

Sept 28.

Cooperation in Water resources

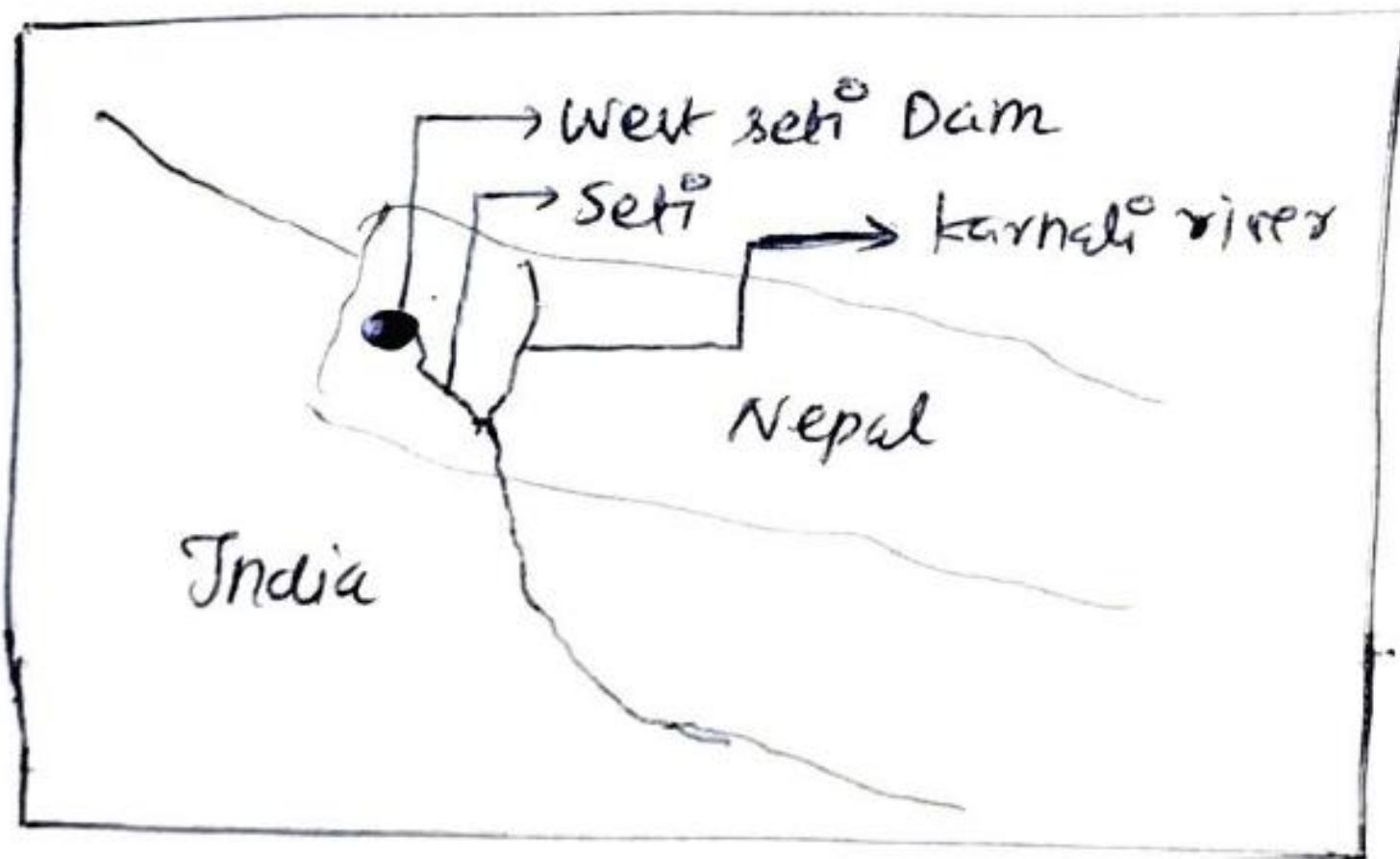
→ Water resource is considered as backbone of Nepal economy.

→ Nepal has 6000 rivers and estimated potential for 83000 MW

Hydropower way

→ Power trade agreement was signed between two countries in 2014 to trade electricity across border without restrictions.

→ Recently an MOU was signed between Investment Board Nepal & National Hydroelectric Power Corporation to develop West seti and seti river projects - a total of 1200 MW



Win-win situation

• Many countries have failed to complete this seti river project [hydroelectricity].

• The decision to involve India is a sign that Nepal is reposing its faith in India.

Potential for Nepal

→ Despite huge hydroelectric potential, Nepal experiences power shortages during peak time.

→ With this project, its foreign exchange reserves will increase through export of electricity.

→ Estimated revenue of ₹1100 billion by 2045 and address power shortfall.

For India

→ To address coal imports

→ To meet targets set under COP26

→ To reduce trade deficit.

Geopolitics

→ It helps to counter China in our neighbourhood, which is having strong presence in Nepal.

→ Through trust various border disputes could be sorted.

Regional ties

Bangladesh - Bhutan - India - Nepal (BBIN) framework can harness a cross border energy market.

Way ahead

India should carefully assess the cost involved, the issues around settlement and rehabilitation, and implement the infrastructure efficiently.