

MAY-JUNE 2023

IBN DISPATCH

YEAR: 7 | ISSUE: 03 | VOLUME 61 |



GOVERNMENT OF NEPAL
INVESTMENT BOARD NEPAL



4

54TH BOARD MEETING MAKES CRUCIAL DECISIONS

3

IBN, SLAPDC SIGN PDA OF 669 MW LOWER ARUN HEP



9

ENHANCING INVESTMENT RELATIONS IN BIMSTEC REGION DISCUSSED

14

NEPAL INVESTMENT SEMINAR IN JAPAN

17

NHPC SUBMITS INCEPTION REPORT OF SR-6 HEP

6

BUDGET PRIORITISES ATTRACTING INVESTMENT

12

INT'L CONFERENCE ON FINANCING FOR NEPAL CONCLUDES ON HIGH NOTE

KEY FEATURES OF 669 MW LOWER ARUN HEP AND PROJECT DEVELOPMENT AGREEMENT (PDA)

Lower Arun Hydroelectric Project (Tandem operation via tapping augmented water of Arun-3 Hydroelectric Project flowing through tailrace tunnel)

Project Location



Sankhuwasabha District



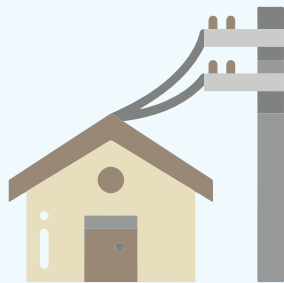
Headrace tunnel



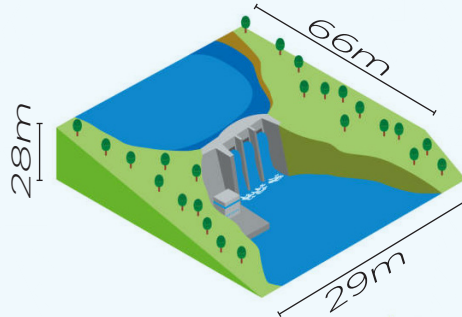
per unit Capacity
167.25 MW
Turbine

212.68 m³/sec
Design head

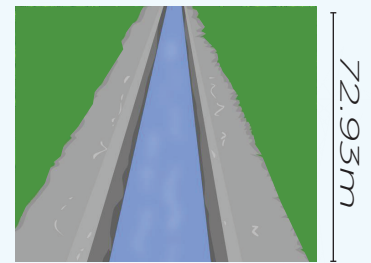
2901.02 GWH
Annual energy



Power House



Head Pond



Tailrace tunnel

2 km Loop in Loop out transmission line of 400 kV to be built to connect Arun-3 transmission line

The 53rd Board meeting of the Investment Board Nepal held on April 13, 2023, has approved foreign investment worth NPR 92.68 billion

Developer : SJVN Lower Arun Power Development Company Pvt. Ltd.

KEY FEATURES OF THE PDA



21%

Free energy to the Government of Nepal

30 unit per month

Free energy to project affected households

USD 11,500 from the Commercial Operation Date

Facilitation fees to the Investment Board

USD 28,800 per month during operation period

Environment and forest fees (Provision of Forests Regulations 2022)

NPR 400 per kw per year for first 15 years of the Commercial Operation Date (COD) and NPR 1,800 per kw per year for next 15 to 25 years

Capacity royalty

For first 15 years - 7.5% of per kwh per year energy sale and 12% of per kwh per year energy sale for rest of the period (15-25 years)

Energy royalty



25.1%

of the equity (10% to project affected and 15.1% to public)

Local share

IBN, SLAPDC ink PDA of Lower Arun Hydroelectric Project



KATHMANDU: The Project Development Agreement (PDA) of 669 MW Lower Arun Hydroelectric Project was signed between the Investment Board Nepal and SJVN Lower Arun Power Development Company (SLAPDC) in New Delhi, India, on June 1, 2023.

Mr. Sushil Bhatta, CEO of Investment Board Nepal (IBN), and Mr. Nand Lal Sharma, Chairman and Managing Director (CMD) of SJVN Ltd., India – principal sponsor of SLAPDC – exchanged the PDA of Lower Arun HEP in the presence of the Prime Ministers of both Nepal and India amidst a function organised at Hyderabad House during the visit of Right Hon'ble Prime Minister, Mr. Pushpa Kamal Dahal 'Prachanda', to India.

The Lower Arun Hydroelectric Project will have tandem operation with the 900 MW Arun-3 Hydroelectric Project under implementation and has achieved almost 65.1% and 15.04% progress towards generation and transmission works, respectively. SJVN Ltd. is also the principal sponsor of the joint venture company that is developing the Arun-3 HEP.

SJVN Ltd. was selected through a competitive process among the three shortlisted firms that had lodged an interest to develop the Lower Arun Hydroelectric Project. The Investment Board Nepal had issued the Letter of Intent (LoI) for development of Lower Arun HEP during the Nepal Investment Summit held on March 29-30, 2019, in Kathmandu.

The 53rd Board meeting of Investment Board Nepal had approved investment worth NPR 92.68 billion and formed a negotiation committee convened by the CEO of IBN to prepare the PDA of consensus through negotiations with the developer. The PDA of Lower Arun HEP is a mirror of the 900 MW Arun-3 HEP's Project Development Agreement as the Board had instructed to prepare the PDA based on Arun-3 HEP and the successive Board meeting held on May 28 this year endorsed the PDA and decided to submit it to the Cabinet for its nod to sign the PDA.

