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GOVERNMENT OF NEPAL  
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# Finance Minister Dr. Wagle abolishes 15 laws hindering economic growth

**Kathmandu :** Finance Minister Dr. Swarnim Wagle has announced the abolition of 15 laws considered obstacles to economic development, marking his first major decision in office.

After taking his oath at Sheetal Niwas on March 27, 2026, Wagle assumed charge at the Ministry of Finance and immediately initiated the move to repeal laws seen as outdated or restrictive to business and investment.

The repealed laws include the Income Ticket Duty Act, 2019; Black Market and Certain Social Offences and Punishment Act, 2032; Private Forest Nationalization Act, 2013; Administrative Procedures Act, 2013; Compensation Act, 2019; Birta Abolition Act, 2016; the Act prohibiting Birta holders from misappropriating funds, 2015; Revenue Leakage (Investigation and Control) Act, 2052; and the Act restricting foreign investment, 2021.

Other repealed acts are the Nepal Agency Act, 2014; Provincial Development Plans Implementation Act, 2013; Export Smuggling Control Act, 2013; Social Behaviour Improvement Act, 2033; Nepalese Currency Circulation Act, 2014; and Financial Mediation Institutions Act, 2055. Wagle emphasized that these measures aim to create a private-sector-friendly environment and reduce bureaucratic hurdles. The move aligns with the ruling Rastriya Swatantra Party's election pledge to repeal outdated and irrelevant laws to



Picture: The Rising Nepal

reduce production costs, improve business processes, and attract domestic and foreign investment.

Minister Dr Wagle stated that his government will prioritize private sector protection, job creation, and increased domestic production while implementing recommendations from the Public Expenditure Review Commission and the High-Level Economic Reform Advisory Commission.

“We are a government with a historic mandate. We will move towards paperless and cashless systems. Protecting the private sector and boosting domestic production will be our top priorities,” Wagle said, adding that coordinated efforts across institutions will address economic challenges comprehensively rather than in fragments. He also announced plans to release a white paper outlining further economic reforms.

Source : [myrepublica.nagariknetwork.com](http://myrepublica.nagariknetwork.com)

## KV 2040 Strategic Roadmap Meeting

**Kathmandu :** A high-level delegation led by Fei Deng, Practice Manager for Transport, South Asia Region at the World Bank, met with Investment Board Nepal CEO Sushil Gyewali to advance urban transport initiatives in the Kathmandu Valley under the KV 2040 agenda on 9 February, 2026.

The meeting reviewed progress on the existing transport portfolio in close coordination with implementing agencies and identified targeted actions to accelerate project delivery. The discussions underscored Nepal's commitment to



modern, sustainable, and efficient urban transport solutions, aligning with long-term development and regional connectivity goals.

# IBN CEO Urges Non-Resident Nepalis to Boost Investment in Nepal

**Kathmandu:** On 14 March 2026, Investment Board Nepal (IBN) Chief Executive Officer Sushil Gyewali emphasized the board's pivotal role in creating a conducive environment for investment during a discussion on the investment roadmap at the 12th General Convention of the Non-Resident Nepali Association (NRNA).

CEO Gyewali highlighted that with the Prime Minister as the chairman of IBN, the board is positioned to lead efforts in increasing both domestic and NRN (Non-Resident Nepali) investments. He assured that the board will facilitate necessary policy and legal frameworks to encourage investment, particularly in innovation and emerging sectors.

"Non-resident Nepalis should be supported in every possible way to invest in Nepal. Clear guidelines should exist on what cannot be done, and no one has the right to delay or create confusion," said CEO Gyewali. He underscored the need for strong dialogue and coordination between the government, private sector, NRNs, and stakeholders, and called for additional powers for IBN in financial,

legal, and human resource domains to strengthen the investment environment.

The program also featured remarks from prominent leaders: FNCCI President Chandra Dhakal encouraged NRNs to invest in Nepal's high-potential sectors, including hydropower, tourism, and technology.

Nepal Rastra Bank's Executive Director Ram Sharan Kharel stressed the importance of creating a safe, transparent, and market-driven environment for NRN investment. Rupesh KC, Executive Director of the Securities and Exchange Board of Nepal, briefed participants on the NRN Development Fund and related legal reforms.

Other leaders, including Deepak Malhotra (Vice President, Nepal Chamber of Commerce) and Hemraj Dhakal (Vice President, CNI), highlighted policy stability, strategic investment, and entrepreneurship as key drivers for attracting NRN capital.

NRNA founding President Upendra Mahato encouraged investing not only for the country but also for future generations.



# IBN Launches New Measures to Boost Private Investment in Infrastructure

**Kathmandu:** The Investment Board Nepal (IBN) is accelerating private sector investment in infrastructure through the Swiss Challenge and Hybrid Annuity models.

At a program organized in collaboration with Green Growth Nepal on 10 February 2026, IBN Chief Executive Officer Sushil Gyewali highlighted that the Board is also preparing to process unsolicited proposals via a draft evaluation procedure under the Swiss Challenge method. The procedure allows proposals in any sector and promotes competitive advancement.

“Introducing new ideas and innovations nationally and internationally, when channeled through proper procedures, will boost investment,” said CEO Gyewali. He added that the Hybrid Annuity Model will expedite large-scale projects—including roads, bridges, hydropower, transmission lines, and waste management—by sharing costs and risks between the government and private sector while ensuring quality construction. A draft working procedure for this model has also been prepared.

CEO Gyewali emphasized that all public-private partnership (PPP) projects costing Rs 6 billion or more will be approved by IBN, though implementation may be delegated to agencies with relevant expertise. Projects below Rs 6 billion will be managed by the concerned bodies. “Investment growth and effective results are key. IBN will provide thematic expertise and technical support as needed,” he said, noting that the Board will support provincial and local governments in advancing PPP projects.



