

IBN DISPATCH

YEAR: 4 | ISSUE: 4 | VOLUME: 40 | KARTIK 2076 (OCTOBER-NOVEMBER 2019)



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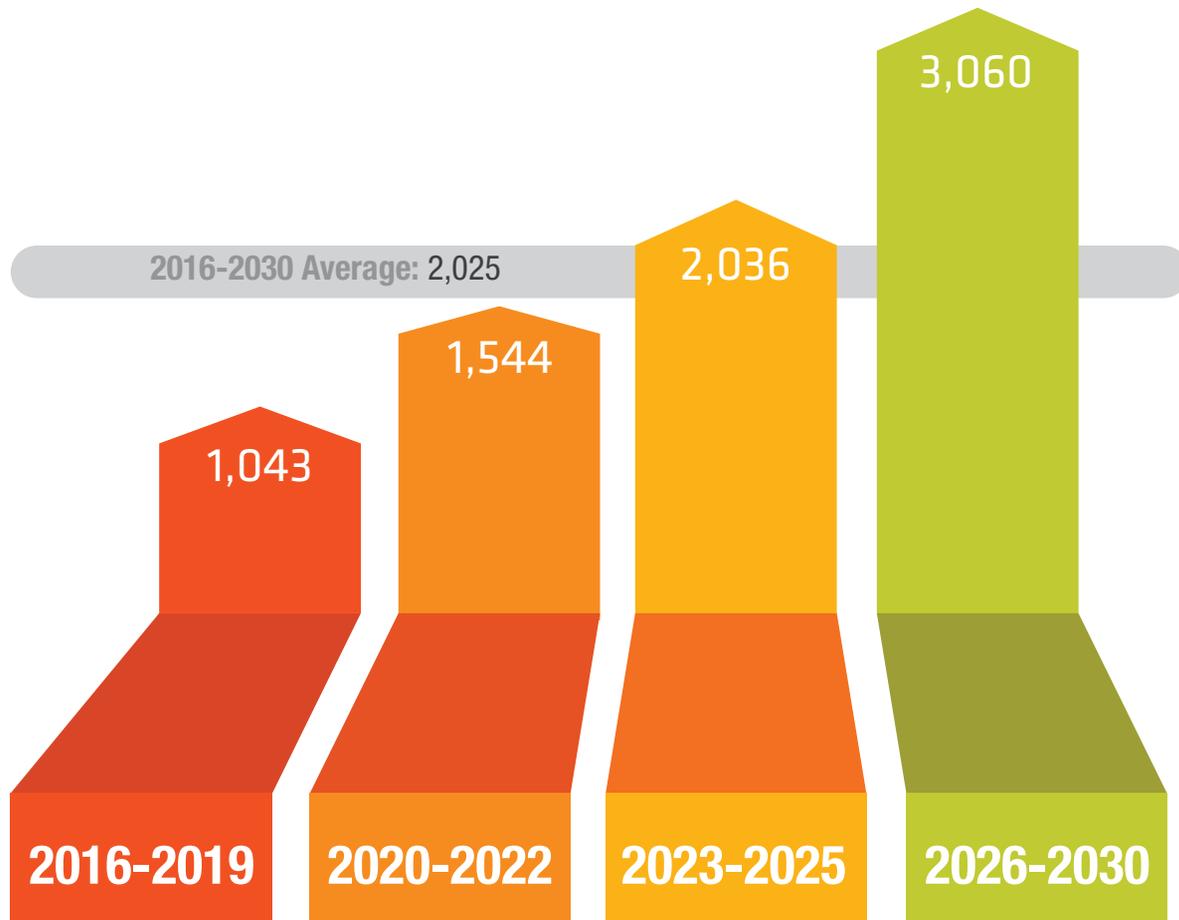
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INVESTO GRAPH

ANNUAL AVERAGE INVESTMENT REQUIREMENTS

for Nepal to implement Sustainable Development Goals - SDGs (2016-2030)

NPR (in billion)



SDGS



Source: National Planning Commission Nepal, 2016

IBN BOARD MEETINGS CONCLUDE WITH CRUCIAL DECISIONS



KATHMANDU: The 41st meeting of the Investment Board of Nepal (IBN) on October 11 approved the selection of Joint Venture of Power China and Hydroelectricity Investment and Development Company Limited (HIDCL) as a developer for the 756 MW Tamor Storage Hydroelectric Project.

