

Unclear benefit sharing mechanism hindering growth of energy sector: Report

REPUBLICA

KATHMANDU, July 26:

Nepal's energy sector is not becoming competitive mainly due to politicization, unclear mandates to the responsible institutions and unclear benefit sharing mechanism, a study report shows.

"The development of energy sector and its competitiveness have some binding constraints such as political and market uncertainties," a report on 'Practical Approach on Supporting Competitiveness in Carbon Constrained World' reads.

The report, which is in the final state of production, is being prepared by South Asia Watch on Trade Economics and Environment (SAWTEE) and Overseas Development Institute (ODI) -- a UK based think tank.

The report, which has taken three sectors, namely, energy, forestry and tourism, has made some policy recommendation on how to achieve a higher level of economic growth and maintaining low carbon emission.

"All three sectors -- energy, forestry and tourism -- are important in case of Nepal and we have to be careful while exploiting the natural resources," Asish Subedi, research officer at SAWTEE, who is also involved in the preparation of the report, said.

Presenting the findings of the study on Friday, Subedi said public-private dialogues should be carried out in order to improve the livelihood of people. The three sectors that have been accommodated in the report should be linked up with each other, Dr Posh Raj Pandey, executive chairman of SAWTEE, said. "We have to think of achieving higher economic growth and maintaining competitiveness in the long run," Pandey said.