

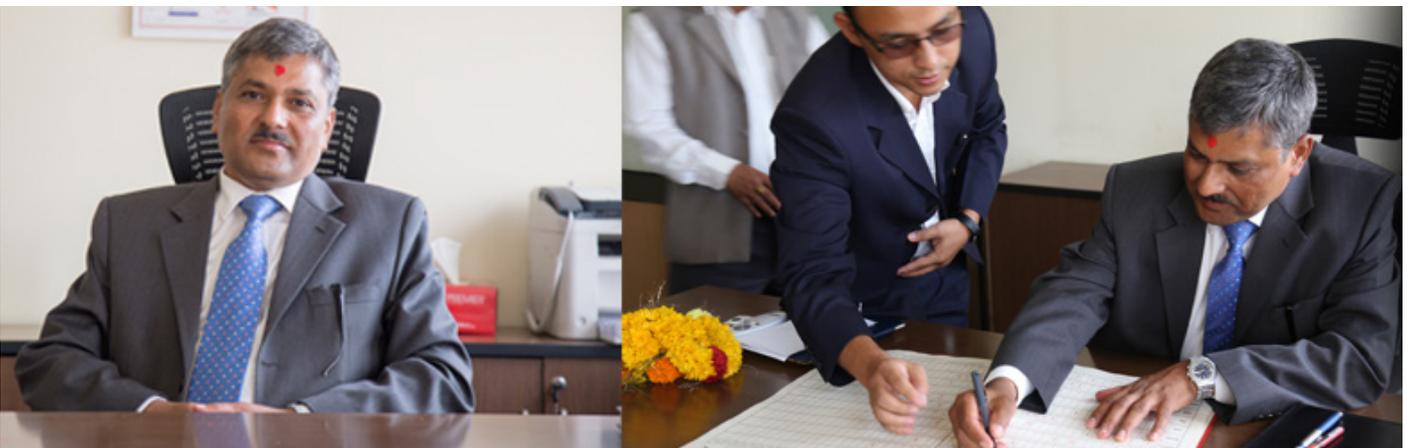
IBN Welcomes New CEO, Bids Farewell to Outgoing CEO



KATHMANDU: Newly appointed CEO of Office of the Investment Board Nepal (IBN) Maha Prasad Adhikari assumed office on 26th June. A cabinet meeting held on 23rd June had appointed Adhikari for the post. He has served as a Deputy Governor of Nepal Rastra Bank. Speaking at a welcome program, organized by IBN office, he urged all IBN officials and consultants to perform their best to fulfil the objectives of Investment Board upholding the overall national interest. On the occasion, Joint Secretary of IBN Office, Ravi

Bhattarai assured him of all-out support to CEO on behalf of IBN officials and consultants.

Similarly, IBN Office organised a farewell program for outgoing CEO Radhesh Pant on 24th June. Speaking on the occasion, Pant appreciated the cooperation from all during his stint at IBN. He was appointed as CEO of IBN Office in 2011. •



Newly appointed CEO Maha Prasad Adhikari, while assuming the office on 26th June, 2016.

High-Level Parliamentary Team Visits Upper Karnali Project Sites



DAILEKH: Office of the Investment Board Nepal (IBN) and the Parliamentary Committee on Agriculture and Water Resources jointly organized a high-level visit of parliamentarians to the Upper Karnali Hydroelectricity project from 10-14 June. The 900-MW project covers Achham, Dailekh and Surkhet districts in the Mid-Western and Far Western development regions of Nepal. Led by the Committee Chairman, Honourable Gagan Thapa, the parliamentarians participated in all-party meetings in Surkhet and Dailekh districts, visited the project dam site and interacted with project-impacted people.

During the visit, Thapa responded to concerns raised by local people, political party representatives and media persons. He urged local political party leaders to sincerely cooperate with the project developer (GMR) to allow the project be completed on time. He also asked IBN and GMR to keep the local people updated on project activities and secure their confidence for the success of the project.

IBN office's Joint Secretary, Ravi Bhattarai, appealed to the locals to create a conducive atmosphere for project implementation. He reiterated that the project requires political support to move forward. In responding to the concerns raised, he said that the project will give first priority to locals when recruiting workers. During the interactions, the project head, DK Singh, on behalf of GMR, said that the project was working on numerous plans, including industrial benefit plans and

employment plans. He also added that the company would involve locals while finalizing all such plans. "Without support from local political parties and project-impacted people, we can't move project construction forward", he said.