The project was showcased at the Nepal Investment Summit 2019 held on March 29-30 in Kathmandu. The project will be developed under Public-Private-Partnership (PPP) model.

In August 2019, Office of the Investment Board Nepal (OIBN) invited Request for Proposal (RFP) from shortlisted companies, among those which had submitted Expression of Interests (EOIs) in response to the call from Government of Nepal.

Accordingly, HIDCL of Nepal and Power China, state-owned company of China, signed a Memorandum of Understanding (MoU) on October 13, to develop Tamor Storage Hydroelectric Project.

The MoU was inked on the occasion of two-day state visit of the President of the People's Republic of China, Xi Jinping to Nepal.

Following the MoU, Power China and HIDCL will form a Special Purpose Vehicle (SPV) to implement the project.

The project covers Panchthar and Terhatum districts of Province 1.

Similarly, the 40th meeting of IBN was held under the chairmanship of the Right Honorable Prime Minister and IBN's chairman Mr. K.P. Sharma Oli. The meeting convened at Office of the Prime Minister and Council of Ministers, Sigha Durbar on September 23, decided to short-list the companies that are qualified after submitting EOIs to implement the Lower Arun Hydropower Project. Those short-listed companies are SJVN Ltd of India, Joint Venture of Hydropower Investment and Development Company Ltd (HIDCL) and Power Construction Corporation of China; and Joint Venture of Green Resources Pvt Ltd, Nepal and Electric Power Development Company (J-Power) of Japan. Similarly, the meeting also decided to short-list Zurich Airport International AG which was qualified among the firms which have submitted EOIs to develop the proposed Nijgadh International Airport under Public-Private Partnership (PPP) model. The meeting also decided to form a committee headed by honorable Finance Minister and IBN Vice-Chair to prepare and submit an integrated report comprising all master plans regarding overall transport management in Kathmandu Valley. Similarly, the meeting also took a decision to short-list China Construction Co.



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IBN BOARD MEETINGS ...

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..that offered EOI and has fulfilled required criteria, to develop the Kathmandu Outer Ring Road Project under PPP model.

Presiding over the meeting, the Right Honorable Prime Minister Mr. Oli said the rapid development of infrastructure projects is the cornerstone for desired economic prosperity of the country and stressed the need for effective coordination among all concerned officials towards that end. OIBN's CEO Mr. Maha Prasad Adhikari briefed the meeting about implementation progress of the projects showcased during the Nepal Investment Summit.

Other dignitaries present on the occasion were Honorable Finance Minister and Vice-Chair of IBN Dr. Yubraj Khatiwada, Honorable Minister for Industry,

Commerce and Supplies Mr. Matrika Prasad Yadav, Honorable Minister for Energy, Water Resources and Irrigation Mr. Barsaman Pun, Honorable Minister for Physical Infrastructure and Transport Mr. Raghbir Mahaseth, Honorable Minister for Urban Development Mr. Mohamed Istiyak Rai, Governor of Nepal Rastra Bank Dr. Chiranjibi Nepal, IBN members representing private sector (Ms. Bhawani Rana, Mr. Rajesh Kaji Shrestha, Mr. Balkrishna Siwakoti) and high-ranking officials of Government of Nepal. ♦

OIBN APPROVES DMP FOR ARUN-3 PROJECT

KATHMANDU: Office of the Investment Board (OIBN) granted conditional approval to the Disaster Management Plan (DMP) for Arun-3 Hydropower Project on July 15, 2019. The SJVN-Arun-3 Power Development Company (SAPDC) had submitted the draft of the DMP to OIBN for the latter's approval. The approval was given with the condition that SAPDC and OIBN jointly review the implementation of the DMP and prepare a report on it within six months of the date of approval.

