

IBN DISPATCH

Monthly Newsletter

IBN Board Meetings



KATHMANDU: The 20th and 21st meetings of the Investment Board Nepal were held on 7 and 24 January, respectively, under the chairmanship of the Prime Minister and Chairman of IBN, KP Sharma Oli. At the 21st meeting, which was held at IBN's Office in New Baneshwore, it was decided to form a committee to prepare a report recommending ways to formulate a practical mechanism for the replenishment of acquired forest area and approval of supplementary environment impact assessments (EIAs) and initial environmental examinations (IEE) for the development of large-scale projects. On the recommendation of the committee, a proposal will be sent to the Council of Ministers (cabinet) soliciting its approval of any necessary policy changes. The meeting also reached an understanding to put forward a proposal regarding the local shares to be made available for purchase to the people affected by the Upper Karnali Hydropower Project to the cabinet through the Ministry of Energy at

20th and 21st IBN Meetings

the earliest.

The meeting directed the Ministry of Energy and IBN to provide cause for the delay in the signing of the joint venture agreement between the Nepal Electricity Authority (NEA) and China Three Gorges for the development of the 750-MW West Seti Hydropower Project. Similarly, the meeting also directed IBN to request a detailed feasibility study report within three months

from The Gurkha's UK Ltd on the basis of their application and pre-feasibility study report.

IBN was also directed to study the potential for open competition for harnessing wind energy in the country within three months.

It was decided at the meeting to put a proposal to cabinet to provide authority to IBN to deal with the proposals for the development and operation of a mono rail in the Kathmandu Valley. The meeting also decided to allow Statkraft Holding Singapore Pte Ltd, the developer

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IBN Board..

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of the 650-MW Tamakoshi-3 hydropower project, to formally exit from the project. The meeting directed IBN to suggest to the Board an appropriate modality for the development of the project under a public-private partnership (PPP) or any other model within three months.

Prime Minister Oli stressed the need for rapid development of infrastructure to achieve economic prosperity, adding that development and the environment are complementary priorities. He also directed all government bodies to maintain effective

coordination among themselves for the timely implementation of development projects.

Present at the meeting were Deputy Prime Minister, Bijay Kumar Gachchhadar; Finance Minister and Vice-chair of IBN, Bishnu Prasad Poudel; Industry Minister, Som Prasad Pandey; Minister for Science, Technology and Environment, Bishwendra Pashwan; Vice-chairman of the National Planning Commission, Dr Yubaraj Khatiwada; Nepal Rastra Bank Governor, Dr Chiranjibi Nepal; and high-ranking officials of the Government of Nepal. On the occasion, IBN's CEO Radhesh Pant said that IBN had been working in close coordination with other line agencies in the course of project development.



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Correspondence:
 Government of Nepal
Office of the Investment Board Nepal
 East building of ICC Complex, New Baneswor, Kathmandu
 Phone: +977-1-4475277, 4475278
 Email: info@ibn.gov.np
 Website: www.ibn.gov.np



Arun-3 RAP Disclosure at High Level Committee



KATHMANDU: On 26 January, the Satluj-Arun-3 Power Development Company (SAPDC) - developer of the 900-MW Arun-3 Hydro Power Project - briefed the high-level project implementation committee and lawmakers representing project district- Sankhuwasabha about the proposed Resettlement Action Plan (RAP).

Madhukar Khadka of SAPDC shared the major highlights of the RAP at a meeting presided over by Committee Chair Dr Yubaraj Khatiwada, Vice-chair of the National Planning Commission. A total of 213 households, consisting of more than 1,200 people, were surveyed for the RAP and 173 hectares of land was identified to be acquired for the project.

On the occasion, four parliamentarians representing Sankhuwasabha district stressed the need for the timely implementation of project with joint efforts from the

government and project developer. Lawmaker, Dipak Khadka demanded that landowners who lose land due to construction of the access road be compensated and that a clear timeline for land acquisition be set. He also opined that the process for constructing the necessary transmission line for providing electricity to the locals should commence at the earliest. Taraman Gurung, another lawmaker, demanded that the government make necessary security arrangements for the project, assuring IBN that the political parties are committed to creating a conducive environment for the developer in the district. Other lawmakers, Dil Nath Giri and Bedmaya Bhandari Shakya, affirmed their support for project implementation and demanded that the developer accelerate the project activities.

Radhesh Pant, IBN CEO,

gave a presentation about the implementation status of the Arun-3 and Upper Karnali hydropower projects. Following the presentation to the high level committee, the developer of Arun-3 will present the draft to local people early February, after having incorporated suggestions collected at the high-level committee meeting.

