



SEP-OCT 2023

# IBN DISPATCH

YEAR: 7 | ISSUE: 05 | VOLUME 63 |



GOVERNMENT OF NEPAL  
INVESTMENT BOARD NEPAL



**5** IBN CELEBRATES 12<sup>TH</sup> ANNIVERSARY



**3** 56<sup>TH</sup> BOARD MEETING TAKES CRUCIAL DECISION TO RESUME CONSTRUCTION WORK OF ARUN-3 HEP



**8** NEPAL INVESTMENT CONFERENCE HELD IN LONDON



**4** IBN INKS MOU WITH reNIKOLA SDN. BHD. TO ESTABLISH CHEMICAL FERTILISER PLANT

**15** OIBN CONVENES PROJECT MONITORING UNIT'S MEETING

**10** IBN TAKES PART IN WAPPP ABU DHABI PPP FORUM 2023

# INVESTO GRAPH

## MAJOR ACHIEVEMENTS OF IBN IN ITS GLORIOUS 12-YEAR JOURNEY



## IBN PROJECTS IN OPERATION AND UNDER CONSTRUCTION

**Arun III HEP** Rs 14,476 Crore  
**900 MW**  
 Construction – 66.3% physical progress and 15.46% progress towards transmission line

**Hongshi-Shivam Cement Pvt. Ltd.**  
 Rs 3,735.47 Crore  
 Operation

**Venture Waste to Energy, Dharan**  
 Rs 24.44 Crore  
 Operation

**Lower Arun HEP**  
 Rs 9,268 Crore  
**669 MW**  
 PDA signed during state visit of Prime Minister to India

**Upper Trishuli-1 HEP**  
 Rs 7,315.62 Crore  
**216 MW**  
 Construction

**Huaxin Cement Narayani Pvt. Ltd.**  
 Rs 1,482.6 Crore  
 Operation

**Upper Karnali HEP**  
 Rs 16,240 Crore  
**900 MW**  
 PDA implementation, financial closure stage

**Total Project Cost**  
 Rs 52,542.13 Crore

Approve investment of at least USD 10 billion and manage PPP projects of at least USD 6 billion. Develop IBN as PPP Centre of Excellence. Contribute to generating at least 100,000 jobs. Contribute to improving investment climate through effective Investment Promotion.

IBN in 2026 as outlined by Strategic Plan

Project Development Agreement of 669 MW Lower Arun Hydroelectric Project signed.  
 MoU signed with Dabur Nepal to reinvest Rs 9.68 billion for capacity enhancement and product diversification.  
 MoU signed with German-based DIAG Industries GmbH and Malaysia-based reNIKOLA Sdn Bhd to prepare Detailed Feasibility Study Report (DFSR) of chemical fertiliser plants in Nepal.

Commercial operation of Huaxin Cement Narayani (3,000 metric tonnes per day) begins.  
 MoU signed with NHPC Ltd, a government of India enterprise, for study of 750 MW West Seti and 450 MW SR-6 Hydroelectric Project and issuance of survey licence. Hosted Sustainable Infrastructure Investment Summit.

IBN Strategic Plan including Business Plan and IBN Project Bank Guideline unveiled. System development and process improvement (standard operating procedures, web-based one-stop service, knowledge management platform, project infrastructure mapping GIS system). Study report of China-Nepal Friendship Industrial Park approved.  
 MoU for development of 669 MW Lower Arun Project signed. MoU signed with Risen Energy Singapore JV Pvt. Ltd. to prepare Detailed Feasibility Study Report (DFSR) of 250 MW grid connected solar energy project with 40 MW battery storage plant in Nepal.

MoU signed for the study of 756 MW Tamor Storage Hydroelectric Project.  
 Approval of the Common Facility Agreement of 900 MW Arun-3 Hydroelectric Project.

Project Development Agreement (PDA) of two critical hydroelectric projects: Arun-3 and Upper Karnali, signed.

Project Investment Agreement with Hongshi-Shivam Cement signed. Nepal Investment Summit, 2017 organised.

Nepal Investment Summit, 2019 organised.

Project Investment Agreement with Huaxin Cement Narayani signed. Commercial operation of the first phase (6,000 metric tonnes per day) of Hongshi-Shivam Cement Project begins. Foundation stone of Arun-3 Hydroelectric Project laid by Prime Ministers of Nepal and India.

Establishment of IBN.

2023

2022

2021

2020

2019

2018

2011

2014

2017

## 56<sup>th</sup> Board meeting seeks solution to land compensation dispute in the entry route of Arun-3 Hydroelectric Project



**KATHMANDU:** The 56<sup>th</sup> Board meeting of Investment Board Nepal chaired by Right Honourable Prime Minister, Mr. Pushpa Kamal Dahal “Prachanda”, held on October 17, 2023 has sought a solution to resolve the ongoing dispute of land compensation in the entry route – initial 24-km section of Chhyangkuti-Diding – of 900 MW Arun-3 Hydroelectric Project.

