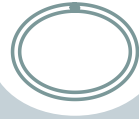


# **Current State, Challenges & Opportunities in Hydropower Investment in Nepal**



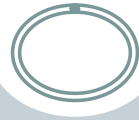
**DR. ATMA RAM GHIMIRE**  
**MANAGING DIRECTOR**  
**LIBERTY ENERGY COMPANY LIMITED**

# About Myself



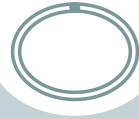
- Involved in Information and communication technology business since 1983, currently Chairman, Nepal Certifying Company, only a digital signature company licensed by Government of Nepal
- Worked 32 years in Universities (6 years in government service inclusive), 3 years in donor agencies and rest private sector
- Currently involved with 8 hydropower projects as board of director and investor
- Currently Chairman of Prabhu Life Insurance Ltd.

# Current State



- Remember late Shailaja Acharya, who opened up private sector in hydropower
- Private sector currently important and dominant hydropower generator in the country
- Almost all privately developed hydropower are the run-off river hydropower Projects
- Higher cost of development/completion

# Challenges



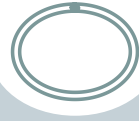
- **Financial**

- Equity
- Bank loan
- Dhito Patra Board
- Credit Rating
- Capital market

- **Technical challenges**

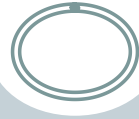
- Technical Manpower
- Sediment issues
- Lack of local environment suitable equipment ( e.g. lack of turbine manufacturer in Nepal)

# Challenges



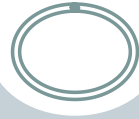
- **Government Challenges**
  - Lack of one window system
  - Corruption
  - Lack of Incentive
- **NEA Challenges**
  - PPA and associated issues
  - Transmission Line
- **Social problems/issues**
  - Over expectation
  - Individual interest and local “dons”

# Challenges



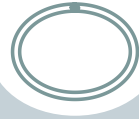
- **Developers**
  - Lack of unity, ineffective IPPAN
  - Lack of Professionalism
  - Ethical misconduct
  - “Small throat Big bone”

# Prospects



- Until 10,000 MW there is no Major Risk but will not have higher return
- Personal satisfaction of “doing something”
- Picking and Reservoirs have brighter prospects
- Steady long term revenue when met with targets (completion time, cost and IRR)
- With existing government policy other sectors have attractive returns than hydropower

# Prospects



- Government may allow developers to continue after 30 years
- Government may realize if energy is 'export good' provide incentive for hydropower
- Developers become 'genuine' developer
- Bankers become more professional and supporting
- 'Bidyut Niyaman Ayog' will become more of facilitator with regulatory power than become additional 'hurdle'



# Thank You

