

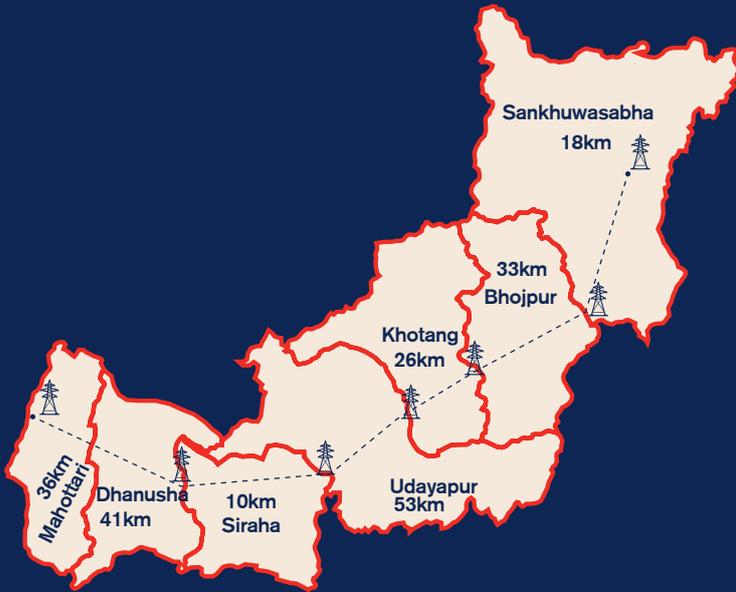
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IBN DISPATCH

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INVESTO GRAPH

ARUN-3 HEP (900 MW) TRANSMISSION LINE

Sankhuwasabha-Bathnaha-Sitamarhi
Cross-border Transmission Line

(400kV)

Sankhuwasabha-Bathnaha

217km

Bathnaha-Sitamarhi (India)