The Board decided to recommend the Cabinet to resolve the land compensation issue that has been perennially causing an obstruction to project works. The Board has recommended to form a panel to study the land compensation determination, land acquisition and the compensation distributed so far. The meeting further decided to recommend the Cabinet for immediate resumption of project works which have been stalled due to the protests launched by locals by assuring them of resolving the compensation dispute. In this regard, the Ministry of Finance shall arrange to deposit the compensation amount worth NPR 537.45 million for 454 ropanis of land in the bank account of the Sankhuwasabha District Administration Office to distribute land compensation amount once the study panel submits its report to the government by extracting the genesis of the problem with needful recommendations.

Earlier, the Cabinet meeting held on March 31, 2022 had decided to distribute land compensation to those left out in the initial list based on the recommendations of the 47<sup>th</sup> Board meeting of Investment Board Nepal.

Citing the dillydallies in execution of the government’s decision the Arun-3 Access Road Land Compensation Victims Struggle Committee has started protests in recent months by obstructing the project works.

The 900 MW Arun-3 Hydroelectric Project is being constructed by SJVN Power Development Company Pvt. Ltd. at a total cost of NPR 144 billion. The project has achieved 66.3% progress in physical works and 15.46% in transmission line installation.

In the Board meeting, Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta, delivered a comprehensive presentation covering the major activities and achievements of IBN including the status of execution of decisions made by the previous Board meeting. In the conclusion of his presentation, he opined that the concerned agencies must play an effective role in project facilitation considering the contractual obligations defined in the Project Development Agreement.

Addressing the Board, Right Honourable Prime Minister asserted that Foreign Direct Investment (FDI) projects are the bread and butter of the country to address the infrastructure gap and unemployment challenges. He urged for the timely implementation of projects by providing needful facilitation from the concerned authorities with effective coordination, which will disseminate a positive message among foreign investors and create a ground for attracting more FDI including in Public-Private Partnership projects.

Honourable Finance Minister and Vice Chairperson of Investment Board Nepal, Dr. Prakash Sharan Mahat; Honourable Minister for Energy, Water Resources and Irrigation, Mr. Shakti Bahadur Basnet; Honourable Minister for Industry, Commerce and Supplies, Mr.

Ramesh Rijal; Honourable Minister for Forests and Environment, Mr. Birendra Prasad Mahato; Chief Secretary of the Government of Nepal, Mr. Baikuntha Aryal; expert members from the private sector Ms. Bhawani Rana, Mr. Hari Bhakta Sharma and Mr. Rajesh Kazi Shrestha were present in the meeting.

## IBN signs MoU with reNIKOLA Sdn. Bhd. to prepare DFSSR to establish Green CAN fertiliser plant



**KATHMANDU:** A memorandum of understanding (MoU) signing event between the Investment Board Nepal (IBN) and Malaysia based reNIKOLA Sdn. Bhd. was held on September 27, 2023.

The signing of the agreement is considered the beginning of a detailed feasibility study for establishing a Calcium Ammonium Nitrate (CAN) fertiliser plant in Nepal. The MoU was officially inked by Mr. Sushil Bhatta, Chief Executive Officer of Investment Board Nepal, and Mr. Boumhidi Abdelali, Managing Director of reNIKOLA Sdn. Bhd.

The proposed project will find a pathway towards the production of Green Ammonia and Green Calcium Ammonium Nitrate (CAN) fertilisers by utilising cutting-edge electrolysis technology.

In the MoU signing ceremony that was held in the Office of the Investment Board, Nepal premises, IBN Chief Executive Officer, Mr. Bhatta, stated IBN is confident that this environmentally-friendly fertiliser initiative in Nepal will not only promote a more sustainable economy but also effectively utilise internal resources, specifically, surplus electricity, once the factory has been set up.

It is believed that this endeavour will not only be instrumental in addressing food security issues but also significantly contribute to the development of Nepal's agricultural sector by enhancing productivity.

In this regard, a comprehensive feasibility study has to be submitted within 24 months since the issue of survey licence is anticipated to lay the foundation for the successful execution of the project. As proposed by reNIKOLA Sdn. Bhd., the factory will be set up in Anbukhaireni of Tanahun district. The project cost is expected to hover at USD 260 million and the plant is expected to produce 95,600 tonnes of Green Ammonia and 286,975 tonnes of Green Calcium Ammonium Nitrate per annum.

