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HYDROELECTRICITY INVESTMENT & DEVELOPMENT COMPANY LIMITED

जलविद्युत लगानी तथा विकास कम्पनी लिमिटेड

CREATING OPPORTUNITIES FOR A BRIGHTER, PROSPEROUS NEPAL THROUGH THE DEVELOPMENT OF HYDROPOWER

Nepalese Delegation Visits Bangladesh for Enhancing Power Sector Co-operation between the Two Countries



Nepalese Delegation with the Rt. Honorable Prime Minister of Bangladesh

A Nepalese delegation led by Hon. Minister of Energy, Mrs. Radha Kumari Gyawali visited Bangladesh from 5-8 August, 2014 on the invitation of H.E. Mr. Nasrul Hamid, State Minister for Power, Energy and Mineral Resources of Bangladesh. Other members of the Nepalese delegation included Mr. Keshab Dhoj Adhikari, Joint Secretary, Ministry of Energy, Mr. Deepak Rauniar, Chief Executive Officer of HIDCL and Ms. Nirmala Sharma, Director of Nepal Electricity Authority.

Bilateral discussions between Nepal and Bangladesh were held during the visit to identify possibilities of power sector co-operation between the two countries. During the four days visit, possibilities of import of hydro power from Nepal to Bangladesh, and other avenues of cooperation in the power sector between the two nations were explored.

Views were shared on potential ways and means to harness synergies and complementarities by promoting cooperation in the regional and sub regional levels. The Nepali delegation paid a courtesy call on the president of Bangladesh, H.E. Mr. Md. Abdul Hamid, the Prime Minister of Bangladesh H.E. Sheikh Hasina Wajed, Foreign Minister H.E. Mr. Abul Hassan Mahmood Ali, and Minister of Power, Energy and Mineral Resources H.E. Mr. Nasrul Hamid.

The Nepali delegation also visited Bhermara, Kushtia to observe the 400 kV Double Circuit inter country grid between Bangladesh and India. The interconnection on the Bangladesh side comprises a 500 megawatts (MW) HVDC substation at Bheramara, about 27 kilometers in 400 kilovolt transmission lines from Bheramara to the Indian border and a link to the Bangladesh electricity grid.

HIDCL Constructs a Bus Stop as Part of its Corporate Social Responsibility

As a part of its Corporate Social Responsibility, HIDCL constructed a public bus stop just opposite to the South Gate of Singhadurbar in Babarmahal, Kathmandu. There was no bus stop at the vicinity of the South Gate of Singha Durbar despite the fact that so many civil servants and the general public visit Singha Durbar. The bus stop is expected to facilitate a large number of civil servants and the general public at large, who travel along this route, mainly during rush office hours.

HIDCL presents in Asia Clean Energy Forum

The Chief Executive Officer of HIDCL, Mr. Deepak Rauniar participated in the 9th Asia Clean Energy Forum (ACEF), an annual international energy event, organized by the Asian Development Bank (ADB) in partnership with United States Agency for International Development (USAID) and the World Energy Council (WEC) on June 19-20, 2014 in Manila the capital city of the Phillipines. The forums was co-sponsored by the governments of Australia, Canada, Japan, Norway, Spain, Sweden and the United Kingdom.



The forum is a significant international event where leading experts and institutions engaged in the energy sector come together and deliberate on a number of pertinent issues related with clean energy technology, policy and finance. Over the course of the week, including pre-forum events like the International Off-Grid Renewable Energy Conference and the Quantum Leap in Wind Workshop, ACEF had a total of 1,500 participants from 90 countries, with more than 260 speakers and resource persons. The forum brought together a wide range of policymakers, project developers, investors, and technical experts from across the region to discuss the challenges and opportunities facing the clean energy sector.

In the forum, CEO Rauniar made a presentation projecting HIDCL and shedding light on its activities and involvement in the hydropower sector in Nepal. The presentation focused on an assessment of the energy sector of Nepal, project opportunities in Nepal, issues of multilateral/international finance and key drivers driving the domestic finance of power projects.

During the visit, Mr. Rauniar also met Dr. Bindu Lohani-Vise President, Mr. Bruno Carrasco, Director, Public Management, Financial Sector, and Trade Division, South Asia Department which was also attended by Mr. Don Lambert, Senior Finance Specialist and Mr. Vivek Rao, Principal Financial Sector Specialist. The meeting was focused on joint project financing opportunities of mid-sized hydro projects in Nepal. ADB agreed to explore the opportunities further and a mission by Mr. Don Lambert and Mr. Vivek Rao in August was suggested to make an assessment of hydro projects, HIDCL as a company, and other opportunities in Nepal.

ADB Mission Visits HIDCL

A consultation mission visited HIDCL from 12 to 14 August, 2014 to explore the possibilities of mobilizing investment for the hydroelectricity sector of Nepal. Meeting with the officials of HIDCL, the mission discussed in detail about the opportunities of providing a line of credit facility to HIDCL for onward investment the hydropower projects and related infrastructures in the country. Discussions were also held on the possibility of setting an off shore debt service reserve account to manage foreign exchange risk and catalyze foreign direct investment in Nepal's hydropower sector.

The discussions were focused on increasing hydroelectricity investment to address the problem of inadequate and unevenly distributed electricity generation in Nepal. Specific discussion were carried out regarding the amount, duration and terms of the proposed project loan, of which HIDCL will be the borrower as well as the executing and implementing agency. In additions, opportunities of providing technical assistance to HIDCL to develop its policies and procedures for credit risk management were also discussed.

During the visit, the ADB mission also met Secretary of Ministry of Energy, Mr. Rajendra Kishor Kshatri, officials of the Ministry of Energy, Department of Electricity Development, Nepal Electricity Authority, Office of the Investment Board, FNCCI, IPPAN, Nepal Rastra Bank, World Bank, Standard Chartered Bank, Nepal Investment Bank and Robust Energy Limited.

Appointment of Deputy General Manager and Financial Analyst

Recruitment of two key positions in the top management level has been done in HIDCL. CA Mr. Mukti Bodh Neupane has been appointed as the Deputy General Manager (Finance) of the Company. Prior to joining HIDCL, Mr. Neupane worked as the Head of the Financial Management Section in the Youth Self Employment Fund under the Ministry of Finance. Mr. Neupane assumed his position on the 1st of Ashad, 2071. Similarly, Mr. Ramkrishna Khatiwada has been appointed as the Financial Analyst (level 10). Prior to joining HIDCL, Mr. Khatiwada was working as General Manager in NIBL Capital Markets. He was also working on projects as an independent financial consultant.

Risk Assessment Cell formed to Assess 82 MW Project

As per the requirement of the Lending Policy of HIDCL, a Risk Assessment Cell has been formed for the assessment of the 82 MW Lower Solu Hydropower Project to be developed in the Solukhumbu District of Eastern Development Region of Nepal. The project is being developed by M/S Essel Clean Solu Hydropower Limited, whose major shareholder is M/S Essel Infrastructure Group of India. Other prominent promoters of the project also include Clean Energy Development Bank.

There are two financing components in the overall financial arrangement of the project. The international financing component includes financial arrangement from FMO- The Netherland, DEG-Germany, Guarantco-UK etc. While the financing of the local component is being arranged by a consortium of local financial institutions of Nepal, M/s Prime Commercial Bank Ltd. has assumed the lead to arrange the consortium of local financial institutions to finance the project.



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