

Toads prevail upon the harrow: Changes in Nepal's hydropower policy through informed contestation by Advocacy Coalition

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1 For what

- A self reliant path to hydropower development : well being
- Involvement of in-country resources : expertise, finances, private sector and community
- Lower cost of generation and at fast rate

For whom

- Households
- Local private developers, consultants and contractors, banks and manufacturers
- Rural community groups in distribution
- Government; regulatory capacity
- Donors: for more targeted support

A self-reliant hydropower development approach

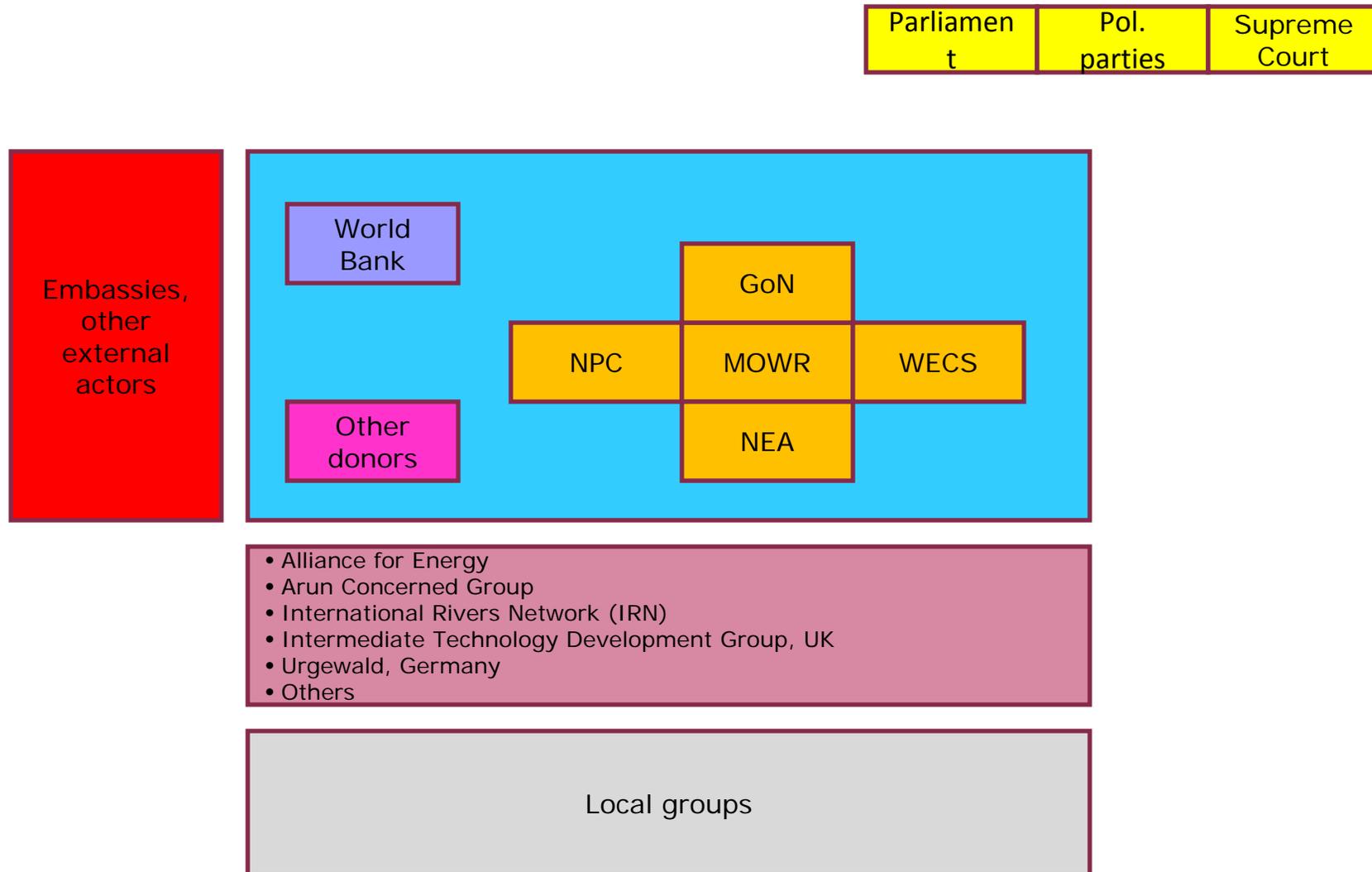
Arun III Hydropower Project was to be funded through a World Bank loan