Highlighting national investment needs, CEO Gyewali stated that achieving the goals of the 16th Five-Year Plan requires Rs 11,200 billion, with Rs 7,400 billion expected from the private sector. “Significant effort is required to meet private sector investment targets,” he added. Over the past 14 years, IBN has approved projects totaling Rs 1,716 billion.

Joint Secretary Sunita Nepal noted that the Swiss Challenge method will further catalyze private sector participation, while Sam Fell, representing the British Embassy, emphasized that PPPs are critical for bridging economic gaps and ensuring effective project outcomes.

The program also featured presentations by experts on the Swiss Challenge and Hybrid Annuity models, including Shivanshu Chauhan, Salim Altaf Sheikh, and Maniram Singh Mahat, and was attended by officials from ministries, departments, agencies, and sectoral experts.



# IBN Advances Reforms to Strengthen PPP Framework and Investment Climate

Following the enactment of the Public-Private Partnership and Investment Act, Nepal has established greater legal clarity for public-private partnerships (PPP). Building on this foundation, the Investment Board Nepal (IBN) is advancing key reforms to strengthen institutional capacity, improve coordination across all levels of government, and enhance project delivery.

IBN has identified structural challenges, including frequent staff transfers, limited institutional memory, and capacity gaps. In response, the Board has introduced business plans, strategic frameworks, performance agreements, and operational guidelines, alongside ongoing policy and legal reforms to ensure greater efficiency and consistency.

Project preparation remains a critical priority. To address this, IBN has operationalized the concept of a “project bank,” enabling systematic prioritization, robust feasibility assessments, and clearer financial structuring. The private sector is also being encouraged to submit project proposals through an open and competitive framework.

Recognizing global advancements in infrastructure development, IBN is promoting the adoption of modern technology, international expertise, and innovative financing models. Projects requiring specialized capabilities are being advanced under the Swiss Challenge approach, while accommodating unsolicited proposals through transparent and competitive processes. This is expected to foster innovation, facilitate technology transfer, and leverage global best practices.

To strengthen financial mobilization, IBN is exploring integrated utilization of domestic institutional funds, including the Employees Provident Fund, Insurance Fund, and Social Security Fund. In parallel, proposals are underway to establish an Alternative Development Finance Fund and enable instruments such as green bonds, guarantee-based financing, and asset monetization.

Investment promotion efforts are also being reinforced through economic diplomacy, with Nepali diplomatic missions playing a greater role in investor outreach,

**Sushil Gyewali, CEO, IBN**



**“Projects requiring specialized capabilities are being advanced under the Swiss Challenge approach, while accommodating unsolicited proposals through transparent and competitive processes. This is expected to foster innovation, facilitate technology transfer, and leverage global best practices.”**

facilitation, and trust-building. Complementing this, IBN is advancing the establishment of a single-window service center to streamline investor services.

The Board is further prioritizing digital transformation through paperless systems and automated processes to enhance transparency, efficiency, and speed in decision-making.

Through these reforms, IBN aims to create a more resilient, investor-friendly ecosystem and accelerate the delivery of high-impact infrastructure and development projects in Nepal.

# Investment Board Nepal Signals Strong Investment Momentum

IBN is advancing a dual approach-strengthening institutional capacity while ensuring timely project delivery-recognizing that sustainable development depends on strong systems, long-term strategies, and skilled human resources. Investment is being diversified across priority sectors, including energy, tourism, information technology, agriculture, and industry. The Board is emphasizing that political stability and effective project implementation are key to sustaining investor confidence.

Since its establishment, IBN has approved projects worth NPR 1,716 billion, with an additional pipeline of approximately NPR 2,000 billion, reflecting continued investment momentum in Nepal. IBN is rolling out a clear vision to advance approved projects over the next four to five years, aimed at strengthening confidence and stability for private sector investment, both nationally and internationally.

Flagship projects like Arun III are getting momentum and expected to be commissioned within next two years. As more large-scale infrastructure projects come online, they will increase revenue, energy

**“Sustainable development is not driven by projects alone, but by the strength of institutions, clarity of long-term vision, and the ability to consistently deliver results that build lasting investor confidence and economic stability.”**

production, and local benefits-reinforcing investor trust.

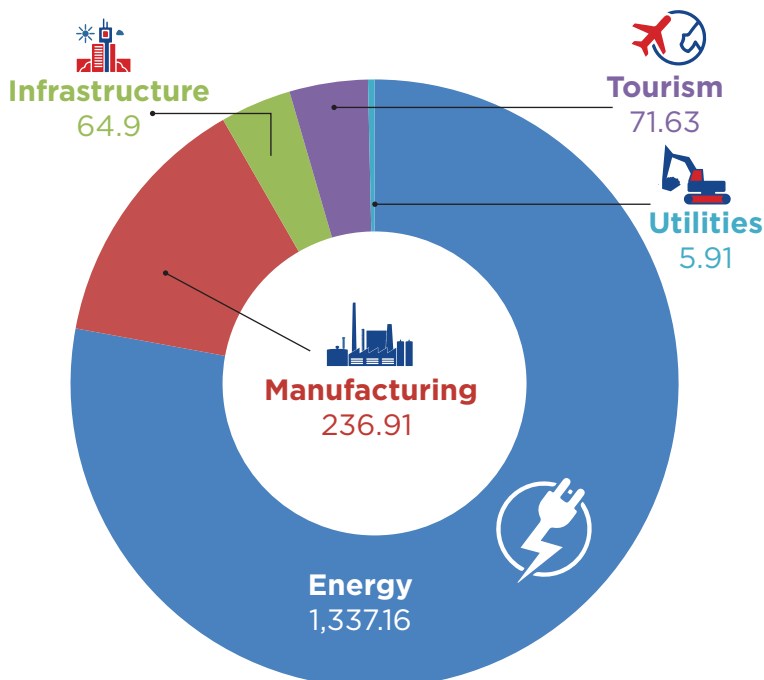
Projects that had been pending for a long time have now been implemented at a rapid pace. The Upper Karnali Hydropower Project, with a capacity of 900 MW, and the Lower Arun Hydropower Project, with a capacity of 669 MW, are now entering the construction phase. The long-awaited Muktinath Cable Car Project, one of the world’s longest cable car systems, has entered the PDA negotiation stage. The chemical fertilizer plant project, with a capacity of about 700,000 MT per year, is now entering the PDA negotiation phase. Agrivoltaics projects (1,000 MW) with battery storage systems and ICT park projects are underway for DFS.

