

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4791
ANSWERED ON:18.12.2009
FOREIGN PARTNERSHIP IN HYDRO POWER PROJECTS
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Will the Minister of POWER be pleased to state:

- (a) whether the Government is aware of the partnership of foreign companies in hydro power projects in bordering areas of the country;
- (b) if so, the details thereof;
- (c) whether the country's security concerns has been taken into account for the purpose and the clearance has been obtained in the matter;
- (d) if not, the reasons therefor; and
- (e) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) & (b): Government is aware of the partnership/involvement of foreign companies in hydro power projects in bordering areas in the Country. Details of some of the foreign companies, which have been allotted hydro projects by the State Government, are at Annex-I. Details of various foreign companies working with the Central Power Sector Undertakings (CPSUs) in ongoing projects in the border areas as contractors are at Annex-II.

(c) to (e): To address the security concerns, detailed guidelines for participation of foreign companies in tenders for work packages of Hydro-electric projects in sensitive areas were issued on 03-09-2009. These guidelines have been framed on the consideration that National Security will be a critical determinant while making choices in regard to Hydro electric projects in sensitive regions and border areas. Along the border, the concerned area may extend to a width of 50 km. on the Indian side of the International borders and every hydro electric projects within this belt, with foreign participation of any form will need prior security clearance. Prior clearance would apply in case of HE Projects being set up in certain sensitive locations, even if these are away from the border.

These guidelines shall be applicable to all Hydro-electric Projects, being set up in the Central and State sector and by Independent Power Producers, having foreign participation of any form, regardless of the Project size or investment limit, located in the State of Jammu & Kashmir, in the North Eastern States including Sikkim and within an aerial distance of 50 kilometers on the Indian side of the international border with neighboring countries or of the line of control (LOC) with Pakistan, or of the Line of Actual Control (LAC) with Tibet Autonomous Region (China), or within any notified Restricted/ Projected areas, or within sensitive locations as identified by Ministry of Home Affairs from time to time. In case of these projects, prior Clearance would be required from Ministry of Home Affairs at the time of:

Bid process for selection of developer, contractor or sub-contractor at the stage of Request of Qualification (RFQ).

Allotment of projects by State Governments.

Appointment of Foreign contractor or sub-contractor by the Developer

The guidelines also provide for the restrictions on employment of foreign employees to be deployed at the project either awarded or sub-contracted to a foreign company and their stay and movement outside the designated place of stay and project site.