The chief district officers (CDOs) of Dailekh and Surkhet, Luk Bahadur Chhetri and Raj Kumar Shrestha, chaired the all-party meetings in their respective districts. The CDOs reiterated their commitment to providing security to the project. They also urged the project developer, GMR, to accelerate its engagement with local people in order to clarify rumours at the local level.

Honourable members of the parliament representing the Parliamentary Committee on Agriculture and Water Resources, including its Chairman Gagan Thapa, Secretary Ananda Prasad Adhikari, and members Asha Yadav, Keshav Thapa, Kiran Yadav, Chewang Tenjen Tamang, Balaram Adhikari, Laxmi Prasad Pokharel, and Sita Nepali, participated in the five-day trip. IBN Office's Joint Secretary Ravi Bhattarai, its consultant Ghanshyam Ojha and accountant Amar Bahadur Shahi had also participated at the tour.

Other participants included the Committee's other officials Santosh Mani Nepal, Niraj Panthi, Sailesh Kumar Sitaula and Pratap Poudel. Journalist Ramesh Lamsal of Rastriya Smachar Samiti and Bibek Subedi of The Kathmandu Post also visited the project site. •



'Investment in Broadband Infrastructure is Necessary'

-Manohar Bhattarai
IT Expert

Manohar Bhattarai is former vice-chair of the High Level Commission for Information and Communication Technology (HLCT). As a senior information and communication technology (ICT) expert, Bhattarai was directly involved in formulating the IT Policy, Broad Band Policy and Broad Band Master Plan for the Government of Nepal. Bhattarai possess in-depth vision and knowledge about the development of ICT and the potential for investment in this sector. Bhattarai talked with IBN Dispatch about ICT development in Nepal.

Could you tell us about the current status of ICT development in Nepal?

We have seen the growth of ICT over the last few years, but the pace of development in Nepal is not on par with that in other countries. However, mobile penetration among Nepali has gone up more than 100% and over 40% of people have access to the Internet. Over just a few years, we have witnessed rapid growth in the banking sector, but less development in ICTs. The maturity level of the ICT sector also has strengthened over the period.

Gradual growth of technology has created news avenues of investment. However, we are at a very initial and formative stage regarding ICT investment. Investment in the ICT sector is not at a desired level. Attempts have been made to create an environment for the development of ICT through policies. But they are not sufficient. We need to have aggressive policies that facilitate huge investments in ICTs and that encourage the use of ICTs in the domestic market.

You were vice-chair of the HLCT and were also involved in formulating crucial policies for ICT development. What are the prospects and challenges involved in investing in

ICT development?

ICTs should be used for good governance that supports transparency, efficiency and inclusiveness in the government mechanism. ICT is also a sector that can contribute to the national economy through the creation of jobs and generation of revenue. For example, ICTs contribute around 7% of Gross Domestic Product (GDP) in India. However, we are lacking exact data regarding the contribution of the ICT sector to the national economy in Nepal. We can develop the ICT sector as key player in economy by shoring up investment in broadband connectivity, developing human resources and increasing the use of ICTs in government agencies and other sectors. We are far behind in ICT development, due to the lack of human resources. We cannot separate ICT development from the other components required for an investment-friendly environment.

An IT Park was conceptualised to develop ICTs in a planned way. But it could not be materialised as expected. Why?

Making efforts to develop an IT park without first putting in place favourable policy incentives, was a flawed

approach. In the proposed IT Park we concentrated only on the development of physical infrastructure, without offering incentives to companies through government policies, as have been done in India and Malaysia. So, the proposed IT Park did not serve the desired vision of developing ITCs in which companies can have access, to not only required infrastructure, but also enjoy lucrative incentives to operate there. In other words, it should have been developed like a Special Economic Zone (SEZ), where factories could function and grow in a fully-fledged industrial environment. To develop an IT Park as SEZ, we need to focus on incentives, the development of human resources, and quality broadband connectivity. The planned IT Park was inspired by the success of Bangalore and Hyderabad in ICT investment and development. As we are witnessing growing competition among emerging IT destinations, such as Bangladesh and Sri Lanka, we have no option but to leverage Nepal as a value-added destination, while also strengthening our infrastructure and human resources.

What are your suggestions for improving our competitiveness in ICT development?

First, we have to focus on the development of the human resources necessary for ICTs, in terms of quality and quantity, as skilled human resources play a significant role in leading this dynamic sector. We can attract huge investment from foreign companies for developing human resources.

To ensure the quality supply and increased quantity of ICTs, human resources are key. We will see gradual improvement in the use of ICTs in the domestic market, but the quality of ICT services and quantity of their consumption is not keeping the pace with international trends.