The DMP identifies potential emergency conditions at a project during the construction, operation and maintenance stages and specifies pre-planned actions to be followed to minimize the damage of properties and loss of life. The Project Development Agreement (PDA) signed between the Government of Nepal and the SJVN Arun-3 Power Development Company (SAPDC) in 2014, made it mandatory for the developer to prepare the DMP to avert any possible disasters in the projects.

The DMP was prepared with the objective of mitigating disasters and their impact on families, infrastructure, and the environment and building the

resilience of families and communities by reducing their vulnerability. Similarly, the DMP aims to increase the ability of project impacted families to withstand and minimize the effects of disasters and complex emergencies by enhancing their preparedness. Providing fast, coordinated, effective and appropriate responses to disasters as well as complex emergencies to ensure timely recovery is incorporated in the DMP. Similarly the Plan also aims at making communities and families resilient to withstand future hazards are also under the DMP's objectives.

The DMP has allocated financial resources amounting to NPR 22.4 million rupees for its implementation. Meanwhile, the OIBN has already approved the Nepal Industrial Benefits Plan, Nepal Employment and Skill Training Plan and, Local Benefits Sharing Plan, as per the provision of the PDA. These plans are under implementation in coordination with respective Rural Municipalities. ♦

IBN, DCIP SIGN MOU FOR INDUSTRIAL PARK



KATHMANDU: Office of the Investment Board Nepal (OIBN) and Damak Clean Industrial Park (DCIP) Pvt. Ltd signed a Memorandum of Understanding (MoU) on October 4 to develop 'China-Nepal Friendship Industrial Park project in Damak of Province 1.

OIBN CEO Mr. Maha Prasad Adhikari and Chairman of DCIP Mr. Govinda Bahadur Thapa inked the MoU in the presence of the Honorable Minister for Industry, Commerce and Supplies Mr. Matrika Prasad Yadav. The 39th meeting of the Investment Board Nepal (IBN) held on August 2, 2019 had approved the foreign direct investment (FDI) of around NPR 64 billion for the development of the project. The meeting also decided to grant permission to DCIP to prepare Detailed Project Report (DPR) of the project. Lhasa Economic and Technological Development Zone Jing-Ping Joint Creation Construction Project Development Co. Ltd (JPJCCPD) of China is investing in the project.

The project, which is going to be implemented under Public-Private Partnership (PPP) model, will cover construction, operation and management of the

modern industrial park. The Project Development Agreement (PDA) for the construction of the project will be initiated once the DPR is prepared.

Speaking on the occasion, OIBN's CEO Mr. Adhikari stressed the need to promote exports and substitute imports through industrial development to materialize the national slogan 'Prosperous Nepal, Happy Nepali'. He also said that modern industrial infrastructures were highly essential to achieve economic prosperity.

Vice Mayor of Lhasa Municipal People's Government Mr. Liu Guang Min expressed hope that industrial development through such industrial parks will greatly contribute to generation of employment as well as economic and social development. Similarly, DCIP Chairman Mr. Thapa said that the industrial park will be instrumental in promoting industrial activities, expressing commitment to bring the project into operation on time.

The project is expected to contribute to adding new dimension in cooperation between Nepal and China in investment promotion and infrastructure development. ♦



Mr. Mohamed Istiyak Rai
Honorable Minister for Urban Development

“COORDINATION AMONG RELEVANT AGENCIES A PRE-CONDITION FOR URBAN DEVELOPMENT”

Honorable Minister for Urban Development Mr. Mohamed Istiyak Rai is a young and energetic minister in the present Council of Ministers. Mr. Rai attributes coordination among relevant agencies for the development of urbanization. Talking to IBN Dispatch Minister Rai delved into the challenges of urban development in Nepal. He holds the view that duplication of authority is key challenge in urban development.