[▶ continued to page 4 ...](#)

⏪ ... continued from page 3

Obligations of the government	Obligations of the developer
To approve the Supplementary Environmental Impact Assessment (EIA)	To conclude financial closure within two years
To issue project licence and transmission licence	To prepare and comply with EIA/BES in accordance with prevailing laws of Nepal and IFC Performance Standards or ADB Safeguard Policy
To facilitate land acquisition	To spend 0.5% of project cost in the affected community as per the Local Development Plan
To facilitate visa for foreign workers	To develop and implement plans that maximise benefits to Nepal, including (a) Nepal Industrial Benefits, (b) Nepal Employment and Skills Training, (c) Resettlement and Rehabilitation, (d) Disaster Management, (e) Occupational Health and Safety, and (f) Environment Management Plan
To facilitate the import, transport, storage and use of explosives	To assure insurance of the project and workforce
To ensure foreign exchange facility	To supply free energy of up to 30 units per month to highly affected households of the project area
Upgradation of the access road to the project and grant permission for the construction of new road	Issue shares to affected people and public, provide performance security and pay royalties, negotiation, and facilitation fees and free energy to the Government of Nepal on time
If the Government of Nepal requires to use the road as a strategic public road, the company shall be reimbursed against the land acquired by it	To abide by the existing laws of Nepal
To arrange peace and security	To share benefit of reducing greenhouse gases (GHG)
To establish direct agreement with the lender of the developer company as guarantor	To hand over project in operational condition after end of concession

IBN BOARD MEETING

54th Board meeting approves PDA of Lower Arun, notes status of Tamor Storage HEP

KATHMANDU: The 54th Board meeting of the Investment Board chaired by Right Hon'ble Prime Minister Pushpa Kamal Dahal held on May 28, 2023, has approved the Project Development Agreement (PDA) of Lower Arun Hydroelectric Project and decided to seek the Cabinet's endorsement to move ahead for sealing the pact with the developer company.

The PDA Negotiation Team (PDANT) convened by CEO of the Investment Board Nepal, Mr. Sushil Bhatta, comprised of Joint Secretaries from the Office of the Prime Minister and Council of Ministers;

Ministry of Finance; Ministry of Law, Justice and Parliamentary Affairs; Ministry of Energy, Water Resources and Irrigation; Office of the Investment Board Nepal (OIBN) and Deputy Managing Director of Nepal Electricity Authority as members and Under Secretary of the OIBN as member secretary. The team had concluded the PDA via negotiations with the developer as per the decision of the 53rd Board meeting and submitted the document of consensus during the 54th Board meeting.

Mr. Sushil Bhatta, CEO of Investment Board Nepal, had made a comprehensive presentation at the Board meeting.



The Board meeting also noted the status of the 762 MW Tamor Storage Hydroelectric Project to find a way out to take the project forward. The proposal submitted by Power Construction Corporation of China Ltd. (PCCCL) and Hydroelectric Investment and Development Company Ltd. (HIDCL) was selected from among the proposals submitted by the companies that had taken part during the Request for Proposal (RfP) sought by the Investment Board Nepal to develop the project during Nepal Investment Summit of 2019. The Memorandum of Understanding (MoU) was signed with PCCL and HIDCL on January 19, 2020, however, the proponent failed to apply for the Survey Licence within the stipulated period though the PCCL and HIDCL had pledged to move ahead by forming a joint venture company. Mr. Arjun Kumar Gautam, CEO of the government-owned HIDCL, has informed the Board that they couldn't form a joint venture company due to the reluctance of their partner, PCCL.

The Board meeting decided to correspond with PCCL for the last time and provide a 30-day deadline to abide by the MoU signed with the Investment Board Nepal.



Delivering his concluding remarks, Rt. Hon'ble Prime Minister appreciated the role played by the PDANT team and others involved directly and indirectly to promote national interests while developing the PDA document of negotiations and instructed all concerned to promote national interests while dealing with such projects in the future.

Hon'ble Minister of Finance and Vice-Chairperson of IBN, Dr. Prakash Sharan Mahat; Hon'ble Minister of Energy, Water Resources and Irrigation, Mr. Shakti Bahadur Basnet; Hon'ble Minister of Industry, Commerce and Supplies, Mr. Ramesh Rijal; Hon'ble Minister of Forests and Environment, Dr. Birendra Mahato; Hon'ble Vice-Chairperson of National Planning Commission, Mr. Min Bahadur Shrestha; Chief Secretary of the Government of Nepal, Mr. Shanker Das Bairagi; Governor of Nepal Rastra Bank, Mr. Maha Prasad Adhikari; other high-ranking officials, expert members and private sector representatives Mrs. Bhawani Rana, Mr. Hari Bhakta Sharma and Mr. Rajesh Kazi Shrestha were present at the Board meeting.



Budget for fiscal 2023/24 focuses on attracting private investment including FDI



KATHMANDU: Hon'ble Finance Minister, Dr. Prakash Sharan Mahat, has unveiled the Fiscal Budget for 2023/24 focusing on attracting private investment including Foreign Direct Investment (FDI) to accelerate growth and create employment. The budget has announced multiple programmes to be executed through the Investment Board Nepal including the Project Development Agreement of two mega hydroelectric projects, namely 750 MW West Seti and 450 MW SR-6 Hydroelectric Projects. The budget also announced to convene the Nepal Investment Summit in FY 2023/24.

The fiscal budget has underscored the need to mobilise domestic and foreign investment (capital and technology) by developing an investment-friendly environment considering the sluggish growth of the private sector investment in the economy. Reform of sectoral policies and processes to boost investor confidence has been given due priority. The fiscal budget has announced flexible legal arrangements for Environmental Impact Assessment (EIA) and land acquisition including land leasing and land ceiling to expedite the execution of infrastructure projects, industries and other related activities.

The budget has announced that the execution of robust transmission networks in different corridors including Bheri, West Seti and Arun corridors and new cross-border transmission lines of 400 kV, namely New Butwal-Gorakhpur, Inaruwa-Purniya and Dodhara-Bareli, will begin in fiscal year 2023-24.

The fiscal budget also announced it will provide stable policy and legal regime for foreign investment and simplify investment approval by providing an automatic route. It has envisioned

enhancing economic diplomacy to mobilise foreign investment, facilitate trade, promote tourism, mobilise foreign aid and for technology transfer, among others. It has further stated that the threshold for different sectors will be reviewed. On top of that, the fiscal budget has scrapped fees and charges for registration of a new company and also renewal. Moreover, a company can be opened at a low capital base of merely NPR 100 as authorised capital.

The budget entails the provision of viability gap funding to attract the private sector in national priority infrastructure projects including legal arrangement to set up an 'Infrastructure Fund'. Mega infrastructure projects shall be executed under the hybrid annuity model under the Public-Private-Partnership.