IBN is actively rebuilding confidence among investors. The election and the formation of a new government show strong political stability in Nepal. IBN is preparing to offer a secure, transparent, and investor-friendly environment to accelerate project implementation and attract potential investors.

Nepal’s investment potential remains robust, fueled by natural resources, young manpower, strategic location, and access to regional markets. Realizing this potential requires strong institutions, legal clarity, project readiness, diversified financing, digital governance, and political stability. With continuous reforms, strategic coordination, and firm commitment, Nepal is positioning itself as a premier destination for national and international investment-delivering sustainable growth, returns, and prosperity.

## Approved Investments (Rs. billion)

March, 2026



# The Bankability Blueprint: Catalyzing Private Capital for Nepal's Transformative Infrastructure Development

**Maniram Singh Mahat, Senior PPP Expert**

**Context of Development Aid to Market-Driven Resilience:** In November 2026, Nepal will reach a defining historic milestone i.e. official graduation from Least Developed Country (LDC) status governed by UN General Assembly Resolution 76/8. This transition is more than a diplomatic promotion; it is a departure point of fundamental restructuring of Nepal's economic fundamentals. As preferential trade treatments - such as the "Everything But Arms" (EBA) initiative-and highly concessional financing windows begin to sunset, the trajectory toward a USD 100 billion economy by 2040 must shift from international support to market-based self-reliance.

Actually, this graduation can serve as a powerful "credibility event" for Nepal's economy. It signals to global capital markets that Nepal is transitioning toward the governance and transparency standards of an emerging developing economy. By securing a formal sovereign credit rating and strengthening institutional frameworks, the government is anchoring long-term investor confidence in a stable, and rule-based environment.

**Bridging Infrastructure Financing Gap:** This transition arrives amid a daunting infrastructure financing gap. According to the National Planning Commission (NPC), Nepal faces an average annual financing deficit of Rs. 755 billion (approx. USD 5.7 billion) to meet its 2030 Sustainable Development Goal (SDG) targets. The total investment required between 2024 and 2030 is estimated at Rs. 211.65 trillion (USD 163 billion), with the sharpest deficit in Goal 9 (Industry, Innovation, and Infrastructure).

To bridge this financing gap, the 16th Periodic Plan (2024/25-2028/29) explicitly emphasizes private sector-led growth. The plan mandates that the private sector fulfill 67.2% of the total investment requirement, totaling approximately Rs. 7,516 billion (USD 56.5 billion) over the five-year period. This is no longer about supplementary capital; the private sector is now the primary engine for high-growth sectors. By leveraging Public-Private Partnerships (PPPs), Nepal is transforming these

funding bottlenecks into bankable and "decent" infrastructure opportunities.

## **Expanding the Strategic Horizon:**

The IBN has transitioned from its traditional role of facilitating individual deals to becoming a strategic "market-shaper" for the national economy. Operating under the authority of the Public-Private Partnership and Investment Act (2019), the IBN is actively broadening its project portfolio beyond hydropower. By targeting diverse sectors such as high-tech manufacturing, digital infrastructure, and integrated urban mobility, the Board is strategically aligning its investments to meet the complex demands of Nepal's modernizing economic landscape.

Under Swiss Challenge PPP procurement route, the IBN aims to secure a world-class developer to stabilize the national supply of fertilizer - urea and DAP to establish the decent infrastructure development for Industrial Sovereignty and Food Security. This project is a structural necessity; by producing fertilizer domestically, Nepal can drastically reduce its trade deficit while insulating its 65% agrarian population from the volatility of international commodity markets. It transforms a recurrent fiscal drain into a self-sustaining industrial asset.

## **Enhancing Urban Mobility and Tourism Connectivity:**

Nepal's rugged topography is often viewed as a barrier to economic development however it is a competitive advantage for high-yield and eco-tourism and transit. The IBN is facilitating Cable Car projects and pioneering feasibility studies for Pod-ways. These technologies can provide low-carbon, high-efficiency transport solutions that minimizes the traditional land-acquisition hurdles, simultaneously opening remote, pristine regions for high-end eco-tourism and solving urban congestion.



**Building the Digital Backbone:** To support the “Digital Nepal Framework,” the IBN is curating investments for Integrated ICT Parks and Tier-3 Data Centers. In an era where data is the new oil, Nepal offers a unique value proposition- a naturally cool climate and a surplus of green hydroelectric energy. By lowering the energy and cooling costs -the two largest overheads for data facilities- Nepal is positioned to become a regional data hub for global tech firms, ensuring the digital economy is powered by sustainable and renewable energy.

**Strengthening the Agri-Value Chain through Integrated Cold-Chain & Logistic Hubs:** The transition to a high-income economy requires moving from subsistence to commercial agriculture in Nepal. The IBN has planned to identify strategic locations for bankable projects related to agri-processing facilities and modern cold chains along the potential agri-value corridors in provinces and municipalities. These integrated warehouses can serve as regional hubs, ensuring that high-value Nepali produce -from Himalayan herbs to organic coffee - reaches international markets with minimal post-harvest loss. This industrialization of the value chain is the effective way to meet the 16th Plan’s ambitious export targets.

