



# IBN

# DISPATCH

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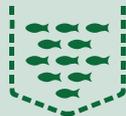
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# GOVERNMENT SELECTS SJVN LIMITED, INDIA TO DEVELOP LOWER ARUN HYDROPOWER PROJECT



**KATHMANDU:** The 46<sup>th</sup> meeting of Investment Board Nepal (IBN) took place under the chairmanship of the Right Honorable Prime Minister and Chairperson of IBN Mr. KP Sharma Oli on January 29. The meeting, convened at the official residence of the Prime Minister in Baluwatar, decided to select SJVN Limited, India to develop the Lower Arun Hydropower Project under Public-Private Partnership (PPP) approach. The decision was taken as per a report, submitted by a evaluation committee formed by the 40<sup>th</sup> meeting of IBN to evaluate the proposals of contesting companies for the development of the project. The 679 MW (indicative capacity) PRoR project covers Sankhuwasabha and Bhojpur districts of Province 1. The project was showcased at Nepal Investment Summit 2019. Similarly, the meeting decided to nominate Ms. Bhawani Rana, Mr. Rajesh Kaji Shrestha, Mr. Hari Bhakta Sharma, and as members and Mr. Balkrishna Siwakoti as an invitee member of IBN as experts. Speaking on the occasion, the Prime Minister stressed the need to

boost electricity consumption and generation, and instructed concerned government officials to work in a coordinated way to deliver infrastructure projects within the stipulated time. Chief Executive Officer of OIBN. Mr. Sushil Bhatta updated the meeting on the status of 45<sup>th</sup> board meeting decisions and the progress of the Strategic Plan of IBN, the Project Bank, a web based One Stop Service (OSS), and a Knowledge Management Portal (KMP) as instructed by an earlier Board meeting. Other dignitaries present at the meeting were Honorable Minister for Finance and Vice-Chair of IBN Mr. Bishnu Prasad Poudel, Honorable Minister for Industry, Commerce and Supplies Mr. Lekharaj Bhatta, Honorable Minister for Energy, Water Resources and Irrigation Mr. Top Bahadur Rayamajhi, Vice-Chair of the National Planning Commission Dr. Pushpa Raj Kandel, Chief Secretary of the Government of Nepal Mr. Shanker Das Bairagi, Nepal Rastra Bank Governor Mr. Maha Prasad Adhikari, and other high-ranking government officials. ♦

# OIBN AND RISEN ENERGY SIGN MOU FOR A SOLAR PROJECT



**KATHMANDU:** On January 26, the Office of the Investment Board Nepal (OIBN) and Risen Energy Singapore JV Pvt. Ltd. signed a memorandum of understanding (MoU) to prepare a detailed feasibility study report (DFSR) for establishing a 250 MW grid-connected solar energy project with a 40 MW battery storage plant in Nepal. The DFSR will be conducted for a 125 MW project with 20 MW battery storage each in Kohalpur of Banke and Bandganga of Kapilvastu districts. The estimated cost of the project is USD 189.5 million. CEO of OIBN Mr. Sushil Bhatta and Development Manager for South Asia of the company Mr. Wang Qiang signed the MoU at a function held at OIBN. As per the MoU, the company will have to submit the DFSR to the OIBN within 12 months of the survey license issued. The proposed project is the biggest solar energy project in the country so far. Speaking at the signing ceremony, Mr. Bhatta said the MoU has paved the way for implementing the largest solar energy project in Nepal and urged the



company to submit the DFSR within the stipulated time. Mr. Wang said Nepal has yet to exploit its solar energy potential to meet energy needs stating that the MoU paves the way for the both sides to work together towards a common goal – the pursuit of the internationalization of clean energy. ♦

