

ASHOJ 2078 (SEPT-OCT 2021)

# IBN DISPATCH

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Government of Nepal  
**Investment Board Nepal**



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**IBN STRATEGIC PLAN  
UNVEILED**



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**IBN APPROVES INVESTMENT  
WORTH NPR 135 BILLION**

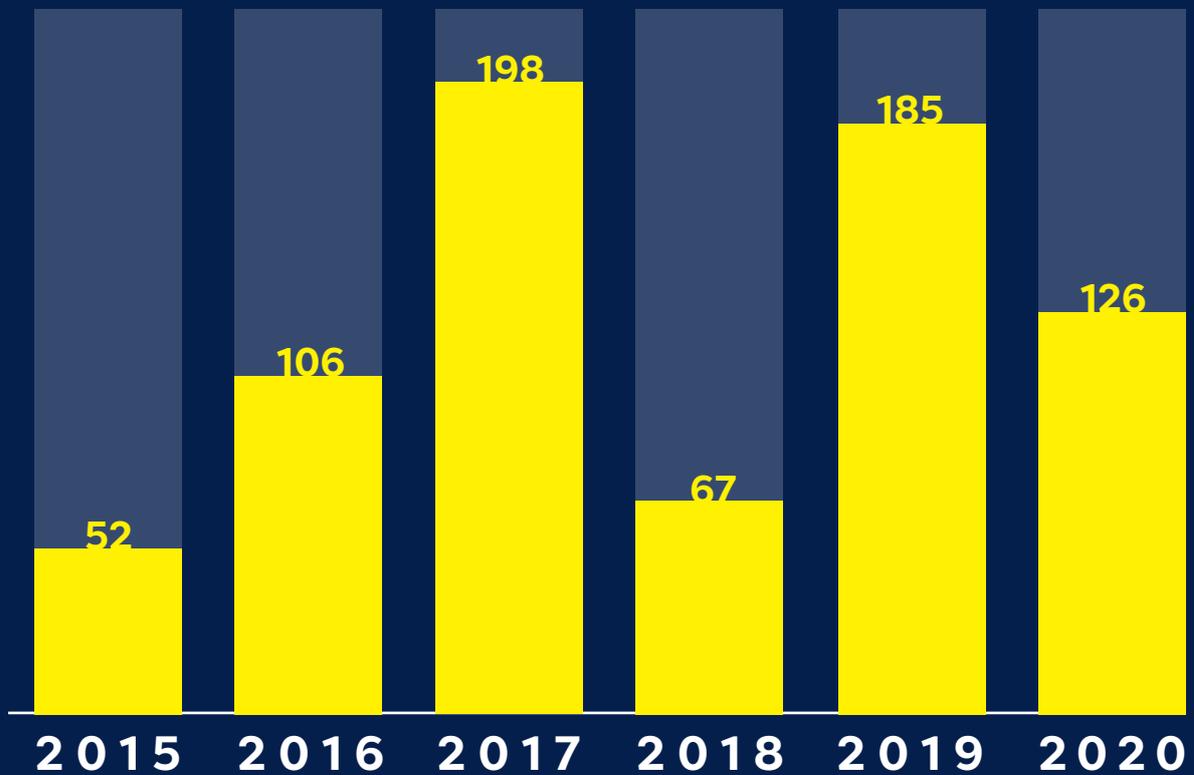


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**INTERVIEW WITH PRESIDENT  
OF THE CONFEDERATION OF  
NEPALESE INDUSTRIES MR.  
VISHNU AGARWAL**

## INVESTO GRAPH

## FOREIGN DIRECT INVESTMENT INFLOWS IN NEPAL

*(USD IN BILLION)*

DATA SOURCE: NEPAL RASTRA BANK, 2021

# IBN Strategic Plan Unveiled

## Targets To Approve USD10 Billion FDI In five Years



**KATHMANDU:** Investment Board of Nepal (IBN) unveiled its Strategic Plan with 5 year- Business Plan (2021-2026) targeting to approve investment worth USD 10 billion in the next 5 years. The Plan was launched by Rt. Hon'ble Prime Minister and Chairperson of the IBN Mr. Sher Bahadur Deuba at a ceremony held to mark the 10th anniversary of IBN on 8th September.

The Plan sets five goals that include approving investment worth USD 10 billion, managing private-public partnership projects worth USD 6 billion, creation of 100 thousand employment opportunities, improvement of the investment environment and development of IBN as a Center of Excellence for Public-Private Partnership (PPP). The Plan comprises four strategic pillars- Development and Management of Projects, Investment Promotion, Institutional Development, and Coordination, Collaboration and Partnership to develop IBN as the Vibrant Organization for investment promotion and facilitation.

Similarly, "Nepal Investment Guide 2021' and "Coffee Table Book", prepared by IBN were



**INVESTMENT BOARD NEPAL**  
**PARTNERING FOR ECONOMIC PROSPERITY**

unveiled on the occasion. Speaking on the occasion, Prime Minister Mr. Deuba expressed commitment to create a conducive environment to attract foreign investment through legal and policy reforms urging international investors to invest in Nepal. Mr. Deuba said a huge investment is required for the development of infrastructures to upgrade the country to upper-middle income nation along with achievement of the Sustainable Development Goals (SDG) targets. "Although it is a tough task to attract the desired investment amid the impacts of the Covid pandemic, is challenging,

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# IBN Strategic Plan...

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we are hopeful we will succeed in promoting investment in coming days,” the Prime Minister added.

Stating that Nepal faces an annual fiscal gap of USD 5.58 billion to achieve upper-middle income country status and SDGs by 2030, Mr. Deuba said the IBN has an important role to play in mobilizing private sector investments to fulfill the deficit.

“Economic prosperity of nation is possible only through collaboration among the government, private sector and cooperative sector. Massive investment in infrastructure sector is necessary to achieve the status of upper-middle income country and SDGs by 2030,” said PM Deuba.