36 km

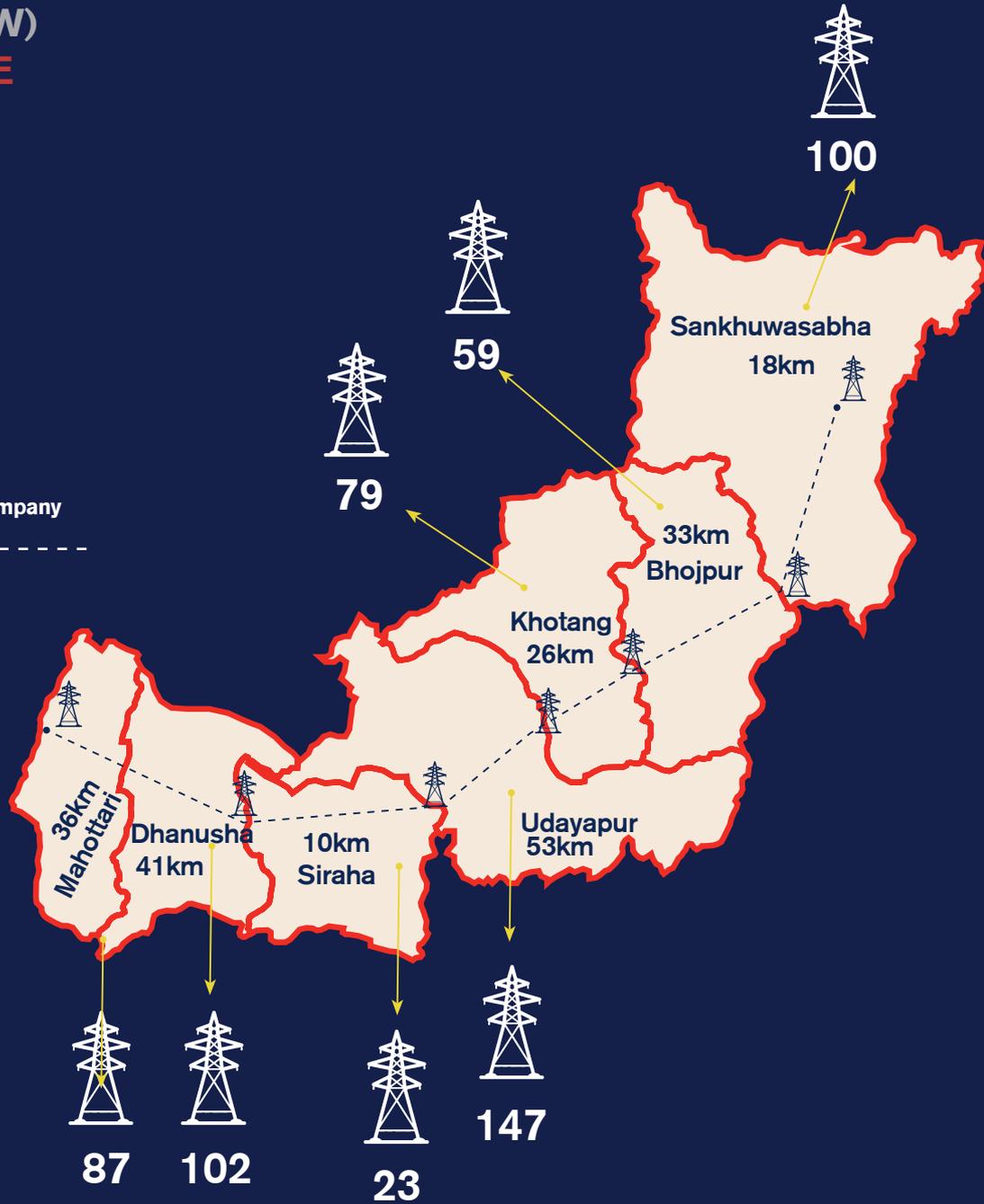
Developer

SJVN Arun-3 Power Development Company

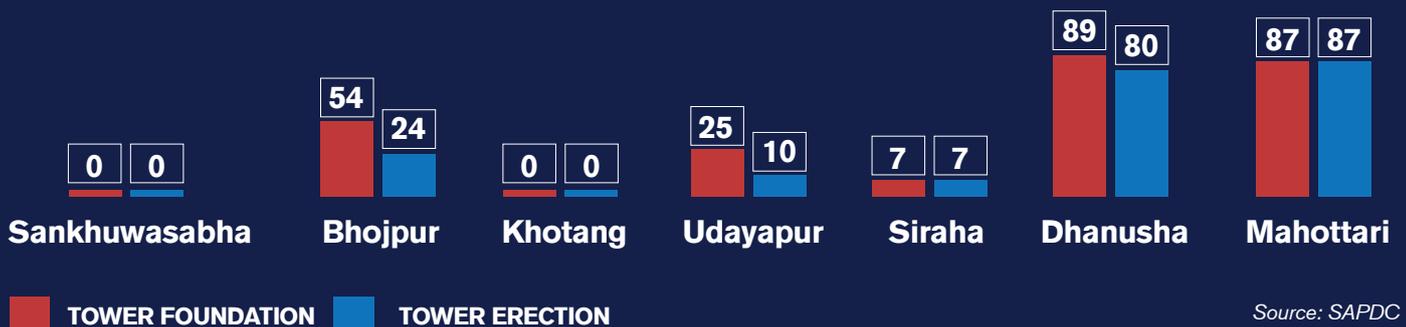
		
SANKHUWASABHA	13	46
BHOJPUR	22	78
KHOTANG	21	58
UDAYAPUR	82	65
SIRAHA	17	6
DHANUSHA	7	95
MAHOTTARI	0	87

 TOWERS IN FOREST LAND

 TOWERS IN OTHER TYPE OF LAND



STATUS OF COMPLETION



Source: SAPDC

NHPC Submits Inception Report of West Seti, Files Application for Survey License of SR-6 HEP



KATHMANDU: NHPC Ltd., A Government of India Enterprise, has submitted an Inception Report of the 750 MW West Seti Hydroelectric Project within the stipulated time as outlined by the MoU signed with the investment Board Nepal on August 18, 2022. NHPC has submitted the inception report on January 19, three months after issuance of the survey license of West Seti HEP. The latter will submit the Detailed Project Report (DPR) in the next 21 months following the submission of this report.

NHPC has agreed to obtain a survey license of West Seti HEP and Seti River-6 (SR-6) HEP within 45 days and 6 months, respectively, from the MoU date. As prescribed by the MoU, NHPC Ltd. has applied for the license of SR-6 HEP on February 16.

NHPC has applied for a survey license of SR-6 with a performance bond worth Rs 509.68 million

or 0.5% of the estimated project cost and paid Rs 310.9 million for previous studies carried out by the IBN and the Department of Electricity Development (DoED), as per the MoU. The DoED had conducted a feasibility and environmental study of the SR-6 Hydroelectric Project.

IBN has been reviewing the inception report of the West Seti HEP and observations will be shared with NHPC following the completion of the review process. NHPC Ltd. must re-submit the revised inception report to IBN, as per the provision of the MoU.

NHPC shall submit the inception report of SR-6 HEP within three months and DPR in 24 months after issuance of the survey license.

Far Western Province Vows to Support for Development of West Seti and SR-6 HEP



KATHMANDU: The government of Far Western Province has vowed to support the development of West Seti and Seti River-6 (SR-6) Hydroelectric Projects in Far Western Province .

According to the statement issued on January 18 by the Office of the Chief Minister and Council of Ministers, the provincial government is excited with the MoU signed with the renowned developer from India, NHPC Ltd. to carry out the study of two transformative projects—750 MW West Seti and SR-6 HEP, which are listed as the project of national pride and highly prioritized project by the government since a long time.

“The Far Western Province lagging behind in terms of development will certainly move forward along with the execution of these two hydroelectric projects,” the statement quoted erstwhile Hon’ble Chief Minister Mr. Rajendra Singh Rawal as saying, “The provincial government is committed to facilitating and cooperative role for the development of these projects carry prospects to supply clean, renewable and affordable electricity in the country and contribute for minimizing alarming trade deficit through exporting electricity.”

The statement condemned the activities and public opinions against the project with the intention to create an adverse situation and push the project into limbo again. “The provincial government expresses grave concern towards such undesirable activities,” reads the statement. In addition, the provincial government has appealed for cooperation from the various stakeholders of the society to take the long-awaited projects forward and requested the federal government to expedite the execution process of the projects as per the MoU signed with NHPC Ltd. on August 18, last year.

Supreme Court Denies Issuing Interim Order

Meanwhile, the Supreme Court has refused to issue a mandamus order, as sought by a few petitioners, to void the MoU signed with NHPC Ltd. Following the hearing of the petition filed on January 13 this year, the bench of Hon’ble Justice Mr. Til Prasad Shrestha ordered to expedite trial through motions of preference after receiving written submission from the defendants, namely, Office of the Prime Minister and Council of Ministers; Ministry of Energy, Water Resources, and Irrigation; Ministry of Finance and Investment Board Nepal. The first hearing was held on January 24 this year.

OIBN Facilitates 400 kV Arun-3 HEP Transmission Line



KATHMANDU: The Office of the Investment Board, Nepal (OIBN) has geared up facilitation efforts for the timely completion of the 900 MW Arun-3 Hydroelectric Project's transmission line. The 400 kV cross-border transmission line installation has faced various obstacles, including right-of-way compensation, forest clearance and other social issues. The Senior management team (SMT) and a few consultants from the OIBN visited the project area and addressed the public interaction programme organized by the District Administration Office, Sankhuwasabha.

The public interaction program held on January 23 has invited project-affected area people, the developer, experts, concerned agencies, and ministries together to discuss, share their opinions and address the grievances of affected people.

Along with the OIBN team led by joint secretary Mr. Amrit Lamsal, officials from ministries and executing agencies also participated, namely, Joint Secretary, Ministry of Energy Water Resources, and Irrigation (MoWERI), Deputy Director General (Hydro), Department of Electricity Development (DoED), Deputy Managing Director (DMD), Transmission Line Directorate-NEA and Transmission Line experts from NEA along with a team of Arun-3 900 MW HEP developer, SAPDC.

The 400 kV transmission line passes through 7 districts of eastern Nepal, i.e. Sankhuwasabha, Bhojpur, Khotang, Udayapur, Siraha, Dhanusha and Mahottari. The 253 km long transmission line consists of three

substations Diding Substation (to evacuate power of Arun-III), Dhalkebar Substation (to evacuate free energy from Arun-III), Sitamarhi Substation (to connect the evacuate power to Indian Grid).