# OIBN ORGANIZES INTERACTIONS WITH STAKEHOLDER AGENCIES



**KATHMANDU:** On February 14, the Office of the Investment Board Nepal (OIBN) organized an interaction with stakeholder agencies of the Government of Nepal to forge a better coordination for fast service delivery to investors and explore ways to remove procedural and legal constraints in the process of facilitating and promoting investment. Presiding over the meeting, OIBN CEO Mr. Sushil Bhatta stressed the need to establish an inter-agency coordination mechanism to realize private investments, timely delivery of projects, and decent service delivery to investors. “This type of mechanism, backed by cohesive, collaborative and integrated teamwork, will be instrumental for resolving accumulated problems in the process of project development, investment promotion and facilitation,” said Mr. Bhatta. OIBN consultant Mr. Ratish Basnyat highlighted key objectives and expected outcomes from the interaction stating that

effective collaboration and coordination between line agencies of the Nepal government is necessary for legal reform, investor service, and providing other required facilities to investors. Mr. Basnyat also highlighted some legal and procedural ambiguities in project development and implementation.

Senior officials from relevant agencies including the Ministry of Finance, Ministry of Industry, Commerce and Supplies, Securities Board of Nepal, Nepal Rastra Bank, Company Registrar’s Office, Inland Revenue Department, and Electricity Regulatory Commission participated in the interaction.

The participants stressed the need to regularly organize such interactions and establish a permanent mechanism for the sharing of knowledge, data, and other crucial information among relevant agencies for better service delivery and investor facilitation. ♦



## NEPAL'S PRIVATE SECTOR IS CAPABLE OF CONTRIBUTING TO NATIONAL ECONOMY.



### Mr. Shekhar Golchha

President, Federation of Nepalese Chambers of Commerce and Industry (FNCCI)

*Mr. Shekhar Golchha is the president of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), a representative body for Nepal's private sector. Mr. Golchha, who is also the promotor of Nepal's leading business house – Golchha Organization, is closely watching the current economic performance of the country. Talking to IBN Dispatch, Mr. Golchha delved into the role of the private sector in boosting investment and generating employment in the country. Mr. Golchha holds a firm view that Nepal's private sector is capable of contributing to the national economy as desired by the 15th Plan of the Nepal government. He stated that the high cost of doing business is the key underlying reasons for reduced attraction in industries.*

#### **As the leader of Nepal's private sector representative organization, how are you assessing the impact of Covid-19 on the overall private sector?**

The Covid-19 problem emerged abruptly across the world. Nepal is naturally not immune to the pandemic's effect. Consequently, our overall economy contracted significantly. Various reports suggest that industrial production came to a halt leaving tens of thousands of workers jobless during the lockdown and travel restriction period. Now, the economy is recuperating with improved economic activities. We are in a position to attain better economic growth this year compared to other economies.

**The 15th Plan envisages 55.6 percent of the total investment coming from the private sector for Nepal's graduation into a middle income country by 2030. How can our private sector make the desired contribution?**

Foreign investment and domestic private sector investment are both essential to meet our development targets. Our private sector is capable of making the desired investment to upgrade Nepal to a middle income country by 2030 as envisaged by the 15th Plan because the Nepali private sector has successfully dealt with many adverse situations and showed its risk-taking ability. This capacity of Nepali business people has greatly helped them overcome past crises. The private sector also showed its resilience during labor problems, acute power shortages, and other problems in the past. However, there are still some problems in developing the private sector in Nepal, especially the industrial sector. If such challenges are properly addressed, the Nepal private sector will be well-prepared to contribute higher investments as envisaged by the plan.



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# “NEPAL’S PRIVATE SECTOR....”

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**The private sector also showed its resilience during labor problems, acute power shortages, and other problems in the past.**

**Nepali business people are more interested in the service and trading sector than industries. What are the factors that are making investments in the industrial sector less attractive?**

A few years ago, the contribution of the industrial sector to gross domestic product (GDP) was up to 20 percent. If we exclude the mining sector, the share of this sector to our GDP is now below five percent. Trading has emerged as a major driver of our economy, backed by a spike in remittance-boosted consumption. Nepal’s private sector is also profit-oriented like its counterparts in other countries. The private sector has both profit-making motives and a risk taking appetite. Until and unless we resolve outstanding industrial problems, only a few businessmen will prefer this sector. More business people will switch to this sector when the government comes up with favorable policies to ensure better returns.