The fiscal budget has announced to determine the investment modality to take forward the Nijgadh International Airport and promote private sector investment to develop cable car projects at Khaptad and other destinations of touristic attraction as well as charging stations for electric vehicles to enhance clean transportation in the country.

OIBN, Royal Embassy of Saudi Arabia agree to jointly convene investment promotion event



KATHMANDU: The Governments of Nepal and the Kingdom of Saudi Arabia have held discussions on multifaceted cooperation between the two nations.

His Excellency Ambassador of the Kingdom of Saudi Arabia to Nepal, Mr. Saad Abuhaimed, paid a courtesy call on Mr. Sushil Bhatta, Chief Executive Officer of the Investment Board Nepal, on June 19 and held talks on the investment opportunities between Nepal and the Kingdom of Saudi Arabia.

“We are committed to intensifying the investment relations with Nepal by expanding our cooperation in multiple sectors beyond the labour relations,” said H.E. Ambassador, adding, “We can arrange joint investment promotion events, and B2B meetings to attract Saudi Arabian companies in Nepal.”

IBN CEO, Mr. Sushil Bhatta, mentioned that Nepal can offer various investment opportunities to Saudi Arabian investors in multiple sectors. He urged the Saudi Arabian Ambassador to begin the groundwork to sign a Memorandum of Understanding

(MoU)/Memorandum of Agreement (MoA) during the upcoming Nepal Investment Summit.

As announced by the fiscal budget 2023-24, the Investment Board Nepal is going to convene the Nepal Investment Summit in the immediate future as its flagship event to promote Nepal as an attractive investment destination. Potential investors from different regions are expected to participate in the flagship event.



Workshop on Project Life-Cycle Costing Analysis conducted for PPP professionals

KATHMANDU: A two-day workshop on Project Life-Cycle Cost Analysis (LCCA) - Phase II, for PPP (Public-Private-Partnership) professionals was jointly organised by the Office of the Investment Board Nepal and Commercial Law Development Programme (CLDP) under the US Department of Commerce. The workshop was held in Kathmandu on June 21-22.

While addressing the workshop, IBN CEO, Mr. Sushil Bhatta, stressed that capital spending only was not enough for projects and that LCCA too is a critical aspect of any project as it provides a holistic perspective on the lifecycle of the projects that need to be dealt with by the concerned PPP agency.

The workshop was organised with an objective to enable PPP professionals to leverage the benefit by better designing the concession agreements which analyse the life-cycle cost of projects in a better way.



The case studies of Solar Farm, Industrial Park and e-BRT (Electric Bus Rapid Transit) were presented at the workshop. Government officials and consultants at the Office of the Investment Board Nepal participated in the workshop. The first phase of the LCCA workshop was held on March 23-34 this year.



IBN CEO Receives U.S. government officials



KATHMANDU: Ms. Mehnaz Ansari, Senior Regional Representative - South Asia (Indo-Pacific Region) from the U.S. Trade and Development Agency (USTDA) and Ms. Shanon Sheffield, Programme Advisor for Global Procurement Initiative (Indo-Pacific Region) paid a courtesy call on IBN CEO Mr. Sushil Bhatta at the Office of the Investment Board on May 17.

During the meeting, IBN CEO Mr. Bhatta recalled the interaction on life-cycle costing in Public-Private-Partnership (PPP) projects with USTDA in November last year in the U.S. capital, Washington, D.C. amidst

the PPP consultation programme hosted by the Commercial Law Development Programme (CLDP). The meeting focused on the capacity enhancement of the institution considering the fact that the IBN has to take a big push to move PPP projects forward.

The USTDA connects America's private sector to priority infrastructure projects in developing and middle-income countries including emerging economies. It links U.S. businesses to export opportunities by funding project preparation and partnership building activities that develop sustainable infrastructure and foster economic growth in partner countries. Likewise, USTDA's Global Procurement Initiative (GPI) trains public officials in emerging markets on how to establish procurement practices and policies that integrate life-cycle cost analysis and best value determination in a fair and transparent manner. GPI helps countries acquire high-quality, long-lasting technologies, while building smart, sustainable infrastructure with overall savings to their government.

IBN CEO invites investors to invest in Nepal during BIMSTEC Business Conclave

KATHMANDU: To strengthen investment relations with member nations of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the Ministry of Industry, Commerce and Supplies (MoICS), the Office of the Investment Board Nepal and private sector representatives have participated in the BIMSTEC Business Conclave organised by the Indian Chamber of Commerce on June 13-15 in Kolkata, India.

Hon'ble Minister for Industry, Commerce and Supplies and member of the Investment Board Nepal, Mr. Ramesh Rijal has graced the inaugural session of the conclave. Addressing the conclave, Hon'ble Minister Rijal has underlined Nepal's significance as a location with enormous possibilities along with rise of two neighbouring giants— India and China.



IBN CEO Mr. Bhatta was a panelist of the session titled 'BIMSTEC Investment Forum: Challenges and Opportunities'. IBN CEO, Mr. Bhatta, laid emphasis on leveraging investment relations within the BIMSTEC region and underlined the possibility of BIMSTEC becoming a vibrant bridge between East Asian and South Asian nations. He highlighted the lucrative sectors for investment in Nepal that carry the potential to propel regional growth. In addition, he spoke about the demonstrative effects in harnessing clean and renewable energy, an area of tremendous potential in the country, which have been developed by leveraging PPP financing from the national PPP agency and investment promotion nodal agency, i.e., Investment Board Nepal.

He further laid emphasis on the robust infrastructure to lower the cost of trade as well as the cost of production, citing Nepal's initiative to improve its border infrastructure with the development of facilities like Integrated Check Posts (ICPs), Inland Container Depots (ICDs) and seamless trade corridors including the supply of round-the-clock uninterrupted electricity to industries.

