

## Citizens' Note

### Eight Citizens Raise Concerns about Problematic Infrastructure Projects in Nepal

*As the Nepal Infrastructure Summit takes place in Kathmandu, experts and activists express their position against faulty megaprojects, inappropriate external involvement, and attempts to stifle discourse on infrastructure development.*

*Kathmandu, 13 September 2024*

We, the undersigned citizens, want to bring our sincere concerns to the attention of public and private participants in the Nepal Infrastructure Summit (12-13 September, Kathmandu), focusing on four main areas with regard to the building of large infrastructure projects, including those in our national parks and protected areas. In the process, we hope to alert the various Government offices, private sector developers, foreign partners, investment banks, and broader civil society as to the dangerous direction our country is taking in infrastructure development in relation to social justice and ecological good sense.

The four concerns we have are as follows:

- a) The unscrupulous manner in which the Government authorities are seeking to allow government and private sector infrastructure encroachment into national parks and protected areas;
- b) The inability of our state and society to stand up to the accelerated efforts by the Indian Government to gain exclusive access to infrastructure relating to Nepal's water resources;
- c) The attempt to silence conservationists, naturalists, environmentalists, economists and activists who advocate sensible development of infrastructure by labelling them as 'anti-development' and even 'anti-national';
- d) The trend towards gigantism in infrastructure, with the wastage of large sums on glamorous projects, pushed through without proper planning and allowing opportunities for corruption and destruction of the country's unique biodiversity.

On **7 July 2024**, the Government pushed through a law within just 21 days, without being tabled in parliamentary committee, permitting the development of infrastructure, including hydropower projects, railway lines, cable cars and highways in protected areas. There is currently a short-term stay order by the Supreme Court on the implementation of the law, but there are concerns that Nepal's prized protected areas will be cut and quartered with government agencies unable to resist pressures from the private sector and foreign players. There are sufficient sites for infrastructure projects outside the protected areas of Nepal, and the attempt clearly is to build in areas where compensation will not have to be paid.

We believe that the Indian Government's accelerating involvement in Nepal's water resources is primarily the result of the weakness of successive governments in Kathmandu, led by politicians and senior bureaucrats. The then PM Sher Bahadur Deuba in April 2022 signed a 'vision document' on power trade with India envisioning Indian companies' involvement in the hydropower sector in Nepal, including storage projects. This agreement was followed up in January 2024, when PM Pushpa Kamal Dahal signed an agreement for export of power to India,

one that is automatically renewable till eternity. While Indian companies have been ‘capturing’ licenses to Nepali watercourses, most other countries have been forced to back out from involvement in Nepal’s water resources sector because of strictures set on imports by India. It is clear that the main goal of Indian authorities is to build large storage reservoirs in Nepal’s deep river valleys, with India having already designed and budgeted for huge canals within Nepal to feed India’s so-called ‘River Linking Project’. With the lack of adequate pushback from Nepal’s intelligentsia, Nepal’s water resources sector is becoming increasingly akin to Bhutan’s, with New Delhi holding sway.

The discourse on development has been considerably weakened because of the labelling of critics who speak for social justice, equity and the environment targeted with a range of epithets, including ‘anti-development’ to ‘anti-national’. This populist narrative benefits unscrupulous private developers and corrupt officials, leading to a weakened debate on infrastructure building. Vanity projects of poured concrete are pushed by politicians, bureaucrats and contractors, while those standing up on behalf of the long-term interests of the public are labelled stooges and agents. With the voice of activists weakened, the faulty financing, preparation and oversight of infrastructure in Nepal, from highway upgrades to construction of international airports and hydropower projects, have been leading to poor choices, extreme time and cost overruns, heightened debt burden, as well as loss of the public’s confidence in government as a whole.

Private and public investors often view the implementation of social and environmental obligations, such as environmental impact assessments (EIAs), as unnecessary, costly and externally imposed concepts. However, this approach leads to more environmentally sustainable and socially responsible projects, benefiting both investors and the communities involved.

The Nepal Infrastructure Summit is being organised by the Confederation of Nepalese Industries in public-private partnership with the Ministry of Physical Infrastructure and Transport, the Investment Board Nepal and the Youth Community of Nepalese Contractors. The organisers claim that the summit will delve into issues of resource mobilisation, policy reforms, best practices and “overcoming obstacles in the sector”.

We, the signatories, believe in infrastructure building that supports the public’s interest in sustained growth while being mindful of equity, fairness and environmental sensitivity. We concerned citizens will continue to use all tools at our disposal – including public information, public interest litigation as well as public protests – to try and prevent wasteful and wrong-headed decisions in infrastructure development. This notice of concern has been prompted by the need for continuous public oversight over collaboration between the government and private sector in infrastructure development, for the sake of social justice amidst the challenges of the climate crisis and uncontrolled market forces.

**Signed by:**

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