We must analyze a few aspects that are pushing up the cost of doing business in the industrial sector. First, the acquisition of land required for any industrial venture is difficult to achieve. Second, a higher logistic cost for transporting raw materials and finished goods also weakens the competitive edge of industries. The third reason is higher labor cost. As per a report of International Labor Organization (ILO), our labor productivity is the lowest in Asia while wages are far higher. Fourth, the cost of energy is also higher which has discouraged industrial investors. Energy costs here are higher than in India and some other countries. Fifth, the interest rate on credit is also high and volatile, a situation that weakens the confidence of private investors. The above-mentioned factors are responsible for reduced attraction towards the industrial sector leaving this sector to be a low performer over the last few years.

**We always welcomed FDI recognizing its significance to the economy.**

**Foreign direct investment (FDI) is vital for economic prosperity. However, some business people are against FDI in certain sectors, why?**

For over a decade, we witnessed an average GDP growth below five percent. To boost our economy, we have no option but to promote FDI. We always welcomed FDI recognizing its significance to the economy. Foreign investors are also making handsome returns from their investment in Nepal. Our private sector has also got an opportunity to penetrate into this FDI-ecosystem. We are only demanding that the government offer incentives to domestic investors at par with foreign investors. We are against special treatment of international investors, discriminating against domestic businesses. Private sector people are demanding that the government not allow FDI in agriculture and dairy industry, where a big network of farmers is existent. Such crucial networks and production-supply ecosystems will be broken with the entry of foreign players, we are for blocking FDI in such critical sectors. And FDI should come in the form of cash, not through credit or bank guarantees.

**You have recently assumed the responsibility of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) president, what are your major priorities for your tenure?**

It is clear that our country cannot materialize our dream of prosperity without collaboration with private sector. The private sector needs recognition and should be trusted by the state accordingly. The private sector is still deemed as mere profiteers. We want to make profit in a dignified way. In the name of market monitoring by the government officials, we are defamed from time to time and such acts have disrespected the whole provide sector. On one hand, we dream for prosperity, on the other hand, we don’t respect the private sector, which is the

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# “NEPAL’S PRIVATE SECTOR...”

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**To clearly define priorities and problems in the economy and ways to achieve economic prosperity in the country through the active involvement of private sector, we are formulating a vision paper.**

real agent of prosperity. To clearly define priorities and problems in the economy and ways to achieve economic prosperity in the country through the active involvement of private sector, we are formulating a vision paper. This vision paper will mainly focus on three sectors – industry, service, and agriculture. The formulation of the paper is my top priority. The paper will outline the requirement of investment, existing challenges in the development process, lessons learnt from other countries, and ways to resolve these problems and challenges. The vision paper will show the way to achieve double-digit growth and generate employment opportunities to more than 400,000 people each year within the country. Our vision paper covers the vision of the private sector to lead the economy in five or ten years outlining key priorities. Policymakers are aware of the problems and some of them have been resolved as well. However, issues of small and medium enterprises (SMEs) are still put on the back burner. In the vision paper, we are also aligning different commodity associations and district chambers and prioritizing SMEs, which are the backbone of our economy. Besides this, I have put the institutional development of FNCCI as a top priority.

**How can we enhance our supply capacity in the national and international market to contain our trade deficit?**

The trade deficit is one of our biggest challenges. It will invite an alarming situation if we continue to depend on remittances that have so far been stimulating consumption. Hence, we need to boost domestic production to offset imports and enhance our supply capacity. Our upcoming vision paper spells out these issues and challenges the industrial sector is facing and provides ways to increase exports.



