. The party has also urged the people to stand ready to take to the streets if the government signs any such unequal agreements.

Meanwhile, a standing committee meeting of the main opposition party UCPN (Maoist) has also expressed strong objection against the proposed agreement. "Proposal of this kind should not be taken without holding discussions with the opposition party and in absence of prime minister. Water resource agreements should be in the interest of the country.

The proposal forwarded by India is against the national interest," said UCPN (Maoist) chief secretary Hitraj Pandey.

Source: Republica, July 21, 2014

## **Proposal not against Nepal's interest: Indian Embassy**

### **REPUBLICA**

**KATHMANDU, July 20** :Indian embassy in Nepal has clarified that India's draft proposal for cooperation in the energy sector between the two countries contains no conditions counterproductive to Nepal's national interest.

Referring to reports about the protest against India's proposals by various quarters, including the main opposition party UCPN (Maoist), the embassy said the draft proposal in no way constrains Nepal's sovereign authority over its hydropower resources.

Issuing a press statement on Sunday, the embassy said the draft agreement that outlines broad principles and parameters for overall cooperation in the power sector, including trading, transmission line development and construction of hydropower projects. "Every power project to be developed will require a separate project implementation agreement and power purchase agreement, terms and conditions of which would need to be agreed," the statement said.

The Indian embassy's statement comes in the wake UCPN (Maoist) and other political parties strongly objecting to the draft of Nepal-India bilateral energy cooperation forwarded by India. They have said the proposal is against Nepal's national interest and have urged the government not to sign the proposed draft agreement until some of the provisions are amended.

Since the proposal forwarded by India requires discussions and bilateral negotiations prior to finalization, both sides are free to propose amendments or modifications to the draft. "In no ways does the draft constrain Nepal's sovereign right to develop its hydropower potential," the statement said.

The statement said power trade in India is under the Open General License list and that an Electric Power Trade Agreement was signed in 1997. "Separately, Bilateral Power Exchange Committee meetings are held from time to time to review power exchange arrangements between India and Nepal," added the statement.

Source: Republica, July 21, 2014

## Govt postpones energy secy's visit to Delhi

**RUDRA PANGENI**

*To wait till prime minister's return from US*

**KATHMANDU, July 20** : Failing to receive the cabinet's nod, the Ministry of Energy on Sunday said it has postponed the proposed visit of a team led by Energy Secretary Rajendra Kishore Kshatri to Delhi.

The team comprising technical members was scheduled to visit Delhi for preparatory talks on signing bilateral agreement on electricity trade with India.

Speaking at a press meet on Sunday, Energy Minister Radha Gyawali said the cabinet would take a decision on the issue only after Prime Minister Sushil Koirala returns from USA on Tuesday."

"Energy agreement with India will be in Nepal's interest," said Minister Gyawali responding to queries in the water resources committee of parliament on Sunday. Gyawali and secretary Kshatri were invited by the committee to discuss and review the progress on the energy front during the last fiscal year.

Gyawali's response has come amid criticism of India's proposal on energy cooperation by former energy ministers and hydropower experts. She said though India's proposal is in its interest, a team led by energy secretary will table its own proposal before sitting for negotiations. The energy ministry has already prepared its proposal to be forwarded to India.

Spokesperson for the energy ministry Keshav Dhewaj Adhikari said the cabinet decided to wait till the prime minister's return from US to approve the technical team's visit to Delhi.

PM is scheduled to return home on Tuesday. "We can go to Delhi after the prime minister arrives home as we have sufficient time to prepare the document before India's Prime Minister Narendra Modi's visit to Nepal," added Adhikari. Modi is scheduled to visit Nepal in August.

Sources said Acting Prime Minister Bamdev Gautam wanted to defer the Nepali team's visit to Delhi as cabinet members were divided on the proposal.

Former energy ministers have taken exception to the proposal on bilateral energy cooperation forwarded by India saying the proposal is against Nepal's interest and that the government should only sign agreement on trading electricity. However, Adhikari said Nepal needs to enter bilateral cooperation on other issues including construction of cross-border transmission lines.

Meanwhile, talking to Republica, Former Energy Minister Prakash Chandra Lohani argued that there is no need of fresh power trade agreement with India as electric power trade agreement was signed between Nepal and India in 1996.

However, Adhikari said the trade agreement has become outdated and needs revision though it was not implemented at all. "Eighteen years after the agreement, several new domestic and international developers have entered the picture and their concerns also need to be addressed through a new agreement," added Adhikari. However, the new proposal includes all the important clauses of the 1996 agreement.

