

“Vision 2020: A Vision for Hydropower Growth”

November 24, 2008

1. Introduction

Nepal's abundant water resources and geo-physical features provide ample opportunities for hydropower production in Nepal. Nepal has the potential to generate more than 200000MW of energy from its rivers and rivulets. Yet Nepal is not energy independent; rather it relies on energy imports of petroleum to meet most of its commercial energy needs. It faces acute shortage of power during winter (upto 70 hours a week of load shedding) and only 4 percent of the rural population has access to electricity. Meanwhile, it is evident that the amount of hydropower exploited thus far is too minimal to help the country meet its commercial energy needs as against the estimation that Nepal hydropower potential is adequate enough to meet the domestic and the SAARC energy demands.

Besides sustainably developed and managed hydropower has enormous potential to contribute to sustainable development goals through the development of villages and cities, kindling economic activities and significantly reducing poverty and enhancing quality of life in the communities they serve. Yet development of this sector has been relatively very slow.

The Government of Nepal has recently made public a 10 year plan envisaging generation of 10,000MW of hydro electricity in the next 10 years, ably driving the hydropower initiatives in the country. The Government demonstrates robust optimism and confidence in announcing this mega target but seems to lack concrete direction and an informed clear-cut strategic roadmap on *how* to achieve this target. Besides, the role of private sector in hydropower development has not been strongly enforced and explored. Government's resources are not adequate for investments in hydropower. Hydropower is commercially viable and if the Government can play the role of a facilitator through investment friendly policies and framework, equity and financial investments can be assured and mobilized from the private sector. The private sector has a key role in the development of hydropower sector in Nepal.

There is a need to highlight the need for hydropower development to categorically occur within national energy policies informed by strategic assessment processes guided by well crafted roadmap, strategies and implementation framework and mechanisms. Federation of Nepalese Chambers of Commerce and Industry (FNCCI) through this seminar aims to stimulate this discussion on how to move forward to realize the target so that Vision 2020 growth oriented goals on Hydropower is achieved through effective partnership of the government and private sector.

2. Seminar on “Vision 2020: Hydropower”

A half day seminar on the above mentioned theme is proposed to be held on November 24, 2008 at Hotel Hyatt Regency, Boudha.

This seminar will lead to an open and candid exchange and discussion on the core issues, prevailing challenges and plans in achieving Vision 2020 objectives on hydropower and will attempt to garner synergy and coordination from all executing and involved parties responsible for making Vision 2020 an achievable feat. The seminar is also expected to generate specific guidelines to the Government on “how” to achieve the robust milestone in hydropower. Besides, experiences sharing on hydropower development by Hydro Quebec, Canada (installed capacity 40,000MW) is believed to add value and useful perspectives to the discussion on Nepal's hydropower development. This half-daylong seminar also makes the perfect primer for the more detailed conference sessions that follow in the later days.

2.1 Seminar Management Partners

The seminar will be organized by Federation of Nepalese Chambers of Commerce and Industry (FNCCI). The key co-sponsors for the seminar will be Hydro Solutions and NEA. The other sponsors include a good mix of organizations including Banking Institutions, Government of Nepal, IPPAN, Butwal Power Company (BPC), NHE, Himal Hydro etc.

2.2 Participants

Around 200 participants will be participating in the seminar with notable key speakers contributing to the seminar. The participants will be a heterogenous mix from the renewable energy sector including the Government. Few notable ones include Ministry of Water Resources (MoWR), Ministry of Finance (MoF), Department of Electricity Development, Nepal Electricity Authority, Institute of Engineering, IPPAN, NHA, SEDAN, IPPs, Embassies, Bankers & Financial Institutions, Insurance Agencies, Subject Specialists/Experts and the media community.

2.3 Speakers

The speakers will include figurehead representatives from the seminar management partners. (sub heading 2.1). There will be four key presentations on the theme.

2.4 Tentative Session Plan

Topics to be covered include an overview of the present Energy Crisis, Short Term Solutions and Vision 2020: Hydropower; Government's Plan for Vision 2020: Hydropower; NEA's Plan for Vision 2020 on Hydropower and an experiential sharing session by the Canadian delegation on Canadian experience on Hydropower development.