Currently, we are rolling out 5,000 graduates every year in different ICT faculties. But this is not sufficient. We need to increase the number significantly by ratcheting up the investment in human resources development programmes. Foreign firms are coming, but they have to bring in more investment.

Second, we have to explore avenues to increase the domestic consumption of ICTs, not only in the public sector, but also in the private sector, as well as among the general public. For this we need to strengthen the supply landscape along with demand patterns. Similarly, foreign firms should be attracted to develop ICT infrastructure, such as broadband services, expand fibre optics and improve the quality of Internet services.

What are the sectors in which Nepal can develop its capacity?



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In Nepal, people are spending around 20% of total per capita income for broadband internet.”

We can establish our command in Business Process Outsourcing (BPO), cloud computing and the development of IT applications such as mobile apps. In recent years, mobile apps have become popular due to the widespread use of mobile sets, shifting away from computers. The development of mobile apps has emerged as one of the best opportunities in the field of ICTs. To take advantage of such opportunities, we need to develop the necessary ICT infrastructure and human resources, in line with international standards.

How can we cope with the increasing digital divide between the 'haves' and the 'have nots' in our country?

Firstly, we have to expand ICT physical infrastructure to rural areas to offer greater connectivity. Secondly, we have to make ICT services affordable to all kinds of people. In Nepal, people are paying NPR 15,000 per year for broadband Internet services, which is around 20% of total per capita income, while the global average per capita spending on the Internet hovers around 5% of total annual income. Thirdly, we have to arrange the supply of necessary content to users such as students, farmers, professionals and other beneficiaries. ICT content on health, education and agriculture sectors is important to educate and inform people. Emerging jobs, such as e-lancing, are becoming popular and lucrative for Nepali youth IT professionals. But, existing laws are not compatible with supporting their jobs in different ways, including receiving remuneration from abroad. We have long been dependent on India for a broadband gateway, which has resulted in high-priced Internet services. So, we have to diversify the transit countries beyond India. It is a good initiative that the government is connecting fibre optics with China. We need to establish the fibre optic cable network with our northern neighbour. The private sector, especially those representing the ICT sector, should take the lead to develop this sector, along with securing policy support from the government as facilitator.

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IBN Team and Parliamentarians Visit Hongshi-Shivam Cement Sites



KATHMANDU: On 22 May, IBN took a team of parliamentarians to Nawalparasi to observe and monitor the activities of the proposed Hongshi-Shivam Cement factory. The company, a joint partnership between Hong Kong Red Lion No. 3 Cement Co. Ltd, a wholly-owned subsidiary of Hongshi, and Shivam Cement Pvt Ltd Nepal, obtained foreign direct investment (FDI) approval from IBN in July 2015. It is planning to start manufacturing cement from 2018 with a production target of 6,000 tonnes per day. The company has a mine in Palpa and plans to build its plant in Nawalparasi.

During the four-day visit, led by IBN office's Joint Secretary Ravi Bhattarai, separate meetings were conducted with the district leaders of major political parties and project beneficiaries to obtain local perceptions of the factory. In an all-party meeting held at the Nawalparasi District Development Office in Parasi, IBN and the Hongshi-Shivam Cement company shared details about the cement factory with political party representatives, media persons and district-level government representatives. The political party representatives expressed firm commitment to cooperating with the 36-billion rupee factory, which will be situated at Beni Manipur VDC in Nawalparasi.

"We feel proud to welcome such a huge investment into our district, and the Hongshi-Shivam Cement Company should not worry about working in the district", said Bishnu Lamichhane, district president of the Nepali Congress party during the all-party meeting. Likewise, Roshan Gaha Magar, Chairman of CPN (UML), and Raju Harijan, District In-charge of CPN (Maoist Centre), expressed strong political commitment to cooperate with the cement factory. "The cement factory should also be quite cautious about environmental impacts and it needs to assure the locals about this", said Harijan. During the meeting, political party representatives and

media personnel raised concerns about the potential social and environmental impact of the factory. While responding to concerns, IBN office's Joint Secretary Bhattarai reiterated that the government will keep close track of the company's progress and make sure that it will not have any negative impact on the environment. He also urged all to help create a conducive environment for the project to secure maximum economic benefits from the factory.

Participating parliamentarians representing Nawalparasi district, Honourable Baijanath Chaudhary, Honourable Krishna Prasad Poudel, Honourable Jiwan Shrestha, Honourable Dev Karan Prasad Kalwar and Honourable Dulari Harijan, stated that the district-level political parties are in unison on the development agenda. They claimed that the company will face no major difficulties in carrying out its activities in the district. They, however, urged the company to respect local socio-cultural values while carrying out construction works.