The latter had submitted a proposal as per the provision of Public-Private Partnership and Investment Regulations, 2020 to produce chemical fertilisers on January 8, 2023. Based on the proposal, the 53<sup>rd</sup> Board meeting held on April 13, 2023 decided to extend survey licence and the 55<sup>th</sup> Board meeting held on August 25, 2023 had approved the draft MoU.

## IBN celebrates 12<sup>th</sup> anniversary



**KATHMANDU:** Investment Board Nepal marked its 12<sup>th</sup> anniversary on September 8, 2023 in the gracious presence of the Right Honourable Prime Minister and Chairperson of Investment Board Nepal along with honourable ministers, high-ranking government officials, private sector representatives, diplomatic community, development partners, representatives from civil society and the media fraternity.

Addressing the event, Right Honourable Prime Minister, Mr. Pushpa Kamal Dahal “Prachanda”, underpinned the need to mobilise private investment including Foreign Direct Investment for infrastructure development, productive capacity enhancement and employment generation to attain the targeted high, sustained and broad-based growth to lay the foundation for an inclusive and resilient growth. He reiterated his commitment to address the valid concerns and issues of investors to provide a favourable investment climate in the country. Right Honourable Prime Minister hailed the Investment Board Nepal for its expanding role in national development and congratulated the Board for making significant strides in mobilising private investment including FDI in the form of both direct private investment and Public-Private Partnership (PPP) investment.

Delivering his remarks, Honourable Finance Minister and Vice Chairperson of Investment Board Nepal, Dr. Prakash Sharan Mahat, shed light on the reform initiatives taken to assure investors about the returns on their investments. He also highlighted the stable macro-economic fundamentals including improving foreign currency reserves, growing entrepreneurship, increasing inflow of foreign tourists and actions taken to improve the government’s expenses, particularly capital expenditure.

Further, he stated that neighbouring India’s green signal to purchase up to 10,000 megawatts of electricity in 10 years has provided an ascertained market to investors. “The government is looking forward to having a similar arrangement with China and is hopeful about it,” he said, adding, “We are looking forward to bringing in more FDI in other potential sectors like manufacturing, ICT, agro-processing, mining, clean transportation and urban infrastructure development, among others.”

Former CEO of IBN, Mr. Radhesh Pant, made a presentation highlighting the achievements made by IBN till date and what should be done to make it deliver more as per its mandate.

Developers of various projects congratulated IBN on the occasion of its 12<sup>th</sup> anniversary. The congratulatory video messages were showcased as testimonials.

In addition, IBN felicitated the Project Development Agreement Negotiation Team (PDANT) of the 669 MW Lower Arun Hydroelectric project and Standard Chartered Bank Nepal for its constant support in attracting and promoting investment through its global network in collaboration with Investment Board Nepal. Likewise, Mr. Ramesh Adhikari, Under Secretary and Head of the Investment Promotion Unit at the Office of the Investment Board, Nepal, and consultants-duo from Project Development Unit, Mr. Axit Raj Poudyal and Mr. Tapendra Chand were also felicitated in recognition of their outstanding dedication and service.

His Excellency Ambassador of the United Kingdom to Nepal, Mr. Rob Fenn, also delivered his remarks during the event. He stated that IBN is a critical institution which facilitates much needed investment in Nepal.

Ambassador Fenn mentioned the need for IBN to ensure the protection of investments and safeguard the rights of the communities that are affected by the execution of such investment projects. “Foreign investors partnering with Nepali businesses can bring capital investments, skills and technology transfer which are much needed to drive domestic growth and create jobs,” he shared, adding, “There is still a lot of work to do together as Nepal remains a tough place for businesses to thrive and foreign investors to work.” He informed that the Government of the UK will support Nepal’s aspiration of attracting more private investment through the Green Growth Nepal Programme and work closely with different stakeholders including the private sector.

In his concluding remarks, Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta, presented the synopsis of major achievements in IBN’s glorious 12-year journey, and the strategic importance of the institution focusing on proper coordination among the different agencies for handholding the investors effectively throughout the project lifecycle.

## Glimpses of 12<sup>th</sup> anniversary celebration





# Nepal Investment Conference held in London



**KATHMANDU:** Hon'ble Finance Minister and Investment Board Nepal Vice Chairperson, Dr. Prakash Sharan Mahat, addressed the Nepal Investment Conference organised in the Mansion House of London City on October 31, 2023 on the occasion of the centennial of diplomatic relations between Nepal and the United Kingdom. Hon'ble Minister Mahat as the chief guest of the event urged the potential investors of the United Kingdom to invest in Nepal citing that Nepal has been creating a favourable investment climate for foreign investments.

"The Government of Nepal is fully committed to ensure better returns of your investment through smooth operation of the ventures," he said, adding, "To ensure a better investment climate, the government has revised the legal and procedural obstacles in consultation with the private sector including foreign investors. The fiscal budget 2023-24 has announced various schemes for investors investing in IT, tourism, agri business, mines and minerals as well as infrastructure projects."

