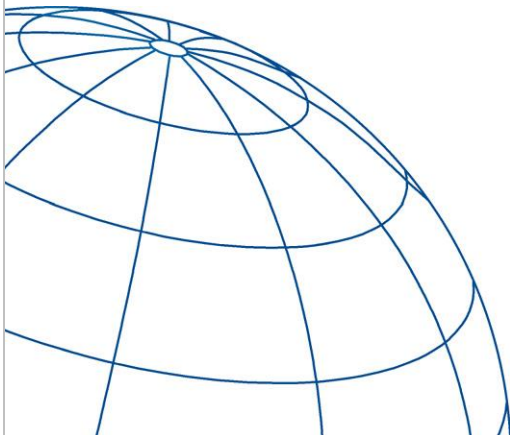


Challenges in implementing a Hydro Power Plant in Nepal



Christian Siemer



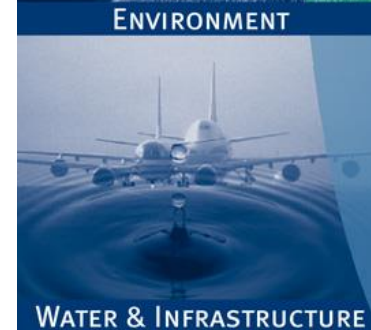
CONSULTING & IT



ENERGY



ENVIRONMENT



WATER & INFRASTRUCTURE

Project challenges in Nepal

- Challenging and complex rock and soil conditions



Project challenges in Nepal

- Sediment handling due to high sediment loads



Project challenges in Nepal

- Huge differences in flow between dry season and monsoon periods
- High risk of earthquake events



Project challenges in Nepal

- Projects in remote locations, requires development of infrastructure
- For importing goods only five access points from India are available



Project challenges in Nepal

- The transmission grid has limited capacity and must be improved
- Bureaucracy and public administration must be improved, decision taking often takes too long

Project challenges in Nepal

- Only 1/3 of the energy is produced by the private sector. Why?
- Is the Power Trade Agreement with India properly working?
- Are the regulations for foreign Off Taker and IPPs are attractive enough?
- What about taxes and royalties? Exemptions available?

Project challenges in Nepal

- Amounts received as profits or dividends are entitled to repatriate. Is the transfer process clear and transparent?
- What is about the tariff structure? Is there a free share and free power requirement?
- Is there a paved way for foreign commercial banks?

Project challenges in Nepal

- How is the Investment Board of Nepal (IBN) embedded in the implementation of the projects? What is their role?
- Exists there any oversight mechanisms ?
- Does IBN have sufficient human and financial resources to perform its functions?