The project-affected people in Sankhuwasabha district demanded the re-routing of Arun-3 400 kV Transmission Line and 100% compensation for the Right of Way (RoW) that is to be acquired by the project.

More than 70 participants attended the interaction programme. The interaction programme focused on the technical feasibility of re-routing the transmission line, the RoW and tower pad compensation practice in other districts by Arun-3 400kV transmission line project and by the Nepal Electricity Authority (NEA) in its TL projects in Nepal, impacts of transmission line in Human Health and Environment. Experts from the NEA shared their experience with the RoW and Tower Pad compensation. Experts shared their technical knowledge for acquiring the required RoW as per Voltage level. Further, NEA official states that there is a misconception about transmission line impacts in society. OIBN had presented on compensation determination process in other project-affected districts and benefits from projects like Community Service Plan (CSP), Skill manpower training, Job opportunities, and infrastructure development along with other benefits to GoN.

Representatives from MoEWRI, DoED, OIBN and NEA address the concerns raised by local people on Transmission Line. The Q&A session focused on the technical design of the transmission line, the RoW compensation determination mechanism, and misconceptions among common people about transmission line-related impacts. The session was concluded with closing remarks from the Chief District Officer (CDO) stating the further actions to expedite the construction of the transmission line.

Capacity Enhancement Training for PPP Professionals Held in Kathmandu



KATHMANDU: A four-day APMG PPP (public-private partnership) Certification Program for PPP professionals delivered by k-infra has been organized in Kathmandu from Feb 27 to March 2.

Officials of nine different ministries, executing agencies, the Office of the Investment Board Nepal (OIBN) and embedded consultants participated in the foundation-level training program designed by APMG International for the PPP professionals.

The program is supported by the Asian Development Bank (ADB). OIBN expects that the training program will enhance the knowledge and capacity of its staff and uniformity in understanding of PPP concept in the areas of project ideation/preparation, prioritization, structuring (allocation of responsibilities and risks to the parties to a PPP agreement and the determination of a financial structure to a PPP project), project procurement and contract management, the statement added.

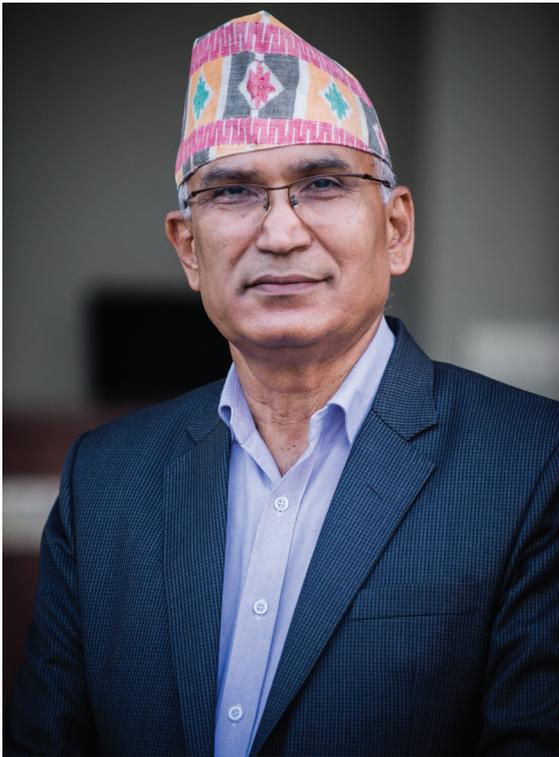
Addressing the inauguration ceremony, IBN CEO Mr. Sushil Bhatta said there was a need to take

public-private partnership projects forward. "Being a specialized agency for execution of the PPP projects, we must have efficient human resources to facilitate the investment projects during its entire life cycle from preparation to risk minimization, project procurement, implementation, and operation," he said.

Office of the Investment Board Nepal will absorb, utilize, and preserve the knowledge/expertise and gradually move ahead to achieve excellence through initiating innovative steps in the execution of PPP projects, he added.

Similarly, ADB Country Director Mr. Arnaud Cauchois emphasized standardization of knowledge on PPP for applying effective PPP practices in the regional and national/local context. He further remarked that comprehensive training on PPP should be initiated in the future, which will develop the capacity of the PPP professionals in the areas of identification screening, appraisal, and preparation processes, and project procurement under viable modalities through availing transaction advisory services based on the requirement in the national context.

Nepal Must Stress on Manufacturing-Led Growth



HON'BLE DEPUTY PRIME MINISTER AND FINANCE MINISTER
MR. BISHNU PRASAD PAUDEL,
VICE-CHAIRPERSON OF THE INVESTMENT BOARD NEPAL

How would you like to assess investment opportunities in Nepal?

Nepal is emerging as an attractive investment destination for foreign investors. We've welcomed foreign investment in different verticals, including clean energy, tourism, the industrial sector, agro-processing, services, and other infrastructures. The country has favourable legal and institutional arrangements for foreign investors. We assure the protection of their investment in Nepal and provide necessary facilitation during the project cycle.

How favourable is our macroeconomic situation to attract Foreign Direct Investment (FDI)?

Our Macroeconomic situation is highly favourable. We've encountered a widening balance of payment deficit in the last year mainly due to skyrocketing imports and commodities price rise witnessed as a global phenomenon. Though we've addressed all those challenges that posed a threat to the external sector stability. We've maintained a sound macroeconomic scenario and immediately respond to any issues that could derail our sound macroeconomic stability. We've been looking into the issues associated with the domestic market factors. Foreign investors in Nepal don't have to worry about taking away their profits after settling their taxes and liabilities here. In addition, we offer various facilities to the investors if the profit is reinvested in the country. The government has been emphasizing production and employment generation by expediting the infrastructure development projects from the government's capital expenses. We have been maintaining sound macroeconomic stability for a long time. We are always eager to initiate reforms passionately and rigorously to improve the investment climate, lessen the processes for operating businesses, and invest in infrastructure and public service management under the public-private partnership (PPP). Investment Board Nepal is a specialized agency for facilitating large-scale investments, including PPP investments formed under the Public Private Partnership and Investment Act, 2019. We've such institutional and legal arrangements that are designed and developed to attract more investment in the country. We must pay attention towards making our efforts effective by addressing our limitations and

attracting more foreign direct investment (FDI) in the country. We must reach out to foreign investors through various ways, including diplomatic missions abroad, high-level international visits, diaspora, different international forums, various platforms and networks, honorary consuls, and well-wishers, among others. Along with the message Nepal is favourable for investment, we must showcase the potential investment projects in various sectors based on the interest of the investors.

