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IBN DISPATCH

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GOVERNMENT OF NEPAL
INVESTMENT BOARD NEPAL



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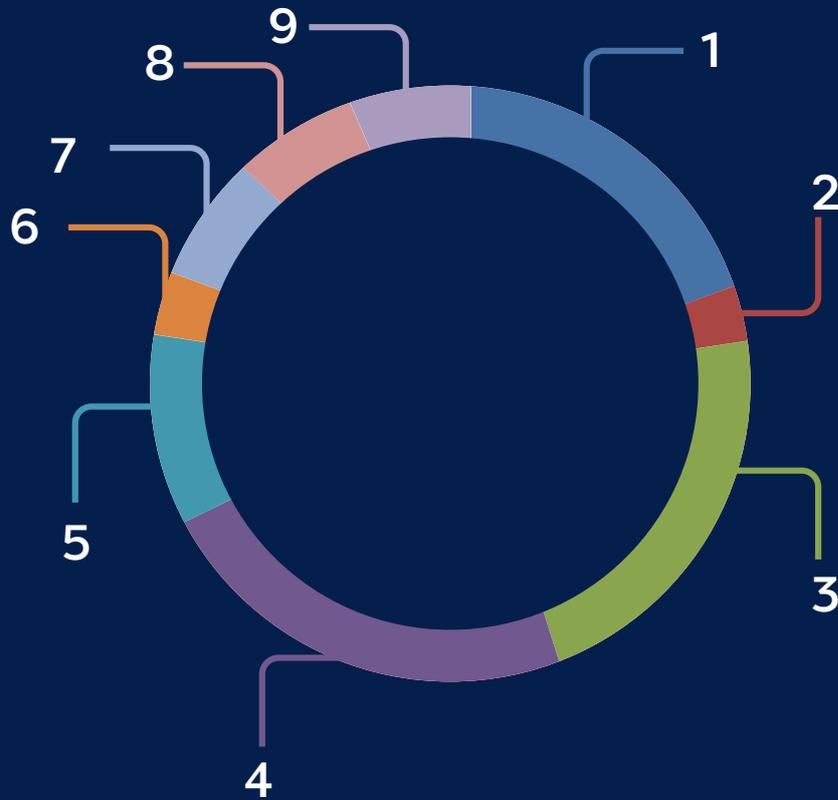
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INVESTO GRAPH

PROVINCE-WISE APPROVED PROJECTS

NUMBER OF PROJECTS APPROVED

1. PROVINCE ONE	6
2. MADESH PROVINCE	1
3. BAGMATI PROVINCE	7
4. GANDAKI PROVINCE	7
5. LUMBINI PROVINCE	3
6. SUDURPASHCHIM PROVINCE	1
7. BAGMATI AND GANDAKI PROVINCE	2
8. BAGMATI AND LUMBINI PROVINCE	1
9. NOT IDENTIFIED	2



IBN Board Meeting Concludes with Crucial Decision



KATHMANDU: The 49th board meeting of the Investment Board Nepal (IBN) was held under the chairmanship of the Right Honorable Prime Minister Sher Bahadur Deuba, on February 8, 2022. The meeting convened at the official residence of the Prime Minister in Baluwatar.

During the meeting, an investment worth NPR 9.68 billion in Dabur Nepal Private Limited to increase its industry capacity and production diversification was approved. Similarly, the inception report submitted by SJVN Limited India for the Lower Arun Hydropower Project was approved for construction, ownership, operation, and transfer of the project. Central Electronics Limited's proposal to conduct a feasibility study of NPR 23 billion on the 350 MW solar energy project, of which 125 MW is in Silgadhi municipality of Dipayal and 225 MW in Amargadhi

municipality of the Sudurpashchim Province, was also approved.

The meeting provided authority to IBN to sign MoUs with various organizations in relation to investment promotion. IBN's bid to become a member of the World Association of PPP Units and Professionals (WAPPP) headquartered in Geneva was also approved. The meeting also decided to make the technology comparative report on establishing a chemical fertilizer plant prepared by IBN public.

Rt. Hon. Prime Minister Mr. Sher Bahadur Deuba stressed the government dedication to making necessary improvements in policy and law to create an investment-friendly environment to investors.

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IBN Board Meeting ...

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Meanwhile, Prime Minister Mr. Deuba instructed IBN and related Nepal Government agencies to diversify infrastructure projects by conducting rapid feasibility studies and related activities, along with a focus on project construction.