Speaking as a special guest of the program, Hon'ble Finance Minister Mr. Janardan Sharma 'Prabhakar' stressed the need to involve local people to expedite delivery of development projects. Stating that foundation for economic prosperity has been formed Minister Mr. Sharma underlined the need to increase investment in large-scale infrastructure projects with the involvement of people “Now it's time to introduce concept of 4Ps (Public-Private-People Partnership -PPPP) to secure greater sense of ownership in the projects,” said Minister Sharma.

Another special guest Hon'ble Minister for Energy, Water Resources, and Irrigation Ms. Pampha Bhusal said the SDGs envisage ensuring sustainable, affordable, and reliable energy to general public stating that Nepal needs to harness the potentials of water resources at the earliest. “As a nodal agency of Nepal government to implement the PPP approach, IBN needs to promote private investment to deliver energy projects,” said Minister Bhusal.

IBN CEO Mr. Sushil Bhatta said bankable projects listed by IBN are transformational for economic development of Nepal. “The construction of these projects will help the country meet its need for the infrastructure along with ensuring good returns to the investors,” Mr. Bhatta said. Mr. Bhatta informed the program that over 10 years, IBN approved

investment worth NPR 833 billion for 27 projects that include 15 energy projects and 12 non-energy projects. Mr. Bhatta further stated that newly introduced Strategic Plan offers a clear roadmap for project development and implementation, investment promotion, institutional development and, coordination, collaboration, and partnership by IBN.

World Bank Regional Director (Infrastructure) Mr. Guangzhe Chen, UK Ambassador to Nepal Ms. Nicola Pollitt, Chairman of World Association of PPP units and PPP Professionals Mr. Ziad Alexandre Hayek, Chairman and Managing Director of SJVN Ltd India, Mr. Nanda Lal Sharma, and Managing Director of Hongshi Shivam Cement Mr. Liu Shuguang, on behalf of Chairman of Hong Kong Red Lion No. 3 Co. Ltd. also spoke at the program.

High level government officials, representatives of foreign diplomatic missions representatives, Nepali diplomats, international investors, development partners, people's representatives, project developers, experts, private sector representatives and the media people, were also present, also attended the program. On the occasion, IBN honored development partners, developers and investors of projects being facilitated by IBN, and former CEOs of for their remarkable contribution for major achievements by IBN in last 10 years.

After the opening session, two thematic sessions were conducted with focus on pressing issues of sustainable infrastructure development, and Public-Private Partnership in infrastructure development. Renowned speakers from respective fields discussed the themes -‘Development of Sustainable Infrastructure in Nepal’ and ‘Developing and Managing PPP for Nepal's Economic Development’. Both business sessions provided a forum to discuss the emerging opportunities and challenges in development of sustainable infrastructures and implementation of the PPP approach in large-scale infrastructure projects in Nepal.

# Photo Feature of IBN 10th Anniversary







# Documents unveiled during 10th year of IBN

The image shows the covers of two documents from the Investment Board Nepal (IBN). The left cover is for the 'STRATEGIC PLAN' and features a large green arrow pointing upwards over a blue background with a globe and four pillars labeled PBI-1 to PBI-4. The right cover is for the 'BUSINESS PLAN' (FY2021/22 - 2025/26) and features a colorful wavy line graph with an upward-pointing arrow. Both covers include the 10th anniversary logo and the Government of Nepal logo.

**INVESTMENT BOARD NEPAL STRATEGIC PLAN**

- Vision:** Develop Nepal as an attractive investment destination.
- Mission:** Accelerating investment in transformative infrastructure by promoting and managing PPP projects & facilitating private investment.
- Core Values:**
  - Professionalism, Team Spirit, Innovation, Accountability, Integrity, Collaboration, Transparency, Excellence.
- Goals:** The overall Goal of the IBN Strategic Plan is to garner quality investments for the socio-economic development of Nepal. The specific Goals set out for the strategic plan period are as follows.

The cover of the 'NEPAL INVESTMENT GUIDE 2021' features a collage of images including a dam, a pagoda, and people working in a field. It includes the 10th anniversary logo and the Government of Nepal logo.

The cover of 'PARTNERING FOR ECONOMIC PROSPERITY' features an illustration of a train, a factory, and people working in a field. It includes the 10th anniversary logo and the Government of Nepal logo.

# IBN CEO Submits PC Progress Report



IBN CEO Mr. Sushil Bhatta submitted the Performance Contract Report for the fiscal year 2020/21 to Rt. Honorable Prime Minister and Chairperson of IBN, Mr. Sher Bahadur Deuba on August 16.

Public-Private Partnership and Investment Regulation, 2020 requires IBN CEO to enter into a performance contract with the Chairman of IBN within 30 days from the date of appointment. The IBN Chairperson should evaluate the Performance Contract or get it evaluated every year.

The report, which highlights the targets and achievements, including other crucial activities carried out by IBN during the period, has covered activities and progress in four major areas: a. Institutional Development and Legal Reforms; b. Project Development and Implementation; c. Investment Promotion; d. Coordination and Collaboration. Those activities were designed and executed as per the mandate given by the Public-Private Partnership and Investment Act (PPPIA)



2019. All the targets set in the four areas have been achieved despite the prolonged impact of Covid-19. Receiving the report, the Prime Minister Mr. Deuba stressed the need to focus on the development and implementation of large-scale infrastructure projects for the overall economic development of the country. Presenting the report, IBN CEO Mr. Bhatta briefly updated the IBN activities over the past year.



## ‘Policy Interventions Needed to Boost Private Investment’

**Vishnu Agarwal**

President of the Confederation of Nepalese Industries (CNI)



**Mr. Vishnu Agarwal** is the president of the Confederation of Nepalese Industries (CNI), the apex body of the large and medium scale industrial community of Nepal. Mr. Agarwal, who has been associated with CNI for over 15 years, and is the Managing Director of MAW Group of Companies, holds sound knowledge about the dynamics of infrastructure development in Nepal. Talking to IBN Dispatch Mr. Agarwal dwelt upon economic issues including the impact of Covid on the industrial sector, scope for investment in Nepal, and the role of the private sector for the economic development in the country. Mr. Agarwal strongly believes that the country can't achieve prosperity without the role of the private sector in the economy.

