

# Learning from ADB on water (mis) management: Experiences of Nepal

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# Nepal's Water Resources

- Geographically located between **India** and **China**
- **Total population:** 23.15 million in 2001 (CBS, 2001) with the annual growth rate of 2.25%
- More than **6,000 rivers and rivulets**
- **Majors river systems:** Saptakoshi, Narayani (Gandaki), Karnali and Mahakali.
- **Existing Water Use Scenario:**
  - ❖ **72 %** of the population has access to **basic water supply** and **25%** of the population has **sanitation facility**.
  - ❖ **603 MW** is the installed capacity of **hydroelectricity** (app. **1.4%** of the techno-economically viable capacity)
  - ❖ Of **2.64 million hectares** of cultivable land, **0.764 million ha** is irrigated, but only **0.50 million (app. 18.5%)** ha of land had round-the year irrigation.



**Why do we failed to harness our  
water resources?**

**No Easy Answer**

# Project (s) Information

- **Kali Gandaki 'A' Hydroelectricity project (KGA)**
  - **144 MW** (the largest till date)
  - Located in Western Development Region
  - Completed in **2002**.
  - Co-financed by the **Asian Development Bank (ADB)** and Japanese Overseas Economic Cooperation
  
- **Melamchi Water Supply Project (MWSP)**
  - Diverting 170 MLD of water from Melamchi River to Kathmandu.
  - Co-financed by the **ADB, JBIC, NORAD, NDF, OPEC-Fund, SIDA, the Japanese Government and HMGN**
  - Initial estimated cost is **US\$ 464 million** (Revised cost in 2005 is **US\$ 531 million**)

# ADB in Nepal

- Since **1969**.
- Total loan disbursement till date is **US\$ 1,390 million**.
- Total loan disbursement in 2005 is **US\$ 43.66 million**
- **Energy** (25.28%) followed by **Water Supply and Sanitation** (22.51%) are the largest sectors.

# What we learn?

- How to **ignore cheaper and better alternatives** to these big projects?
- How to make activities **un-transparent** in these projects?
- How to **promote corruption** in the projects?
- How to sideline **local peoples participation** and suppress their legitimate demands for **compensation (resettlement)**?
- And finally How to **dream**?

# Consequences

- Cost overrun and Time overrun
  - Cost escalated for KGA from US\$ 250 million to US\$ 360million
  - For MWSP from US\$ 464 million to US\$ 531(in 2005)
- Heavy foreign debt
- Local people campaigning against the project

# Contd.

- Nationwide **Five hours** load-shedding (Power cut) every day
- Load-shedding will increase few more hours.
- Only getting water in **every alternate day** for one or two hours. (in Kathmandu)
- In some part of the city, water taps were dried out since many years.

# Way Forward

- Long term perspective plan is required
- Emphasis on small, environment friendly projects
- Domestic resources must be utilized
- Ensure transparency in all activities
- Ensure local people participation in all phases of the project.