

Call to revisit policies on water, energy cooperation

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KATHMANDU, Feb 16: Though the sixth periodic plan had introduced the idea of exporting electricity back in the 1980s, the possibility of beginning power export in the near future appears slim, experts say.

Rather, power import is increasing at an alarming rate in recent years.

Experts say the idea itself is flawed as importing energy from Nepal was neither a priority for India in 1980s, nor now.

“Almost all the policies of the past five decades in water and energy cooperation have failed and they should be revisited,” says Rajendra Dahal, a senior journalist and an advisor to former President Ram Baran Yadav.

“We have not seen any indication that India will buy Nepal's energy. The southern neighbor is only eyeing on water resources,” he adds.

Dahal's view goes against country's policy documents which envisage narrowing down the bulging trade deficit with India by exporting electricity. Indian leaders and diplomats often say that Nepal can narrow down the widening trade deficit by exporting energy to the southern neighbor.

When talks of building Arun III project was doing rounds in the 1980s, those who were in favor of building the plant had argued that export of even half of the energy generated by Arun III could put the country in a trade surplus situation, Dahal said, speaking at an interaction on 'Rethinking Water and Energy Cooperation' organized jointly by South Asia Watch on, Economics and Environment Trade (SAWTEE) and Institute for Social and Environmental Transition (ISET-Nepal).

“We managed to end load-shedding by increasing energy imports from India,” Dahal said, adding: “Our focus should be on becoming self-sufficient in electricity.”

Stating that the country was facing resource crunch to develop big hydropower projects, Dahal said the country needs to attract foreign investments in hydropower sector.

Similarly, Posh Raj Pandey, chairman of SAWTEE, lamented that the idea of exporting

electricity, which was introduced in the sixth periodic plan of 1980s, has not materialized yet. He also urged the government to insert electricity import cost in trade deficit figures.

The current trade deficit figures published by Nepal Rastra Bank exclude the electricity import cost. Nepal's electricity import increased by 28.36 percent to 1,758.41 GWh in the last fiscal year compared to the previous fiscal year.

Former deputy managing director of Nepal Electricity Authority (NEA), Sher Singh Bhat, said that the country has become a lucrative market for Indian electricity.

Senior Journalist Ajay Bhadra Khanal suggested strengthening institutional capacity of organizations like NEA to streamline hydropower generation and distribution. “While developing hydropower projects, the country should also consider environmental issues and river's ecology,” Ramesh Bhusal, Nepal editor of Third Pole journal, said. Gokarna Awasthi, president of Society of Economic Journalist of Nepal, said that the problem with current energy discourse is that too many different groups are lobbying for their own interests which result in diverse, at times, conflicting reporting.