Is there any preparation going on to take forward the country rating process?

The issue is already laid on the table. The Ministry of Finance (MoF) has been delving into a serious discussion regarding the country rating.

What are the key economic and development priorities of this government?

We are trying to reshape our economy's structure from an import driven to a manufacturing-led economy. We are promoting sectors with comparative and competitive advantages. Self-reliance on food, meat, fruits, vegetables, and dairy products, ensuring food security for all. In addition, we've geared up works for the revival of the tourism sector that is shattered by the pandemic. Tourism, exports, and self-reliance in aforesaid areas will support our economy through foreign exchange earnings and minimize the outflow of foreign exchange in imports of goods and services. Hydroelectricity is our comparative advantage, and it is a catalyst for the development of the industrial sector. Currently, we've developed our capacity to supply round-the-clock, reliable, and affordable energy for industries. Electricity can be leveraged in various sectors, including clean cooking solutions, clean transport, mining, and irrigation, among other sectors. Primarily, we've to develop infrastructure in the industrial areas, Special Economic Zones (SEZs) and industrial estates as per the requirement of domestic and foreign investors and lure them to invest in industrial production. The industrial sector is energy intensive and generates a large number of jobs. Through all these initiatives, we can drive the

economy with manufacturing-led growth. Apart from this, investment in health and education is equally important for human resource development, which is a critical element in developing the country as a vibrant economy.

The government is set to initiate reform in the government's budgetary system by adopting more scientific allocation for the productive utilization of the public purse. What can people expect from this reform?

We must maintain a delicate balance between our resources and expenditure requirements. Priorities of our expenses must be aligned with the productive capacity enhancement of the economy rather than increasing numbers of piecemeal projects without having adequate funds in the coffer. We'll expedite the implementation of national pride projects, priority projects and projects that can create a synergic effect to accelerate growth, create jobs and boost investors' confidence.

What are your strategies to navigate the economy during turbulent times as the global economic crisis seems inevitable?

We are working closely with all the stakeholders of the economy, including regulators and the private sector. We are aware of the critical issues that borrowers and lenders have been facing and trying our efforts to stabilize interest rates at both sides—deposit and credit—and make loanable funds available for the private sector-initiated projects contributing to production and jobs.

Government's committed liability is expanding over the years, and there is limited fiscal space to launch new development projects. How will the government promote public-private partnerships for infrastructure development and public service delivery in this context?

Public-private partnership (PPP) is a critical concept for infrastructure development. It can also be initiated as a tool for bringing efficiency and making public services more accessible, affordable, and reliable

and for enhancing the quality of services like health, education, drinking water, and electricity supply. We've established Investment Board Nepal as a specialized agency for taking PPP projects forward. The government is committed to facilitating the investment and introspecting/reviewing the legal and procedural requirements as per the necessity for the effective execution of PPP in the national context.

The Investment Board Nepal is preparing to host the third series of investment summit in October 2023. How do you see its significance, and what are the expected outcomes? How can we differentiate the upcoming summit from previous summits?

Nepal has hosted investment summits in the past as well. We need a thorough review of the past summits and why we could not bring in a substantive portion of the investment as per the commitment received during the summit. There is a significant gap between commitment and actual realization of foreign investment. The Investment Board Nepal should seriously ponder on it and address the issue in the future from the lessons learnt. We should attract genuine and credible investors instead of making a crowd during the investment summit, showcase potential but credible projects as investment opportunities and make them aware of facilities, investment, and profit repatriation provisions.

What are you thinking about the sustainability of the Office of the Investment Board Nepal?

I don't want to place a second opinion regarding the sustainability of the Office of the Investment Board Nepal, which functions as the IBN secretariat. Hon'ble Prime Minister, as chairman led Board. Based on our experience and shortcomings while functioning under the existing framework, the Board can discuss how we can do better by creating a permanent institutional mechanism.

What is your key message for investors across the globe willing to come to invest in Nepal?

I would like to invite investors from across the world to come to invest in Nepal and earn lucrative profits. The government provides all the required facilities to nurture your investment, expand your business and repatriate your profit after paying taxes without any hassles. This is the right time to invest in Nepal; our legal and administrative regimes are transparent and investor-friendly. We've dedicated a mechanism, one-stop service for investors to facilitate investment. The government honours your investment in the country and always acknowledges you as a partner for prosperity.

BHEL Chairman Visits OIBN



KATHMANDU: Chairman and Managing Director of Bharat Heavy Electricals Limited (BHEL), Dr. Nalin Shinghal, accompanied by GM In-charge (International Operations), Mr. Rajeev Gupta; GM (International Operations), Mr. Anshu Bhatnagar paid a courtesy visit to the IBN CEO, Mr. Sushil Bhatta on January 17, 2023.

BHEL is engaged with 900 MW Arun 3 and 2x20 MW Rahughat Hydroelectric projects in Nepal. SAPDC engaged with BHEL for supply and installation of electromechanical equipment in Arun 3 HEP. The BHEL representatives have briefly explained about the status of aforesaid projects and also discussed hydroelectric project opportunities in Nepal.

IBN Takes Part in WAIPA Asia-Pacific Conference and Workshops



KATHMANDU: Investment Board Nepal participated in the ‘WAIPA Asia-Pacific Investment Promotion Agencies FDI and Investment Conference cum Workshops’ jointly hosted by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and World Association of Investment Promotion Agencies (WAIPA) in Bangkok, Thailand held on 21-22 February 2023.

WAIPA and UNESCAP come together to gather IPAs from across the Asia Pacific to facilitate the exchange of their experiences on promoting FDI for sustainable development through the conference.

Speaking as the panelist of the session titled, ‘FDI focus on Climate Change, Green Investment, and Sustainability’ at the conference, IBN CEO Mr. Sushil Bhatta underlined that investment promotion agencies must be robust and functional to execute public-private partnership (PPP) financed projects to achieve the national development goals broadly aligned with the Sustainable Development Goals (SDGs). “Nepal has made significant progress in executing PPP projects in the clean energy sector,” Mr. Bhatta said, “We’ve been able to make a good start to achieve the net zero by 2045 promised at COP 26.” He laid emphasis on the requirement

of concessional financing from the development partners and development finance institutions (DFIs) to make PPP projects that contribute to achieving SDGs financially viable.