"We are doing our best to improve the physical, digital and legal infrastructure to boost the confidence and morale of investors, which we believe will further increase investment opportunities in Nepal," said CEO Mr. Bhatta. He also invited investors from the BIMSTEC member countries to invest in Nepal

to avail better returns stating that the Investment Board Nepal has streamlined the investment procedures and made the entire process smoother to facilitate investment projects for the duration of their lifecycle.

The conclave was organised with the support of the Ministry of External Affairs, Government of India, and participated by government representatives, business communities, academia, diplomatic communities and other stakeholders from the member

nations of BIMSTEC.

BIMSTEC nations accommodate around 1.68 billion people, almost a quarter (22%) of the world's population and a combined GDP of USD 3.6 trillion; the bloc carries the potential to be developed as a vibrant economic bloc by bridging the South and South-East Asia.

The 4th BIMSTEC Summit held in Kathmandu, Nepal in 2018 had pledged to making BIMSTEC a dynamic, effective and result-oriented regional organization for promoting a peaceful, prosperous and sustainable Bay of Bengal Region through meaningful cooperation and deeper integration by setting up the legal and institutional arrangements in the various fronts of cooperation including BIMSTEC energy grid and facilitation for movement of motor vehicles.

The 5th BIMSTEC Summit held in Sri Lanka in March last year rationalized areas of cooperation from 14 to 7, namely Trade, Investment and Development; Environment and Climate Change; Security; Agriculture and Food Security; People-to-People Connect; Science, Technology and Innovation; and Connectivity.

IBN CEO Mr. Bhatta was accompanied by Under Secretary and Head of the Investment Promotion Unit, Mr. Ramesh Adhikari and Technical Advisor to the CEO, Mr. Jayandra Shrestha.

IBN CEO stresses multifaceted economic partnership between Nepal and India

KATHMANDU: The business communities of Nepal and India recently held discussions on deepening the economic partnership between the two countries where the chief executive officer of the Investment Board Nepal was invited for deliberations on enhancing investment relations.

The 'India-Nepal Economic Partnership Summit 2023' was jointly organised by Nepal-India Chamber of Commerce and Industry (NICCI), Nepal SBI Bank, Birgunj Chamber of Commerce and Industry, Startup Network and PHDCCI India-Nepal Centre on May 18, in Birgunj, which is the largest trading gateway of Nepal. Hon'ble Minister for Industry, Commerce and Supplies and Board Member of IBN, Mr. Ramesh Rijal along with IBN CEO Mr. Bhatta and business leaders spoke on various aspects that could help boost economic relations between Nepal and India.

Mr. Bhatta spoke about the multifaceted economic partnership in the context of investment across various sectors including energy and manufacturing, trade, higher education, health care and labour relations, among others. "Nepal and India share a unique relationship since long and engagements on the economic front have been deepening in recent days," he said.

He acknowledged the increasing FDI flow from India particularly in hydropower, which is a clean and renewable source of energy. Energy cooperation between the two nations will bring a transformative



change in the spectrum of Nepal's overall development initiatives by addressing the pressing issue of burgeoning trade deficit with India. He expressed hope that the reliable round-the-clock electricity supply that Nepal can offer to industries will be able to lure power intensive Indian industries to establish their production units in Nepal.

CEO Mr. Bhatta appreciated the role played by the different chambers of commerce in expanding business-to-business relations that have paved the way for boosting trade and investment, ultimately strengthening economic ties between the two nations.

Likewise, President of NICCI, Ms. Shreejana Rana, stressed the need to further simplify the procedures of doing business between the two countries.

The organisers expressed the belief that the programme will pave the way for India's major involvement in helping develop the infrastructure of Nepali districts bordering Bihar and making them the gateways of Nepal-India trade connection.

IBN CEO, Under Secretary visit Dabur Nepal factory in Bara



KATHMANDU: IBN CEO, Mr. Sushil Bhatta and Mr. Ramesh Adhikari, Under Secretary of the Office of the Investment Board Nepal, visited the factory of Dabur Nepal Pvt. Ltd. located in Bara district on May 18. Dabur Nepal has recently obtained approval from Investment Board Nepal to reinvest NPR 9.68 billion for production capacity enhancement and product diversification.

Dabur Nepal has signed a Memorandum of Understanding (MoU) with Investment Board Nepal to execute the product diversification, operation and management project. The MoU was signed by CEO of Investment Board Nepal, Mr. Sushil Bhatta, and Business Head of Dabur Nepal Pvt. Ltd., Mr. Harkirat Singh Bedi, on April 27 at the Office of the Investment Board premises.

The 49th Board meeting of Investment Board Nepal held on February 8, 2022, had approved the reinvestment proposal submitted by Dabur Nepal Pvt. Ltd. to reinvest NPR 9.68 billion – NPR 7.74 billion from retained earnings and reserves, and NPR 1.93 billion through loans that will be raised from national and international markets.

Dabur Nepal Pvt. Ltd. will submit the Detailed Project Report (DPR) of its capacity enhancement project within the prescribed timeframe to Investment Board Nepal and the Project Investment Agreement (PIA) will be signed following the evaluation and endorsement of the DPR.

International Conference on Financing held to brainstorm innovative financing solutions

KATHMANDU: The Office of the Investment Board Nepal (OIBN) in collaboration with Standard Chartered Bank Nepal in collaboration with the Society of Economic Journalists-Nepal (SEJON) hosted the International Conference on Financing for Nepal, in Kathmandu, on May 12.

As envisaged by its strategic plan, OIBN has taken coordination, collaboration and partnership as important pillars for project development and management, investment promotion and

institutional development to achieve the targeted goals. The International Conference on Financing is a calendar event of the OIBN to foster new avenues for project financing considering the country's dire need for resources to invest in different projects including infrastructure.

Inaugurating the conference, Rt. Hon'ble Prime Minister and Chairperson of Investment Board Nepal (IBN), Mr. Pushpa Kamal Dahal expressed his belief that the conference will contribute to identifying

resources and exploring innovative financing solutions. The Rt. Hon'ble Prime Minister highlighted the policy, legal, regulatory, procedural and institutional regimes to strengthen the business and investment environment and opportunities in Nepal.

