

# An Interview with Mr. Moti Lal Dugar

Chairman, MV Dugar Group, Nepal



*In light of ongoing discourses, at present, on prevailing energy crisis and exciting participation of IPPs in hydropower development in Nepal, HYDRO Nepal Journal felt this opportune to review and assess the present hydropower development scenario of Nepal from the perspective of independent power producer. Hence, HYDRO Nepal takes pleasure in presenting an interview with Mr. Moti Lal Dugar, Chairman of MV Dugar Group, Nepal by Rajendra P Thanju, Managing Editor of HYDRO Nepal Journal.*

**Since energy is the backbone of any economy and also provides vital services to the people; how do you assess the present energy scenario of Nepal?**

The overall scenario of Nepal's energy is sector is encouraging and attitude of the public and the government is sympathetic.

**Being a reputed business house in Nepal with wide ranges of businesses activities including trading, industries and service sectors in operation; your group, now, is developing numbers of hydropower projects, namely; Likhu I, Likhu II and Likhu A, and also Lapche Khola HEP is in pipeline. What factors motivated you to launch hydropower project in Nepal?**

I see the future of our group and country in hydropower. Our religion Jain also favors this kind of business as it is eco-friendly and in line with Lord Mahavir who believed in conservation of environment and Non-violence.

**From independent power producer perspectives, what are the major impediments that hinder hydropower development in Nepal? And what are your insightful suggestions to overcome these and to create conducive environment for smooth and effective implementation of hydropower in Nepal?**

The major problems which hinder the hydropower development in Nepal are summarized as followings;

- Highest cost of finance,
- Banks do not consider hydropower as safe business, only 3% of their total lending is in hydropower sector,
- Excess delays in clearances from government side, and
- Social problems.

And the solutions to above problems can be proposed as followings;

- The Government of Nepal must make compulsory provision of 15% or more lending in hydropower sector, otherwise banks pay penalty, and the maximum rate of interest for hydropower financing must be kept between 9-10%. The Central bank of Nepal, Nepal Rastra Bank, must give re-finance for at least one year and it should be for hydropower sector only.
- Must force BFIs to sign hydropower projects covering up to 25% lending in 3 years.

- The Government of Nepal must make it mandatory that any decision be taken in one to two weeks only. Otherwise concerned bureaucrats must be penalized publicly for holding files and decisions, and all decisions related to hydropower sector must be done on war-footing.
- Strictly nobody should be allowed to stop work at hydropower sites. The CDO and the police must take stern action and maintain law and order to ensure smooth implementation of the projects. And any valid and reasonable social problems should be sorted out through dialogues.

**Despite large hydro potential, Nepal has become dependent not only on ever increasing imports of fossil fuels, but also, recently, in electricity creating alarming trade deficit in the country. How do you assess this dependency while there exists enormous indigenous hydropower potential to be developed and serve the country?**

The only way to minimize the alarming situation of trade deficit resulting to negative Balanced of Payment is to encourage and allow hydropower development on war-footing.

**Hydropower development demands massive capital investment, and most of the capital comes from financing from the BFIs. Here, the policy of Central Bank of Nepal governs the situation. What is your observation in this regard?**

Hydropower projects are implemented through bank financing. Hence, the central bank, Nepal Rastra Bank, must be serious enough to ensure minimum 15% or more total lending in hydropower sectors.

**Would you like to share your experiences on the business climate in Nepal in terms of doing business, and particularly doing hydropower projects? How do you see the hydropower sector of Nepal in business perspective?**

Doing business in Nepal is one of the best, especially in hydropower sector. The policies are best, however, the implementations are biased and jealous.

**How do you assess the current situation for foreign direct investments (FDIs) in Nepal which is pre-requisite for investment for development in any economy at initial stage?**

Good climate for FDIs but they must be kept at level

playing field with Nepalese entrepreneurs. They must not be given extra privilege in the name of FDIs.

**The major problem of Nepal is said to be the political instability resulting to frequent changeover of the government ensuing alteration in policy matters which hampers development endeavor seriously? In your opinion, what would be the future scenario after general poll recently held?**

After poll, I am very hopeful and positive results are expected.

**How should the government of Nepal move to benefit the most from its huge hydro potential engaging in regional hydromacy with its neighbors? What would be the best hydro-path forward in your opinion?**

We must make our diplomacy friendly with India and Bangladesh at highest levels as well as bureaucratic level.

**What is your vision for hydropower development in Nepal?**

We see the best future lies ahead in hydropower development in Nepal provided the conducive environment are made from required level.

**Do you see the role of media in creating favorable environment for hydropower development in Nepal?**

Yes, the media can play better and constructive roles for creating favorable environment for hydropower development in Nepal.

**Finally, would you like to share your philosophy in business and life?**

We must encourage ourselves to invest in hydropower, tourism and agro industries in Nepal.

Life in Nepal is the best and we must help Nepalese people instead of donating in Indian temple and *Tirth* (Holy places). We have many places to do in Nepal.

And your success *Mantra*.

I believe in dedication and positive thinking driven with full of passion are key for success in any sector of life.

**Lastly, would you like to convey any message to the readers of **HYDRO Nepal** Journal?**

My message to the readers of **HYDRO Nepal** Journal is “requesting all to invest in hydropower business and encourage hydropower in all aspects.”

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