Capacity 201 MW
Cost 1,1 billion dollars (US \$ 5,000/kW)
Pursued since 1985

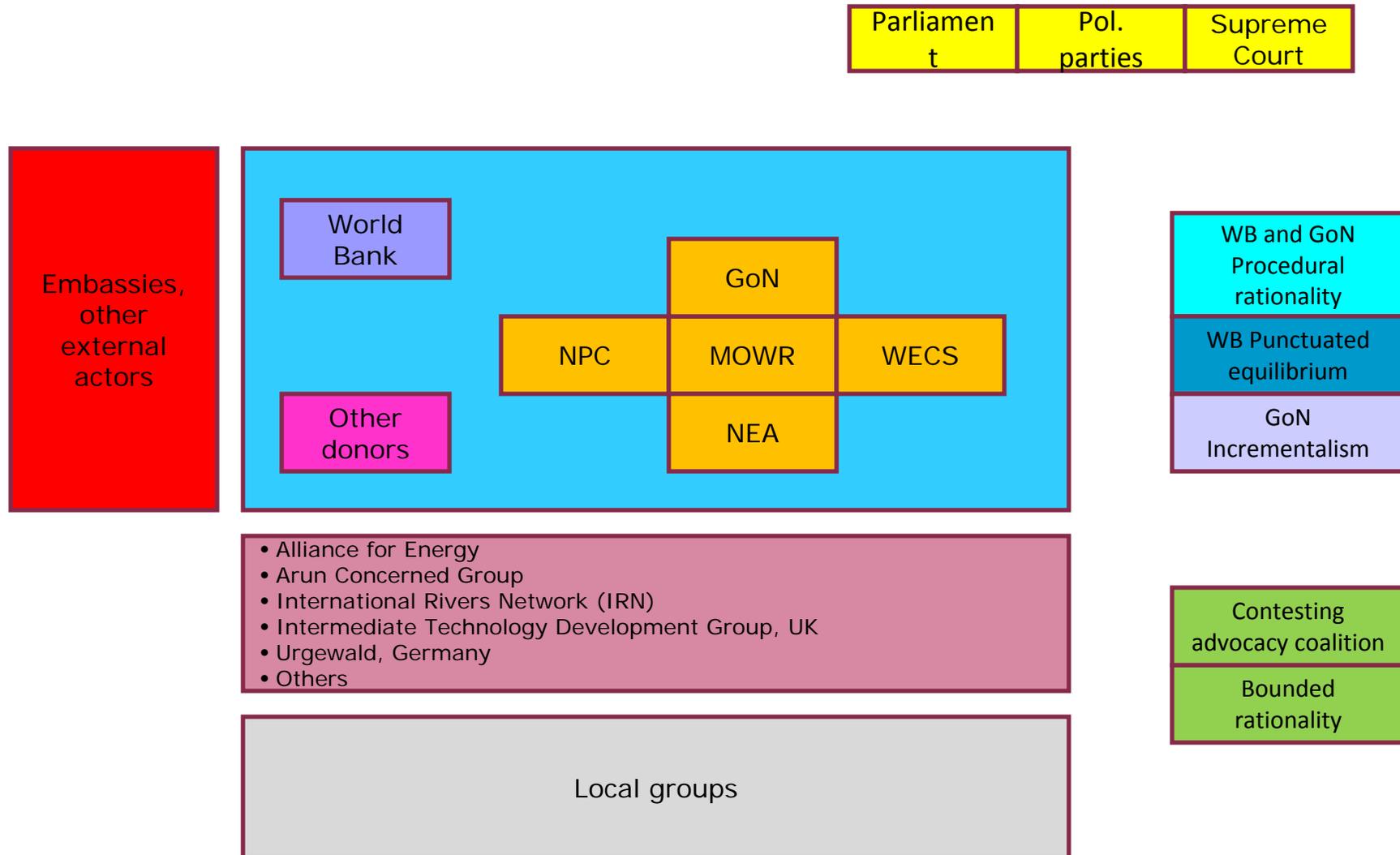
2) Of what

a) Thinking about system



2) Of what

a) Thinking about system



b) Scoping

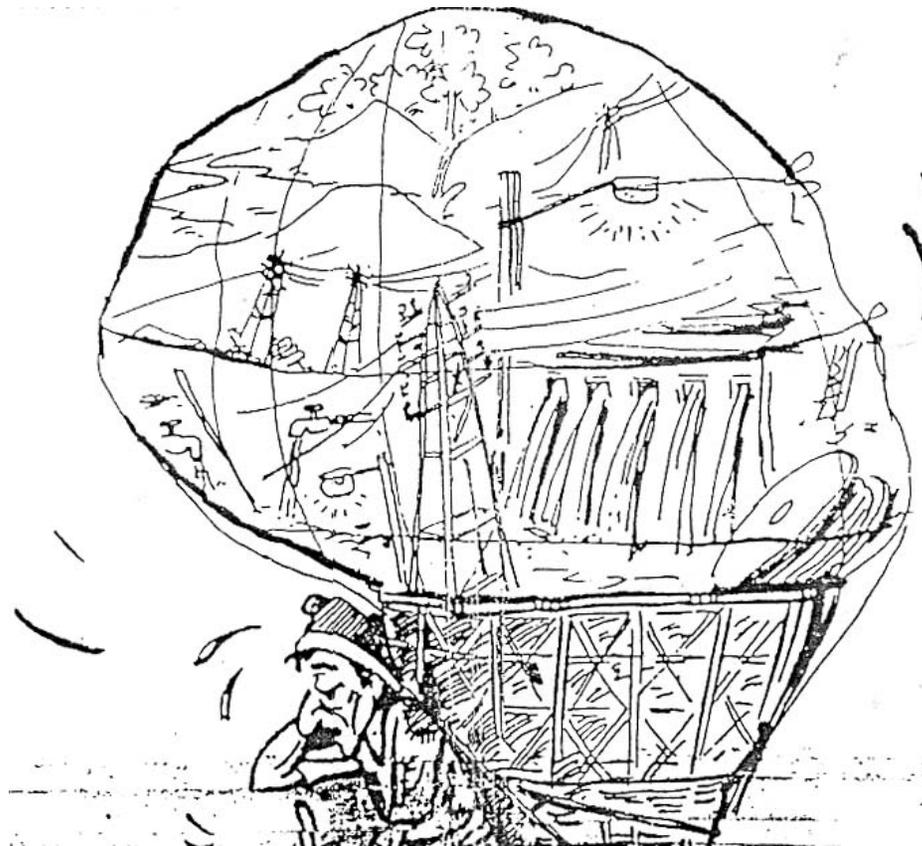
- What made it so costly 5,000 \$/kW vs. 2,000 \$/kW in other countries?
- Cost of similar projects in the region.
- What lessons did Nepal own efforts offer?
- Project assumptions; energy needs and projections.
- How will political parties respond?
- How to communicate with and use media?
- How to mobilise resources to sustain campaign?
- Who are friends, who are adversaries?
- What if no hearing?

c) Boundary setting

- Glocal
- Time was not a criteria
- Movement: serendipitous

d) Problem framing

Global campaign: "Fifty years is enough"



Counter image: “Every Nepali will be able to cook their lentils (*daal*) and rice (*bhat*) using electricity generated from the project.”



e) Values difference

- Structural adjustment program (SAP)
- Guided by environmental movement of 1970s: putting people at the center of development. Facilitative state, private sector with human face for innovation.

Differences persist

- Isolating extremes
- Focusing on interest helps

f) Harnessing and managing differences

Different worldviews: Political domain

Later (National Adaptation Plan of Action, 2009)

- Differences about approaches to community consultations
- Prioritizing options and writing:

Transaction cost high. Involved external consultant.