Could you tell us how the Ministry of Urban Development is moving forward to make our cities livable?

There are three sectors under our ministry's jurisdictions – housing, building, and urban development. When I took office as the minister, the number of plans announced in the past under this ministry were stuck on manageable position. Plans regarding smart cities, new cities, mega cities and mid-hill cities were not moving as per the timeline. Similarly, we were lacking guidelines and related laws to implement the right to housing as stipulated in our Constitution. Now, we have such legal instruments to implement the rights of citizens. Different plans

such as the construction of the parliament building and the prime minister's residence under the building sector were not implemented for years. Now both projects have moved ahead. We are planning to lay the foundation stone for the construction of quarters for province chiefs and chief ministers and ministers and guest houses for foreign high level dignitaries. The process of tendering for the construction of high-capacity conference halls in Godawari, Kathmandu and Bhaktapur have moved ahead. The process of establishing large-scale conference halls across the country, at least one in each province, as well as federal administrative offices in all 77 districts has also accelerated. Studies have been initiated for the



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construction of administrative infrastructure of all provincial capitals.

Regarding the housing component of our ministry's function, I made a commitment on the very day of my inauguration as the minister to implement the right to housing for all citizens by formulating necessary laws. The Right to Housing Act has already been enforced and the people's housing program has also been implemented.

Similarly, under urban development, we have achieved significant progress in restructuring 21 district headquarters by developing and renovating urban infrastructure under the Intensive Urban Programs. For mega cities, we need at least 10 million people, for smart city we need smart governance, smart technology and smart people as well. But given our limited resources, we are not in a position to meet all criteria as practiced in America and Europe. So, we have developed our own criteria to

suit to our own context and capacity. For the first time, we have developed integrated urban development plan for selected towns in the Himalayan districts of five provinces and other integrated urban

settlements in other parts as well. These towns include Lukla, Syafrubesi, Jomsom, Simikot and Martadi-Kolti. Similarly, building construction standards have been developed and the problem of solid waste management in Kathmandu Valley is on the course to be resolved. We are planning to introduce the Urban Development Act to address existing problems in the construction of urban infrastructures soon.

How can you carry out the development of urban infrastructures efficiently at a time when we have duplication and overlapping of authority among various government agencies?

The allocation of authorities among different ministries is not practical because there are conflicts within their own jurisdiction. When our ministry (Ministry of Urban Development) was separated from the Ministry of Physical Infrastructure, jurisdictions were not allocated accordingly. In the past, this ministry's mandate was only for the housing and development of government buildings. However, with the implementation of Intensive Urban

Development Program and the allocation of sufficient budget for different municipalities in the Tarai, significant progress can be seen in terms of urban infrastructure and facilities such as parks, bus parks, sewerage, haat bazaars, and cold storages. But in the urban areas of hill districts including Kathmandu, our ministry's involvement is very limited. If we study other developed countries, the Ministry of Urban Development is a focal agency which coordinates the development of key urban infrastructure independently without interference from other agencies. So, I have requested with the Prime Minister to rename our ministry as the Ministry of Urban Affairs in place of the Ministry of Urban Development. The Ministry of Urban Development should be the contact ministry for all municipalities regarding the implementation of urban infrastructure. Other ministries should have specific jurisdiction and should not interfere in urban development activities. Similarly, the responsibility for developing infrastructure for solid waste management should be allocated to the Ministry of

Urban Development because municipalities, even metropolitan cities can't arrange resources for this huge task. We have started undertaking this responsibility in Nepalgunj, Birgunj,

Biratnagar and Kathmandu Valley. Local governments should be responsible for collection, processing and disposal of the solid waste while Ministry of Urban Development should be tasked with the development of related infrastructures. There are overlapping jurisdictions among government agencies with respect to urban development. We need to review the jurisdiction to end duplications of tasks that have hampered the implementation of urban development plans.