IBN CEO Mr. Sushil Bhatta shared an update on activities undertaken by IBN based on instructions given during the last board meeting. He touched on project activities, ease of investment, and developmental and institutional improvements.

Honorable Finance Minister and Vice-Chair of the IBN, Mr. Janardan Sharma 'Prabhakar'; Honorable Minister for Energy, Water Resources, and Irrigation, Ms. Pampha Bhusal; Honorable Minister for Forest and Environment, Mr. Ram Sahay Prasad Yadav; Vice-Chair of National Planning Commission, Dr. Biswo Nath Poudel; Chief Secretary to the Government of Nepal, Mr. Shankar Das Bairagi; expert members of the Board, Mr. Haribhakta Sharma, Ms. Bhawani Rana, and Mr. Rajesh Kaji Shrestha; and other high-ranking officials of the Government of Nepal were present at the board meeting.*

IBN BOARD MEETING

IBN Strategic Plan Implementation Direction Committee First Meeting

KATHMANDU: The first meeting of the IBN Strategic Plan Implementation Direction/Steering Committee was held under the chairmanship of the Honorable Finance Minister and Vice-Chair of IBN, Mr. Janardan Sharma 'Prabhakar' on January 6.

Addressing the meeting, Finance Minister and Vice-Chair of IBN Mr. Sharma stressed, "The Strategic Plan prepared by the IBN and the four pillars of the Strategic Plan related to Business Plan should be implemented at a fast pace." Furthermore, he emphasized that the IBN project bank should be presented in a state of readiness for investment, adding that IBN should move forward with leadership capacity, behavioral reform, policy reform, and overall institutional development.

In the meeting, IBN CEO Mr. Sushil Bhatta informed that IBN had continuously consulted with various

concerned stakeholders while preparing the IBN's Strategic Plan. CEO Mr. Sushil Bhatta stated regarding the four pillars of Strategic Plan which have clarified the path to be taken by IBN. He further added, 'Regular monitoring is required for the effective implementation of the Strategic Plan.'

Meanwhile, Nepal Government Chief Secretary Mr. Shankar Das Bairagi spoke regarding the investment conferences that needs to be organized organized to secure specil investors.

Finance Secretary from the Ministry of Finance, Mr. Madhu Kumar Marasini, stressed the importance of now focusing on Green Investment or promotion of Green Projects while organizing the investment conferences. He further added that the IBN should emphasize the development of a transformational, game-changing signature project.



At the meeting, Secretary of Ministry for Industry, Commerce and Supplies, Mr. Dinesh Bhattarai stressed the importance of emphasizing development priorities and making effective institutional structures for better results.

Similarly, Joint Secretary of Ministry of Foreign Affairs, Mr. Bharat Raj Regmi stated the importance of working in a coordinated manner with all agencies, as it is necessary to maintain a positive image of the country for investment promotion.

Joint Secretary of Ministry of Agriculture and Livestock, Mr. Shabnam Siwakoti stated that strategic planning for the projects related to agriculture should be prioritized.

Under-Secretary of IBN Mr. Ramesh Adhikari discussed the achievement of the IBN focusing his

presentation on four pillars of Strategic Plan. He further highlighted the main objectives of IBN's Strategic Plan, its core values, goal, vision, and the way forward to achieve it.

Similarly, Senior Divisional Engineer of the IBN, Mr. Sagar Raj Gautam presented a report on a comparative study of the technology and cost involved in setting up a chemical fertilizer factory in Nepal. This meeting concluded that the study 'Establishing a Fertilizer Plant in Nepal: A Comparative Study and Analysis of Natural Gas vs. Water Electrolysis Technology' to be presented at the board meeting of IBN.

The meeting was facilitated by Mr. Surendra Poudel, the Member Secretary of Strategic Plan Implementation Direction Committee and Joint Secretary of IBN.

Establishment of ‘Investor’s Lounge’ at OIBN



KATHMANDU: Honorable Finance Minister and Vice-Chair of Investment Board Nepal, Mr. Janardan Sharma ‘Prabhakar’ inaugurated the Investor’s Lounge at the office of the Investment Board Nepal (OIBN) on January 3, 2022. The Investor’s Lounge aimed to improve services of OIBN and inform the investors about the investment opportunities in Nepal.