3. By whom, when and how

a) By whom

Advocacy coalition (AC)

Others who were not part of the AC also presented ideas, views and analysis.

Both in favour and those who questioned

b) When

1989-1995 and continues

Engagement model

c) How

Method	Activities
Testing technical and economic assumption	Design, past projects, those region and elsewhere, Implications of Bank's loan conditions.
Communicating(media and outreach)	Public hearing, organising and participating in talk programmes, newspapers articles, newsletters.
Litigation	Nepal Supreme Court (Right to information), Bank's Inspection Panel
Building alliance	Globally and in the region
Lobbying	Presenting arguments in official meetings, Worked with sympathetic actors within, US senators,
Seeking independent reviews	Pacific North West Laboratory on energy cost
Using strategic openings	Opponent's contradictions and contesting officials in meetings
Championing local rights	Helping local groups organise, highlight gains and lose, briefing members of political parties.

4 Context

- Would not lower electricity tariff (One of highest in the world), nor bring supply fast.
- Only 10 percent had access to electricity supply in 1990. Now about 40 percent.
- 90 percent of energy used based on biomass.
- No local capacity building and low contribution to economy.
- After 1990 political system open for new ideas.
- Debate on benefits and who pays, and continues.

Legitimacy

Support came from non state policy champions.

Contribution to discipline and service.

High level of professionalism.

Local rootedness.

Transnational alliance brought additional legitimacy.

Barriers and facilitators

- Intellectually sky was the limit (Against mainstream development approach)
- Organizations endorsed the approach of researchers

How responsive to research

When evidence presented WB decided to withdraw in 1995.

5 Outcomes

Tangible shifts

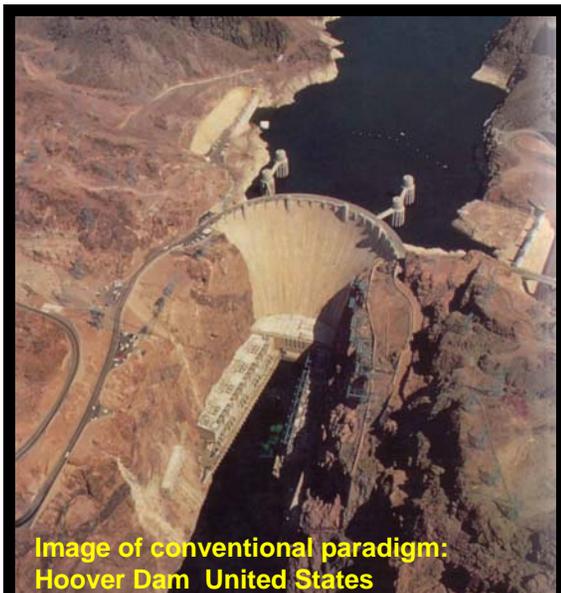
- Between 1996 and 2002 many hydropower projects implemented by Government, International and Nepali private sector.
- Projects provided a third more electricity at almost half the time it would have taken for Arun-III to be completed, at 2/3 of its proposed cost.
- Rate at which Nepali private developers could sell electricity to the national grid announced. Till 2002 Nepali private sector and banks invested Rs 770 million (77 MW).
- 50 percent royalty from hydropower plants transferred to districts with plants.
- Community Electricity Distribution Bylaws allowed any organized community groups to buy electricity in bulk from the grid and distribute it among members. Has enabled 110,000 households getting electricity supply.

Broad lessons

- Interdisciplinary analysis involving engineering and technological studies, economics, political science, development and environmental studies and law will resonate with policy activities,
- Systemic perspective helps analyse balance power and contest ideas,
- Transnational alliance adds value and legitimacy, and
- Integration can come about through a pluralised policy terrain.

Present conditions

- Policy terrain began to revert to older approaches as Nepal's politics took a insidious turn in 2001.
- National grid faces a daily power outage 10-15 hours in dry season.
- Need deeper analysis of country's energy policy subsystems, principles and politics. Policy cycle can help in analysis but politics is key.



Thank you