IBN conducted a separate meeting with the locals of Beni Manipur where the project is situated. During the meeting, the locals said that they are supportive of the project. They also asked the company to remain extremely cautious about the potential negative environmental impacts of the project. While responding to the concerns raised by the locals, Hongshi-Shivam Cement company representative Shiva Ratna Atal assured the locals that the company will not compromise on local socio-cultural values and the environment. "We are quite aware of the local concerns and we value them", said Atal.

The IBN team also separately visited the Special Economic Zone (SEZ) at Bhairahawa to assess its progress. Other members of the team were Ghanashyam Ojha, Kshetra Bahadur Bhandari, Ratish Basnyat and Irina Rajbhandari. •

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IBN Co-organises Power Summit

KATHMANDU: Prime Minister and Chairman of IBN, KP Sharma Oli, urged international investors to invest in Nepal without fear, stating that the government was committed to ensuring investment security. IBN, the Ministry of Energy and the Energy Development Council (EDC) had jointly organised the 'Nepal Power Investment Summit 2016' in Kathmandu from 31 May to 1 June in an effort to sensitise international investors about investment opportunities in Nepal.

Inaugurating the two-day event, Prime Minister Oli highlighted the opportunities for investment in various sectors, including hydropower, tourism and infrastructure projects, adding that the environment for doing business in Nepal was improving. He also said that the government would make all out efforts to develop Nepal as a hub for international investment.

At the summit, the Vice-chair of the National Planning Commission, Dr Yubaraj Khatiwada, underlined the need to promote both foreign investment and technology to bridge the infrastructure gap in the country. Khatiwada also launched a book entitled 'Inventory of Rivers of

Nepal' on the occasion.

Radhesh Pant, the then CEO of IBN, emphasised the importance of foreign investment in achieving prosperity through the development of hydropower in Nepal. A total of 250 investors and sectoral experts from 20 countries including India, China, Singapore, Bhutan, Thailand and the USA participated at the conference. The conference featured various presentations and discussions on the challenges and opportunities for foreign investment in Nepal.

On the occasion, global investors showed interest in harnessing Nepal's huge hydropower potential and sought a guarantee of investment security, the improvement of law and order, the liberalization of legal provisions and an end to political interference in development work.

The summit concluded with the declaration that Nepal requires USD 20 billion to develop 10,000 MW of hydropower in the next 10 years and USD 5 billion for high voltage transmission line projects to be completed by 2035.

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Interaction with Tweeps



KATHMANDU: In a first engagement with social media persons, Office of the Investment Board Nepal (IBN) organized an interaction with some tweeps on June 24. The program organised at IBN Office, New Baneshwor, was participated in by 15 tweeps who have established their identity in the social media. The dialogue was organised to garner a support of social media which are holding growing influence in the public, for disseminating

the IBN information. On the occasion, IBN office's Joint Secretary Ravi Bhattarai urged tweeps to support in promoting investment and development of infrastructure projects in the country. He also gave a presentation on activities of IBN and clarified rumours regarding Upper Karnali Project. Participating tweeps had raised various queries about Upper Karnali Hydropower Project and other development issues. •

PDA Negotiation with Developer Begins

KATHMANDU: Office of the Investment Board Nepal (IBN) has initiated negotiation with designated companies to sign Project Development Agreement (PDA) to manage solid waste in the capital. A negotiation committee formed as per the decision of 23rd board meeting of IBN is led by IBN's CEO has completed two rounds of negotiations with officials of the selected bidders.

The committee was formed to hold negotiations with selected bidders for the implementation of the Kathmandu Valley Integrated Solid Waste Management Project. Other members of the committee are :- Joint Secretary of the Ministry of Federal Affairs and Local

Development, Joint Secretary of the Ministry of Law, Justice, Constituent Assembly and Parliamentary Affairs, Executive Officer of the Kathmandu Metropolitan City (KMC), Executive Director of the Solid Waste

Management Technical Service Center, Divisional Head of KMC's Environment Management Department, Under-Secretary

of the Ministry of Finance, Senior Divisional Engineer and Under-Secretary of IBN. The committee will draft concession agreements and hold negotiations with developers to finalise the terms and conditions for the implementation of projects. Once, all of the terms and conditions are agreed by both sides, the negotiation committee will submit the final draft agreement to IBN for board approval. •

Solid Waste Management Project