### As the leader of Nepa's private organization, how do you assess the overall impact of Covid-19 upon business sector?

Before Covid-19, Nepal was registering an average of 6-7 percent of annual growth in the past few years. A negative growth in the first year of Covid in 2019-20 and a lockdown of 80 days deepened the crisis. Through monetary policy and resilience of the private sector, the country achieved 3 to 4 percent growth last year when even a single-digit growth can be regarded as a great achievement. In the wake of the last lockdown, 75 percent of the industries stopped operation which also impacted wholesale and retail businesses.

Before the Covid crisis too, our private sector faced a number of crises in the past including political insurgency, a major earthquake, and an unofficial blockade in the southern border which the private sector somehow survived and I am sure will overcome the second wave of Covid, too.

In my opinion, the main issue of the private sector

is financing and demand for the products in the market. A small survey conducted by the CNI suggests that business people are facing a crisis in garnering working capital for business. They expect that banks will help them to overcome this crisis. Mainly tourism, aviation, hospitality, and Micro, Small and Medium Enterprises (MSMEs) have been affected by the Covid and not just handholding, but special help from the government. If they have such support, they can bounce back again. The issue here is not working capital, but the survival of the business itself. For a long time, they have not been able to run a business. Although the interest rates have been reduced through monetary policy, they still face a difficult time in arranging working capital for human resources and other operational costs.

### The 15th Plan envisages arranging 55.6 percent of the total investment from the private sector. How can we make an environment to facilitate such contribution from the private sector?

Economic Investment by the government alone

cannot build a country. A huge amount of investment is required from the private sector to plug the investment gap. To help the private sector bounce back, we need a favorable environment for business. It is a matter of satisfaction that our bureaucracy is now more aware of the problems in the private sector. Businessmen are getting more cooperation from government officials. The private sector is ready to extend its contribution to achieve national development goals given the huge deficit in financial resources. Given the deficit for financial resources and technology to deliver large-scale projects, Foreign Direct Investment (FDI) needs to be promoted because remittance alone is not sufficient to keep the economy afloat. We have huge markets in our neighbors -India and China with immense opportunities for investors. Favorable policies and cooperative attitudes from the government are crucial to attract investment in industries and infrastructures. We should also enhance connectivity to ensure larger mobility of goods and services. Some awareness about the significance of investment and infrastructure development has now grown among the policymakers and people at large since we organized the infrastructure summit in 2015.

#### **What kinds of interventions from the government are necessary to promote Nepal as a promising investment destination?**

We need to focus on areas where we can enjoy comparative and competitive advantages. Tourism, agriculture, energy, IT, infrastructure, industries are crucial sectors that can bring about economic transformation. Take the example of investment in the cement industry, a great example of how liberal government policy can support a flourishing particular industry. Hence, we have suggested 33 interventions to the government to encourage industrialization. We should promote investment in the large Public-Private Partnership (PPP) projects. But we cannot also ignore small-scale ventures that can be developed through the PPP approaches.

Given the huge resources deficit, Nepal should give high priority to bringing in the FDI, organizing a host of promotional activities using multiple channels. Nepal needs to take advantage of its geographical location with the proximity of India and China, which offer the large markets in Asia. The huge potentials in tourism, infrastructure, industries, and hydropower sectors can be harnessed to attract domestic and foreign investment. An appropriate policy framework for FDI, industry, and infrastructure can help to boost the confidence of the potential investors to invest in Nepal.

“**Nepal should give high priority to bringing in the FDI, organizing a host of promotional activities using multiple channels.**”

Favorable attitudes of government agencies will give a major impetus to the promotion of private investment in the country. The larger connectivity is also crucial to promote the industrial and agriculture sector through backward and forward linkages. The cost of production and supplies will go down if we strengthen our transport connectivity. The issues in this sector may be resolved through policy, legal, and procedural reforms. We also need to look at the potentials in health and education and markets in the industrial towns of India for and industrial ancillary products and garments. Twin priorities- expanding the domestic market and exports of our products, must be given priority by the government where the private sector is ready to join hands with the government.

#### **How can Nepal become an ideal destination for foreign investment?**

Nepal commands huge potential for investment in energy, tourism, industries, service, and IT. The government should give high priority to reforms in policy and legal reforms to attract more investment in these crucial sectors. As the representative body of Nepal's industrialists, CNI has sought 33 interventions from the government to support industrialization in Nepal. We need to promote the Public-Private Partnership (PPP) approach not only in the large industries but also in the small-scale industries at the national and sub-national levels. We also see good scope for supplying ancillary products for industries operating in the neighboring states of India. We have to revive the garment industry which now faces a tough time in recent years. Here we can learn from Bangladesh, where the apparel industry is thriving significantly making a big contribution to the national economy. In terms of energy development, we face an increasing generation and consumption of energy. The market for energy in the country will expand with the rise in industries. We need to promote domestic consumption and the export of locally

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# Policy Interventions .....

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manufactured products.

## Having recently assumed the responsibility of CNI president, what are your major priorities ?

Creating an industrial climate in Nepal is our topmost priority. We launched the 'Make in Nepal' campaign focusing on production and consumption patterns within the country. A good investment environment has to be created for import substitution and export promotion by promoting private investment. Timely completion of industries and infrastructure projects, enhancing capability essential to execute projects, modernization of service sector, and expansion of digital services in cities and rural areas in this context. To boost the consumption of Nepali goods, we need to enhance the quality of domestic products at competitive prices in the domestic market. We want the government to ensure the procurement of domestic products through the government entities. After securing the domestic market, we need to expand our market base to other countries. Under the 'Make in Nepal' campaign, CNI has envisioned creating 1.5 lakh new jobs, establishing 1,000 industries and increasing the contribution of industry in the national economy, and export of goods worth NPR 1 billion in four years.