Source: Republica, July 21, 2014

## **Editorial**

### **What's cooking?**

#### **REPUBLICA**

##### *Bilateral energy cooperation*

The hush-hush manner in which the bilateral energy cooperation proposal has been pushed once again raises suspicions on India's intent. It also suggests that all's not well with the coalition government, with one coalition partner supposedly in the dark about the activities of the other. As yet no one has come up with a credible explanation of why the proposal had to be kept under wraps since it was first proposed by India in early May. The Indian Embassy on Sunday clarified that the proposal does not, in any way, constrain Nepal's sovereign authority over the development of hydroelectricity in Nepal. But the leaks from Energy Ministry suggest there is a provision whereby Nepal won't be able to develop any major hydro project without India's nod. The leaks might not be entirely credible. But that is beside the point. The people would not have had to rely on such leaks if the two sides to the proposal were more forthcoming. The Indian Embassy has clarified that what has been proposed is merely a draft and the nitty-gritty is yet to be hammered out. That does not help either, for the question is of the proposal's intent, rather than its eventual outcome.

Over the course of last eight or nine years, India has looked to meddle in purely internal matters of Nepal. Be it in repeated emphasis on the dissolution of the first Constituent Assembly since India did not like the idea of the Maoists, then the largest party, leading the constitutional process; or in helping engineer the elevation of a sitting Chief Justice to the post of government head; or in dividing the Madheshi parties to get a favorable power balance in Nepal; in all these cases, among many others, India has knowingly or unknowingly helped destabilize Nepali polity. The same kind of big brotherly attitude has been seen in past bilateral hydropower and irrigation deals, with India entitled to get a disproportionate share of benefits in every case. There are genuine Indian concerns vis-à-vis Nepal, no doubt and its efforts to harness Nepal's huge hydro-potential for the benefit of the millions of Indians who continue to live in the dark is understandable. But insisting that Nepal avail power, as per the leaks, 'at a rate lower than currently available in India' suggests India wants to foist cut-and-dried agreements on its small neighbor, rather look to work out a win-win formula.

Again, India is not the sole culprit here. It might, in the dog-eat-dog world of realpolitik, even be argued that India is only doing as it sees fit to further its national interest, and it is the responsibility of Nepali interlocutors to secure their own interests. The role of the Energy Ministry under UML, in this context, is rather fishy. The government must clarify how the proposal of such import could be squirreled away into the dusty cupboards of the ministry. Did UML top-brass know about it? If so, why hide it and why was Nepali Congress, the senior coalition partner, not informed? Or were they informed? The whole picture is murky. Our government representatives, in any case, must be well aware that any agreement with long-term implications for Nepali state must be endorsed by the sovereign legislature. It cannot be the prerogative of one or two parties, however big they are. The government representatives must realize this and they must offer a credible explanation for another brazen attempt to deceive the sovereign people.

Source: Republica, July 21, 2014

## **Gyawali refutes allegations on Ghising's transfer**

### **REPUBLICA**

**KATHMANDU, July 20:** Minister for Energy Radha Gyawali on Sunday refuted allegations that she influenced the board of Chilime Hydropower Company to transfer the company's managing director Kul Man Ghising.

The board of Chilime had refused to extend Ghising's term on Thursday after he completed a four-year term.

She also said employees of Chilime cannot obstruct project works and warned that there was state mechanism to take action against those involved in obstruction of works.

The minister made the comment after employees padlocked offices of projects being implemented by Chilime.

Chilime Hydropower Company is currently implementing four projects. Of them three are under construction and one has already started generation.

Speaking at a press meet organized at the energy ministry on Sunday, Ram Chandra Pandey, acting managing director of NEA, said Ghising's contract was not renewed as the Company Act says executives in companies may not have additional term after completion of four years.

He also said NEA has proposed the names of Hitendra Dev Shakya and Lekhanath Koirala to the Chilime's board to head the company.

Source: The Rising Nepal; 21 July, 2014

## **Call for taking national interest in focus regarding energy**

Kathmandu, July 21: UCPN-Maoist and CPN -Maoist leaders have said there should be no compromise without forging national consensus on issues related to long term national interest.

At an interaction programme organized by the Janasanchar Abhiyan here today, they said agreement should be signed with focus on national interest in overall development of energy sector.

The process should be forwarded by identifying whether or not the issues related to Power Trade Agreement and water resources said to be signed with India are in the interest of the country.

UCPN- Maoist leader and Energy Department Chief Lilamani Pokhrel said the agreement said to be signed unilaterally without discussing with opposition will not be acceptable.

CPN-Maoist Politburo Member and Energy Department Chief Dharmendra Banstola said India has tried to take Nepal's water resources in its control.