His Excellency Ambassador of Nepal to the UK, Mr. Gyan Chandra Acharya, highlighted Nepal's potential in transnational energy trade in a larger quantum to Bangladesh along with India, which

carries a prospect to be a hub of clean energy in South Asia.

Alderman & Sheriff of the City of London, Mr. Bronck Masojada; Mr Ben Mellor, Director, India and Indo Pacific Ocean Directorate, Foreign, Commonwealth and Development Office (FCDO); Mr. Birendra Sharma, Chairperson of Nepal-UK Parliamentarians Group; Chief Executive Officer of UK Export Finance, Mr. Tim Reid; Nepal Rastra Bank Deputy Governor, Mr. Bam Bahadur Mishra; President of the Federation of Nepalese Chambers of Commerce and Industry, Mr. Chandra Prasad Dhakal; President of Independent Power Producers' Association, Nepal (IPPAN), Mr. Ganesh Karki; Joint Secretary of the Ministry of Energy, Water Resources and Irrigation, Mr. Sandip Dev; Managing Director and General Counsel of British International Investment, Mr. Colin Buckley; and Founder of Dolma Impact Fund, Mr. Tim Gocher delivered their remarks in the event.

Moreover, Joint Secretary of the Office of the Investment Board, Nepal, Mr. Amrit Lamsal, delivered a comprehensive presentation on investment opportunities, procedures and project facilitation.

On the occasion, the Ministry of Finance signed memorandums of understanding with six entities, namely, British International Investment (UK), FMO (The Netherlands); Belgian Investment Company for Developing Countries (Belgium), Finnfund (Finland), Proparco (France) and Swiss Investment Fund for Emerging Markets (Switzerland) for facilitating investment in Nepal.



# Swedish ambassador pays courtesy call on IBN Chief Executive Officer



**KATHMANDU:** Ambassador of Sweden to Nepal His Excellency Mr. Jan Thesleff paid a courtesy visit to Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta, on October 4, 2023, in the Office of the Investment Board premises.

During the visit, various dimensions of bilateral trade and investment relations including potential sectors for Swedish investment were discussed. Sweden has been looking into investment opportunities for Swedish investors in Nepal.

Though diplomatic ties between Nepal and Sweden were established back in 1960, bilateral economic cooperation between the two nations has yet to start at the desired level. Against this backdrop, Nepal has been expecting more investments from Sweden to deepen economic relations between the two countries.

During the talks, IBN Chief Executive Officer, Mr. Bhatta, highlighted that the Investment Board Nepal has been providing effective handholding to investors for the entire project lifecycle. He further said that it is high time to invest in Nepal and expressed belief that the message will be conveyed among potential Swedish investors through the esteemed embassy of Sweden and Consul General.

CEO Bhatta was accompanied by Joint Secretary, Mr. Amrit Lamsal, and Under Secretary, Mr. Ramesh Adhikari. Honorary Consul General, Ms. Moushumi Shrestha, also attended the meeting.

Prior to this visit, a delegation of Swedish parliamentarians had also visited the Office of the Investment Board, Nepal in the last week of August 2023 and expressed interest to learn about how Nepal has been enforcing Public-Private Partnership projects.

# IBN takes part in WAPPP Abu Dhabi PPP Forum 2023



**KATHMANDU:** Investment Board Nepal CEO, Mr. Sushil Bhatta, attended the Global Council of PPP Unit Heads Meeting at WAPPP Abu Dhabi Forum 2023. He held an extensive dialogue with members of the Global Council of PPP Unit Heads Meeting, where they discussed their plans and projects. The Global Council of PPP Unit Heads Meeting was facilitated by Mr. Ziad-Alexandre Hayek, President of WAPPP (World Association of PPP Units and Professionals).

Further, CEO Mr. Bhatta shared his experiences during the South Asia PPP panel discussion as a panellist on October 18, 2023. He shared IBN's experiences of mobilising PPP investments for harnessing Nepal's clean and renewable energy potential, which is significantly progressing. He further stated that Investment Board Nepal has been making a tireless effort to attract investments in other potential sectors like clean transport including cable car, manufacturing, mines and minerals, tourism and resilient urban infrastructure.

"In the period of 12 years since the establishment of IBN, three Project Development Agreements and two

Project Investment Agreements have been signed, and IBN has succeeded in generating hope and developed trust along with streamlining more than 4,000 MW of clean and renewable energy projects in result-based frameworks," he mentioned, adding, "IBN has taken a new height in terms of promoting and garnering private investments, executing projects, and developing the institution as a PPP centre of excellence. Most importantly, IBN has been generating hope and developing trust among private investors including Foreign Direct Investment."