**If you are asked to suggest five transformative projects in Nepal, which ones will you pick?**

Hydropower is the most vital sector that offers high value addition and a competitive advantages for Nepal. Agriculture is another critical sector that hold huge potential to be transformed into a profit-based component of our economy. Until and unless the farmers prosper, the country will not achieve prosperity. Profit-based farming leads both farmers and the country to prosperity. If we establish a fertilizer industry in the country, we can achieve a major turnaround in the agriculture sector. Commercial mining and food processing (organic tea, coffee, Jumli Marsi) can also be crucial drivers of the economy. Similarly, engineering, especially metal engineering, and hydropower engineering, is a high potential area that can significantly contribute to the economy.

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# “NEPAL’S PRIVATE SECTOR...”

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**You are a promotor of a vehicle assembling plant for the production of two wheelers and three wheelers in Nepal. How can an assembly plant contribute to the national economy. What is the prospect of Nepal becoming a manufacturer of vehicles?**

Any automotive industry begins with an assembling venture. Once the assembling industry becomes robust, ancillary industries will grow and ultimately are destined to become vehicle manufacturers. India and China, which are leading automotive manufacturers, also passed through a similar phase and now they are international players in the automotive market. Encouraged by their positive experience, we opened a state-of-the-art assembling venture in Nepal. The venture, which have been producing 300-400 vehicles/day, employs more than 500 engineers in addition to other staff. We are in the process of building backward integration for it with the plan to produce at least 30 percent of its components within two years, offering job opportunities to at least 2,000 more people within the complex. It will also pave the

way for the development of other ancillary industries.

**How can we enhance the capacity of the Investment Board Nepal (IBN) which is the apex body for investment promotion and facilitation?**

We have seen a number of positive initiatives in investment promotion and facilitation following the inception of IBN. We are also witnessing the gradual growth of FDI in Nepal as a result of fresh initiatives. However, we have a long way to go to enhance our capacity to attract more investment. We need to improve our service delivery and facilitation functions. As envisaged in IBN mandates, a one stop service (OSS) must be effectively implemented. Two investment summits were organized in Nepal for FDI promotion. Now, we need to showcase ready-for-investment projects to potential investors so that they can directly choose projects for investment. We have high hopes for IBN in FDI promotion. ♦

*Log on to [www.ibn.gov.np](http://www.ibn.gov.np) for full video interview.*

## NRB LIBERALIZING FDI APPROVAL

**KATHMANDU:** Nepal Rastra Bank (NRB) released a final draft of a new bylaw which provisions that investors need not obtain preapproval from the central bank to bring in Foreign Direct Investment (FDI) into Nepal. The draft of ‘The Nepal Rastra Bank Foreign Investment and Foreign Debt Management Bylaws 2077’ was released recently for public comments on it. The proposed draft states that foreign investors who secure FDI approvals from concerned agencies are not required to secure permission from the NRB to send or bring in foreign exchanges to the country.

However, the bylaw has made it mandatory for the foreign investors to inform the NRB before sending or bringing in foreign currency after securing permission from the approving agencies. Similarly, the bylaw also provisions that no foreign investor requires permission from the NRB to send or bring foreign currency through banking channels for the registration and feasibility studies of FDI-based industries or companies. OIBN lobbied for a long time to introduce such reforms for investors in Nepal ♦

# ARUN-3 RIVER-DIVERSION TUNNEL INAUGURATED



**SANKHUWASABHA:** The river diversion tunnel, one of the vital structures for the 900 MW Arun-3 Hydropower Project, was inaugurated on February 1 in Phaksinda Dovan of Makalu Rural Municipality of Sankhuwasabha. Mr. Nand Lal Sharma, the Chairman and Managing Director (CMD) of SJVN Limited, the parent company of SJVN Arun-3 Power Development Company (SAPDC), inaugurated the 11 m diameter 429 m long diversion tunnel. Speaking on the occasion, CMD Mr. Sharma stated that the diversion arrangement is a historic event in the process of developing vital structures for the project. Mr. Sharma thanked the governments of India and Nepal, relevant government agencies, local people's representatives, local administrators, and project host communities for making this milestone possible. ♦