## With the trade deficit rising every passing day, how can we increase our supply capacity in the national and international markets?

We are focusing on the industrial climate to reduce the trade deficit. The awareness level is also growing at least at the top-level of the bureaucracy. The private sector and the government are thinking in a similar manner by promoting exports. With the goal of achieving sound industrialization in the country we have signed an MoU with the Ministry of Industry, Commerce, and Supply (MoCS) to join hands in identifying the policy gaps in the industrial sector. In the bid to reduce the skyrocketing trade deficit, we are focused on industrial production, reducing the cost of production, and increasing the consumption of domestic goods, by promoting the 'Swadeshi Logo' (Logo of domestic goods). There are several other areas where the private sector



and the government can work together to promote export and industrial production in the country.

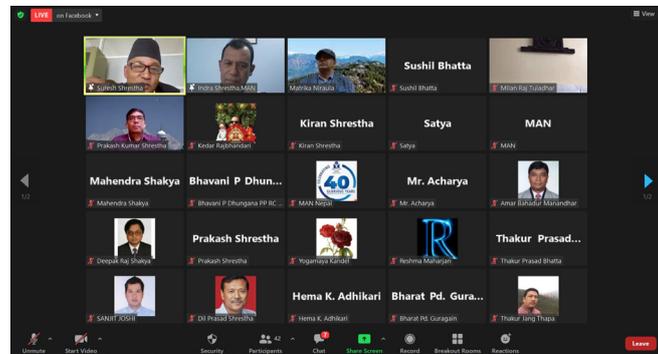
## What are your suggestions to international investors on the lookout business opportunities in Nepal?

With the whole world moving towards clean energy today, Nepal offers a huge potential in South Asia for investment in clean energy. However, the cost of clean energy is expensive and the IBN and other government organizations have been working in identifying other potential projects and developing Project Bank so that ready-to-invest projects can be showcased to the potential investors for investment. In recent years, the government has been giving a high priority to legal and policy reforms with its commitment to welcoming FDI in the country. Efforts for attracting PPP projects in the country are gaining ground. The recent announcement by the government for 30 percent Viability Gap Funding (VGF), geographical proximity with big markets of India and China for exports and increasing consumer base, and satisfactory economic growth are some of the major attractions for potential investors.



Please visit [www.ibn.gov.np](http://www.ibn.gov.np) to view/read the full interview

# IBN CEO Talks on FDI Promotion in Nepal



**KATHMANDU:** IBN CEO Mr. Sushil Bhatta delivered a presentation on various dynamics of FDI promotion in Nepal at a talk program organized on 27th August. Mr. Bhatta spoke as chief guest at the Management Talk Program entitled 'Promoting Foreign Investment in Nepal' organized by Management Association of Nepal (MAN). Mr. Bhatta highlighted the current status of FDI in Nepal, government initiatives on legal and policy reforms, and role of IBN in promoting FDI and facilitating development and implementation infrastructure projects.

Mr. Bhatta said the government of Nepal has undertaken various reforms as part of its sustained efforts to garner private sector investment and position Nepal as a "Preferred Investment Destination.

"Our reform drive has gone well beyond various regulatory frameworks. Strengthening institutions, building capacity, streamlining, and simplifying the processes and procedures have also been the hallmarks of Nepal's reform initiatives", Mr. Bhatta said. The program was aimed at exploring ways to effectively promote investment given the challenges posed by the prolonged impact of Covid.

Other speakers at the program were Director (Foreign Investment and Technology Transfer) of the Department of Industry Mr. Suresh Shrestha, Executive Director (Economic Research Department) of Nepal Rastra Bank Dr. Prakash Kumar Shrestha and former president of Nepal Chamber of Commerce Mr. Surendra Bir Malakar. The program was chaired by president of MAN Mr. Kiran Kumar Shrestha.

# OIBN interacts with international media



**KATHMANDU:** The OIBN interacted with Nepal-based correspondents of international media on 30th August. Talking to the media people, IBN CEO Mr. Sushil Bhatta said Nepal can't deliver large-scale infrastructure projects without promoting FDI given the huge resource gap in the country. "We have a huge deficit of resources in infrastructure investment. To pluck the gap of resources, FDI is crucial," said Mr. Bhatta. Mr. Bhatta also highlighted the role of IBN for investment promotion, project development, project facilitation and project implementation along with investment promotion. "We are also collaborating, coordinating, and partnering with various organizations for synergetic efforts in investment promotion and project delivery," said Bhatta. Mr. Bhatta shed light on the investment climate and efforts being made by the government to establish IBN as a Center of Excellence. Mr. Bhatta also urged the media to disseminate a message about the evolving favorable environment for investment in Nepal. "We are focused on identifying transformative bankable infrastructure projects that can attract FDI. Investment promotion is a shared responsibility from different agencies including media, especially international media," added Mr Bhatta.

OIBN Under-secretary Mr. Ramesh Adhikari gave a presentation on mandates, activities and future plans of IBN and briefed the media people on its role on project development and implementation, and investment promotion. "We have set a plan to develop IBN as a Center of Excellence for PPP project development and implementation," said Adhikari. Gopal Sharma of Reuters, Binaj Gurubacharya of Associated Press (AP) and Pawana Mathema of Agence France Presse (AFP) were present on the occasion.

# Nepal's FDI Stock Reaches Rs 198.52

**KATHMANDU:** Despite impact of Covid-19 across the globe, Foreign Direct Investment ( FDI) stock in Nepal increased by moderate 8.5 percent to Rs 198.52 billion, equivalent to 4.7 percent of Gross Domestic Product (GDP), at the end of fiscal year 2019-20, states a fresh report launched by Nepal Rastra Bank.

For Nepal, private investment remains crucial for spurring growth and generating employment in post-Covid period. Gradual liberalization of FDI inflows in various sectors has been encouraged by creating investment friendly environment and prioritizing foreign investment related reforms, states the report.