Moreover, Mr. Bhatta said that IBN has been succeeding as per its mandate of attracting investment in transformative infrastructure projects and facilitating private investment through PPPs, with the ultimate goal of propelling Nepal towards a brighter and more prosperous future. We aim to develop Nepal as an attractive investment destination, he added.

The Office of the Investment Board, Nepal had also set up a stall to provide information regarding procedures of investing in Nepal to potential investors and visitors.

# Here are some glimpses of IBN's participation in WAPP Abu Dhabi PPP Forum 2023.



## Interaction held with journalists in OIBN



**KATHMANDU:** The Office of the Investment Board, Nepal jointly with Nepal Association of Financial Journalists (NAFIJ) organised an interaction programme with journalists on the Development and Execution of PPP Projects. A brief presentation on Project Life Cycle Cost Analysis was also delivered by the Project Development Unit.

More than 25 journalists from different media houses participated in the interaction programme held on September 1, 2023. Addressing the interaction, Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta, shared that project facilitation is a multidisciplinary task as the Office of the Investment Board, Nepal requires to coordinate with multiple agencies in different tiers of the government. Simultaneously, monitoring of the progress, making the developer liable to abide with the Project Development Agreement (PDA) compliance, and managing the smooth construction and operation of the project are the key elements in project facilitation, according to him.

Chief Executive Officer, Mr. Bhatta, further asserted that the institution has been able to develop an encouraging scenario in the country by motivating investors, which will stimulate more

private investments in the form of direct investment and Public-Private Partnership investment.

Delivering his remarks during the interaction, Mr. Amrit Lamsal, Joint Secretary of the Office of the Investment Board, Nepal, applauded the role played by the media in promoting the nation by disseminating information of the favourable investment climate to a wide range of potential investors. The trend of specialised reporting mutually benefits the country's economy and stability of the media sector. In

addition, he stated that the Office of the Investment Board, Nepal has also been collaborating with media organisations for investment promotion, policy dialogues and information dissemination as the Investment Board Nepal's Strategic Plan has outlined that Coordination, Collaboration and Partnership as one of the critical pillars along with Project Development and Management, Investment Promotion and Institutional Development.

Highlighting the objectives of the interaction programme, Mr. Modnath Dhakal, President of NAFIJ, said that capacity enhancement of journalists is important for improving the quality of reporting in mass media, which is the source of information for a wide range of audience including stakeholders of the investment ecosystem.

Further, consultants Mr. Axit Raj Poudyal and Mr. Tapendra Chand delivered a presentation on Project Life Cycle Cost Analysis focusing on how it is different than the traditional low-cost analysis method and provides an overall analysis of the various project alternatives in terms of economic aspects of the project and successful implementation of PPP projects.

# OIBN participates in High-Level 15<sup>th</sup> Regional Environmentally Sustainable Transport (EST) Forum in Asia and First Asia Pacific Rail Summit



**KATHMANDU:** The High-Level 15<sup>th</sup> Regional Environmentally Sustainable Transport (EST) Forum in Asia took place between October 24 and 26, in Kuala Lumpur, Malaysia along with the First Asia Pacific Rail Summit, an official pre-event of the High-Level 15<sup>th</sup> EST Forum on October 23. Honourable Minister for Physical Infrastructure and Transport, Mr. Prakash Jwala, also shared his ministerial statement through a pre-recorded video. He highlighted the key role of interregional connectivity for social, economic and environmental development, and that Nepal strives to make its transport system cleaner, more efficient and accessible.

Honourable Minister for Urban Development, Ms. Sita Gurung, also participated in the high-level forum. During her ministerial statement, she shared that Nepal has laid special focus on resilient, inclusive, green and low-carbon, and efficient transportation system, road safety, and national access to the country's transportation network.

The Joint Secretaries of the Ministry of Urban Development and Ministry of Physical Infrastructure and Transport along with the senior divisional engineer of the Ministry of Urban Development also joined the event where they made presentations and held discussions during various sessions.

Mr. Vibek Gupta, Transport Specialist (Consultant) from the Office of the Investment Board, Nepal, participated in the event. He was a panellist in the session titled 'Railway Project Funding and Financing of the First Asia Pacific Rail Summit'. He spoke about the railway projects in Nepal and also on OIBN's initiatives to develop a metro rail system in Kathmandu. The session discussed the need, issues and way forward for funding and financing the development of railways as a low-carbon and sustainable means of transport for passengers and freight – a key infrastructure in achieving the low-carbon target of the transport sector.