On the sidelines of the Conference, IBN CEO Mr. Bhatta had a meeting with the President of the WAIPA, Managing Director and CEO of Invest India Mr. Deepak Bagla. Enhanced cooperation among IPAs through the WAIPA was discussed in the meeting recalling the virtual meeting with Invest India held on December 7, last year.

Likewise, Mr. Bhatta had a meeting with Mr. William Ellwood Heinecke, Executive Chairman of the Minor Group of Companies in Bangkok, Thailand on February 23. Investment in potential tourism infrastructure was discussed during the meeting.

On the other occasion, Mr. Bhatta exchanged views with Nepali Ambassador to Thailand His Excellency, Mr. Ganesh Prasad Dhakal regarding the promotion of FDI in Nepal and potential projects for investors from Southeast Asia including Thailand. Mr. Bhatta was accompanied by the Under Secretary and Head of the Investment Promotion Cell, Mr. Ramesh Adhikari during the conference and meetings.

OIBN Joint Secretary Addresses Interaction Programme Hosted by Nepali Embassy in Beijing



KATHMANDU: Office of the Investment Board Nepal has presented a comprehensive presentation for potential investors of China who participated in the programme titled, 'Investment Opportunities in Energy Sector of Nepal' hosted by the Embassy of Nepal in Beijing, in collaboration with China Overseas Development Association (CODA).

The main objective of the programme held on the premises of the embassy on February 22 was to disseminate information about prospects of investment, particularly in the energy sector in Nepal, according to the Embassy of Nepal in Beijing.

Delivering the welcome remarks, the Ambassador of Nepal to the People's Republic of China, His Excellency Mr. Bishnu Pukar Shrestha, shed light on the importance of foreign investment in the energy sector in Nepal while highlighting Nepal's national goal of graduating from the least developed country by 2026 and becoming a middle-income country by 2030.

Informing about the technical feasibility of generating 43,000MW of hydroelectricity, Ambassador Shrestha stated about the profuse opportunities of investment in hydroelectricity generation, power transmission lines, and other related areas in Nepal.

He briefed about the conducive and investment-friendly environment of Nepal including the existing legal and institutional policy paradigms. He also invited Chinese investors to invest in various sectors, particularly in the energy sector.

Addressing the programme, Mr. He Zhenwei, President of CODA, expressed satisfaction over the joint cooperation in organizing a promotional programme contributing to the investment in Nepal.

The programme featured online presentations from the Office of the Investment Board of Nepal (OIBN), the Ministry of Energy, Water Resources and Irrigation (MoEWRI) and the Nepal Electricity Authority (NEA); experience sharing by Power China, and a brief remark by Asian Infrastructure Investment Bank (AIIB).

Mr. Amrit Lamsal, Joint Secretary, IBN, made a presentation focusing on various aspects of the overall investment climate and opportunities. He emphasized the importance of collective efforts of the private sector and government for the promotion of investment in the energy sector of Nepal.

MoEWRI Joint Secretary Mr. Madhu Prasad Bhetuwal made an overview of the mechanisms in the power sector and highlighted the recent initiatives on power trade and their modalities. Similarly, NEA Director Mr. Prabal Adhikari delivered the prospects of energy trade, emphasizing the present and future plans for energy supply and consumption in Nepal. Mr. Kishor Uprety, Senior Legal Advisor, AIIB, made a presentation about challenges and opportunities in financing hydropower projects in Nepal with a special focus on the legal aspects.

On the occasion, Mr. Tong Gang, Chief Manager at the Investment and Financing Department of the Power China International Group Ltd, shared their

experience of successfully investing in Nepal along with the best practices and lessons learnt.

Power China has been involved in 11 energy projects, five infrastructure projects and three water resource projects in Nepal, he informed. Gang stressed the need for the joint efforts of the government and international business community for the development of hydropower projects in Nepal.

Ambassador Shrestha handed over a certificate of appreciation to the President of CODA for their support in organizing the programme. A vote

of thanks was delivered by Chhabindra Parajuli, Minister (Economic) of the Embassy.

The event was held in a hybrid format and was attended by government officials from the authorities of both Nepal and China, Chinese investors, business representatives, entrepreneurs, media persons, officials from the Nepali Consulate General in Hong Kong, Guangzhou, Chengdu and Lhasa, representatives of Federation of Nepalese Chambers of Commerce and Industry (FNCCI), and officials from the embassy.

OIBN Welcomes Newly Elected Office Bearers and Members of NAFIJ



KATHMANDU: An interaction with newly elected office bearers and members of the Nepal Association of Financial Journalists (NAFIJ) was held on January 6 at the Office of the Investment Board premises.

IBN CEO, Mr. Sushil Bhatta welcomed the newly elected team of NAFIJ for an interaction programme. The interaction programme kicked off with a presentation covering the roles, responsibilities and activities of the Investment Board Nepal. The presentation was delivered by the Under Secretary and Head of the Investment Promotion Cell, Mr. Ramesh Adhikari. In his presentation, Mr. Adhikari briefed about governing laws, PPPIA, 2019 and PPPPIR 2020; the strategic blueprint of the IBN and business plan. Likewise, he has presented activities and the achievements of the Investment Board Nepal based on the different dimensions defined as the four pillars identified by the strategic plan—

project development and management, investment promotion, institutional development, coordination collaboration and partnerships.

Following the presentation, Mr. Modnath Dhakal, president of NAFIJ delivered remarks representing the organization. He applauded the role of IBN for attracting foreign and domestic private investment and providing facilitation to investment projects citing that fresh investment is vital in each sector to accelerate economic growth, create jobs and enhance the quality of life of people and ultimately attain prosperity and social justice in the country.

He urged to increase the number of interactions and engagement with media through exposure visits (projects in foreign countries and in Nepal), reporting fellowships and capacity enhancement training and orientation stating that the media can

play a pivotal role in policy advocacy, address the constraints/obstacles being faced by the projects, educate people regarding the need of foreign direct investment (FDI) improve the investment climate and build the image of attractive investment destination as well as disseminate success stories of the investment projects.