**Smart Cities and Land Value Capture (LVC):** As urbanization accelerates, the IBN is moving beyond traditional grant and debt-based financing. In doing so, more innovations are needed in the adoption and implementation of Land Value Capture (LVC) tools in emerging towns and cities. By capturing the increase in land value generated by new infrastructure- such as the Outer Ring Road or Satellite Cities- the government can reinvest these gains directly back into the project. This ensures that urban development – by incorporating smart grids, waste-to-energy, and fiber-optics- is fiscally self-sustaining and equitably shared.

**The Resilience-Inclusion Nexus:** In Nepal’s unique geography, bankability is inseparable from climate and social resilience. The IBN need to pioneer Climate-Adjusted Value for Money (VfM) frameworks -integrating Shadow Carbon Pricing and international protocols like PIEVC- to ensure infrastructure is engineered for 100-year survival against seismic and hydrological shocks. This technical rigor transforms environmental vulnerability into a competitive advantage for global “Green Capital,” unlocking

innovative financing from the funds like Green Climate Fund (GCF) and ensuring projects meet the highest international ESG standards.

This resilience finds its practical anchor in the Green, Resilient, and Inclusive Development (GRID) Strategic Action Plan (2024–2034). By mandating local equity shares and community benefit-sharing, the IBN treats stakeholder trust as a core financial mitigant rather than a secondary concern. This human-centric approach effectively lowers the risk of operational disruption and secures a “Social License to Operate” that becomes a project’s strongest asset. When communities and private sectors are integrated as partners, technical durability and social prosperity converge to create a truly bankable asset class for the post-LDC regime.

**Policy Uptakes:** Nepal’s USD 100 billion economy ambition hinges on transitioning the IBN into a high-functioning PPP Center of Excellence. By digitalizing the One-Stop Service Center (OSSC) and securing modern Bilateral Investment Treaties (BITs), Nepal is building a sophisticated legal “shield” to slash the risk premium for global capital.

This requires a decentralized bankability model that empowers sub-national entities through standardized procurement and technical oversight. By integrating industrial zones into regional value chains and trilateral power trades, Nepal is evolving from a land-locked nation into a “land-linked” economic hub. This shift treats the private sector as an equal-footing partner, sharing both risks and rewards in rationale and transparent way to transform economic trajectory into a disciplined market-driven reality.

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# Operationalizing the One-Stop Service Center for Efficient Service Delivery

- Ramkrishna Sapkota, Senior Expert OSSC

## 1. Introduction

Investment promotion policies have evolved significantly over the past three decades. While earlier approaches focused primarily on fiscal incentives and promotional campaigns, modern investment policy emphasizes regulatory efficiency, institutional coordination, and investor facilitation.

Many countries have therefore introduced single-window or one-stop service mechanisms that allow investors to obtain government approvals through a centralized platform. These systems reduce administrative fragmentation, improve transparency, and shorten project implementation timelines. International organizations such as the World Bank, the Organization for Economic Co-operation and Development, and the United Nations Conference on Trade and Development consistently recommend adopting such mechanisms as a core component of modern investment facilitation frameworks.

Nepal has recognized the importance of these reforms. The enactment of the Public-Private Partnership and Investment Act 2019 (PPPIA) represents a major milestone in modernizing the PPP investment framework. The Act provides a comprehensive legal foundation for promoting large-scale investments and infrastructure development through public-private partnerships and foreign investment.

A key mandate of the Act is the establishment of a One-Stop Service Center (OSSC) within the Office of the Investment Board. Section 46 of the Act mandates the creation of this service center to facilitate investors through a unified administrative interface. The provision seeks to address longstanding administrative challenges in the country's investment environment by reducing procedural complexity and improving inter-agency coordination.

## 2. Legal and Institutional Framework

### 2.1 Section 46 of the Public-Private Partnership and Investment Act 2019

Section 46 of the Act provides the statutory foundation for the establishment of the OSSC. The provision



requires the Government of Nepal to establish a service center that enables investors to obtain necessary approvals, permits, and administrative services through

a coordinated institutional mechanism. Agency representatives from 14 agencies, including Ministries, Departments, and Institutions with decision-making authorities, will work for OSSC.

The legislative intent behind this provision is to simplify administrative procedures and reduce the need for investors to interact with multiple government agencies separately. By centralizing regulatory processes within a single institutional platform, the OSSC aims to improve administrative efficiency and enhance investor confidence.

### 2.2 Rule 46 of the PPP and Investment Regulation, 2020

The operational framework for the OSSC is elaborated in Rule 46 of the Public-Private Partnership and Investment Regulation 2020. The regulation defines the institutional responsibilities of all the agencies participating in the OSSC and requires them to provide services through designated representatives.

Under this framework, participating ministries, departments, and regulatory authorities are expected to coordinate with the Investment Board Nepal to deliver services related to investment approvals and project implementation. The regulation also emphasizes the importance of inter-agency coordination and administrative cooperation in ensuring the effective functioning of the OSSC.

## 3. Country's Investment Environment: Current Situation

Nepal possesses significant investment potential in sectors such as hydropower, tourism, agriculture, and

transportation infrastructure. The country's abundant natural resources and strategic location between two large markets, India and China, create opportunities for investment-driven economic growth.

Nevertheless, Nepal's investment climate has historically been constrained by administrative and regulatory challenges. Investors frequently encounter lengthy approval procedures involving multiple government institutions. Processes such as company registration, foreign investment approval, environmental clearance, land acquisition, and immigration permits often require sequential interactions with several ministries and regulatory agencies.