The efforts, learnings and good practices among the nations and the collective determination towards sustainable transport benchmarking was shared in the forum. Discussions were also held on what has been done till date towards that effort and what needs to be done in the coming days. It is an appeal to the international community to boost their efforts towards capacity and policy development support that will enable Asian nations to achieve the goals of the Aichi 2030 Declaration – Environmentally Sustainable Transport – Making Transport in Asia Sustainable (2021-2030) aligning with the SDGs and the Paris Agreement. The forum called for greater international support for the implementation of the Aichi 2030 declaration on environmentally sustainable transport – making transport in Asia sustainable (2021-



2030). The High-Level 15<sup>th</sup> EST Forum agreed on key policy recommendations on three goals: Goal 1A: Climate Change Mitigation, Goal 6: National Access and Connectivity; and Goal 2: Road Safety.

The support towards achieving the Aichi 2030 Declaration and with it the SDGs and Paris Agreement called for strengthening the provision of financial support and strengthening capacity building and policy support in line with the Aichi 2030 Declaration. The forum encourages the

international partners to substantially scale up their activities in capacity building and policy support; strive towards better geographical balance among countries in the provision of transport-related capacity building and policy development support; ensure that all goals in the Aichi 2030 Declaration are fully supported; coordinate well in the planning and delivery of transport-related capacity building and policy development support; and ensure that inclusion and equity are incorporated into the ambitious development of the transport sector.

## Senior Management Team visits Chhyangkuti-Diding road section for consultation with stakeholders



**KATHMANDU:** The senior management team from the Office of the Investment Board, Nepal along with Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta, visited Chhyangkuti-Diding road section area which is the entry route to the 900 MW Arun-3 Hydroelectric Project. During the visit, the delegation held discussions with the District Coordination Committee, elected representatives including chairpersons of concerned rural/municipalities, chief district officer and representatives of the political parties for early resumption of works.

The discussions were held on September 18, 2023, following the obstruction of the road by the locals seeking prompt distribution of land compensation of Chhyangkuti-Diding road section (0-24 km), which is the entry route of Arun-3 Hydroelectric Project site and is being used to ferry equipment and construction materials for the project.

The Arun-3 Access Road Land Compensation Victims Struggle Committee staged protests by obstructing the road section seeking settlement of land compensation amount by the government.

The 47th Board meeting of Investment Board Nepal had decided to distribute land compensation to those who had been left out in the initial list. To enforce the decision of the Board, the District Administration Office, Sankhuwasabha has sought NPR 537.45 million to compensate for 454 ropanis of land acquired for the 0-24 km section of the Chhyangkuti-Diding road.

During the consultation, the senior management team from OIBN urged the stakeholders to withdraw their protests citing that the delay in the construction of the project will create additional liabilities on the government and adversely affect the investment climate of the country.

## OIBN convenes Project Monitoring Unit's meeting



**KATHMANDU:** The Office of the Investment Board, Nepal convened the meeting of the Project Monitoring Unit on October 19, 2023.

The meeting reviewed the progress and issues witnessed in implementation of the 900 MW Arun-3 Hydroelectric Project. Joint Secretary of OIBN, Mr. Amrit Lamsal, chaired the meeting as the convenor of the Project Monitoring Unit, which comprises of senior divisional engineer from the Department of Electricity Development; under secretary from the National Planning Commission; senior divisional engineer from OIBN; under secretary from the Department of Environment; director from Nepal Electricity Authority and engineer from OIBN as Member Secretary.

### USAID-Urja Nepal Project hands over Project Monitoring Tool

Meanwhile, Project Monitoring Tool/PMU Dashboard was handed over to the Office of the Investment Board, Nepal by USAID-Urja Nepal



Project on September 29, 2023. Mr. Robert Kremer, Chief of Party, USAID-Urja Nepal Project, handed over the Project Monitoring Tool/PMU Dashboard to Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta.

The tool has been developed in collaboration with USAID-Urja Nepal for tracking the progress of Arun-3 Hydroelectric Project and Project Development Agreement compliance. It is customised for other hydroelectric projects as well.

## OIBN helps resolve transporters strike that had crippled production at Hongshi Shivam Cement



**KATHMANDU:** The senior management team (SMT) of the Office of the Investment Board, Nepal facilitated in resolving the transporters' strike that had crippled production of Hongshi Shivam Cement. The transporters ferrying raw materials from the mine to the factory launched a strike, which obstructed the production of 6,000-tonne per day capacity cement plant.

The team led by Joint Secretary of OIBN, Mr. Amrit Lamsal, and comprising of Under Secretary, Mr. Ramesh Adhikari, and Section Officer, Mr. Manoj Raut, held a meeting with the District Administration Office, district-level security chiefs and representatives from the transport company in the second week of September to resolve the problems that had been obstructing the smooth supply of raw materials. The meeting was a success as the transporters have withdrawn their strike and the factory has resumed operations following the meeting with stakeholders.