Addressing the interaction programme, IBN CEO Mr. Sushil Bhatta has highlighted the strategic importance of the institution, how the institution is functioning and what it has delivered so far. He further explained how investment projects in the energy sector and manufacturing (mining) have brought a significant transformation in the country. IBN CEO underpinned Investment Board Nepal has carried forward 4,500 MW into the result-based framework citing the rigorous process that is required to be followed to reach an agreement with investors and provide handholding during the construction, operation and maintenance in coordination with multiple agencies. He has cited an example of a competitive market of cement, quality enhancement of products following the operation of large cement manufacturers Hongshi and Huaxin

like foreign investment projects with the capacity of producing 6,000 and 3,000 tons per day, respectively. In addition, he remarked that the PPP projects in hydroelectricity have brought transformation as hydroelectric projects of both export proposition and domestic consumption are being executed. On top of this, CEO Mr. Bhatta informed that the IBN has been developing a project bank incorporating numbers of credible, sustainable, bankable, well-conceived and well-structured projects from different sectors and geographical locations to showcase and present among investors through investment summits, roadshows and other promotional activities.

IBN CEO, Mr. Bhatta underlined to complement each other organizations from their end, especially in the areas of mutual interests.

In the end, Joint Secretary of the OIBN, Mr. Amrit Lamsal delivered his remarks with the vote of thanks to the CEO, high-ranking officials, the President of NAFIJ and his team, consultants of the OIBN. Mr. Lamsal expressed commitment to deepen engagement with media/journalists for the mutual benefit of both institutions.

Credible Study is Key for De-risking projects and Attracting FDI: IBN CEO



KATHMANDU: IBN CEO, Mr. Sushil Bhatta has addressed the 2nd Int'l Conference on Integrated Transport for Sustainable Mobility in Kathmandu today. He laid emphasis on an evidence-based approach to mobilize resources as envisioned by the master plan that considers the life cycle cost of the project.

The conference was organized by the Society of Transport Engineers Nepal (SOTEN) from 3 to 4 February. Apart from addressing as the special guest in the inaugural session, IBN CEO Mr. Bhatta chaired the session titled, 'Integration of Transport for Sustainable Mobility'. Addressing the conference, he appreciated the road sector master plan and execution of the strategic road networks for greater transformation. Sustainability and reliability of the transport sector are critical components for leveraging the economy, as per him.

Mr. Bhatta further underscored the need to explore possibilities of mobilizing resources through a public-private partnership modality. He emphasized the requirement of credible study for de-risking the

projects citing examples of projects that went into limbo due to lack of credible study that hindered evidence-based decision making.

“It is crystal clear that the BOOT (build-own-operate-transfer) modality has been delivering results in hydroelectric projects, where most of the risks are in

the developers’ account. However, they’ve bankable power purchase agreement (PPA) for providing required confidence to the lenders also for mobilizing resources,” he said.

He underlined the need of designing a proper guarantee and risk-sharing mechanism for executing PPP projects in the transport sector.

OIBN’s Provincial Engagement Gathers Momentum



KATHMANDU: The Office of the Investment Board, Nepal (OIBN) has conducted an interaction program with the Far western Province Government, focusing on new project ideation, Project Idea Note (PIN), and MoU provincial government.

IBN CEO, Mr. Sushil Bhatta and a team of consultants visited the Far west Provincial during 18-22 February 2023.

The visit was primarily focused on concluding the MoU with the provincial government. The team has also briefed the IBN Project Bank Guidelines to the provincial and municipal governments. In the Far western province, transportation project is in the study stage, Dream Fapla project (cricket stadium) is under discussion with the relevant stakeholder and exploring the project area.

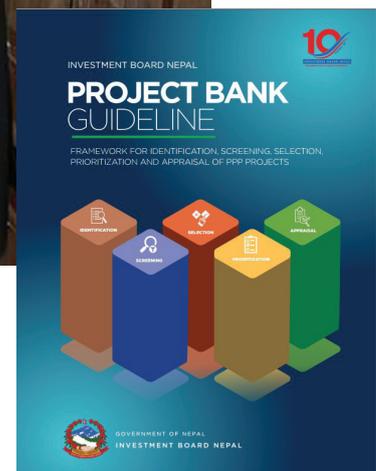
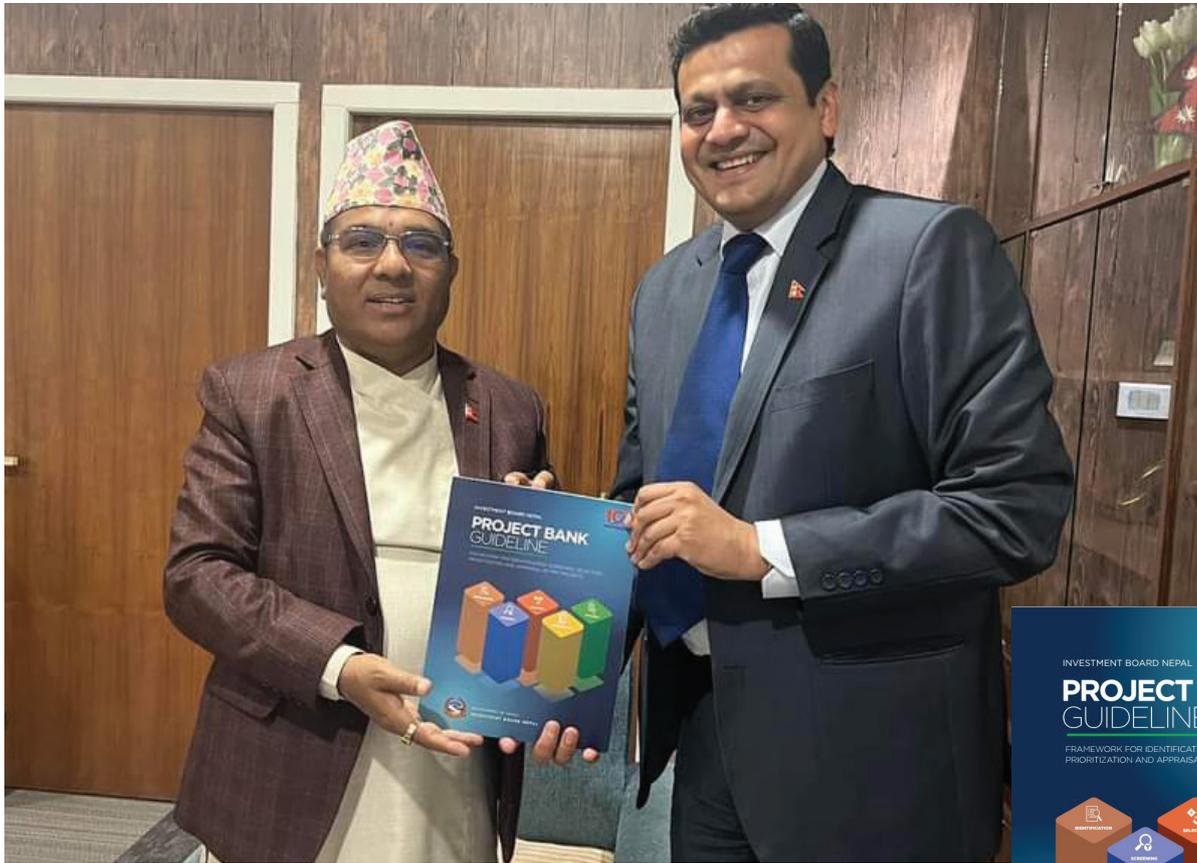
The aforesaid projects of the Far western province were discussed during the visit and assessed the enabling environment to execute them under the PPP modality.