The report further states that gross FDI inflows increased by 18.2 percent to Rs.19.68 billion in 2019/20. The divestment of foreign investment (repatriation of investment ) during 2019/20 remained at NPR 199.8 million which is around 1 percent of gross FDI inflows. The report is based on a survey of companies operating in Nepal receiving FDI. According to the report, Nepal received foreign investment from 52 different economies as of mid-July 2020.

Industrial sector accounts for about 56.0 percent of total FDI stock. Within industrial sector, manufacturing, mining, and quarrying industry constitutes 28.3 percent and energy sector 27.5 percent of total FDI stock. Similarly, about 43.9 percent of total FDI stock is in service sector. Within the service sector; financial intermediation constitutes 27.3 percent and hotel & restaurant sector 6.0 percent of the total FDI stock. Energy sector, particularly power sector in Nepal, has been emerging as a preferred sector for FDI in recent year with its share 27.5 percent of FDI stock .

According to the report, the capacity utilization of FDI based manufacturing companies is constrained by Covid-19 pandemic while the profitability of FDI companies remained satisfactory in the review year. During the year 2019/20 the gross FDI inflows increased by 18.2 percent to Rs 19.68 billion and net FDI inflows to Nepal increased by 49.1 percent to touch 19.48 billion, the report states.

The Covid caused a significant impact on FDI across the globe. UNCTAD's World Investment Report, 2021 shows that global FDI flows in 2020 dropped by 34.7 percent to USD 998.9 billion.

## NRB Liberalize FDI Provisions

**KATHMANDU:** Liberalizing the procedure in a transfer of foreign currency in the process of foreign investment, Nepal Rastra Bank (NRB) introduced the 'Nepal Rastra Bank Foreign Investment and Foreign Loan Management Bylaw 2021' on 8th June 2021. As per the new bylaw, foreign investors need not secure prior approval from the NRB to send or bring in foreign currency to Nepal worth the amount approved by the designated government agency. However, the NRB's new rule has makes it mandatory for investors to obtain prior- approval from the central bank to send or bring in foreign currency for investment under the changed ownership of a share of any foreign investment company. The bylaw is aimed at managing and facilitating approval of repatriation of dividends, bringing in foreign currency as foreign loan, and their record-keeping, exchanging foreign convertible currency for repayment of interest and principal of the foreign loan and easing economic activities.

The bylaw has abolishes the provision for securing permission or prior approval from the NRB to send or bring in foreign currency through banking channel for feasibility study, company registration, and other pre-incorporation activities. The new bylaw also requires the concerned company to apply for account keeping of the inflows of foreign investment within six months of foreign currency inflow and liberalizes payment of foreign loan in foreign currency, making it unnecessary for the foreign investment company to secure NRB's approval. However it makes it mandatory to obtain NRB's approval for securing foreign loan for a foreign investment company and envisages the role of the Foreign Investment and Loan Management Facilitation and Coordination Committee headed by a Deputy Governor of NRB with representation from relevant agencies, including the Ministry of Finance, Ministry of Foreign Affairs, Office of the Investment Board, and Department of Industry.

**IBN ANNUAL ROUND-UP**

# IBN Approves Investment, Signs MoUs, Receives Study Reports of 11 Projects worth NPR 428.29 billion

KATHMANDU: Investment Board Nepal (IBN) approved investment, signed Memorandum of Understanding (MoUs), and received study reports for the development of 11 projects worth NPR 428.27 billion, during the fiscal year ending in mid-July 2021. The 45th and 47th meetings of IBN approved investment worth NPR 135.07 billion for a total of five hydropower projects, signed MoUs for two energy projects with a total investment of NPR 173.39 and received detailed study reports on four infrastructure projects costing NPR 119.21 billion.

IBN approved an investment of 77.5 MW Ghunsakhola Hydropower, 57 MW Himchuli Dordi Hydropower, 65 MW Dudhkhola Hydropower, 285 MW Upper Tamor Hydropower, and 139.2 MW Lower Manang Marsyangdi Hydropower projects. OIBN signed MoUs with developers of 250 MW Solar Energy Project in Banke and Kapilvastu, and 679 MW Lower Arun Hydropower Project. During the review year, IBN also received Detailed Project Report (DPR) on China Nepal Friendship Industrial Park Project (which has been approved by the 47th meeting of IBN) and Preliminary DPR of Birethanti-Muktinath Cable Car Project, as also the Detailed Feasibility Study Reports (DFSR) of Multi-Modal Logistic Park Project, Biratnagar and Private Freight

Terminal and Bulk Handling Project, Birgunj and Bhairahawa. These reports are being reviewed by OIBN.

MoU Signed	
S.N	Details
1.	<p><b>Project Name:</b> Solar energy Project in Banke and Kapilvastu (250 MW)</p> <p><b>Project Cost:</b> NPR 18.95 BILLION</p> <p><b>MoU Date:</b> 26-01-2021</p>
2.	<p><b>Project Name:</b> Lower Arun Hydro Power Project (679 MW indicative Capacity)</p> <p><b>Project Cost:</b> USD 1300 Million</p> <p><b>MoU Date:</b> 11-06-2021</p>

Investment Approvals				
S.N	Project Name	Capacity	Amount Approved	Board Meeting
1.	Ghunsakhola Hydropower Project	77.5 MW	NPR 17.62 Billion	45th
2.	Himchuli Dordi Hydropower Project	57 MW	NPR 10.61 billion	45th
3.	Dudhkhola Hydropower Project	65 MW	NPR 10.43 Billion	45th
4.	Upper Tamor Hydropower Project	265 MW	NPR 63 Billion	47th
5.	Lower Manag Marsyangdi Hydropower Project	139.2 MW	NPR 33.41 Billion	47th
	Total		NPR 135.07 Billion	

Study Reports Submitted			
S.N	Project Name	Amount Approved	Report Submitted
1.	Birethanti-Muktinath Cable Car	USD 439.34 Million	14-12-2020
2.	China-Nepal Friendship Industrial Park	USD 586.093 million	14-12-2020
3.	Multi-Modal Logistic Park, Biratnagar	NPR 2.85 billion	15-12-2020
4.	Private Freight Terminal & Bulk Handling, Birgunj and Biratnagar	NPR 11.5 billion	15-12-2020

As envisaged by the PPIA 2019, OIBN has developed the 'Framework for Project Identification, Selection, Ranking and Prioritization for the Development of Project Bank' which includes the process of Screening and Ranking of projects under Series-1 of Project Concept Note (PCN). The series of Series-2 of PCN that incorporates project prioritization process to be included in the Project Bank.

