



Nepal: Upper Trishuli 1 Hydroelectric Power Project

Project Name	Upper Trishuli 1 Hydroelectric Power Project		
Project Number	49086-001		
Borrower/Company	Nepal Water & Energy Development Company Pvt. Ltd		
Country	Nepal		
Location			
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 90.00 million	Proposed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships Private sector development		
Sector / Subsector	Energy - Large hydropower generation		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Infrastructure Finance Division 1		
Responsible ADB Officer	Tang, Sonali		
Project Sponsor(s)	Daelim Industrial Co. Ltd. Korea South East Power Company Kyeryong Construction Industrial Co. Ltd.		
Description	The Upper Trishuli-1 Hydropower Project involves the construction and operation of a 216 MW greenfield run-of-the-river hydropower facility located in the Trishuli watershed, 275m downstream of the confluence with the Bhotekosi river, and about 70km north of Kathmandu. The Project consists of a 77m wide diversion dam by which the water will get diverted through a 9.8km long headrace tunnel to an underground power station. The electricity generated will be sold for domestic consumption to the Nepal Electricity Authority (NEA) based on a fixed tariff structure. The 35 year concession will be on a BOOT basis and includes a 5 year construction period.		
Objectives and Scope	Nepal faces a large power deficit, resulting in daily load shedding. The project will reduce this shortage and generate a significant amount of power during the dry season (December to May) and reduce the need to import power during this season.		
Linkage to Country/Regional Strategy	The project is also in line with ADB's country partnership strategy 2013-2017 for Nepal, which lists the energy sector as one of the 3 core sectors in Nepal. The country partnership strategy also emphasizes the need to attract greater private sector finance investments into the industry.		

Safeguard Categories

Environment	A
Involuntary Resettlement	A
Indigenous Peoples	A

Summary of Environmental and Social Aspects

Environmental Aspects	Under ADB's Safeguard Policy Statement (2009), the project to construct and operate a 216MW hydropower plant is classified as category A for environment. NWEDC has undertaken the preparation of an Environmental and Social Impact Assessment (ESIA) to identify potential environmental and social impacts, as well as the effective measures to avoid, mitigate and compensate identified adverse impacts. NWEDC will implement measures and relevant management plans to monitor and respond accordingly to the identified potential risks and impacts during construction and operation (e.g. health and safety, water quality, biodiversity, downstream flows); and manage cumulative impacts through participation in a co-management platform with other key stakeholders of the river basin.
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Involuntary Resettlement	The project is classified as category A for resettlement following ADB's Safeguard Policy Statement. Of the approximately 99.79 hectares of land required for the project and its associated facilities, most it (approximately 77ha) is government land. The remaining is a mix of private (~3.68ha) and trust (~15.53 ha) lands. This land take will result in both physical as well as economic displacement. NWEDC has undertaken the preparation of a Land Acquisition and Livelihood Restoration Plan (LALRP) aligned to ADB SPS requirements to address the adverse impacts resulting from involuntary resettlement. NWEDC will implement measures as identified in the LALRP. Progress on LALRP implementation will be periodically monitored and reported.
Indigenous Peoples	The project area is dominated by Tamangs who are identified as one of the 24 hill tribes/indigenous people in the country. Most of the project affected persons/land losers (physically as well as economically displaced) are Tamangs who are native to the area. In addition, the project facilities like the access roads will result in some adverse impacts on community forests which is a source of timber and other non-timber forest produce for these indigenous communities in the area. NWEDC has undertaken the preparation of an Indigenous People Plan (IPP) aligned to ADB SPS requirements to address the adverse impacts on these IP groups. NWEDC will implement measures as identified in the IPP. Progress on IPP implementation will be periodically monitored and reported.
Stakeholder Communication, Participation, and Consultation	A Stakeholder Engagement Policy (SEP) is under preparation for the project. The SEP will include a detailed communication strategy covering a stakeholder analysis, a communication strategy (for disclosure, information sharing, grievance redressal and community feedback), and an outline of resources to be allocated. Key stakeholders such as affected people, community members, women, vulnerable groups, civil society organizations, concerned government officials/departments, local political groups, traditional leaders, village elders will be consulted throughout the project cycle. The stakeholder consultation, communication and participation programme will follow culturally and linguistically appropriate methods and be inclusive in its approach and coverage. Progress on implementation of SEP and communication strategy will be documented and periodically reported.

Timetable for assistance design, processing and implementation

Concept Clearance	12 Jul 2016
Due Diligence	
Credit Committee Meeting	-
Approval	01 Aug 2018
Last PDS Update	27 Mar 2018
Project Page	https://www.adb.org/projects/49086-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49086-001
Date Generated	09 November 2018

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