Moreover, the team has also discussed about possibilities to establish a robust working-level mechanism between the OIBN and the provincial government for project identification and development based on the PIN template and criteria defined for enlisting in IBN Project Bank. IBN CEO, Mr. Bhatta was accompanied by Mr. Jayandra Shrestha, technical advisor to the CEO and project development and management consultants, Mr. Axit Raj Poudel and Ms. Pragya Adhikari.

Meanwhile, a meeting with the erstwhile Chief Minister Mr. Rajendra Singh Rawal, other key ministers and officials was held in Kathmandu. Cooperation between the Far western province and the OIBN was discussed during the meeting.



IBN CEO Presents IBN Project Bank Guidelines to Chief Secretary



KATHMANDU: IBN CEO, Mr. Sushil Bhatta has presented the IBN Project Bank (IBNPB) Guidelines to the Chief Secretary, Mr. Shanker Das Bairagi and other key stakeholders. The IBNPB Guidelines is the fundamental document for project identification, screening, selection, prioritization, and appraisal to create a basket of well-conceived, credible, bankable and sustainable public-private partnership (PPP) projects.

The Public-Private Partnership and Investment Act 2019 (PPPIA) and Public-Private Partnership and Investment Regulation 2020 (PPPIR) envisaged the IBN and the Government of Nepal to identify and approve a list of projects to be developed under PPP and private investment.

Salient features of the IBNPB Guidelines

- A well-defined and transparent process in the identification, screening, selection, prioritization, and appraisal of PPP projects.
- Standard template for project idea note, prefeasibility study for energy and non-energy project
- Project Screening Analytics Tool (PSAT)
- Strategic fit assessment based on the national development priority and risk assessment tool for de-risking projects during implementation.

OIBN Receives NEDFi Delegation



KATHMANDU: A delegation from NEDFi (North Eastern Development Finance Corporation Ltd.), a development finance institution based in northeast India, led by Chairman and Managing Director Mr. PVSLN Murty, discussed with the Investment Board Nepal to explore cross-border infrastructure and capacity enhancement projects having a potential to create synergy for the mutual benefit of both nations.

There are 8 states in northeast India and Nepal shares a border with 5 of them namely, Uttarakhand, Uttar Pradesh, Bihar, West Bengal, and Sikkim. Professor Mahendra P Lama, a member of the delegation opined that the poor infrastructures at the border are creating hassles in the seamless movement of goods and passengers. “Even a small initiative like leveraging IT services or something else can deliver a transformational change through reducing logistics

cost of trade, reform immigration and quarantine services,” he said, “Both the countries should think upon developing projects jointly.”

The NEDFi has given emphasis to implement such projects on both sides of the border to achieve the objective. “Both sides must have efficient infrastructures to reap benefits,” said Professor Lama. The projects could be addressing gaps related to technology, mismatches in institutional coordination, and poor physical infrastructures among others.

Speaking in the meeting, IBN CEO, Mr. Sushil Bhatta said that the robust connectivity between the two countries can complement multifaceted development through enabling trade, tourism, manufacturing, exchange/exposures, investment, and transfer of technology among others.

IPPAN Join Hands with OIBN for Power Summit



KATHMANDU: Independent Power Producers' Association, Nepal (IPPAN) has sought a collaboration with the Office of the Investment Board, Nepal (OIBN) to organize the eighth series of their flagship event Power Summit 2023 in Kathmandu with the participation of a wide range of stakeholders including policymakers of the country as well as the private sector, experts, investors, consultants, power utilities of the country and abroad.

Office bearers of the IPPAN had a meeting with the CEO and senior management team (SMT) of the Investment Board Nepal on February 10 regarding the preparation of Power Summit, 2023. The eighth edition of Power Summit 2023 will be held on April 10-11 at Hyatt Regency, Kathmandu with the theme "Broadening Green Energy Markets", according to Mr. Krishna Prasad Acharya, President of IPPAN. Organized by the Independent Power Producers' Association, Nepal (IPPAN) with the patronage of the Ministry of Energy, Water Resources and Irrigation, Government of Nepal, and support of the Office of Investment Board, Nepal; the Summit is scheduled to be inaugurated by the Right Honourable Prime Minister of Nepal in presence of dignitaries from the Ministry of Energy, Water Resources and Irrigation,

and South Asian Leaders.

This largest power sector event in Nepal shall have 800 participants concerned with the energy sector including 300 international delegates from more than 30 countries. "The Embassy of India, Kathmandu shall be the country partner and the Indian delegation shall be in very large numbers. Our key sponsors for the summit include development

partners like the World Bank, IFC, FMO, USAID, power trading companies, power producers, financial institutions, transmission and distribution companies, Consulting companies, vendors, think tanks, and other power sector stakeholders," as per IPPAN.

IBN shall showcase the green energy projects in its pipeline for prospective investors. Subsequently, deliver presentations for a wide range of audiences regarding rules, regulations, procedures, and facilitation for foreign investors, particularly in the energy sector.

It is said that the summit expects to make a breakthrough, especially in power trading with Indian power utilities. Some of the utilities, namely, PTC India, Tata Power, Indian Energy Exchange, Manikaran Power are reportedly attending the event with certain preparation.