### **Eight Projects Identified for Study**

OIBN is now preparing itself to conduct pre-feasibility studies for eight projects identified as transformational in seven provinces. These projects include Taltalaiya Multipurpose project in Itahari (Province 1), Janaki Heritage Hotel and Cultural Village in Dhanushadham (Province 2), Dolakha Film City in Dolakha (Bagmati Province), International Convention Center in Pokhara (Gandaki Province), Gautam Buddha Maternity Hospital in Rupandehi (Lumbini Province), Integrated Herbal Processing in Surkhet (Karnali Province), Sudurpaschim Public Transport in Kailali (Sudurpaschim Province) and Khaptad Integrated Tourism with Master Plan Development (Sudurpaschim Province).

### **Study Reports**

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Despite the long restriction on the movement of people due to Covid-19, OIBN carried out diversified promotional activities. Digital platforms were used to participate in and organize almost such activities by OIBN; top officials of OIBN interacted with foreign diplomatic missions in Nepal and officials of Nepali diplomatic missions in various countries to promote Nepal's investment potential; and OIBN interacted with existing and potential investors physically and through digital platforms.

IBN has also developed print and audio-visual materials in addition to developing an investor database with contact details about over 1500 investors of various categories.

On the institutional development front, OIBN took up a number of various initiatives for the institutional development of IBN through plans, digital initiatives, systems, and legal as well as policy instruments during the last fiscal year and prepared its first-ever Strategic Plan for Business Plan (2021-26) as a blueprint based on a result-based framework to achieve the collective objectives of the organization with a future-oriented outlook. The Five-Year Business Plan has charted out action plans, prioritized activities, Key Performance Indices (KPIs), targets, and budgets to implement the strategic plan. OIBN took up Digital Initiatives including the development of the IBN Management Information System (IBNMIS) that incorporates digital tools for systematizing investor service as well as record keeping and using of IBN information through web-based process automation applications.

### **Digital Initiatives**

OIBN has moreover developed the Digital Framework and Web-based One-Stop Service (OSS) at the office along with its concept notes and guidelines. As per the Conceptual System Architecture, a system has been developed for its synchronization with the OPMCM.

Digitalization of investment applications and automation of internal processes for fast-tracking for timely decisions leading to service facilitation can have a significant impact on improving Nepal's Doing Business Ranking and on attracting private investment, including FDI in Nepal. Apart from developing and implementing the Knowledge Management Portal (KMP) for managing documents and information on the online-based digital system, OIBN has also piloted the system with data entry of the Arun-3 Hydropower Project and Hongshi Shivam Cement.

### **Policy Initiatives**

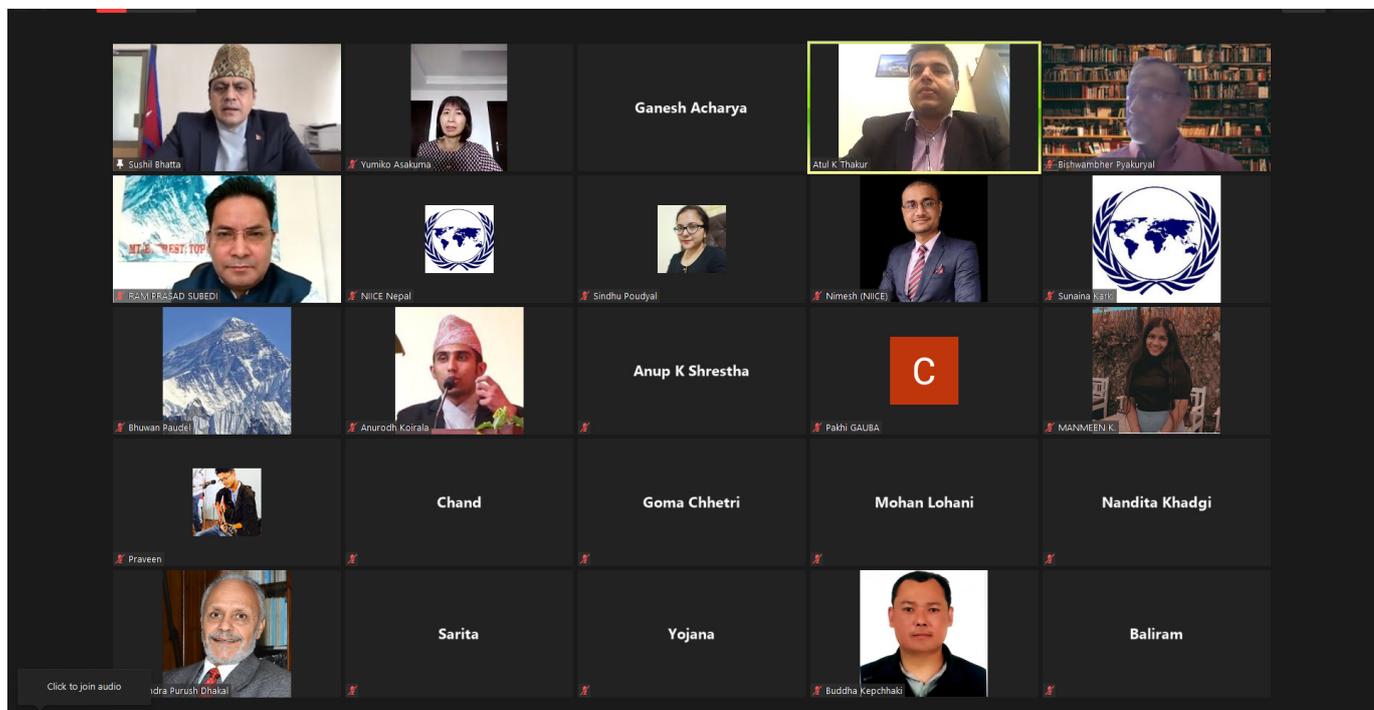
IBN has thus taken a host of initiatives to develop documents that are crucial for institutional development and approved Foreign Currency Exchange and Transfer Recommendation Guideline 2021 and drafts of Interim Operation Guideline with Accountability and Responsibility, Fund Management and Operation Guideline of IBN, Transaction Advisory, Viability Gap Funding (VGF) Guideline, Swiss Challenge Guideline, Organization and Management of OIBN and Communication Policy. To upgrade the quality of result-oriented performance of government officials and embedded consultants in line with the annual action plan within a set timeline, a RACI-Q Matrix