These procedural complexities increase transaction costs and create uncertainty for investors. According to international investment climate assessments, regulatory predictability and administrative efficiency are key determinants of investment decisions.

The OSSC initiative, therefore, represents a strategic policy response to these challenges. By consolidating administrative services within a single institutional/digital platform, the Government of Nepal seeks to improve regulatory efficiency and

reduce bureaucratic obstacles to investment. OSSC Investment Service Lifecycle is given in Table 1.

#### 4. Strategic Development of the OSSC

While the immediate focus is on operationalizing the OSSC, the goal is to transform the center into a comprehensive institution for investment facilitation and PPP infrastructure development.

- One of the priority areas is the development of an integrated digital ecosystem connecting 14 agencies through interoperable systems. Such integration would enable automatic data exchange among government/public institutions and eliminate the need for investors to submit duplicate documentation.
- Another area of priority is to serve as a policy intelligence platform by collecting data on regulatory bottlenecks that investors encounter. This information would provide policymakers with valuable insights for improving the country's regulatory environment.
- An equally important focus of OSSC will be the investor aftercare services. These services involve supporting existing investors in addressing

**Table 1: OSSC Investment Service Lifecycle**

Stage	Investor Activity	OSSC Function	Output
1	Investment Inquiry	Provide information and advisory services	Investor guidance
2	Application Submission	Receive a digital or physical application for the development of PPP /PI infrastructures.	Application registration
3	Document Verification	Review documentation and eligibility	Verification confirmation
4	Inter-Agency Coordination	Make the necessary documents available to the relevant agencies and resolve issues that arise at different stages of the PPP project lifecycle.	Regulatory Assessment and Facilitation
5	Decision Making	Approvals by the Board/responsible authorities	Investment approval, PDA (Concession Agreement), PIA
6	Project Establishment	Facilitate land, utilities, and infrastructure	Project setup
7	Operational Facilitation	Tax, customs, labor, visa, and regulatory support	Continuation of operational confidence
8	Aftercare Support	Assist with expansion, compliance, and repatriation	Implementation facilitation, Investor retention

operational challenges, facilitating expansion projects, and resolving regulatory issues.

- Finally, IBN will focus on strengthening coordination between federal, provincial, and local governments, which will be essential in Nepal's federal system. IBN emphasizes effective facilitation and collaboration across all levels of government responsible for land administration, infrastructure services, and regulatory approvals needed for PPP infrastructure development.

## 5. Immediate Actions for Operationalizing the OSSC

The successful implementation of the OSSC requires immediate policy measures to translate the legal mandate of the PPPA into practical administrative improvements.

- First, an OSSC Operational Directives is developed that includes a comprehensive service catalogue, which is being prepared to identify all regulatory approvals required for investment projects. These services include foreign investment approvals, company incorporation, tax registration, industry registration, environmental clearances, work permits and visas, and infrastructure connections.
- Second, more than 125 services are identified for the OSSC, and it is proposed that the 14 participating agencies adopt Service Level Agreements (SLAs) with the Investment Board that specify processing timelines and service standards. SLAs are widely used in investment facilitation systems to introduce accountability and ensure predictable administrative performance.
- Third, IBN is working on establishing a digital OSSC service platform soon, enabling investors to submit applications electronically and track approval processes in real time. Digitalization is widely recognized as an essential component of modern public administration and significantly reduces administrative delays.
- Fourth, representatives of participating agencies must be granted sufficient delegated authority to process and approve applications within the OSSC digital platform. Without such authority, the OSSC may function merely as an administrative liaison rather than a genuine single-window service system.

**“The One-Stop Service Center (OSSC) is intended to provide a single institutional interface for investors to obtain all regulatory approvals and facilitation services.”**

## 6. Comparative Practices in South Asia

South Asian countries have increasingly adopted one-stop investment facilitation systems as part of broader economic reform strategies. India, as an example, has implemented digital single-window clearance systems (NSWS) in several states, integrating approvals from multiple government departments into centralized online platforms. These systems allow investors to submit applications electronically and track approval timelines through automated workflows. Likewise, Bangladesh has established a national One-Stop Service Portal operated by the Bangladesh Investment Development Authority (BIDA), which integrates services such as company registration, tax administration, and environmental approvals. Similarly, Sri Lanka's Board of Investment (BOI) provides centralized investment facilitation services, including project approval, regulatory coordination, and investor support through a unified institutional framework.

## 7. Conclusion

Efficient investment facilitation has become a critical determinant of national competitiveness in the global economy. Governments across the region have increasingly recognized that simplifying regulatory procedures and ensuring coordinated public administration are essential to attracting and retaining investment. Nepal has taken an important legislative step in this direction by establishing a One-Stop Service Center (OSSC) under Section 46 of the Public-Private Partnership and Investment Act 2019 (PPPIA) and Rule 46 of the Public-Private Partnership and Investment Regulation 2020 (PPPIR). The OSSC is intended to provide investors and developers with a single institutional interface for obtaining regulatory approvals, permits, and facilitation services necessary for PPP project development and implementation.

# IBN Delegation Engages with Koshi Province to Boost Investment Promotion



**Biratnagar:** A delegation from the Investment Board Nepal (IBN), led by Dr. Youb Raj Paudyal, Senior Divisional Engineer, and including Mani Ram Mahat, Senior PPP Expert, and Mukta Pandey, Investment Promotion and Facilitation Expert, participated in an interaction program organized by the Office of the Chief Minister and Council of Ministers, Koshi Province, in the esteemed presence of Chief Minister Hikmat Kumar Karki. The program reviewed outcomes of the Koshi Province Investment Summit (1-2 May 2025) and focused on enhancing investment promotion efforts. The IBN team delivered a comprehensive presentation on public-private partnership (PPP) mechanisms and investment opportunities in Nepal, followed by an interactive Q&A session with investors. The event was attended by Provincial Ministers, Vice Chairman and members of the Provincial Planning



Commission, CEO of the Provincial Investment Authority, officials from provincial ministries, mayors and chairpersons of municipalities, private sector organizations, investors, experts, academicians, and media representatives.