## Sumitomo Corporation explores potential to invest in Nepal

**KATHMANDU:** Sumitomo Corporation, a Japanese business conglomerate, has expressed interest to invest in hydroelectricity development and trading; connectivity projects and industrial zone development, among other potential areas in Nepal.

In a meeting with Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta, and other high-ranking officials of the Office of the Investment Board, Nepal on October 30, 2023, the delegation led by Mr. Takuro Horikoshi, Chairman and Managing Director of Sumitomo Corporation India Pvt. Ltd. – wholly owned subsidiary of Sumitomo Corporation – has shown interest to invest in the 683 MW Sunkoshi-3 Hydroelectric Project.



Stating that Sumitomo Corp has expanded its footprint in the neighbourhood of Nepal, particularly in India and Bangladesh, they are looking for potential engagement in Nepal by investing in different projects including clean and renewable energy. Sumitomo Corporation is engaged in development of Special Economic Zones (SEZs) and renewable energy projects in Bangladesh.

Further, Sumitomo Corp's subsidiary in India operates four offices in the country – in capital city New Delhi; financial capital Mumbai; IT hub Bengaluru; and city of automotive and allied industry Chennai. The company is engaged in areas of steel manufacturing (Mukand Sumi Special Steel); industrial park (Mahindra Industrial Park); real estate (Krisumi Corporation); automotive (SML Isuzu) and agriculture (Sumisho Agro India Pvt. Ltd. and Mahindra Summit Agriscience, MASL) in India.

In the meeting, Investment Board Nepal CEO, Mr. Bhatta, applauded Sumitomo Corp's interest to invest in Nepal. He recalled the meeting held with Representative Director/ President and Chief Executive Officer of Sumitomo Corp, Mr. Masayuki Hyodo, and stated that he considers Sumitomo Corp as a serious potential investor for Nepal.

During the meeting, Mr. Sagar Raj Goutam, Senior Divisional Engineer of



OIBN, described the process of soliciting investment proposals and procedural steps to be followed to lodge interest in investment projects of direct private investments and Public-Private Partnership investments.

In addition, Mr. Ramesh Adhikari, Under Secretary and Head of Investment Promotion Unit, informed the Japanese delegation about IBN's preparations to convene the Nepal Investment Summit in the near future and asked them to participate in the summit to lodge an interest in showcased investment projects during the summit.

The delegation comprised of Mr. Takuro Horikoshi, Chairman and Managing Director; Mr. Takashi Sakuma, Assistant to General Manager of Sumitomo Corporation India Pvt. Ltd; Mr. Shinichi Nagata, General Manager; and Mr. Fumihisa Tokuda, Assistant to General Manager of Sumitomo Corporation Asia & Oceania Pte. Ltd., Dhaka Office.

# Enhancing PPP project development capacity of sub-national governments delivers change in development endeavours: IBN CEO

**KATHMANDU:** Investment Board Nepal Chief Executive Officer, Mr. Sushil Bhatta, has laid emphasis on capacity enhancement of sub-national governments on PPP project development to deliver tangible outcomes in the nation's development endeavours.

Delivering his remarks at the inaugural session of the four-day training programme which commenced on September 5, 2023, he stated that the collective effort of all three tiers of the government will encompass critical aspects such as project selection and prioritisation.

“We have to dive deep into the intricacies of GRID (Green, Resilient and Inclusive Development) concept, and thought-provoking discussions on innovative green financing strategies. We firmly believe that these elements will shape the sustainable and prosperous future we aspire to create,” Mr. Bhatta stated, adding, “We are committed to strengthening Nepal's urban resilience and laying the foundation for a thriving and sustainable future.”

Chief Executive Officer, Mr. Bhatta, hailed the efforts of Sudridh-NURP in resilient urban development taking into consideration the growing urbanisation in the country.

Highlighting Public-Private Partnership and Investment Act, regulations, and IBN's Strategic Plan (FY 2021/22-2025/26), he said that IBN's mandate, targets, activities as well as strategic initiatives are streamlined according to four key strategic pillars – project development and management; investment promotion; institutional development; and coordination, collaboration, and partnership.

“Our foremost priority is the development of PPP projects. IBN has enhanced its project selection



methodology by introducing the ‘IBN Project Bank Guideline’. This guideline ensures a more rigorous and comprehensive project selection process. It mandates pre-feasibility studies, feasibility studies, value-for-money analyses, and risk assessments for various PPP project proposals,” he explained.

Mr. Bhatta urged the participating project development enthusiasts to delve into the intricate realm of Public-Private Partnership (PPP), a fundamental driver of progress in urban landscapes. He also asked them to enhance their capabilities to be able to navigate the complexities of project procurement policies and engage in a comprehensive analysis of the financial and technical aspects of pre-feasibility and feasibility studies.