has been developed and implemented by OIBN.

OIBN, in addition has prepared a concept paper and final draft of the Standard Operating Procedure (SoP). The SOP, the latter is expected to streamline tasks of OIBN streamlined and fast, effective and result-oriented. During the last fiscal year, OIBN conducted various activities in collaboration and partnership with federal, provincial, and local governments, the private sector, and diplomatic missions in the process of project development, implementation, and

investment promotion. Mainly OIBN puts a high priority on facilitating the implementation of projects which are in the advanced stage of construction and operation. In the process of facilitating projects, two meetings of the Monitoring and Facilitation Committee (MFC) were held during the fiscal year 2020-21. Despite the deepening crisis of Covid, OIBN officials in coordination with other relevant government agencies facilitated and monitored a number of the projects visiting the project sites.

## IBN Organizes ‘Nepal-India Investment and Development Partnership Summit 2021’



KATHMANDU: “IBN-INC PHDCCI Web Conference on ‘Nepal-India Investment and Development Partnership Summit 2021’ was organized on July 23. The PHD Chamber of Commerce and Industry (PHDCCI), under the aegis of its Nepal Centre (INC), organized the event in association with the Investment Board Nepal (IBN) and the Confederation of Nepalese Industries (CNI) which brought together the key policymakers and other key stakeholders of bilateral economic cooperation from India and Nepal. In the course of the event some of the most crucial aspects concerning investment and development partnership between two neighbors, were discussed. Delivering a keynote speech, IBN CEO Mr. Sushil Bhatta

highlighted the significance of partnership in economic development and investment between two nations. On that occasion, Deputy Chief of Mission of Nepali Embassy in India Mr. Ram Prashad Subedi, First Secretary and Commercial Representative at Indian Embassy in Kathmandu Mr. Abhishek Upadhyay, chair of India Nepal Center Chair Mr. KV Rajan, Vice-President and Managing Director Chaudhary Group Mr. Nirvana Chaudhary, and PHDCCI President Mr. Sanjay Aggarwal were the key speakers who stressed the need for sustained collaboration between the two countries and relevant organizations in strengthening partnerships on investment and development.

# IBN Organizes Interaction with DPs for feedback on Strategic Plan

**KATHMANDU:** The OIBN organized a consultation meeting with Developer Partners (DPs) on a draft of the IBN Strategic Plan, on 8th July. The two-hour virtual meeting was aimed at collecting feedback from the DPs to enrich the Plan with a larger perspective. Delivering an opening remark, IBN CEO Mr. Sushil Bhatta acknowledged the role of the DPs in the development of Nepal's infrastructure, the private sector, and the overall development process.

Emphasizing the significance of Foreign Direct Investment (FDI) given Nepal's aspiration to achieve national development targets and Sustainable Development Goals (SDGs) Mr. Bhatta stated that IBN has a larger role to play as a nodal agency in managing Public-Private Partnership (PPP) investment and executing its as functions of an investment promotion agency in Nepal.

Mr. Bhatta said that the Strategic Plan with its five-year Business Plan is a roadmap to steer and direct activities toward achieving its goal of garnering quality investment in Nepal and highlighted the role of the Strategic Plan as a home-grown document, developed with the involvement of IBN Staff under the guidance of the IBN Board and the Strategic Plan Formulation Committee (SPFC).

As keynote speaker the British Ambassador to Nepal Her Excellency Ms. Nicola Pollitt congratulated the OIBN team on accomplishing a decade of its establishment under the leadership of CEO Mr. Bhatta for delivering a comprehensive document expressing hope that the Plan would enable IBN to grow as a vibrant institution to promote investment and facilitation of high-quality projects in Nepal.

Those offering their observations on the draft Strategic Plan were Mr. Richard Craig, from Foreign, Commonwealth, and Development Office (FCDO), Mr. Peter Mousley from the World Bank Group (WBG), Mr. Santosh Pandey from International Finance Corporation (IFC), Mr. Dharma Swarnakar from the UNDP Nepal Office, Mr. Saroj Nepal from the United Nations Capital Development Fund (UNCDF), Mr. Anjan Pandey from the Asian Development Bank, Mr. Shanker Khagi from the



USAID, Ms. Elke Foerster from the GIZ and Ms. Asakuma Yumiko from the JICA Nepal Office.

In his closing remarks, IBN CEO Bhatta thanked all the representatives of the DPs for their encouraging words on the Strategic Documents. Moderating the program IBN Under-Secretary Mr. Ramesh Adhikari, shed light on the key objectives of the Strategic Plan.

On the occasion, OIBN consultants Mr. Ghanashyam Ojha, Mr. Dilip Raj Bhatta, Mrs. Shrijun Dhakal, and Mr. Sourav Dhungana,

presented the pillar-wise highlights of the Strategic Plan. Other participants at the program were Mr. Ashray Bikram Pande from the Asia Foundation, Mr. Ojashwi Samser JB Rana from the World Bank, Mr. Subash Thapa from the Department for International Trade, Mr. Tej Bhattarai from the Swiss Agency for Development and Cooperation, and Ms. Sadaka Inasawa from the JICA.