Reiterating the government’s commitment to further improve the investment climate in the country, Finance Minister and Vice-Chair of IBN Mr. Sharma stated that the newly opened Investor’s Lounge would be instrumental in improving services provided by OIBN to investors. He further said, “The government is committed to creating an investment climate in Nepal. The Government

has made a confident call for investment in Nepal and is ready to provide facilities as per the law.”

Addressing the program, IBN CEO Mr. Sushil Bhatta stressed the establishment of Investor’s Lounge is to provide information regarding investment opportunities in Nepal to investors. Mr. Bhatta also informed that the Investor’s Lounge will be integrated into a web-based One-Stop Service (OSS) to further improve the effectiveness of OIBN’s facilitation services offered to investors. “The establishment of the Investor’s Lounge was one of the measures undertaken by the IBN to improve services provided to investors, and its inauguration was also a part of the 10th anniversary program,” he said.

During the program, the representatives of the project developers facilitated by the IBN reported on the implementation status of their respective projects.

Interaction with IBN-Facilitated Projects Representatives



KATHMANDU: Honorable Minister for Finance and Vice Chair of Investment Board Nepal (IBN), Mr. Janardan Sharma 'Prabhakar', IBN CEO Mr. Sushil Bhatta along with senior officials interacted with representatives of projects which are facilitated by the IBN on January 3, 2022 at the IBN premises.

Minister for Finance and Vice Chair of IBN Mr. Sharma urged investors to inform the government in time about any problems that emerge on the course of project implementation. Minister Mr. Sharma also asked representatives of the developers to submit their concerns and issues in a formal, written format to concern officials.

Addressing the interaction program, IBN CEO Mr. Sushil Bhatta expressed his commitment to resolve project-related issues in coordination with all relevant ministries and agencies. He also said that such interactions with investors will be continued in the coming days, which will provide a common platform between IBN and the developers.

In the program, SAPDC/Arun-3 Hydropower Project CEO Mr. Arun Dhiman reported that the generation part of the project has been moving smoothly. However, he pointed to challenges faced in the construction of the 217 km transmission line due to difficulties in land acquisition in a few districts.

Speaking in the program, Huaxin Cement Narayani Project representative, Ms. Cynthia (Head of Kathmandu Office) emphasized the efforts made by the company for preparation of the project commercial production at earliest possible.

Hongshi Shivam Cement Project representative, Mr. Shivaji Atal stressed the importance of IBN coordinating with other line agencies, including the Department of Roads and the Ministry of Physical Infrastructure and Transport, to accelerate the process of upgrading the road.

IBN Under Secretary, Mr. Ramesh Adhikari moderated the program. He stated that such interactions with representatives of the developer play an instrumental role in resolving outstanding problems observed in the process of project implementation.

Expanding Cooperation between IBN and Sudurpashchim Province.



Program focused on project development cycle, project ideation and developing PIN



DHANGADHI: Hon'ble Chief Minister of Sudurpashchim Province, Mr. Trilochhan Bhatta highlighted the importance of developing provincial projects on public-private partnerships (PPP) in coordination and collaboration with IBN at the interaction program held on February 21 in Dhangadhi.

Chief Minister Mr. Bhatta further expressed his commitment to take forward the MoU between IBN and the Sudurpashchim Provincial government, and jointly undertaking required activities for project ideation and development.

He mentioned that the province prioritized projects that are focused on agriculture, tourism, infrastructure development, road and waterways (Seti and Karnali), and hydro and solar projects.

At the program, IBN CEO Mr. Sushil Bhatta expressed his commitment to provide all kinds of support and technical know-how on developing transformative projects in the Sudurpashchim Province under PPP and attracting FDI.

IBN CEO Mr. Sushil Bhatta emphasized the importance of implementing IBN's Strategic Plan, and the role of



coordination, collaboration, and partnership, some of the key strategic pillars of the Strategic Plan, in the process of developing projects with the support of key stakeholders, such as the provincial governments. He also explained the role of FDI in developing large infrastructure projects in the province.

IBN Under Secretary Mr. Ramesh Adhikari shared the background and objectives of the program and highlighted the possibilities of developing projects in PPPs in the Sudurpashchim Province. He presented

the outline of a draft MoU between IBN and the Sudurpashchim Province. The draft MoU that was presented in the program focused on investment promotion, PPP project ideation, development, and management, and project handover.

At the program, OIBN Consultant Ms. Ranjeeta Acharya delivered a presentation focusing the project development cycle, importance of project ideation, and developing the Project Idea Note (PIN) in collaboration with the provincial government.