“The government is offering an enabling investment climate, adequate protection and providing necessary fiscal incentives and other facilities including effective handholding of valued investors during the entire business lifecycle,” stated Rt. Hon'ble Prime Minister Dahal. He reiterated that Nepal is eager to develop an effective partnership with the private sector along with financial institutions and development partners in its development efforts.

He appreciated the initiative of the OIBN, Standard Chartered Bank Nepal and SEJON in organising the event by bringing together all the relevant actors of the government and private sector.

Addressing the conference, Hon'ble Finance Minister and Vice Chairperson of IBN, Dr. Prakash Sharan Mahat, asserted that Nepal offers a conducive environment for investors as the country has adopted a liberal economy and democratic governance system. “Nepal has the policy and structural arrangements required for an investment-friendly environment and the government is committed to improving upon it,” the Hon'ble Finance Minister mentioned. “Physical infrastructure, energy, tourism, agriculture and production sectors have been priority areas of investment to fulfil our development needs,” he stated.

Meanwhile, he raised concerns over the repackaging of development aid rather than replenishment of new resources from the developed countries as per their promise of contribution to cope with the developing climate challenges.

IBN CEO, Mr. Sushil Bhatta, stated that Investment Board Nepal as the national Public-Private-Partnership (PPP) and investment promotion agency, has been partnering with various stakeholders of the investment ecosystem to bridge the investment gap by promoting and leveraging private investment



including Foreign Direct Investment (FDI) to achieve the national development goals.

Kathmandu University Registrar and economist Prof Dr. Achyut Wagle pointed out a big gap in investment at present in order for Nepal to achieve the Sustainable Development Goals (SDGs) by 2030. He opined that domestic resources, tools and government's investment were not adequate for the country's development and sustainable economic growth.

Similarly, Dr. John Murton, Senior Sustainability Advisor, Standard Chartered Bank, UK, advised lowering the cost of capital by blending resources that can be availed from multiple sources.

Likewise, Standard Chartered Bank Nepal CEO, Mr. Anirvan Ghosh Dastidar, said Nepal has both possibilities and needs for investment. According to him, investment is needed to attain the SDGs, address climate change issues and infrastructure development, and Nepal has to look for new sources of investment.

Four different sessions, namely, 'Macroeconomy of the Investment-Financial Flows and FDI'; 'Legal, Institutional and Implementation: Investment Regime in Nepal'; 'Financing in Nepal: Instruments and Scope'; and 'Leveraging Strengths and Removing Bottlenecks' were conducted during the conference which brought concerned government officials, private sector representatives, representatives from development partners, financial institutions, economists and development experts together. Delivering his concluding remarks, Nepal Rastra Bank Governor, Mr. Maha Prasad Adhikari, said that the outcome of the conference will be instrumental in framing the monetary policy.

Nepal promoted as attractive investment destination in Japan



KATHMANDU: The Office of the Investment Board Nepal has promoted Nepal as an attractive investment destination in Japan during the Nepal Investment Seminar and various subsequent crucial meetings held on June 29-30.

Nepal Investment Seminar was jointly organised by UNIDO ITPO (United Nations Industrial Development Organisation Investment and Technology Promotion Offices), Embassy of Nepal in Japan and Japan External Trade Organisation (JETRO) in Tokyo. Hon'ble member of the parliament, Dr. Arzu Rana Deuba delivered a keynote speech focusing on Nepal's investment climate, the regional market prospect of Nepal's clean, green and renewable hydroelectricity, and other avenues of investment.

Chief Executive Officer of Investment Board Nepal, Mr. Sushil Bhatta; Joint Secretary, Mr. Amrit Lamsal and Under Secretary, Mr. Ramesh Adhikari participated in the seminar held on June 29, where CEO Mr. Bhatta spoke on various investment opportunities, laws and procedures; PPP project development; financing windows and investment facilitation. Others present in the seminar included representatives from the government, development partners, development finance institutions (DFIs), business community, and



chief executive officers and managers of different organisations, among others.

Similarly, the subsequent meetings held with various agencies and companies were concluded in a fruitful manner. IBN CEO, Mr. Sushil Bhatta and the senior management team were received by Mr. Yosuke Tsuruho, Leader of Nepal-Japan Member of Parliament Committee in Tokyo at his office on June 30. Different dimensions of Nepal-Japan relations including trade and investment were discussed during the meeting. The Nepali delegation further sought support for capacity building of the concerned agencies to advance economic competitiveness.

The senior management team held multifaceted conversations ranging from attracting Japanese investment in Nepal to technology cooperation with Mr. Tadashi Maeda, Special Advisor to the Cabinet of the Government of Japan and Chairman of Japan Bank for International Cooperation (JBIC). JBIC acts as an agency of Japanese government that provides official development assistance (ODA) loans on concessional terms to developing countries.

During his concluding remarks in the meeting with Special Advisor of the Government of Japan, Mr. Maeda, IBN CEO, Mr. Bhatta, expressed gratitude for the unwavering support provided by the Government of Japan for the socio-economic development of Nepal.

The IBN CEO and senior management team had meetings with Standard Chartered Bank CEO for Asia, Mr. Benjamin Hung and Transaction Media Networks Inc as well.



Finance Committee takes stock of major achievements of IBN



KATHMANDU: The Finance Committee of the Federal Parliament recently summoned the Office of the Investment Board Nepal to take stock of major achievements in the execution of the public private partnership (PPP) programme as well as attracting private investment including foreign direct investment (FDI).

The meeting of the parliamentary panel held on May 28 has obtained information about the key

milestones achieved by the Office of the Investment Board. IBN CEO, Mr. Sushil Bhatta, delivered a brief presentation on the scope and achievements of IBN for those parliamentarians who had attended the meeting.

In the meeting, Hon'ble Mr. Santosh Chalise, who chairs the Finance Committee as the seniormost member,

stated that the scope, functions and achievements of IBN have been duly acknowledged by the committee and it was a kind of introductory session between the parliamentarians (members of the committee) and the Office of the Investment Board.

IBN CEO, Mr. Bhatta, was accompanied by Joint Secretary, Mr. Amrit Lamsal and Under Secretary Mr. Ramesh Adhikari.