# RAP DISCLOSURE, FA IN DHANUSHA, MAHOTTARI



**DHANUSHA/MAHOTTARI:** SJVN Arun-3 Power Development Company (SAPDC) with support from the Office of the Investment Board Nepal (OIBN) disclosed the resettlement action plan (RAP) to representatives of households affected by the Dhalkebhara substation in Dhanusha and tower foundations (TFs) in Mahottari districts for the transmission line (TL) developed for Arun-3 Hydropower Project (AHPP). During the RAP disclosure in Janakpur on January 6, SAPDC's Social Affairs Officer Mr. Subhash Dahal highlighted the major features of the RAP including compensation and other benefits to the affected households. Presiding over the program Chief District Officer (CDO) of Dhanusha Mr. Bandhu Raj Baskota, who is also the convener of the compensation determination committee (CDC) said the compensation and other benefits for affected householders were fixed by

applying scientific methods in line with the Asian Development Bank's safeguard policy standards (SPS). Similarly, another RAP disclosure program was organized on January 28 at Loharpatti-3 targeting TFs affected people in Loharpatti Municipality and Bagnaha Municipality of Mahottari district. Speaking on the occasion, the CDO of Mahottari Mr. Keshav Bimali, who heads the CDC of the district, said the compensation and other entitlements were determined after comprehensive consultations with representatives of the affected people. Similarly, OIBN conducted financial awareness (FA) workshops in both districts to sensitize recipients of the compensation for the loss of land and non-land properties due to the TL. OIBN consultant Mr. Prabhakar Ghimire and Mr. Ganesh Acharya conducted the FA workshop in Dhanusha and Mahottari on January 6 and January 28, respectively. ♦

# OIBN INITIATES PROCESS TO DEVELOP STRATEGIC PLAN PROJECT BANK, OSS, KMP

**KATHMANDU:** The Office of the Investment Board Nepal (OIBN) has initiated the process of developing its five-year strategic plan, project bank, web based one stop service (OSS), and knowledge management plan (KMP) to strengthen institutional development and make its service delivery more effective. The 45th meeting of the Investment Board Nepal (IBN) took place on November 10, 2020 and decided to develop a project bank, strategic plan, OSS, and KMP in consultation with relevant stakeholder agencies. In the first week of January, OIBN formed five thematic teams within the organization to present a draft to the plan formulation committee led by the CEO of OIBN. The OSS is expected to streamline and automate the processes and timeline of existing and prospective investor services using an online platform to standardize the advancements of applications, files, and authorizations, and connect investors and public agencies with each other. Similarly, KMP is for an internal repository of IBN related knowledge and resources, monitoring project statuses and intervening whenever required. Similarly, the project bank will be developed by standardizing the concept of projects. IBN project bank management and information system (IBNPBMIS) is for the easy implementation of a project bank through an online repository that would be connected to the web-based OSS as well.

involved in the proposed KMP system. On the occasion, OIBN CEO Mr. Sushil Bhatta instructed concerned officials to develop the KMP as a scalable system that can also be used to fulfill OIBN's immediate needs. He stressed upon the need to establish an interrelationship between the KMP, OSS and project bank. OIBN the then Joint Secretary Mr. Dharmendra Kumar Mishra suggested that the KMP cover issues ranging from data security, information categories, access to documents and official values to ethical provisions. OIBN undersecretary Mr. Ramesh Adhikari said the authority and responsibilities of the KMP should be clarified among OIBN staffs. ♦

## FINAL PREPARATION FOR KMP

OIBN is making final preparations to launch the knowledge management portal (KMP), which is mainly aimed at developing a digital resources repository and information sharing system within the organization. OIBN has started formulating a guideline to ensure clarity in operating the KMP. On February 5, OIBN consultant Mr. Ganesh Acharya, gave a presentation to all OIBN staff on the rationale, features, process, authority, and responsibilities