The presentation also incorporated Khaptad Integrated Tourism Project and the Sudurpaschim Public Transport Project and identified the Energy Sector, Infrastructure and Transportation Development, Tourism, Sports, River Control and Management Projects, and Integrated Urban Development as potential sectors.

Similarly, the Secretaries from Ministry of Economic Affairs and Ministry of Physical Infrastructure and Development jointly delivered a presentation on potential provincial projects to be developed under the PPP modality.

The program was attended by Ministers and Secretaries from concerned line ministries, high-level officials from the Province Planning Commission, representatives of private sector associations, and media from the Sudurpashchim Province.

“
**Discussed on the Draft
 MoU between IBN
 and Sudurpashchim
 Province**
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Arun-3 Hydropower Project Progress Discussed



KATHMANDU: Progress made in the Arun-3 Hydropower Project was discussed among concerned stakeholders to facilitate the smooth construction of the generation and transmission line on February 18. The discussion was held at the Office of the Prime Minister and Council of Ministers.

Addressing the program, Chief Secretary Mr. Shankar Das Bairagi instructed CDOs and other government officials to communicate with communities that the project belongs to the Government of Nepal which will benefit local and national economic development. The project developer, OIBN, and the local people should frequently meet to resolve any problems and grievances, he further added.

In the concluding remarks, IBN CEO Mr. Sushil Bhatta emphasized that the role of the CDOs is crucial in creating a favorable environment for

project activities and that IBN has been closely collaborating with CDOs in each district. He further added, "It is extremely important to complete the Transmission Line (TL) construction to avoid potential problems in power evacuation."

At the discussion, the CDOs from districts affected by the transmission line presented the status of progress in land acquisition, Right of Way (RoW), and construction.

In the discussion program, Mr. Arun Dhiman, CEO, SAPDC, presented the progress made in the construction, problems faced, and the types of government support required to ensure smooth construction.

Chief Secretary of Nepal Government Mr. Shankar Das Bairagi chaired the program in the presence of IBN CEO Mr. Sushil Bhatta, the developer's representatives, CDOs from seven districts,



Secretaries from the concerned line ministries, Joint-Secretaries, and members of OIBN.

The program was also organized with the aim to collaborate among concerned line ministries, IBN, the developers and the CDOs to create a favorable environment for the smooth implementation of the Arun-3 Hydropower Project.

The 217-km transmission line of the Arun-3 project passes through 23 local units in seven districts (Sankhuwasabha, Bhojpur, Khotang, Udaypur, Siraha, Mahottari, and Dhanusha) in Nepal before reaching the border with India.

According to the developer company, SAPDC, the project has so far made about 48.5 percent progress in terms of generation and 12 percent progress regarding transmission lines. The developer company is planning to start commercial operation of the project from mid-July, 2023.

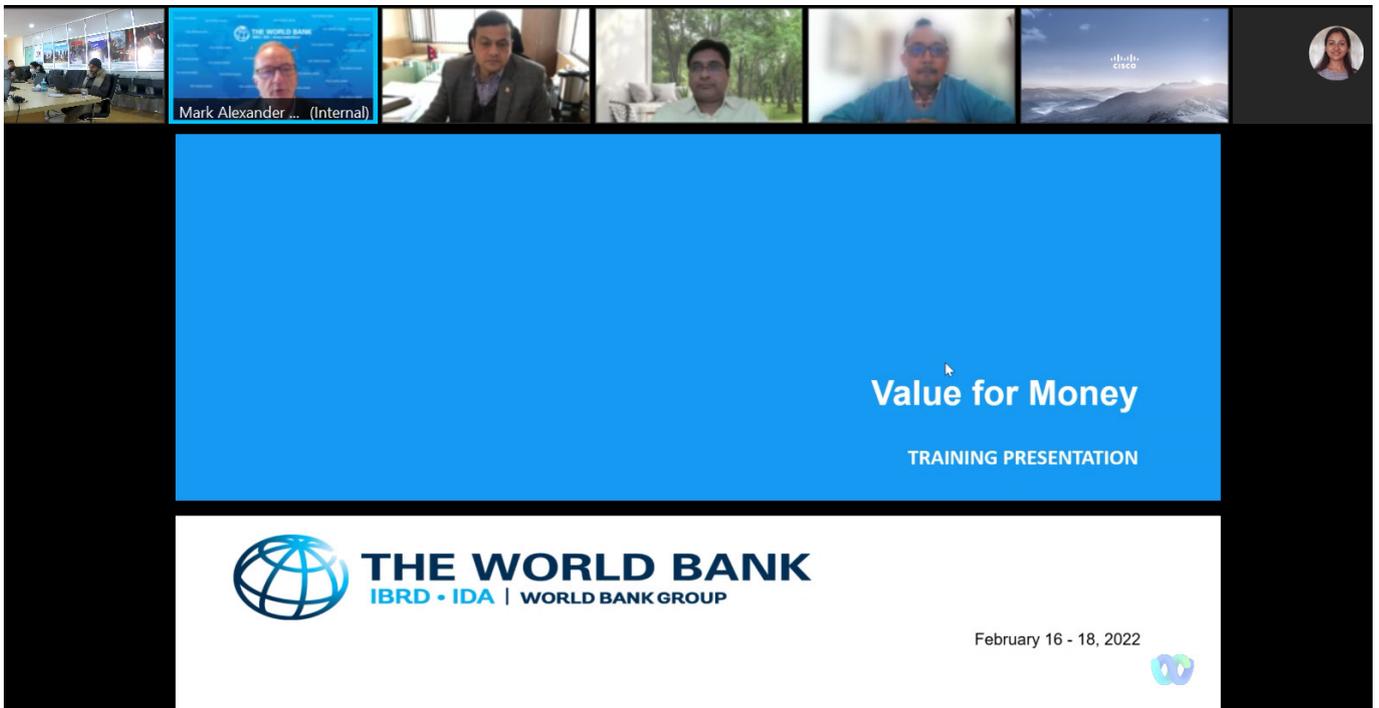
High-Level Team Visits West Seti + SR6 Site

