

Source: The Kathmandu Post; 11 April 2015

Chameliya irregularities: House panel to summon CIAA to inquire about probe

The Public Accounts Committee (PAC) of Parliament on Friday decided to summon the Commission for Investigation of Abuse of Authority to inquire about its probe on the alleged embezzlement of hefty funds allocated for the development of the 30-megawatt Chameliya Hydropower Project.

The decision was reached after a number of lawmakers expressed their dissatisfaction at the slow pace of probe into the case. The PAC, in December last year, had directed the government and the CIAA to take action against those involved in misappropriating the funds within 10 days.

In the PAC meeting on Friday, lawmakers stressed the need for summoning CIAA representatives to inquire about the progress made in the matter. A team from the PAC which carried out an investigation into one of the five variations of the project a few months ago had found that cost was increased by millions of rupees in the name of tunnel redesigning.

“The committee has not set a date to summon the CIAA,” said PAC Secretary Som Bahadur Thapa. “The date will be decided officially soon.” The committee had asked the corruption watchdog to form a separate panel to probe all the variations.

An investigation from the PAC led by Rajendra KC, a Nepali Congress lawmaker, had found that around Rs550 million was misused in variation order No 6 alone. In July last year, the Nepal Electricity Authority (NEA) board approved the biggest variation order of Rs1.09 billion to China Gezhouba Water and Power (Group) for tunnel squeezing treatment work.

“It’s been long since we asked the CIAA to conduct a probe but it has made no progress,” said NC lawmaker Dhana Raj Gurung, who asked PAC Chairman Janardan Sharma to summon CIAA representatives for an inquiry.

The lawmakers also expressed their concerns about the halt in construction saying that the PAC had directed to carry on with the works despite the probe. According to KC, around 95 percent of the work has been over with the remaining electro-mechanical job assigned to a South Korean company. The irregularities were found in the civil works carried out by the Chinese company.

The PAC study had found that the cost of construction materials, manpower and equipment were highly inflated and that the NEA board had approved Variation Order 6 of the contractor, bypassing the Variation Review Committee under the Project Development Department. The NEA has already paid more than Rs2.5 billion in variation orders to project contractors. The committee had reviewed claims of five previous variation orders. The developer, NEA, has made payments to six variation orders to the contractor so far.

With a massive rise in the variation order, the project cost has now spiraled to Rs 15.06 billion from the initial Rs 8.49 billion. At an estimated cost of Rs500 million per MW, the project is set to become the costliest ever undertaken by the NEA.

Source: The Rising Nepal; 14 April 2015

Norway expresses desire to support Nepal in hydroelectricity

Norway has expressed its desire to increase investment for the promotion of Nepal's hydro power sector considered the backbone of the country's economic development.

The visiting State Secretary of the Norwegian Ministry of Foreign Affairs, Mr Morten Hoglund, expressed this during his meeting with Minister for Foreign Affairs Mahendra Bahadur Pandey at the Ministry of Foreign Affairs, Singha Durbar today.

"In the meeting with me, Norway showed its special interest on Nepal's democracy, promotion of good governance and education, and development," Minister Pandey told RSS.

Minister Pandey said that the State Secretary of the Norwegian Ministry of Foreign Affairs informed him that his country was going to file candidature in the United Nations Security Council and that he expected of Nepal's cooperation and support to that end.

Nepal and Norway had established diplomatic ties in 1973 AD. Since then, Norway has been extending assistance to Nepal's socio-economic development.

Norway has been extending assistance to Nepal focusing on basic and primary education, hydroelectricity, energy, human rights, decentralization, peace building, good governance and the promotion of the private sector. The Norwegian assistance has also been used significantly on rural electrification.

Norway has also been providing cooperation to Nepal through the Norwegian International Cooperation Agency (NORAD) in Nepal's development endeavours. NORAD has been providing scholarships for production of skilled human resources at different times. Norway has provided over 30 million Norwegian Kroner in the Peace Fund.