Considering the government's commitment to net zero by 2045, the private sector envisions bringing in more investment in the power sector & seeking preferential access in the regional market for selling surplus power.

OIBN Reviews Half-Yearly Progress of FY 2022-23



Discussion on preparation of 669 MW Lower Arun HEP's PDA draft held on January 13 at the Office of the Investment Board, Nepal.

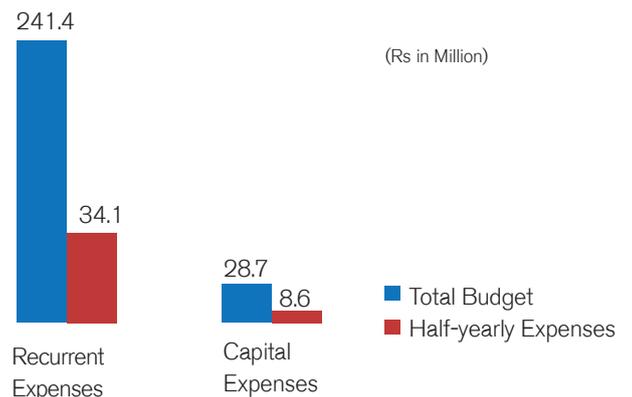
KATHMANDU: Office of the Investment Board, Nepal (OIBN) has reviewed the half-yearly progress of Fiscal Year 2022-23. In a total of 29 milestones, 5 are achieved in the first six months of FY 2022-23 and 24 are under implementation.

Major achievements of the OIBN in the review period are the successful completion of the Sustainable Infrastructure Investment Forum on September 14, 2022; operationalization of the IBN Fund established as per section (57) of the Public Private Partnership and Investment Act, 2019.

A survey license has been issued to 750 MW West Seti Hydroelectric Project and Seti River-6 and the inception report of West Seti HEP obtained from NHPC Ltd. as prescribed by the MoU signed on August 18, 2022. The survey license of Upper Marsyangdi 2 HEP has been issued and the pre-feasibility of five different projects is underway. Preparation of the Project Development Agreement (PDA) draft of 669 MW Lower Arun HEP has gathered pace in the review period. Likewise, the gap analysis of the Public Private Partnership and Investment Regulation, 2020 has been initiated to make the investment friendly.

Similarly, the OIBN has spent Rs 28.7 million under recurrent expenses and Rs 8.6 million under capital expenses, 12% and 25.22%, respectively, from the total budget earmarked for FY 2022-23. Major expenses under recurrent consist of consultancy services, pre-feasibility and feasibility study of the PPP projects, preparation of project idea note (PIN), investment promotion, and anchoring/roadshows. Similarly, major expenses under, capital expenses are procurement/purchase of equipment for projects, server procurement and installation, power backups, system upgradation and development and software purchase. Expenses are witnessed relatively low in the review period as payments will be released upon the successful completion of procurements initiated by the OIBN.

EXPENSES IN FIRST 6 MONTHS OF FY 2022-23



OIBN Joint Secretary Brainstorms on Leveraging PPP for Sustainable Infra Development



KATHMANDU: The Office of the Investment Board, Nepal (OIBN), Joint Secretary Mr. Amrit Lamsal has addressed the workshop hosted by IMF's South Asia Regional Training and Technical Assistance Center (SARTTAC) on February 17.

SARTTAC is a collaborative venture of six-member countries with the IMF includes Bangladesh, Bhutan, India, the Maldives, Nepal, and Sri Lanka.

Joint Secretary Mr. Lamsal delivered a presentation session on “Leveraging PPPs for Sustained Development” as a Panelist at the workshop titled, “Effective Management of Public Investment”. His

presentation has broadly outlined the current status and future plans for PPPs in Nepal, specific capacity-building efforts for the management of PPPs and challenges posed by the Covid-19 pandemic.

Mr. Lamsal has highlighted the efforts taken by the OIBN on different fronts like project development and management, institutional strengthening through developing various web-based platforms/tools, standard operating procedures and execution of result-based framework inside the institution, and investment promotion.

The other panelists of the session were the Deputy Secretary (Department of Economic Affairs, Ministry of Finance) from India and Minister (Economic) from the Bangladesh High Commission in India.

On another occasion, OIBN and International Monetary Fund (IMF) Article IV mission had a meeting on February 22 at the OIBN premises. The meeting discussed on status of FDI inflow in Nepal, investment climate, major reforms, policies, prospects, and challenges.



It is a Great Learning Experience to Work with SAPDC



MR. RAJESH JOSHI
Engineer, SJVN Arun-3 Power Development
Company Pvt. Ltd. (SAPDC)

I'm Rajesh Joshi, 23, an engineer by profession working for SJVN Arun-3 Power Development Company Pvt. Ltd. (SAPDC)—developer of the 900 MW Arun 3 Hydroelectric Project. I joined just some seven months back, after completing my Bachelor's Degree in Engineering (Civil) from the Institute of Engineering, Pashchimanchal Campus, Pokhara, in 2021.

I'm a resident of Pancheshwor-3, Baitadi, in the Far West region of the country. My workstation is in the northern hills of the far east.

Initially, I was assigned to work under the local benefit-sharing plan of Arun-3 HEP and was involved in monitoring/inspecting school and community buildings, health posts, municipal roads, drinking water supply and other public facilities. Such infrastructure

projects have to spend 0.5% of their project cost to benefit the community of the project-affected area.

While entering the job market as a fresh graduate, it always makes me proud that I got a chance to work closely with experienced people and boost my self-confidence.

Along with Arun-3 HEP, I am also engaged in land acquisition and resettlement mapping-related works of 669 MW Lower Arun HEP.

These projects are instrumental in transferring knowledge, skill, and technology and enhancing the local staff's skills. It is an immense opportunity for me to be engaged with this company and enhance my skills under the supervision of a highly experienced team of engineers. I was a fresh graduate when I joined the company seven months ago. I learned how the work is done in the field, how we should work, working culture, teamwork, and station/field-based knowledge. We must analyze the benefits of such mega infrastructure projects at both macro and micro levels, these projects provide the necessary impetus for accelerated economic growth, create jobs, boost the confidence of the stakeholders of the economy, and subsequently pave the way for the electricity market, create a huge asset for the country.



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