How can we overcome such problems of overlapping jurisdiction among government agencies?

I have raised the issue of duplication of jurisdiction among different ministries in the past. Right Honorable Prime Minister is also convinced that it is high time to review the jurisdiction among government agencies. If we allocate responsibilities among government agencies in a practical way, it will support the materialization of our national flagship slogan "Prosperous Nepal, Happy Nepal". If our ministry is given authority to undertake the development of

To ensure quality, cost efficiency and timely implementation, we have no option to adopting new technology.

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COORDINATION AMONG...

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urban facilities, it should be given authority to take necessary decisions ending unnecessary interference from other ministries. The development of all amenities (from transport to infrastructures in other sectors such as health, education, sports sectors) within the urban area should be under the Ministry of Urban Development. We can learn from practices in other countries including our close neighbor, India.

Why did we fail to develop quality urban infrastructures like in other countries?

To ensure the quality of urban infrastructure, we have recently passed the Urban Road Standards. It specifies basic qualities for urban roads. There are different standards for different roads depending on their status,

load bearing necessity, and traffic movement among others. Our ministry is developing asphalt concrete based roads under Intensive Urban Development Programs. Such roads are found to be more durable, albeit costlier. But we can't replicate this in Kathmandu due to duplication of authority between our ministry and the Ministry of Physical Infrastructure and Transport. We have to revisit, revise and restructure the existing jurisdictions among various ministries to ensure smooth implementation of urban infrastructures.

Where are we in term of urban development technologies?

We have to develop our technical capability for the efficient implementation of urban infrastructures. We need modern technology to really materialize the concept of a smart city and smart infrastructure. We are lagging far behind other countries in terms of technology in urban development. To ensure quality, cost efficiency and timely implementation, we have no option to adopting new technology. We need to develop a long term master plan for the standardization of infrastructure, specialized use of land, and clear jurisdiction to develop urban infrastructures to end the existing disorder and mismanagement in urban development activities.

« Visit www.ibn.gov.np for full interview with video.

IBN PARTICIPATION IN INVESTMENT FAIR IN CHINA



GUANGZHOU: A team from the Office of the Investment Board Nepal (OIBN) participated at the 21st Century Maritime Silk Road International Expo 2019 in Guangzhou, China. The expo was organized at the China Import and Export Fair Complex on August 23-26. The event was organized by the Guangzhou Municipal Commerce Bureau. During the four-day fair, OIBN representatives interacted with various investors on comparative, strategic and competitive advantages in Nepal. OIBN had a stall at the exhibition venue where team members shared information on investment opportunities and incentives being offered to investors. Most potential investors who visited the event showed a keen interest to put money into various sectors including tourism, industry, and energy. There were altogether nine stalls set up by Nepali agencies including one by OIBN.

Around 500 enterprises from 92 countries showcased their products at the expo. The exhibitors consisted



of investment promotion agencies, chambers, government entities, and business organizations. Those representing OIBN for the event were Mr. Khil Raj Rai, Section Officer, Ms. Nisha Tripathee, IBN Engineer, and consultants Mr. Ratish Basnyat and Mr. Ganesh Acharya. ♦

INTERACTION WITH STAKEHOLDERS OF HONGSHI-SHIVAM CEMENT



Nawalparasi (West): In an effort to resolve outstanding problems that emerged in the process of operating Hongshi-Shivam Cement, Office of the Investment Board Nepal (OIBN) interacted with key local stakeholders in Nawalparasi. A team led by Mr. Balam Rijyal, OIBN Joint Secretary, held the interaction with major political parties, government officials, and local people's representatives among other relevant stakeholders on August 13 in Parasi, the district headquarters of Nawalparasi (Bardaghat-Susta West). The interaction was organized by OIBN and coordinated by the District Coordination Committee (DCC), Nawalparasi (Bardaghat-Susta West). The program was mainly concentrated on problems in constructing the transmission line (TL) via Bardaghat to Hongshi-Shivam Cement factory site based in Sardi of Binay Tribeni Rural Municipality of Nawalparasi (Bardaghat-Susta East).