## IBN Holds Meeting with Koshi Province Chief Secretary

**Kathmandu,** 11 February 2026 – Investment Board Nepal (IBN) representatives held a meeting with Rajendra Kumar Poudel, Chief Secretary of the Office of the Chief Minister and Council of Ministers, Koshi Province, to discuss ongoing initiatives and strengthen coordination on investment promotion and public-private partnership projects.



# President Paudel urges Japanese business community to invest in Nepal



**Kathmandu:** President Ramchandra Paudel has called on the Japanese business community to explore investment opportunities in Nepal, reaffirming the Government of Nepal's commitment to ensuring full support, policy stability, and investment security for foreign investors according to the President's Secretariat.

Addressing an interactive program in Tokyo marking the 70th anniversary of diplomatic relations between Nepal and Japan on 2 February 2026, the President emphasized Nepal's readiness to deepen economic engagement with Japan's private sector. "We have created an enabling investment climate with attractive returns, simplified repatriation procedures, and a firm commitment to safeguarding investments," the President said.

Highlighting Nepal's liberal investment regime, he noted that nearly all sectors—including hydropower, manufacturing, tourism, information technology, agriculture, and infrastructure—are open to foreign investment, supported by ongoing legal and institutional reforms. He also underscored the role of Investment Board Nepal in providing one-window facilitation services to large-scale investors.

Marking the historic milestone of 70 years of Nepal-Japan relations, President Paudel described the bilateral partnership as exemplary, built on goodwill, trust, and people-to-people ties. He stressed that

the anniversary presents a timely opportunity to expand collaboration in areas of mutual interest.

Referring to shared cultural values, he invoked the philosophy of Gautam Buddha, stating, "The victory of peace is one in which nobody loses," and highlighted the potential for investments that generate both economic returns and broader social value. The President invited Japanese investors to confidently engage in Nepal's priority sectors, particularly agriculture, water resources, and tourism, noting that such partnerships would deliver mutual benefits.

He further emphasized Nepal's strategic location between two major economies—India and China—as a unique advantage for investors, alongside improving macroeconomic indicators and a reform-oriented policy environment. He also noted Nepal's upcoming graduation from Least Developed Country (LDC) status and its ambition to achieve middle-income status by 2030.

Reiterating the importance of public-private collaboration and international partnerships, President Paudel highlighted Japan's longstanding role as a trusted development partner in Nepal's socio-economic transformation. He concluded by expressing confidence that stronger engagement from the Japanese private sector would further enhance bilateral trade, investment, and economic cooperation.

# IBN and CNI Chart Path to Nepal's \$100 Billion Economy

**Kathmandu :** On 12 March 2026, Investment Board Nepal (IBN) and the Confederation of Nepalese Industries (CNI) held a discussion on a study examining strategies to achieve Nepal's \$100 billion economy target.

IBN Chief Executive Officer Sushil Gyewali emphasized the importance of considering resources, institutional structures, political party manifestos, sectoral capacities, and the international environment in pursuing this goal.

CNI President Birendra Raj Pandey noted that the study will provide valuable guidance for the country's economic planning, while Executive Director Dr. Ghanshyam Ojha expressed confidence that Nepal



can implement the report's recommendations, as they closely align with the goals outlined in political party agendas.

## Investment Board Nepal Advances Digitization of One-Stop Service Center

**Kathmandu:** As part of efforts to operationalize the One-Stop Service Center, the Investment Board Nepal (IBN) held a series of consultations with officials from 14 government agencies on its digitization.

IBN was represented by experts including Ram Krishna Sapkota and Pradeep Acharya, while officials and IT personnel from the respective ministries actively participated. The discussions involved representatives from the Ministry of Land Management, Cooperatives and Poverty Alleviation; Ministry of Physical Infrastructure and Transport; Ministry of Forests and Environment; Nepal Rastra Bank; Department of Immigration; Inland Revenue Department; Department of Industries; Department of Mines and Geology; Customs Department; Department of Labor and Occupational Safety; Department of



Electricity Development; Office of the Registrar of Companies; Nepal Telecommunications Authority; and Nepal Electricity Authority.

According to IBN expert Ram Krishna Sapkota, the consultations were highly productive and are expected to accelerate the early launch of the One-Stop Service Center, facilitating streamlined services and improved efficiency for investors.

# NRNA's Commitment to Encourage More Investment in Nepal



**Kathmandu:** The 12th World Conference and International General Assembly, organized by the Non-Resident Nepalese Association (NRNA) in Kathmandu from March 14-16, 2026, under the slogan "Our Unity, Base for Prosperity," has been successfully concluded.

The conference urged the association to create a simple, easy, and conducive environment for Non-Resident Nepalese (NRNs) investment in Nepal and to implement necessary legal reforms. It expressed its commitment to encouraging NRNs investment in building a prosperous Nepal, which will help create employment, promote entrepreneurship, support physical infrastructure development, and raise the living standards of Nepalis. Similarly, to increase the participation of NRNs, the conference called for the establishment of a separate body to manage investments in movable and immovable property, securities investments, the opening of bank accounts for investment, investment approval processes, and repatriation.