# NEWLY RE-APPOINTED IBN MEMBERS STRESS ON PROCEDURAL SIMPLIFICATION FOR INVESTORS



**Ms. Bhawani Rana**  
Member



**Mr. Rajesh Kaji Shrestha**  
Member



**Mr. Hari Bhakta Sharma**  
Member



**Mr. Balkrishna Siwakoti**  
Invitee Member

**KATHMANDU:** Newly re-appointed members of the Investment Board Nepal (IBN) representing sectoral experts stressed the need to further simplify the investment process in the country. The 46th meeting of IBN recently appointed Ms. Bhawani Rana, Mr. Rajesh Kaji Shrestha, and Mr. Hari Bhakta Sharma as members and Mr. Balkrishna Siwakoti as an invitee member of the IBN. Talking to IBN Dispatch Ms. Rana, who is also the immediate past president of the Federation of Nepalese Chambers of Commerce and Industry, suggested that Office of the Investment Board Nepal (OIBN) apply a One Stop Service (OSS) to provide fast track services and remove existing hurdles as well as procedural delays while providing services to investors. Ms. Rana also appreciated new initiatives being taken by the OIBN including the preparation of the IBN Strategic Plan, Knowledge Management Portal (KMP), project bank and OSS to institutionalize OIBN and provide better service delivery. Mr. Siwakoti appreciated the progress in moving forward the process of developing and implementing projects by OIBN despite the COVID-19 pandemic. Mr. Siwakoti also underlined the necessity to further upgrade the capacity of OIBN to improve its services and facilitation functions. Mr. Shrestha, who is also the President of the Nepal Chamber of Commerce, said the process for doing business should be minimized and the lack of coordination among line agencies of the government should end. The OIBN

should be developed as an effective one-window solution for investors ending the existing practice of moving documents to different agencies. Mr. Shrestha also said IBN's expert members are ready to become an 'Investment Ambassadors' for promoting foreign direct investment (FDI) in Nepal utilizing their connections with international investors.

Mr. Sharma, who is also the immediate past president of the Confederation of Nepalese Industries (CNI), said that there has been some progress in establishing the foundation for the development of public-private partnerships (PPP), and private investment in the country over the last few years. Over this period, the Office of the Investment Board Nepal (OIBN) has enhanced its institutional capacity to deliver functions as per its mandate. Though the last few years were turbulent for the country due to the COVID-19 crisis and political upheavals, attempts were made by the government to showcase Nepal as an ideal investment destination in South Asia. However, he said we are still low performer in terms of project delivery due to weak project management and project implementation. We suggested to improve capacity to timely implement big infrastructure projects through sound project management and facilitation. Mr. Sharma opined that a long-term framework for infrastructure development can be formulated if the government demonstrates seriousness on those aspects. ♦

**EXPERTS'  
VIEW**

# “POLICY REFORMS MUST TO PROMOTE STATRUP BUSSINESS”

Nepal is facing significant youth unemployment and under employment. Small and Medium Enterprises (SMEs) and Micro, Small, Medium Enterprises (MSMEs) have been generating a significant amount of employment opportunities for youths in the country. Emerging forms of employment creators are digital-based startups which require a small amount of investment unlike traditional businesses. Startups can be operated through small investment and unique idea. Though, Nepal needs such innovative business ideas, access to finance is still difficult. We must boost internal investment as well as foreign direct investment (FDI), offering an investment friendly environment. We should also create an atmosphere for penetrating international markets. We also need to offer handholding facilitation and incentives as practiced in other investment destination countries. The government should bring down the threshold of NPR 50 million for FDI in startups because such businesses are all about innovative ideas rather than investment amount. Our government should focus on niche areas such as agriculture and digital technology to promote MSME/SMEs-startups providing economic incentives to investors.



