

**MINUTES OF THE FIRST MEETING OF JOINT RUSSIA-NEPAL WORKING
GROUP ON ENERGY COOPERATION HELD ON 28th AUGUST 2013 AT
KATHMANDU NEPAL.**

The first meeting of the Joint Russia-Nepal Working Group on Energy Cooperation (RNJWGEC) was held on August 28th, 2013 in Kathmandu, Nepal. The Nepali Delegation was led by Mr. Keshab Dhoj Adhikari, Joint Secretary, Ministry of Energy, Government of Nepal and the Russian Delegation was led by Mr. Ilya B. Galkin, Director of Department of International Cooperation of the Ministry of Energy of the Russian Federation. The Agenda of the meeting is in Annex-1 and the lists of delegates are in Annex-2.

Welcoming the Russian delegation, Mr. Adhikari, Head of Nepali Delegation expressed satisfaction over the existing excellent relations between Russia and Nepal and recalled the history of cooperation provided by the Russian Federation for the construction of the Panauti Hydro Project and observed it as a symbolic assistance granted by the then USSR in the energy sector. Mr. Ilya B. Galkin, the head of the Russian Delegation responded with warm gesture and stated the significance of the bilateral relations for the cooperation in energy sector.

Following the exchange of pleasantries between the delegations, discussions were made as follows.

1. The Nepali Delegation explained in detail about the hydropower related legal provisions and the modes in which Russian private and public sector could invest on commercial terms.
2. The Russian Delegation requested the Nepali Delegation to identify pilot hydropower projects for possible development under Russian public and private sector with different forms of financing. The Nepali Delegation stated that a list of projects with salient features would be provided through the diplomatic channel in Nepal.
3. With regard to the technical cooperation in the transmission of electricity, it was agreed that information would be exchanged along with a list of technical questions.
4. Upon the request of Russian Delegation on modalities for Russian Companies to obtain EPC contract, the Nepali Delegation explained that the Nepali Procurement Laws prohibits the awarding of EPC or any other contracts without competition in public works.
5. The Russian Delegation conveyed the readiness of Russian Companies to discuss the renovation and upgrading of the Panauti Hydro electric project. The project has historical significance in Nepal-Russia cooperation.

6. A discussion was held on technical cooperation in the area of energy efficiency and renewable energy. The Russian Delegation expressed their willingness to have the discussion continued. It was agreed that the Russian Energy Agency, Nepal Electricity Authority and Alternative Energy Promotion Center could be the possible partner agencies in such a cooperation.
7. The Head of Nepali Delegation explained the possibility of the development of mega hydropower projects with the formation of special purpose vehicle (SPV) with active participation between the two countries' government agencies, state owned and private companies along with the multilateral financing institutions.
8. Cooperation in connection with petroleum products was also discussed. It was conveyed by the Nepali Delegation that the Government of Russian Federation would be approached, if such a cooperation deemed necessary in due course of time.
9. It was agreed that the following officials would be the focal points on the respective sides for future exchanges of information:

<u>Nepal</u>	<u>Russia</u>
Senior Divisional Engineer, Foreign Coordination Section Ministry of Energy Government of Nepal	Leading Advisor of the Department of International Cooperation of the Ministry of Energy of the Russian Federation.

10. Discussion was also made by the Nepali Delegation on the possibility of the technical capacity building of officials of the Nepal Government by way of short term visits or training at the relevant Russian institutions. It was decided that a proposal/request to that effect would be conveyed by the Nepali Delegation through diplomatic channel.
11. Regarding the frequency of meetings of the working group, it was decided that the group would meet at least once a year and that the next meeting will be held within a year in Russia.

On behalf of
the Government of Nepal

On behalf of the Government
of the Russian Federation

Keshab Dhoj Adhikari
Joint Secretary, Ministry of Energy
Government of Nepal

Ilya B. Galkin
Director of the Department of
International Cooperation of the
Ministry of Energy of the Russian
Federation

**Agenda of the First Meeting of
Nepal-Russia Joint Working Group on Energy Cooperation
(NRJWGEC)
Kathmandu, Nepal
28 August 2013**

1. Welcome Remarks by **Mr. Keshab Dhoj Adhikari**, Joint Secretary, Ministry of Energy, Government of Nepal and Leader of the Nepalese delegation followed by introduction of Nepalese team members
2. Response from **Mr. Ilya B. Galkin**, Director, Department of International Cooperation, Ministry of Energy, Russia and Leader of the Russian delegation followed by introduction of Russian team members
3. Discussion on Draft Agenda and its finalization and adoption
4. Brief review of previous cooperation in Energy and infrastructure as a whole
5. Brief on investment policy and environment in energy sector in Nepal
6. Exploration of potential areas of cooperation in energy sector
 - 6.1 Proposals and viewpoints from Nepalese side
 - 6.2 Proposals and viewpoints from Russian side
7. Any other matters
8. Frequency of future meetings of the Joint Working Group, Date and Place of next meeting

Annex-II

List of Delegation

Nepali Side

1. Mr. Keshab Dhoj Adhikari, - Team Leader
Joint Secretary, Ministry of Energy
2. Dr. Sanjay Sharma, - Member
Deputy Director General, Department of Electricity Development
3. Mr. Hari Prasad Pandey, - Member
Under Secretary, Ministry of Finance
4. Mr. Pushpa Raj Bhattarai, - Member
Under Secretary, Ministry of Foreign Affairs
5. Mr. Raju Maharjan, Senior Divisional Engineer, Ministry of Energy - Member
6. Mr. Tarka Raj Bhatt, - Member
Section Officer, Ministry of Commerce and Supplies

NEA

- 7 Mr. Sher singh Bhatt, Director, Nepal Electricity Authority - Member

Private Sector

- 8 Mr. Suraj Vaidya, - Member
President, Federation of Nepalese Chambers of Commerce & Industry (FNCCI)
- 9 Dr. Subarna Das Shrestha, - Member
President, Independent Power Producers' of Nepal (IPPAN)
- 10 Dr. Shivajee Yadav, - Member
Vice Chairman, Nepal –Russia Chambers of Commerce & Industry (NRCCI)

Invitee

- 11 Miss Shivani Basnet Section Officer, Ministry of Foreign Affairs

Russian Side

1. Mr. Ilya B. Galkin, - Team Leader
Director, Department of the International Cooperation,
Ministry of Energy of the Russian Federation
2. Mr. Valery A. Anichkin, Charge'd' Affairs a. i. of Russia in Nepal - Member
3. Mr. Denis S. Soloviyov, - Member
Leading Advisor, Department of the International Cooperation,
Ministry of Energy of the Russian Federation
4. Mr. Azret V. Botashev, - Member
Attache' (Protocal), Embassy of the Russian Federation in Nepal
5. Mr. Andrey V. Bardij, - Member
Deputy Head, Department of the State of Market of
the company "INTER RAO – Export", Russia
6. Mr. Ruslan D. Mokaev, Director of the company "Cherek - I", Russia - Member