DHANGADHI: A high-level team led by IBN CEO Mr. Sushil Bhatta visited the dam site and the powerhouse of the West Seti + SR6 site from February 19-20. The purpose of the visit was to provide a field perspective and input to the committee formed to study and recommend project structuring, development, and an investment modality for the West Seti + SR6 Joint Storage hydropower project.

During the visit, the team held an interaction with the chairpersons of the rural municipalities and concerned officials regarding the West Seti + SR6 Site. The team also consulted with local stakeholders on potential projects in the province, including the Khaptad Integrated Tourism Project.

The team was accompanied by IBN Under-Secretary Mr. Ramesh Adhikari and an Expert Mr. Anup Upadhyay.

Training on Value for Money



KATHMANDU: A training introducing the value for money (VFM) analysis to help determine when it is preferable to do a public-private partnerships (PPP) in Nepal was conducted from February 16-18 through virtual medium.

Addressing the training, IBN, CEO, Mr. Sushil Bhatta, emphasized that the VFM analysis is critical to enhancing the quality of project selection for PPPs and that there is a need to better understand global approaches and how to apply them in the context of Nepal. He further expressed his appreciation for World Bank's on-going support in introducing international good practices within OIBN's project selection framework.

The World Bank's task lead Mr. Mark Giblett emphasized that VFM analysis is one of the key

factors in deciding to go forward with a PPP. He further added that in the global context, several countries with well-developed PPP programmes have successfully used VFM analysis. However, Mr. Giblett stressed that the VFM analysis is not an exact science and the results are significantly impacted by the quality of data, inputs, and analysis.

In the training, participants were introduced to the World Bank's VFM, which was beneficial in understanding how VFM analysis can be introduced in the project selection process in Nepal.

The training was delivered by the World Bank's team, which included Mr. Mark Giblett (Task Team Lead), Mr. Pratyush P. Prashant (PPP Specialist, Consultant) and Mr. Ojashwi Samser JB Rana (Consultant, FCI). 30 OIBN members participated in the training.

West Seti + SR6 Committee Meeting



KATHMANDU: The fifth meeting of the committee formed to study and recommend project structuring, development, and an investment modality for the West Seti + SR6 Joint Storage HEP was held at the National Planning Commission office on February 24, 2022. The meeting was convened by the Honorable Vice-Chair of the National Planning Commission, Dr. Bishwo Nath Paudel.

The meeting was attended by Mr. Laxman Aryal, Secretary, Office of Prime Minister, and Council of Ministers; Mr. Madhu Kumar Marasini, Finance Secretary, Finance Ministry; Mr. Devendra Karki, Secretary, Ministry of Energy, Water Resources, and Irrigation; Mr. Uday Raj Sapkota, Secretary, Ministry of Law, Justice and Parliamentary Affairs; Mr. Sushil Bhatta, CEO, IBN; Mr. Khul Man Ghising, Managing Director, Nepal Electricity Authority; and senior officials from relevant agencies.