Mr. Shambu Prasad Marasini, CDO of Nawalparasi (Bardaghat - Susta East) district attended the interaction as the chief guest and Mr. Shiva Shankar Prasad Ray, the chief of the DCC chaired the meeting. Speaking on the occasion, Mr. Marasini stressed the need to resolve the issue of land acquisition for the TL in coordination with the concerned municipality (Bardaghat Municipality), local community forest office bearers, the District Forest Office and the

Nepal Electricity Authority. Mr. Marasini also urged Hongshi-Shivam Cement to provide regular updates on progress and problems to concerned district administrations so that such obstacles could be resolved in time.

Mr. Balam Rijyal, joint secretary at OIBN, said issue of land for the TL could be resolved through sincere consultation with concerned stakeholders. The DCC chief Mr. Ray stressed the need to establish good coordination among line agencies especially local governments, to facilitate the process of land acquisition for the TL. Mr. Balam Rijyal said OIBN would make all possible effort to facilitate the construction of the TL.

At the meeting, most of the participants expressed views that long standing issues regarding compensation to land owners, employment to local people in the company, and economic benefits for the local community should be clear. Officials from Bardaghat and Sunawal Municipalities, District Forest Office, Land Reform Office, Nepal Electricity Authority and leaders of the main political parties had participated in the interaction. Other officials attending from OIBN were Mr. Sunil Poudel (Senior Divisional Engineer) and OIBN consultants Mr. Prabhakar Ghimire and Ms. Suvechha Nepal. ♦

BRITISH SECRETARY VISITS HONGSHI-SHIVAM SITE



NAWALPARASI (EAST): Permanent Secretary of the Department for International Development (DFID) Mr. Matthew Rycroft visited Hongshi-Shivam Cement factory in Nawalparasi (East) on September 3. IBN CEO Mr. Maha Prasad Adhikari accompanied Mr. Rycroft during the visit. General Manager of Hongshi-Shivam Cement Mr. Liu Shuguang took the team around the factory and provided updates.

IBN CEO Mr. Adhikari gave a presentation outlining the socio-economic impact of the factory. Mr. Adhikari also said that the factory has contributed positively to local employment

and the infrastructure development of the district. During the visit, Mr. Rycroft had a separate meeting with Nepali workers employed by the factory. “I was extremely impressed by the progress and infrastructure development. It’s good to see that the project has significantly contributed to local employment,” Mr. Rycroft said. ♦



Newly-elected executive committee of Society of Economic Journalists Nepal - SEJON with OIBN officials.

MY STORY...



I am Nabin Gurung, a resident of Manebhanjyang, Sankhuwasabha. I am 36 years old. I am also a returnee from Saudi Arabia. I have been operating a transport service in this district to cater the increasing demand for four-wheel vehicles. I have five Bolero vans in service which are mostly used by the Arun-3 Hydropower Project and its contractors. In the past, I used to operate only two vans. Encouraged by the growing movement of people and goods with the commencement of construction works in the Arun-3 Project, I added three more four-wheel vans. I have been making satisfactory savings after deducting family expenses from my earning. Accelerating construction activities in the project has increased demands for vehicles. Now, I have no desire to going overseas for a job because I am satisfied with what I am earning here. I also give jobs to four youths who are now driving my vehicles. I have been running a utensil shop which is mainly run by my wife. Academically, I have passed my intermediate.

I am getting opportunities to earn more than many graduates. I found that even a single project can bring in host of economic opportunities to project-affected area. Many local youths are benefiting from the growing economic opportunities created by the Arun-3 Project. Some are employed in the project itself, some are operating eateries, and some are involved in other business. I would suggest to Nepali youths not to rush for overseas jobs as we have many business opportunities for earning better within our country. ♦



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