IBN CEO stresses integrated tourism development of Khaptad region

KATHMANDU: Investment Board Nepal CEO and a technical team comprising of senior officials and project development consultants participated in the First Khaptad International Spiritual Conference held in Khaptad National Park. The event was inaugurated by Right Hon'ble Prime Minister Pushpa Kamal Dahal on June 6.

The conference was participated by Indian spiritual leader and yoga teacher Baba Ramdev; Founder Secretary of Patanjali Yogpeeth Trust Acharya

Balkrishna and various other stakeholders including policy makers, representatives of the business community and civil society members.

The three-day conference was organised with an objective to develop Khaptad as a major tourist destination of Sudurpashchim Province. Chief Executive Officer of Investment Board Nepal, Mr. Sushil Bhatta, while delivering his speech on the second day of the conference highlighted the key initiatives taken by the Investment Board Nepal to draft the masterplan



of Khaptad Integrated Tourism Project and interacted with the political leadership and government officials of Sudurpashchim Province.

Office of the Investment Board Nepal has been conducting the pre-feasibility study and preparing

the masterplan of Khaptad Integrated Tourism Project with major focus on the conservation of Khaptad National Park, a protected area that stretches across Bajhang, Doti, Achham and Bajura of Sudurpashchim Province.

OIBN Receives SCIG Delegation

KATHMANDU: The Office of the Investment Board Nepal welcomed a delegation from the Sichuan Provincial Investment Group Co. Ltd. (SCIG) led by its Chairperson, Mr. Wu Xiaoxi, on May 30.

SCIG has formed a joint venture with Nepal's leading power development company – Butwal Power Company Ltd. (BPC) – to invest in multiple hydroelectric projects in the Marsyangdi river basin. Among these projects, the 327 MW Upper Marsyangdi-2 Hydroelectric Project is under the purview of Investment Board Nepal.

The evaluation process of the Detailed Project Report (DPR) of the Upper Marsyangdi-2 Hydroelectric Project is underway. The project will sell its electricity to Nepal Electricity Authority (NEA) – the sole power off-taker of the country.



IBN CEO, Mr. Sushil Bhatta, appreciated SCIG for developing multiple projects in the Marsyangdi river basin with the concept of basin optimisation.

SCIG Chairperson, Mr. Wu Xiaoxi, was accompanied by Chairperson of BPC, Mr. Padma Jyoti; CEO of BPC, Mr. Uttar Kumar Shrestha; Deputy General Manager of SCIG, Ms. Zheng Shihong; Chairperson of SCIG International Ltd., Mr. Liao Bin and Mr. Pratik Pradan, Vice President – Business Development and Projects of BPC.

NHPC Ltd. submits Inception Report of SR-6 Hydroelectric Project

KATHMANDU: NHPC Ltd., a Government of India enterprise, submitted the Inception Report of the 450 MW Seti River-6 (SR-6) Hydroelectric Project on June 15.

The Inception Report was submitted by Mr. D.K. Jain, Group General Manager of NHPC Ltd, to Mr. Amrit Lamsal, Joint Secretary of the Office of the Investment Board Nepal (OIBN). The Inception Report has been submitted within the stipulated time as prescribed by the Memorandum of Understanding (MoU) signed on August 18, 2022.

NHPC submitted the Inception Report three months after the issuance of the Survey Licence on March 16. As per the MoU, the latter had applied for the licence of SR-6 on February 16 this year. The MoU entailed that the OIBN shall issue Survey Licence of the 750 MW West Seti and 450 MW SR-6 within 45 days and six months, respectively.

NHPC had applied for a Survey Licence of the SR-6 Hydroelectric Project with a performance bond worth NPR 509.68 million or 0.5% of the estimated project cost and paid NPR 310.9 million for previous studies carried out by the Investment Board Nepal and the Department of Electricity Development (DoED), as per the MoU. The DoED had conducted a feasibility and environmental study of the SR-6 Hydroelectric Project.

The OIBN will share its observations on the report with NHPC Ltd. following the completion of the



review process. NHPC Ltd. must submit the Detailed Project Report (DPR) of both the hydroelectric projects within 24 months of the issuance of the Survey Licences.

Along with Mr. D.K. Jain, Group General Manager, other high-ranking officials of NHPC Ltd. who were present during the submission of the Inception Report of SR-6 Hydroelectric Project were Mr. Vivek Dwivedi, Group General Manager; Mr. P.C. Upadhyay, General Manager; Mr. Ashok Kumar Joshi, Deputy General Manager (Civil); Mr. Ashish Ranjan, GSM (E) and Mr. Pradeep Rana, consultant to NHPC Ltd. Likewise, senior officials and project development consultants of OIBN were also present on the occasion.

Meanwhile, a technical team led by the CEO of IBN, Mr. Sushil Bhatta, and comprising of senior officials and project development consultants visited the field office of NHPC Ltd. in Dipayal of Doti district

on June 8. The team reviewed the progress of the preparations of the Detailed Project Report (DPR) of West Seti Hydroelectric Project and SR-6 Hydroelectric Project during the visit.



India's Jasdil Engineering Corporation keen to set up chemical fertiliser mixing plant in Nepal

KATHMANDU: India's Jasdil Engineering Corporation has expressed an interest to set up a chemical fertiliser plant in Nepal. Mr. Adil J Madon, Chairman and Founder of Jasdil Engineering Corporation and SAAGHA Precast, paid a courtesy call on IBN CEO, Mr. Sushil Bhatta on May 17.

During the visit, Mr. Madon pitched his proposal of setting up a chemical fertiliser mixing plant in Nepal stating that this will help Nepal to address the perennial shortage of chemical fertilisers and boost agriculture production in the country.

Reportedly, the chemical fertiliser mixing plant will have around 20 per cent value addition while producing urea, di-ammonium phosphate and ammonium sulphate, among others. Considering the tremendous potential to produce ammonium through water electrolysis coupled with clean and renewable technologies such as hydroelectricity



and solar to produce the hydrogen, the company can move forward by setting up a full-fledged chemical fertiliser plant in the long run, according to Mr. Madon.