Sending new proposal by India by rejecting Nepal's proposal is not justifiable, he said.

It was informed by Energy Ministry at a press conference Sunday that the agreement to be signed with India was deferred for the time being.

Source: The Himalayan Times; 22 July, 2014

## **Hydel proposal win-win for Nepal, India: Ranjit Rae**

Indian Ambassador Ranjit Rae today said India's draft proposal on "Cooperation in Power Sector" was not meant to control Nepal's water resources, but to create a "win-win situation" for both to utilise Nepal's huge hydel potential for mutual benefit.

Earlier, India had forwarded Nepal the draft of CPS, detailing the comprehensive aspects of power cooperation between the two countries.

The envoy said Indian and Nepali governments were discussing pricing and ways to generate hydropower in Nepal and erect cross-border transmission lines for exporting and importing hydropower.

Addressing a programme in the Capital today, Rae said, "I think the proposal is a win-win situation for both the countries." The talk programme, titled Connecting the Sub-continent: South Asia and New Silk Road, was organised by the Centre for South Asian Studies and chaired by Rae. Noted Indian journalist and foreign policy analyst C Raja Mohan spoke on the theme.

The draft proposal has sought assurance to give preference to Indian investors for generating hydropower in Nepal. A section of Nepali media has termed it interference in Nepal's sovereignty. Indian Embassy in Kathmandu has already refuted the allegation. Rae stated the CPS document was just a draft proposal and Nepal, as a sovereign nation, has full right to share its reservation.

"It is an agreement between two sovereign nations. Both have full rights to accept or reject it," he said, adding, "If any party disagrees on any clause, it can be amended."

He made it clear that it was up to Nepal to decide whether to exploit its water resources or not, whether to export power to India or use it in Nepal.

He added that electricity could be sold to India only after meeting Nepal's needs. He said the two countries had not developed even a single joint hydro project in Nepal for the last 65 years due to mutual suspicion.

Earlier, speaking on regional cooperation within South Asia, Prof C Raja Mohan observed that the prevalence of negativism among the intelligentsia in the region has become a hindrance towards better cooperation. "Those outside the government are more negative than those within the governments," he said, referring to retired bureaucrats, army personnel and civil society's suspicious attitude towards any initiative taken by the government for broader regional cooperation.

Referring to inaction on regional cooperation front, Nischal Nath Pandey, Director of CSAS, said, "Our foreign secretaries and army generals become wiser after retirement."

Source: The Rising Nepal; 23 July, 2014

## **Power development agreement for prosperity of the country: Minister Gyawali**

Kathmandu, July 23: Minister for Energy Radha Gyawali has said the country was going to sign the Nepal-India Power Development Agreement (PDA) for the prosperity of the country.

At a face-to-face programme organized here today by the Sambad Club Nepal, she claimed that the agreement will be for national interest and for energy development.

The Minister said there will be no national betrayal, it is for the development of the country and the ministry itself will not signed, as it will be signed only after decision by the cabinet.

Such agreements are also necessary with Bangladesh, Sri Lanka and China and not only with India, and decision of signing agreement will be after consensus with all parties, she added.

NC leader and former Energy Minister Dr. Prakash Sharan Mahat said the agreement will benefit both countries and there is nothing objectionable.

Energy Department chief of UCPN-Maoist Leelamani Pokhrel accused that India was signing the agreement to seize Nepal's waters.

The agreement will affect in long term, and it should not be signed, he said. CPN- Maoist Politburo Member and Energy Department Chief Dharmendra Banstola also said the agreement was harmful to Nepal and should not be signed.

Former State Minister for Water Resources and RPP Spokesperson Thakur Prasad Sharma, and leftist intellectual Sonamsingh Sherpa said Nepal should not sign the agreement that only benefits India.

Source: The Kathmandu Post; 24 July, 2014

## **Chilime MD's authority curtailed**

**Sanjeev Giri**

Amid controversy over the recall of Chilime Hydropower Company Managing Director (MD) Kulman Ghising, the company's board meeting on Tuesday curtailed the authority of its head.

The meeting, chaired by officiating MD of Nepal Electricity Authority (NEA) Ram Chandra Pandey, appointed new board members to Chilime's three subsidiary companies, ending the MD's representation on their boards.

So far, the Chilime MD had been chairing the boards of the subsidiaries.

NEA officials Sher Singh Bhat, Hitendra Dev Shakya and Lila Nath Bhattarai were appointed on the boards of Sanjen, Madhya Bhotekoshi and Rasuwagadhi hydropower projects.

Sources said the move to curtail the authority of the company's head was aimed at discouraging Ghising from continuing on the top post even if he had to be reinstated amid public pressure.