The conference also sincerely requested the Government of Nepal to amend the NRN Act, Citizenship Act, Income Tax Act, Foreign Investment and Technology Transfer Act, and Land Revenue Act and related regulations to facilitate these activities. It further urged that the limit of securities issued by the NRN Nepal Development

Fund-established through joint investment by the Government of Nepal and non-resident Nepalis be maintained at 85% without delay.

In addition, the conference called on the concerned authorities to amend relevant laws as soon as possible to ensure the effective implementation of non-resident Nepali citizenship, enabling the economic, social, and cultural rights guaranteed by the Constitution of Nepal to be fully realized. The conference also expressed its commitment to initiating policy reforms and strengthening cooperation with relevant countries, international organizations, and the Government of Nepal to ensure the safety, rights, and dignified employment of Nepali workers abroad.

Furthermore, it reaffirmed its commitment to contributing to Nepal's development through the exchange of knowledge, technology, and innovation in collaboration with Nepali experts, scientists, and researchers around the world. The conference emphasized encouraging non-resident Nepali investment in hydropower, agriculture, tourism, information technology, and innovative industries, and pledged to work with the Government of Nepal to create an investment-friendly environment. The conference also expressed its commitment to cooperating with the new government, while expecting continued collaboration.

# LBSP Inclusive Infrastructure Development in Nepal

**Janardan Nepal, Safeguards and Community Engagement Specialist**

Nepal is progressing towards the development arena in multi facet transformation driven by investment in infrastructure, manufacturing, service, agriculture and tourism sectors. IBN is playing key role to facilitate the investors through the one window service provider for robust investment channelizing in Nepal. IBN has identified the five investment sectors which includes Economic, Social, Infrastructure, Good Governance and cross cutting sectors.

The Economic Sector includes agriculture, irrigation, industry, tourism, and mines and minerals, focusing on productivity, employment, and economic growth. The Social Sector covers health, education, and water supply and sanitation, aiming to enhance human development and quality of life. The Infrastructure Sector comprises energy, transportation, urban development, and ICT, supporting connectivity, service delivery, and overall development. The Good Governance, and Cross-Cutting Sector ensures transparency, accountability, inclusion, and integration of themes such as gender, environment, and social equity across all sectors likes emerging green infrastructure such as green hydrogen projects.

Local Benefit Sharing Plan (LBSP) emphasized by the IBN by the aims to ensure the local communities benefit inline with the project viability assessment.



LBSP promotes inclusive, equitable, and sustainable development of the investment project in terms of equitable sharing of socio-economic benefits of the project and vice versa.

Nepal's policy and legal framework provide a strong foundation for implementing benefit-sharing mechanisms. The Public Private Partnership and Investment Act 2019 empower the Investment Board Nepal to facilitate large-scale projects through Project Development Agreements, where benefit-sharing provisions can be formally incorporated. Similarly, the Public Private Partnership Regulation 2020 mandates stakeholder consultation and promotes local participation in project benefits.

A Plan is a project-specific and legally guided mechanism that defines how benefits generated from investment projects are distributed among Project-Affected Persons (PAPs), local governments, and nearby communities. Unlike traditional approaches that focus only on compensation or corporate social responsibility, the plan embeds long-term socio-economic benefits ensuring the local communities are not passive observers but active beneficiaries of development

An effective LBSP integrates multiple dimensions of local development promoting employment generation and skill development opportunities for local populations, enabling them to participate directly in project activities. It supports the development of local infrastructure such as roads, schools, and healthcare facilities, improving overall living standards. It also helps to revenue and equity sharing mechanisms, such as local share allocations and royalties, ensuring financial inclusion. Furthermore, LBSP enhances access to essential services like electricity, water, and communication, while encouraging the growth of local enterprises and supply chains. Social development initiatives,

**“Local Benefit Sharing Plans are no longer optional; they are a strategic necessity for ensuring that infrastructure development in Nepal is inclusive, equitable, and sustainable.”**

particularly in education, health, and livelihoods, are also central to its framework.

The relevance of LBSP has become even more pronounced in Public-Private Partnerships (PPP) investment modality. Large-scale projects social acceptance and community support are critical for timely implementation. Without visible and equitable benefits, local resistance can arise, leading to delays and increased project risks. The plan addresses these challenges by ensuring early engagement with communities and establishing clear, transparent benefit-sharing mechanisms.

LBSP helps to mitigate challenges to land acquisition and compensation disputes. It fosters trust among government, developers and communities, facilitating smoother project execution.

Moreover, large projects such as the Arun-3 Hydropower Project demonstrate how strategic investments can act as catalysts for local economic transformation. Project contribute to employment generation, support the growth of small and medium enterprises, and strengthen local market systems.

The Investment Board Nepal plays a central role in operationalizing LBSP in large-scale projects. It

integrates LBSP provisions into Project Development Agreements, facilitates coordination among developers, local governments, and communities, ensures compliance with safeguard standards, and monitors implementation while addressing stakeholder concerns.

Looking ahead, there is a growing need to institutionalize LBSP across all major infrastructure and investment projects in Nepal. This includes making plan a mandatory requirement for all projects facilitated by the Investment Board Nepal, developing standardized national guidelines, and allocating a fixed percentage of project costs for local benefit programs. Strengthening monitoring and evaluation systems, along with effective grievance redress mechanisms, will also be crucial for local benefit sharing process.

In conclusion, Local Benefit Sharing Plans are no longer optional; they are a strategic necessity for ensuring that infrastructure development in Nepal is inclusive, equitable, and sustainable, to align national economic ambitions with local aspirations. The experience of the Arun-3 Hydropower Project clearly demonstrates that when local communities benefit meaningfully, projects gain long-term acceptance, stability, and success.