In response, IBN CEO Mr. Bhatta stated that the Office of the Investment Board Nepal shall look into the proposal and get back to them following discussions with the Ministry of Agriculture and Livestock Development and the Ministry of Industry, Commerce and Supplies as well as other concerned agencies.

Supreme Court annuls writ petition against government on Upper Karnali HEP

KATHMANDU: The Hon'ble Supreme Court has annulled the writ petition filed against the Office of the Prime Minister and Council of Ministers and Investment Board Nepal on May 7.

The Constitutional Bench of Justices Hon'ble Mr. Hari Krishna Karki, Hon'ble Bishowambhar Prasad Shrestha; Hon'ble Dr. Anand Mohan Bhattarai, Hon'ble Ms. Sapana Pradhan Malla and Hon'ble Mr. Tanka Bahadur Moktan annulled the writ petition filed by activist Mr. Ratan Bhandari.

Along with the annulment of the writ petition, GMR Upper Karnali Hydropower Ltd. – developer

of the 900 MW Upper Karnali Hydroelectric Project – is now allowed to continue its works to achieve the condition given by the government including financial closure within the stipulated timeframe. The government and developer had halted works following the interim order issued by the Hon'ble Supreme Court in November last year following the initial hearings.

The petitioner had filed a case against the government seeking annulment of the Cabinet's decision to provide time extension for financial closure and awarding the project overlooking the principles of benefit sharing from natural resources.

Cross-border electricity trade proliferates investment opportunities in Nepal's clean and renewable energy: IBN CEO

KATHMANDU: IBN CEO, Mr. Sushil Bhatta, addressed the South Asia Clean Energy Forum in New Delhi, India on May 4 as a panelist of the session titled 'Mobilising Investments in Cross-Border Electricity Trade (CBET) in South Asia: Strategies for Successful Regional Transactions'.

While delivering his address, Mr. Bhatta laid emphasis on consistent and coherent regional investment framework in place, and investment opportunities subsequent to large-scale Cross Border Electricity Trade (CBET) to benefit the nations that participate in power trading.

He further underlined that CBET can play a pivotal role in the further inflow of investment, and optimisation of clean and renewable energy production through regional cooperation as Nepal is aiming to tap markets in neighbouring countries such as India and Bangladesh for its abundantly potential hydropower.

CEO Mr. Bhatta applauded the role of USAID for forming a 'South Asia Forum on Energy Investment' (SAFEI), as a platform to facilitate, support and promote regional energy investments. He expressed belief that SAFEI would provide a platform for networking, knowledge exchange, capacity building and consultations among the policy makers, concerned statutory agencies and other related bodies, including business networks, such as chambers of commerce and industries, think-tanks, and influencers.

CEO Mr. Bhatta further underlined the need to develop an investment related data/information portal which will provide all the information related to regional energy and CBET projects in South Asia. In addition, he highlighted how Investment Board Nepal has been successfully executing Public-Private Partnership (PPP) projects in hydroelectricity stating that hydropower projects with cumulative capacity of around 4,000 MW have already been streamlined in result-based frameworks.



Nepal-India Business Summit draws new spectrum of cooperation



KATHMANDU: The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) in Collaboration with the Confederation of Indian Industries (CII) organised the Nepal-India Business Summit during Right Hon'ble Prime Minister Pushpa Kamal Dahal's visit to India on June 1.

Addressing the summit jointly hosted by FNCCI and CII in New Delhi, Rt. Hon'ble Prime Minister urged Indian investors to invest in Nepal citing the opportunities in a few sectors like clean energy, mining, IT, clean transport, tourism infrastructure and industrial sector, among others. He applauded the Government of India's goodwill gesture towards deepening economic ties for shared prosperity. The Right Hon'ble Prime Minister cited an important deal during the visit especially in the power sector cooperation. The Government of India announced it will import 10,000 MW of electricity in the next 10 years from Nepal during the visit. The Right Hon'ble Prime Minister had a dialogue with his Indian counterpart, Excellency Mr. Narendra Modi and a few deals were signed prior to the address at the Business Summit.

Speaking at the summit, IBN CEO, Mr. Sushil Bhatta, spoke on investment opportunities, procedures and facilitation. CEO Mr. Bhatta highlighted that the reinvestment proposals from the foreign investors were encouraging and a testament of the conducive environment for investment in Nepal. "We have a plethora of projects that we are mulling to execute under Public-Private-Partnership model ranging from infrastructure to services," Mr. Bhatta said, inviting Indian investors to invest in Nepal. "This is an opportune moment for investing in Nepal to reap the lucrative benefits as the Government of Nepal through the Investment Board Nepal has been offering prudent legal and procedural regime, and handholding to the investors during the entire life-cycle of the project," he stressed.

Similarly, Minister of Commerce and Industry of the Government of India, Mr. Piyush Goyal, strongly supported the appeal made by the Rt. Hon'ble Prime Minister and encouraged Indian investors to invest in Nepal.

IBN CEO sheds light on potential investment sectors



KATHMANDU: IBN CEO, Mr. Sushil Bhatta, spoke as a panelist of the session titled ‘Potential Investment Sectors of Nepal for Sustainable Economy’ at the Nepal Business Summit held in Kathmandu on May 7. The summit was organised by the Confederation of Commercial Banks and Financial Institutions Nepal (CBFIN) and Nepal Business Institute under the patronage of the Government of Nepal.

CEO Mr. Bhatta underlined that Nepal is poised to become an important destination for foreign investors with its abundant natural resources, strategic location, vibrant culture and accelerated economic growth. He elaborated that the country has untapped potential for investment in agro-based industries, developing products of niche market advantage, clean transportation, mining and minerals, resilient urban infrastructure, tourism

infrastructure, and transportation along with clean and renewable energy.

He further highlighted the initiatives taken by Investment Board Nepal to facilitate investment. “We are committed to providing fast and quality services to investors and in facilitating projects at every stage of their life cycle,” Mr. Bhatta stated, adding, “Further, we understand that risks and returns are the main concerns of investors and we are accordingly working on developing appropriate Public-Private-Partnership (PPP) modalities and instruments to manage the risks so as to maximise the returns.”