Amid Rasuwa and a section of NEA employees holding protests demanding Ghising's reinstatement, Energy Minister Radha Gyawali, who is also NEA's chairperson, has publicly accused Ghising of inciting the protests.

Top officials of NEA and Chilime admit the move to curtail the MD's authority could hinder smooth functioning of the subsidiary companies.

A Chilime board member, seeking anonymity, said the decision "targeting a single person" could hit the projects' efficiency. "The move seems to be guided by the motive of providing opportunities to NEA staffers to hold plump posts," the source said. The move also suggests NEA's unwillingness to reinstate Ghising as Chilime board member.

Ghising has been credited with leading the development of Chilime's subsidiary projects, including 11MW Rasuwagadi, 103MW Bhotekohsi III, 42MW Sanjen and 14MW Upper Sanjen.

Source: The Rising Nepal; 24 July, 2014

## **CIAA directs appointing CEO at NEA**

Kathmandu, July 24: The Commission for the Investigation of Abuse of Authority (CIAA) has directed the government to forward the process for appointing the Chief Executive Officer (CEO) at the Nepal Electricity Authority (NEA) saying the NEA was run by Officiating CEO for long.

The NEA has been running its services under the Officiating CEO, Ram Chandra Pandey, an NEA official, currently.

The CIAA wrote to Chief Secretary Lilamani Poudyal and stated that it was wrong to run the daily service provider body like NEA under the leadership of the Officiating CEO, CIAA stated issuing a press release, today.

The CIAA has drawn the government attention through the letter that the NEA could not achieve the objective as expected by making its leadership less for long at a time when it was inevitable for promoting the water resource sector for the national economy and prosperity.

The NEA has its top post vacant as the then CEO of the NEA, Rameshwor Yadav, was pulled to investigation under the corruption charge in connection to transformer purchase scandal. The Government had sent Arjun Kumar Karki, the then Joint-Secretary at the Ministry of Energy, to look after the responsibilities of Yadav but it was vacant as the current government has transferred Karki as a Western Development Regional Administrator.

The CIAA in the press statement stated that it has written the government urging to appoint CEO at the NEA, soon, as per the CIAA Act-2048 clause no. 28.

Source: The Rising Nepal; 24 July, 2014

## **MPs call for debating Indian proposal on power trade, development**

Kathmandu, July 24: Speaking in the meeting of the Legislature-Parliament today, MP Haribol Gajurel of the UCPN (Maoist) demanded that the government make its views public through the parliament regarding the proposal forwarded by the Indian government to the government here on the development of the energy sector of the country before signing an agreement on it.

He also drew the government and the parliament's attention to the damage to life and property caused by the incessant rain in different parts of the country.

Arjun Narsingh KC of the Nepali Congress objected to the government starting to levy vehicle tax on the road from Tokha of Kathmandu to Nuwakot. He demanded withdrawing this decision forthwith saying it has hit the life of the general public, affecting 61 VDCs in Nuwakot district.

Bhim Rawal of the CPN (UML) also demanded that the government inform the House on the contents of the Indian proposal on power trade. He stressed that any agreement on the power trade should be for mutual interest.

Kamal Thapa of the Rastriya Prajatantra Party Nepal said it was necessary to make the visit of the Minister of External Affairs of India to Nepal starting tomorrow to the interest of both countries.

Ramesh Lekhak of the Nepali Congress called on the government to immediately take relief to the flood-affected districts of the Far-west Development Region.

Ashok Rai of the Sanghiya Samajbadi Party demanded investigation into the decision of the Pashupati Area Development Trust (PADT) requiring that only people of the Brahmin caste would be allowed to perform various religious rituals in the Pashupati area.

Sita Giri Oli called for undertaking river control works and providing relief to the flood affected people in Kaski district.

Naravan Kami demanded collecting exact data on the damage caused to life and property by the flooding of the Mahakali River in the different districts of the Far-west region, and to distribute relief to the affected people.

CP Mainali of the CPN-ML drew that government's attention on the need of making the imminent visit of the Indian Foreign Minister to Nepal successful and said that the government should start talks with all parties regarding this.

Deepak Bohara of the Rastriya Prajatantra Party expressed annoyance at the non-distribution of compensation to the flood-affected people of Gulmi district till the time.

Prem Suwal of the Nepal Workers and Peasants' Party also demanded that the government should immediately inform the House on the contents of the proposal submitted to Nepal government by the Indian government.

Brijesh Kumar Gupta expressed his dismay that the government has not yet provided the budget allocation book to the MPs even though discussions on the Appropriation Bill have already started in the House.