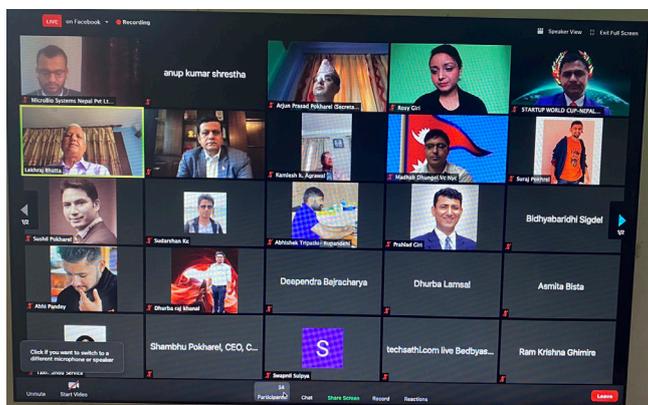
## Huaxin Cement Donates Medical Equipment

**KATHMANDU:** Huaxin Cement Narayani provided emergency medical assistance to support the local government of the project area to fight the Covid-19 pandemic. The Chinese Joint venture project being facilitated by the OIBN is being implemented at Benighat-Rorang Rural Municipality in Dhading. The company donated 8 oxygen concentrators and 500 antigen kits a function, amidst the representatives to the Honorable Minister for Social Development of Bagmati Province Ms. Saraswati Basnet. The company also donated 36 oxygen cylinders to Dhading District Hospital, Siddalekh, Gajuri,



and Benighat Rorang Rural Municipalities in Dhading. Last year, the company had also donated medical supplies worth more than NPR 50 lakh to the Dhading District Administration Office and the rural municipalities in Dhading.

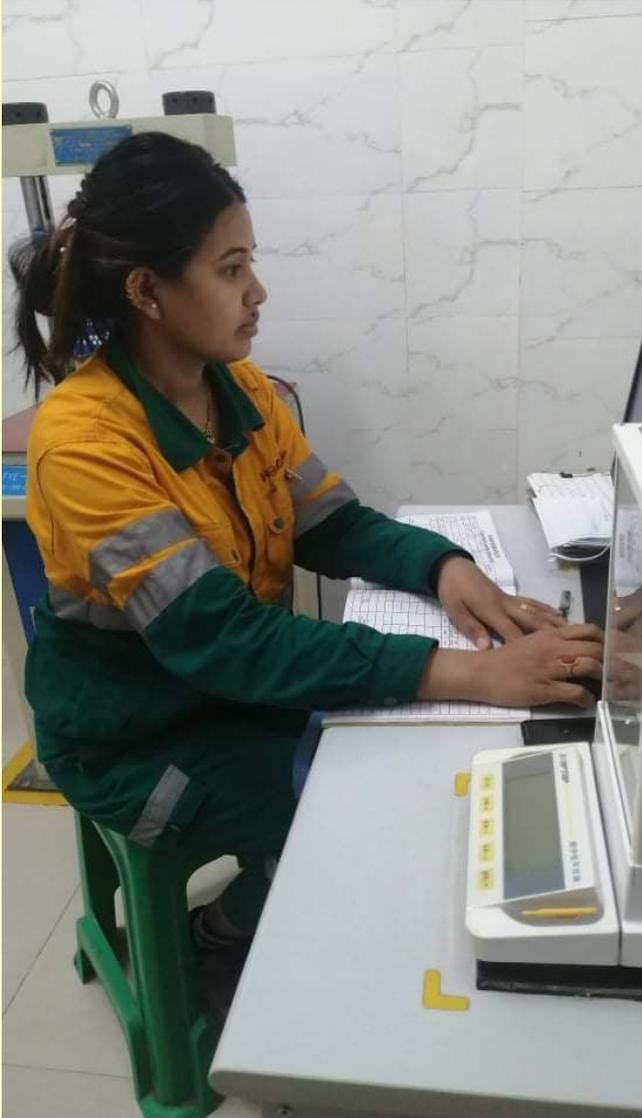
## OIBN Participates in Start-up World Cup Nepal Regional 2021



**KATHMANDU:** The OIBN participated in the Startup World Cup Nepal Regional 2021 held on May 19. Delivering his remark at the program, OIBN CEO Mr. Sushil Bhatta urged all the actors of the start-up ecosystem to collaborate in globalizing

the local ideas and initiatives and support enterprises development in Nepal highlighting the importance of Small and Medium Enterprises (SMEs) in the economic development of Nepal and the role of the start-up in complementing larger industries by serving as a vital linkage in the value chain. The Start-up World Cup Nepal is a regional competition event organized by the Start-up Hub Nepal and World Trade Group Nepal to foster local innovation to reach the global platform that offers entrepreneurs an opportunity to meet global start-ups, provides access to new deals around the world, helps to build a network with investors and corporate representatives providing an opportunity to win the grand prize of USD 1 million. This year, Mr. Ram Bahadur KC, founder of the Taximandu won the competition.

## MY STORY



### It is a great opportunity for me to work at Nepal's largest cement factory.

I am Maya Kumari Chaudhary, 24, a permanent resident of Sardi Bagaicha of Binay Triveni Rural Municipality of Nawalparasi (East) and have been working at Hongshi Shivam Cement Project in Sardi for the last three years as a physical lab technician. As a resident of the project host area, it is a great opportunity for me to work at Nepal's largest cement factory. As a student of B.A. in my fourth year, in a college in Sardi Bagaicha I also manage the expenses of my four-member family where my parents and my elder brother are all unemployed. The job at the company was my first opportunity to work as a lab technician which was completely new for me when I joined the company, but I worked hard and learned many things in the three years here. The local people get multiple benefits if such large-scale companies operate in a community- employment, local business opportunities, and local infrastructure development. The local people also get additional benefits under the company's Corporate Social Responsibility (CSR) programs. The government should, therefore, give a high priority to attracting investment in such transformational projects in other places of the country.



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