## IBN CEO Highlights Nepal's Digital Economy Potential at Nepal-India Tech Forum 2026

**Kathmandu:** On 27 February 2026, Investment Board Nepal (IBN) Chief Executive Officer Sushil Gyewali addressed the Nepal-India Tech Forum 2026 held at New Delhi, India virtually from India, emphasizing the importance of strategic investment to unlock Nepal's digital economy potential.

CEO Gyewali highlighted that Nepal is ready for the digital economy, with legal, policy, and institutional frameworks in place, including the Digital Nepal Framework. He noted that planned and long-term investments are crucial to realizing the country's opportunities in sectors such as data centers, IT parks, and emerging technologies, including artificial intelligence. Factors such as affordable energy, technology-friendly youth, and natural cooling systems in high-hill and mountainous regions make Nepal an attractive investment destination.



He further stressed the need for systematic collaboration between the governments of Nepal and India, as well as the private sector, to maximize benefits and boost investment in the digital and IT sectors. The forum was attended by Additional Secretary of the Ministry of External Affairs of India, Munu Mahawar; Nepal's Ambassador to India, Dr. Shankar Sharma; former Indian Ambassador to Nepal, Manjeev Singh Puri; and experts from various sectors.

# IBN Activites

Kathmandu, 6 February 2026 – PwC Executive Director Sashi Mukund and his team met with Investment Board Nepal (IBN) CEO Sushil Gyewali to discuss the digitalization of the One-Stop Service Center. The initiative is supported by the FCDO-funded Green Growth Nepal program and aims to streamline investment facilitation through enhanced digital services.



Kathmandu, 9 February 2026 – A discussion program on the Draft Swiss Challenge Guidelines was held, with Investment Board Nepal (IBN) CEO Sushil Gyewali, Joint Secretary Sunita Nepal, Under Secretary Manoj Regmi, and other experts providing recommendations to make the guidelines more comprehensive and effective for private sector investment facilitation.

On 15 March 2026, Investment Board Nepal (IBN) Chief Executive Officer Sushil Gyewali, along with Dr. Janak Bahadur Chand, CEO of Dhaubadi Iron Company Limited, and other experts, held a discussion on iron mining prospects in Nepal.



Koshi Province, 12 February 2026 – Investment Board Nepal (IBN) held a meeting with Tara Nath Niraula, Vice Chairman of the Provincial Planning Commission, Government of Koshi Province, to discuss the development of a Public-Private Partnership (PPP) project pipeline at local and provincial levels. The discussion also focused on preparing an integrated master plan for water drainage and canal systems, including sewage management, and ensuring its alignment with the broader urban development framework of Biratnagar City.

Kathmandu, 13 February 2026 – Investment Board Nepal (IBN) CEO Sushil Gyewali held a meeting with sector experts to discuss progress, planning, and technical considerations for the Arun III Hydropower Project, reinforcing IBN’s commitment to advancing large-scale energy infrastructure in Nepal.



A high-level meeting was held at the Investment Board Nepal (IBN) office on 16 February 2026 to discuss the Detailed Project Report (DPR) appraisal and negotiation response for the Muktinath Cable Car Project. Experts Janarjan Nepal, Nawaraj Koirala, Shyam Shrestha, Dron Pun, and Nirab Gyawali examined the project, identified key gaps, and proposed actionable solutions. IBN Chief Executive Officer Sushil Gyewali emphasized the need for a concrete action plan to address the project’s challenges and ensure timely and effective implementation.

On 18 February 2026, Investment Board Nepal (IBN) Chief Executive Officer Sushil Gyewali met with Mahesh Kharel, Mayor of Panchkhal Metropolitan City, to discuss the development and investment prospects of the Panchkhal Special Economic Zone (SEZ). The visit also included a field observation of the SEZ, attended by IBN officials, Mayor Kharel, and sector experts, to assess progress and identify opportunities for accelerated development.



On 22 February 2026, a meeting was held at Investment Board Nepal (IBN) to review the implementation of its annual programs and action plans. Joint Secretary Hemraj Tamang urged experts and staff to prepare clear, actionable plans and ensure effective execution to achieve tangible outcomes from the initiatives.

# IBN Reviews Proposed Procedure for Expert Services



**Kathmandu :** On 13 March 2026, Investment Board Nepal (IBN) held a discussion on the proposed Procedure for the Formation of Expert Committees or Task Forces and the Appointment, Remuneration, and Facilities of Experts, 2082 BS. Experts Baikuntha Aryal and Krishna Gyawali presented the framework, which aims to ensure a transparent, fair, and objective process for identifying, selecting, and implementing infrastructure development projects.

The proposed procedure emphasizes streamlining the formation of expert committees or task forces and maintaining uniformity in determining their remuneration and facilities. It also allows for expert engagement in analyzing project prioritization under the public-private partnership (PPP) model, reviewing private sector proposals, evaluating letters of intent, and assisting in the preparation of related project documents.

## 'Economic Diplomacy Important for Investment Growth'

**Kathmandu:** Sushil Gyewali, CEO of the Investment Board Nepal, said that economic diplomacy will increase confidence and help boost investment in Nepal. He also emphasized that balance and coordination at the international level are necessary to create a favorable environment for investment. At an orientation program organized by the Institute of Foreign Affairs, Chief Executive Officer Gyewali stated

that it is necessary to make the Board independent in terms of financial, legal, and human resources.

At the program, experts Bhojraj Poudel and Nirab Gyawali, along with IBN officer Pradeep Bhattarai, shared information and insights on economic diplomacy, legal aspects, and the status and opportunities for investment in Nepal.



GOVERNMENT OF NEPAL  
INVESTMENT BOARD NEPAL



### Investment Board Nepal (IBN)

Office of the Investment Board Nepal (OIBN)

Kathmandu, Nepal

+977-1-4575293

info@ibn.gov.np

www.ibn.gov.np