**Mr. Mangesh Lal Shrestha**  
*Former President, Young  
Entrepreneurs Forum of  
the Federation of Nepalese  
Chambers of Commerce and  
Industry (FNCCI)*



**Mr. Ranjit Acharya**  
*Convener, Startups and  
Innovation Committee of  
FNCCI*

Given high transport costs, we cannot enjoy competitive and comparative advantages in industry-based enterprises. Our country is an ideal place for outsourcing digital products including software and animation due to the significantly lower cost of human resources. Nepali human resources have proved themselves as the competent hand for developing international standard digital products. We need to cash in on the abundant amount of skilled manpower in our country, where the cost of labor is far cheaper. We need to become more welcoming for startups based on innovative ideals and can commence with a very small amount of investment. At least, our government's policies should be liberal in permitting global companies. Since startups by nature require a minimum amount to start with prospects of scaling up in later phases, the government should

reduce the minimum threshold for foreign direct investment (FDI). As we have ample opportunities to lure digital-based startups, we need to encourage existing human resources and attract new graduates into this field by offering attractive remuneration as well as other perks and benefits. Similarly, we can join hand with IT-based colleges and conduct skilled-based trainings to produce a new crop of manpower for the digital sector so that we can enhance our supply capacity.



**Mr. Semanta Dahal**  
*Corporate Lawyer*

The Government of Nepal has not yet given a definition for ‘startup’ businesses in our laws. It has been spelled out in the Finance Bills last year, but this is not sufficient to promote startups. Startup businesses should be recognized in crucial business laws including the Industrial Management Act and the Company Act so that such innovative business ideas can formally enter the government’s policy framework. Given the host of compliances in the process of doing business in the country, the government should incentivize startups by minimizing procedural formalities. Similarly, government should be more practical in offering income tax holidays for investors. There is no meaning to provide income tax holidays during periods when businesses are not making profit. Hence, income tax holidays should be offered in the period after businesses can make profits.

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We should encourage domestic businesses, be it startups or largescale entrepreneurship to be technology friendly, and simultaneously enhance their experience by providing accelerated service delivery to them. In the process of entry into any business, investors have been facing lots of legal hurdles. Such situations discourage startups. This does not mean that only the government should be open to startup ideas, even the private sector should wholeheartedly support newcomers. Venture capital funds are equally important to scale up startups. As many of our SMEs are competent and are getting awarded in many international forums, both the government and private sector of Nepal should be focused on creating platforms for young talents to showcase their business ideas.



**Mr. Deependra Chaulagain**  
*Entrepreneurship Expert*

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## MY STORY...



I am **Parshuram Yadav**, 48, a resident of Bidhyut Tole, Dhalkebar, Dhanusha. We know very well that the transmission line (TL) is directly associated with national development. Therefore, we do not want to obstruct any TL development activities. However, we have some concerns regarding the construction of the Arun-3 Hydropower Project (AHPP) TL. The tower foundation (TF), substation and right of way (RoW) are vital structures for the TL project. In the process of constructing the TL, landowners are facing negative economic and social impact. Anyone can witness our area turning into spider-web like wire network where TLs of different hydro powers crisscross. As per existing laws, we are not entitled to get a reasonable compensation against the loss, nor are we allowed to construct structures or plant tall trees under the TL. I am one of those who provided land for both the TF and RoW. I received NPR 6.2 million per kattha against our demand for NPR 10 million per kattha for the TF. However, compensation for the RoW is too low

compared to the impact on landowners who are only allowed limited use of RoW land. Similarly, bank and financial institutions (BFIs) never accept RoW land as collateral for credit purposes. This practice has deprived many households of access to loan. Since farmers, like us, are denied loans mortgaging RoW land, we demand that the government introduce a policy to provide loans against the collateral of RoW land. Furthermore, no individual is willing to purchase land under RoW. So it almost turns useless for us. We want to draw the attention of concerned agencies to our problems. In this situation, we can neither take loans against RoW land nor can we sell it. We also want employment opportunities for locals in the Arun-3 TL project keeping in view the impact it has on us. We have already expressed our concerns both in written and verbal forms to concerned authorities. We hope the project will support us with the means to a better livelihood and local infrastructure development. ♦



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