The programme's Chairman, Dr Khatiwada, said that the people's representatives had a great role to play to make the project a success, stating that politicians should be facilitators in the process of acquiring land for the project. He also stressed the need to maintain a proper balance between development, protection of the environment and the amount of compensation paid to project affected people. Also present at the occasion were Ramananda Dev, member of the National Planning Commission, and other high ranking government officials. •



Rudra Singh Tamang is the Chief and Executive Officer of Kathmandu Metropolitan City (KMC). IBN Dispatch discussed with Tamang about the problems in solid waste management and efforts being made by the KMC to deal with the solid waste in the capital. Management of solid Waste in the cities has become increasingly challenging as host of problems arise right from collection to disposal. Tamang opined that effective management of solid waste in cities is only possible through Public-Private Partnership (PPP) model on the back of limited resources and technology with the government.

What are the major efforts being made by KMC on solid waste management in the capital?

We are adopting different methods simultaneously to manage the solid waste in KMC. First, we collect garbage from households, deposit it at Teku collection center and then dump at Sisdol land field site. Second, we have been raising awareness about effective way of managing solid waste. We are providing subsidy to households to encourage segregation of waste, production of organic fertilizer and terrace farming. Third, we are working on a project that create economic benefits from solid waste in ward no. 12 and 19 of KMC with support of European Union. Fourth, we are piloting

a project soon with the plan of generating energy of 15 KW from up to 3 tons solid waste to be collected each day.

Fifth, we are exploring ways to reduce the amount of solid waste from sources.

What are the hurdles in solid waste management in the valley?

We are facing a host of hurdles. We have been treating solid waste in traditional way. Absence of modern technology in this sector solid waste management been headache to any city authority. Our mindset is also traditional in that we only see solid waste as something that should be dumped away from our homes. We never thought, in the past, that solid waste can be reused and recycled creating economic benefits to us. On the back of booming urbanization, pace of our capacity to deal with the solid waste could not catch up the same pace. For modern technology and efficient human resources, we need investment. But, amount of investment in solid waste management is meagre in our country.

KMC and IBN are taking joint initiative for implementing Integrated Solid Waste Management in Kathmandu Valley under PPP. Two firms have also submitted Detailed Project Reports (DPRs) for phase I and II. How can we

‘PPP is Best Model for Solid Waste Management’

-Rudra Singh Tamang, CEO Kathmandu Metropolitan City

benefit from the PPP in solid waste management?

We have to study the DPRs submitted by the firms before identifying the viability of the project. The project should be both financially and technically viable for long term management of solid waste. The project is expected to reduce the cost for solid waste management along with creating source of income and generating energy.

Why modern technology couldn't come to Nepal in solid waste management?

Lack of will power of government to introduce high-tech and minimal investment are the problems. Like some other develop countries, we can introduced modern technologies if we are committed to effectively managing solid waste with necessary investment.

Which model do you think is appropriate in Nepal for investment in solid waste management?

As our government can't afford huge investment from its resources and lacks skilled manpower, the best approach for launching solid waste management is PPP. Private sector can invest money, arrange resources while government can create conducive environment for investment.

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Project Updates to Journalists



KATHMANDU: On 8 January, IBN updated economic journalists on the implementation of IBN-mandated projects. Around 20 journalists from print, online and broadcast media were present at an interaction, which was held at the IBN Office in New Baneshwore. On the occasion, IBN's CEO Radhesh Pant gave a presentation sharing the latest developments in the implementation of the Upper Karnali, Arun-3, Tamakoshi-3, and West

Seti hydro power projects, as well as other IBN-facilitated projects. Pant also briefed the media about the efforts being made by IBN to explore investment opportunities in alternative energy, including wind energy. Pant highlighted the difficulties being faced by project developers in carrying out the planned programmes in the face of the ongoing disruption to the supply of fuel and essential goods to project sites. •

IBN Team Visits Cement Sites



KATHMANDU: A team from IBN visited the sites of Dangote Cement and Hongshi Shivam Cement companies from 18-22 January to obtain on-site information about environmental impact and issues related to the acquisition of land at the local level. The visit aimed at identifying concerns and expectations of the stakeholders and identify ways to facilitate the investors on behalf of IBN, which approved the foreign direct investment for the establishment of the cement plants.

The four-member team visited Shivam Cement at Hetauda (Nawalparasi), the mine sites of Dangote (Makawanpur), and the proposed factory site of Hongshi Shivam (Nawalparasi). Hongshi Shivam Cement Pvt Ltd is a joint venture between Hong Kong Red Lion No. 3 Cement Co Ltd, a wholly-owned subsidiary of Hongshi, and Shivam Cement Pvt Ltd, Nepal. Similarly, Dangote Cement Nepal Pvt Ltd is a foreign investment project of the largest cement producer in Nigeria and Sub-Saharan Africa, Dangote Cement Plc. •