The training programme was hosted by the The Sudridh – Nepal Urban Resilience Programme (NURP), with the support of the Ministry of Federal Affairs and General Administration, Office of the Investment Board, Nepal, and Nepal Infrastructure Bank Ltd. The programme was held at the Local Development Training Academy premises. The Sudridh-NURP is funded by UK Aid from the UK government and works with Nepal's national, provincial and municipal governments to support green, resilient and inclusive urban development.

# World Bank Group supports OIBN for capacity enhancement training

**KATHMANDU:** A four-day training on Project Finance Modelling was held in Kathmandu from September 10 to 13, 2023 with the support of the World Bank Group.

Government officials and consultants (project development professionals and financial analysts) from the Office of the Investment Board, Nepal participated in the training programme. Mr. Bikash Kabariya, Financial Analyst at OIBN, said that though the training was short in duration in relation to the depth of the subject, it was fruitful. He added that the number of such training programmes should be expanded in the future.

The training programme was administered by F1F9 with the assistance of the World Bank Group.



Mr. Hari Prasad Guragain, Mr. Manoj Raut, Mr. Prem Prasad Niraula, Ms. Nisha Tripathy, Mr. Prakash Sigdel, Mr. Vijaya Sharma, Mr. Axit Raj Poudyal, Ms. Mukta Pandey, Mr. Vibek Gupta, Ms. Ranjeeta Acharya, Mr. Tapendra Chand, Mr. Dipesh Kharel, Mr. Pramod Lekhak, Mr. Dilip Bhatta, Mr. Bikash Kabariya and Mr. Manish Gyawali from the OIBN participated in the training programme.

## WE WOULD LIKE TO WISH EVERYONE A HAPPY, HEALTHY AND JOY-FILLED



Nhu: Daya: Bhintuna 1144



Tihar



Chhath Puja

May these festivals fill your life with the glow  
of happiness and the sparkle of joy.

Sushil Bhatta  
Chief Executive Officer,  
Investment Board Nepal  
and  
Office of the Investment Board, Nepal Family



## Thank you SAPDC for helping me realise my dream of becoming an engineer

**MS. ISHA CHAUHAN**

**Student, B.E. (Civil)**

**National College of Engineering, Talchhikhel, Lalitpur**

Currently, I am studying Bachelor of Engineering (Civil) at National College of Engineering, Talchhikhel, Lalitpur. I just completed my first semester and there are eight semesters to go before I complete B.E.

I am a resident of Makalu Rural Municipality-2, Sankhuwasabha. The locals of the area that has been affected by the construction of the 900 MW Arun-3 Hydroelectric Project have been benefiting from various schemes of community development programme including skills development programme initiated by the developer company – SJVN Arun-3 Power Development Company (SAPDC).

I have personally benefited from the scholarship provided by SAPDC through the rural municipality. The fellowship amount worth NPR 500,000 will be provided by the company in installments in each semester. The fellowship covers around one-third of the total expenses required to study Bachelor of Engineering.

This fellowship has really supported me to translate my dreams into reality. I know it is tough for my parents to afford the expenses of my higher studies as my father operates a small garage in the district headquarter, Khandbari-3, Manebhanjyang. I am the second child among five siblings.

I had completed my school education from Himalaya Secondary School in Khandbari-1 and higher secondary level education (+Science with Physics) from Liverpool College in Kathmandu.

When the construction of the large hydroelectric project in our locality began the developer company started various community development programmes and my parents too became aware of those initiatives. The developer company is also investing in skills development programmes for people who have been affected by the project and that includes vocational training and fellowships for higher studies in coordination with the local level government. My parents learnt that Makalu Rural Municipality had issued a notice for five scholarships for engineering studies at the Bachelor Level and I was advised to apply for the scholarship.

Upon my parents' advice, I applied to the rural municipality for the scholarship and was selected as an eligible candidate. I am really thankful to SAPDC as their scholarship has provided me an opportunity to be an engineer. Such large-scale projects contribute a lot to the nation's economy, and moreover they are a boon to the local people of the project site. It is through SAPDC's scholarship I am being able to realise my dream of being an engineer and contributing to the nation in the future.



### **INVESTMENT BOARD NEPAL**

Office of the Investment Board

ICC Complex, New Baneshwor, Kathmandu, Nepal

Tel: +977-1-4575276, 977-1-4575277, 977-1-4575278, 977-1-4575281

Fax: +977-1-4575281

Email: [info@ibn.gov.np](mailto:info@ibn.gov.np) | Website: [www.ibn.gov.np](http://www.ibn.gov.np) | Twitter: @IBNOffice