In addition, CEO Mr. Bhatta laid emphasis on efficient improvement in project execution, which leads to the completion of projects in a timely manner at a reasonable cost and with desired returns.

OIBN takes part in National Kachahari in Karnali Province



KATHMANDU: On an invitation from the Karnali Integrated Rural Development and Research Center (KIRDRC), the Office of the Investment Board Nepal participated in the National Kachahari held in June 29-30 in provincial capital Birendranagar, Surkhet.

Mr. Vibek Gupta, Transport Specialist (Consultant), Project Development and Management Unit, OIBN, participated in the 'National Kachahari: A Dialogue for Inclusive Growth, and Transformation', a programme organised by KIRDRC, as a panelist for the session titled 'Infrastructure, Connectivity and Growth'.

Mr. Gupta delivered his remarks from the panel along with Honorable Vice-Chairman of Karnali Planning Commission, Joint Secretary of Ministry of Finance, and Former Deputy Mayor of Budinanda

Municipality. The session was moderated by former member of National Planning Commission, Mr. Min Bahadur Shahi.

The two-day programme delved on sustainable development, inclusiveness, impacts of climate change and coordination among the stakeholders for the development of Karnali Province. The session discussed on the overall status and potentiality of infrastructure and connectivity development for a holistic and balanced growth in Karnali Province keeping the national context perspective. Mr. Gupta presented the overall initiatives undertaken by IBN and various projects that are being developed and facilitated by IBN in Karnali Province. Potential alternative transport projects for smooth connectivity in Karnali were also discussed during the session.

IBN CEO delivers keynote speech in EU-Nepal Business Forum

KATHMANDU: IBN CEO, Mr. Sushil Bhatta, delivered a keynote speech focusing on opportunities for business in Nepal at the EU-Nepal Business Forum titled, 'Unleashing Opportunities for EU Trade and Investment in Nepal', held in Kathmandu on May 8. The event was organised by GIZ and European Economic Chamber (EEC)-Nepal.

CEO Mr. Bhatta underpinned that the liberal market access offered by EU member states to Nepali products must be complemented with investment to enhance productive capacity. "Nepal can better enjoy the market access only if it is coupled with investment in product development for niche market advantage," CEO Mr. Bhatta reiterated.

Nepal as a least developed country has long been enjoying duty and quota-free market access to the EU, popularly known as Everything but Arms (EBA), which is offered to support underdeveloped nations to move forward towards a higher growth trajectory.

Stating that Nepal has been promisingly attracting investment in various sectors from across the world, CEO Mr. Bhatta stated that the Investment Board Nepal has been looking into large scale investment in multiple sectors in both ways – Public-Private-Partnership (PPP) and direct investment.

Some of the sectors with potential that Mr. Bhatta emphasised on were tourism facilities and infrastructure; clean and renewable energy; agro-processing, cold storage and other value-added activities; iron ore mining and various other industries as well as clean transportation; Special Economic Zones; trade infrastructure like dry ports and resilient urban infrastructure, among others. CEO Mr. Bhatta also highlighted that IBN has been creating and developing a sustainable project pipeline

accumulating a plethora of projects covering all the geographic regions and all sectors that have the potential to propel the economy.

"Nepal offers a range of investment opportunities in different sectors along with a conducive investment ecosystem," said CEO Mr. Bhatta, adding, "The government is highly committed to creating a congenial environment for investment by offering various incentives and streamlining the legal and procedural regime."

CEO Mr. Bhatta also urged the diplomatic community and business community to convey the message among valued European investors to explore the investment potential of Nepal.

The session, chaired by Secretary of Ministry of Industry, Commerce and Supplies, Mr. Madhu Kumar Marasini, comprised of panelists Mr. Bhatta, CEO of Investment Board Nepal; Mr. Andreas Hora, Coordinator, World Association of Investment Promotion Agencies (WAIPA); Mr. Kulman Ghising, Managing Director, Nepal Electricity Authority; Dr. Renu Shome, The Council of European Union Chamber of Commerce in India; Prof. Dr. Manish Thapa, Founding Managing Partner and Managing Director, Global Equity Fund; and Ms. Prachi Agrawal, President of Confederation of Nepalese Industries Young Entrepreneurs Forum (CNIYEF).





DR. AASH NARAYA MAHASETH, MBBS

I am Aash Narayan Mahaseth, MBBS (NMC No. 27643), currently serving as a medical officer in a clinic run by the SJVN Arun-3 Power Development Company (SAPDC) head office at Tumlingtar, Sankhuwasabha.

I completed my MBBS in 2019 from Nobel Medical College, Biratnagar and was certified as a medical practitioner by Nepal Medical Council (NMC) in the same year. I am a resident of Kurtha, Janakpur-21.

I visited the SAPDC head office in Tumlingtar to care for patients in their clinic during the second wave of the Covid-19 pandemic in 2020. Initially, the clinic

Public Access to SAPDC Clinic Makes Community Happy

was dedicated only to the staff of SAPDC. A few staffs were diagnosed with Covid and availed treatment in the clinic.

Later, the clinic was opened to the public. We have no labs currently and just provide OPD services. However, within one year, the SAPDC will have a 5-7 bed hospital to provide 24-hour services including lab testing facilities.

The hospital building is under construction and will also provide living quarters to the medical staffs. The company has plans to add another medical officer and nurses in the clinic. Then we will be able to provide full-fledged services to the community. We are serving patients from surrounding communities like Tumlingtar, Khandbari and Bhojpur, among others. SAPDC has provided an orthopaedic and a paediatric specialist each to the District Hospital in Khandbari.

People of the local communities have benefited tremendously from the health services being provided by the clinic and are very happy about it. I feel proud to serve the people of the project affected area with the facilities developed by SAPDC.



INVESTMENT BOARD NEPAL

Office of the Investment Board

ICC Complex, New Baneshwor, Kathmandu, Nepal

Tel: +977-1-4475277, 977-1-4475278 | Fax: +977-1-4475281

Email: info@ibn.gov.np | Website: www.ibn.gov.np | Twitter: @IBNOffice