Parliamentarians Visit West Seti HEP Site



KATHMANDU: The Office of IBN and the legislature-parliament's Agriculture and Water Resources Committee jointly organised a study trip for parliamentarians to the 750-MW West Seti project site and other national priority project sites in western Nepal from 7-12 January. A total of seven members of the Committee participated in the week-long tour, which aimed to provide onsite information to lawmakers about recent efforts in the implementation of projects and seek their support to resolve any outstanding issues. Parliamentarians taking part in the visit were Kashinath Adhikari, Laxmi Prasad Pokharel, Nirmal Prakash Subedi, Dilli Prasad Kafle, Geeta Singh, Sita Nepali and Dhano Mahara. Officials from IBN's Office and the Committee's Secretariat were also members of the team. Parliamentarians visited the West Seti project's proposed powerhouse site at Gopaghat, the intake site at Amatado, and dam site at Guyali in Doti district and were given information about the project structure, development

plan and technical aspects from project technicians. Around two dozen Chinese technicians from the project developer, CWE Investment Corporation of China Three Gorges, are currently at the project sites carrying out different activities, such as surveys on hydrological and geological aspects and the construction of access roads. The Chinese developer has already set up a 15-room camp at Talara on the bank of Seti River in Doti. On the occasion, technicians briefed lawmakers about the ongoing project activities and the problems that have emerged due to delays in the



registration of a joint venture company for the project and the fuel crisis. Although the meeting of the Council of Ministers has already decided

to allocate 25% of the project to the Government of Nepal, the indifference shown by the Board of the Nepal Electricity Authority in making the decision has affected project implementation. Representatives from ICTC Pvt Ltd, the Nepali representative of the developer, also informed the lawmakers about the problems facing the developers in carrying out project activities and asked the Committee to direct government agencies to create a conducive environment for project development. The team of lawmakers also held discussions with the chief district officers of

Dadeldhura and Banke districts on implementation of the project. During the tour, the parliamentarians visited two other national priority projects - the Babai Irrigation Project and Ranijamara-Kuleriya Project - and interacted with project officials, who shared the progress made in implementation of these projects. The parliamentarians also visited four agro-farms in Bardia, Banke and Dadeldhura districts.

Arun-3 Access Road MoU Signed

KATHMANDU: The SJVN Arun-3 Power Development Company (SAPDC), developer of the 900-MW Arun-3 Hydropower Project, and the Department of Roads (DoR), Nepal signed a memorandum of understanding (MoU) on 5 January to construct an access road to the project site in Sankhuwasabha district. As per the agreement, the DoR will start construction of the 28.69 km road stretching from Chhyangkuti to Diding in Sankhuwasabha within the next three months with the target for completion within 18 months. Gopal Prasad Sigdel, chief of the Koshi Highway Project, and Roshan Lal Negi, CEO of SJVN Arun-3 Power Development Company, signed the deal on behalf of their respective organizations. The MoU was signed in line with the 'local industrial benefits plan, in the PDA. Speaking at the programme, Mr Negi said that he would make all efforts to complete the project without delay and asked the



Government of Nepal to provide necessary support in resolving existing problems regarding the acquisition of land, among other things. Parliamentarians representing Sankhuwasabha-1 and -2, Tara Man Gurung and Dipak Khadka, expressed their commitment to extending the necessary support for building a favourable environment for the timely implementation of the project. Madhav Karki, Director General of the DoR, and Asish Sinha, Consul General of the Indian

Embassy, were also present at the signing.

NEA Land Handed Over

Meanwhile, land owned by the Nepal Electricity Authority (NEA) was handed over to the Arun-3 developer for construction of a proposed power house and dam in a programme on 1 January in Sankhuwasabha. The company has already paid the NEA for the land. •

Solid Waste Management DPRs Submitted

KATHMANDU: The two firms selected for the management of solid-waste in the Kathmandu valley submitted their detail project reports (DPRs) to IBN on 11 January. NepWaste Pvt Ltd submitted its DPR under Package I of the Kathmandu Valley Integrated Solid Waste Management Project and Clean Valley Pvt Ltd submitted its DPR for Lalitpur, Kirtipur and Bhaktapur under Packages II and III. A steering committee headed by the CEO of IBN has been reviewing the DPRs with the assistance of COWI, a Danish consulting firm procured through competitive bidding to assist

the steering committee to evaluate the submitted DPRs. The committee comprises representatives from the Ministry of Federal Affairs and Local Development, Ministry of Urban Development, Ministry of Science, Technology and Environment, Kathmandu Metropolitan City, Bhaktapur Municipality, Lalitpur Sub-Metropolitan City, Madhyapur-Thimi Municipality, Kirtipur Municipality and Solid Waste Management Technical Support Center, IBN, Local Development Officers of Kathmandu, Bhaktapur and Lalitpur as members. The Committee reserves the right to accept or reject the DPRs. If the

DPRs are accepted, Investment Board will approve them. Once, approval is granted, a negotiation committee will be formed to negotiate with the developers on the Project Development Agreement. In the DPRs, the developer companies have proposed detail plans for the collection, transfer, processing and distribution of solid waste in the capital. Under the project's plan, the developer will establish a bio-gas plant, generate 6-7 MW of electricity and produce organic fertilizer out of the solid waste collected from the three districts of the valley. •