The 47th meeting of the IBN had formed the committee to take the process of implementing the 1200-MW project (West Seti + SR6 Joint Storage HEP) forward. The project is expected to significantly contribute to the economic transformation of the Far Western region.

Committee Meeting for Upper Karnali Hydropower Project

KATHMANDU: A meeting of the study committee, to prepare a report on the Upper Karnali Hydropower Project financial close, was held at the Office of the Investment Board Nepal. The 48th board meeting of the IBN had formed the study committee under the chairmanship of Honorable Dr. Bishwa Nath Poudel, Vice Chair of the National Planning Commission, to prepare a report.

FCDO Visits to Arun-3 Hydropower Project Site



SANKHUWASHABHA: Members of the Foreign, Commonwealth and Development Office (FCDO) along with OIBN consultants visited the Arun-3 Hydropower Project site to observe the project's progress from February 23-26.

During the visit, the team had a conversation with the local government, developer, contractor, and people in the community aiming to solve issues observed in the project site area. FCDO Urban Infrastructure Adviser, Ms. Eleanor Bainbridge; FCDO Economic Advisor, Mr. Ram Khadka; FCDO Energy Advisor, Ms. Resha Piya; OIBN Project Development and Management Consultant Ms. Pragma Adhikari; and Civil Engineering Consultant for Arun-3 Hydropower, Mr. Aaditya Raj Bhattarai visited the site.

The Arun-3 Hydropower Project, with a capacity of 900MW, is the largest hydropower project being developed in Nepal. The collaboration with OIBN in the construction of the hydropower project started after the signing of the Project Development Agreement (PDA) in November 2014, making it the first-ever concession agreement that Nepal signed with foreign investors to develop a mega-infrastructure project under the PPP model.

Interaction with Arun-3 Hydropower Project Local Stakeholders

SANKHUWASABHA: An interaction regarding the Arun-3 Hydropower Project progress and emergent problem in implementation was held among all concerned stakeholders in the Sankhuwasabha District on January 24. The meeting was organized by the IBN in coordination with the District Administration Office.

Interaction also focused to discuss on land compensation issues of Arun-3 Hydropower regarding Chhayangkuti-Diding road section. Participants in the interaction reported issues observed in the project and emphasized the process of coordinating with various stakeholders. During the interaction, it was also stressed that the concerned stakeholders should play a crucial role in solving problems emerging in the project.

Interaction was attended by IBN Under-Secretary Mr. Ramesh Adhikari, District Coordination Committee representatives, local administrative representative, political parties, and the local government, including other stakeholders.

Discussed with Russian Trade Representatives on Infrastructure Projects



KATHMANDU: A discussion led by IBN CEO Mr. Sushil Bhatta with Russian Trade Representative regarding Infrastructure Projects was held at OIBN on February 22. Areas of discussion were hydro, energy, aviation, railways, and transport.

IBN Under-Secretary, Mr. Ramesh Adhikari; Embassy of the Russian Federation, Chief of Protocol, Mr. Nikolay Kapustin; Trade Commissioner of Russia in India, Dr. Alexandar Rybas and Trade Representative of Russia in India, Ms. Anastasia Grivana participated in the discussion.

MY STORY



Mr. Nikesh Adhikari (21)

Makalu-5, Sankhuwasabha

I am Nikesh Adhikari, 21, and a resident of Makalu-5 in the Sankhuwasabha District. I am son of Kumar Adhikari. My father sold the land to the project for a lucrative offer made by the project. We had land where the Dam site of the Arun-3 Hydropower Project is located today. We used to cultivate agricultural products like cardamom there.



I got an Opportunity to Study Engineering with the Help of Project.

The project's Nepal Employment and Skills Training Plan has provided both academic and non-academic skill enhancement opportunities to the people affected by the project. I also got an opportunity to study civil engineering through the project, which provided a scholarship worth NPR 68,000 per annum. I have already received the amount twice, and since I am still in my final year, the final year's amount is yet to be received.

The scholarship has given me support to fulfill my dream to become an engineer and a hope to get a job in this field. My parents work in the project site as there are opportunities for the locals to work for earning.

There are many locals who have benefitted from the project in the form of employment, skills training, business, and other opportunities. With the commencement of project activities, the local economy has been continuously expanding.



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