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NEA ENGINEERING AND OIBN SIGN A PACT FOR PMU

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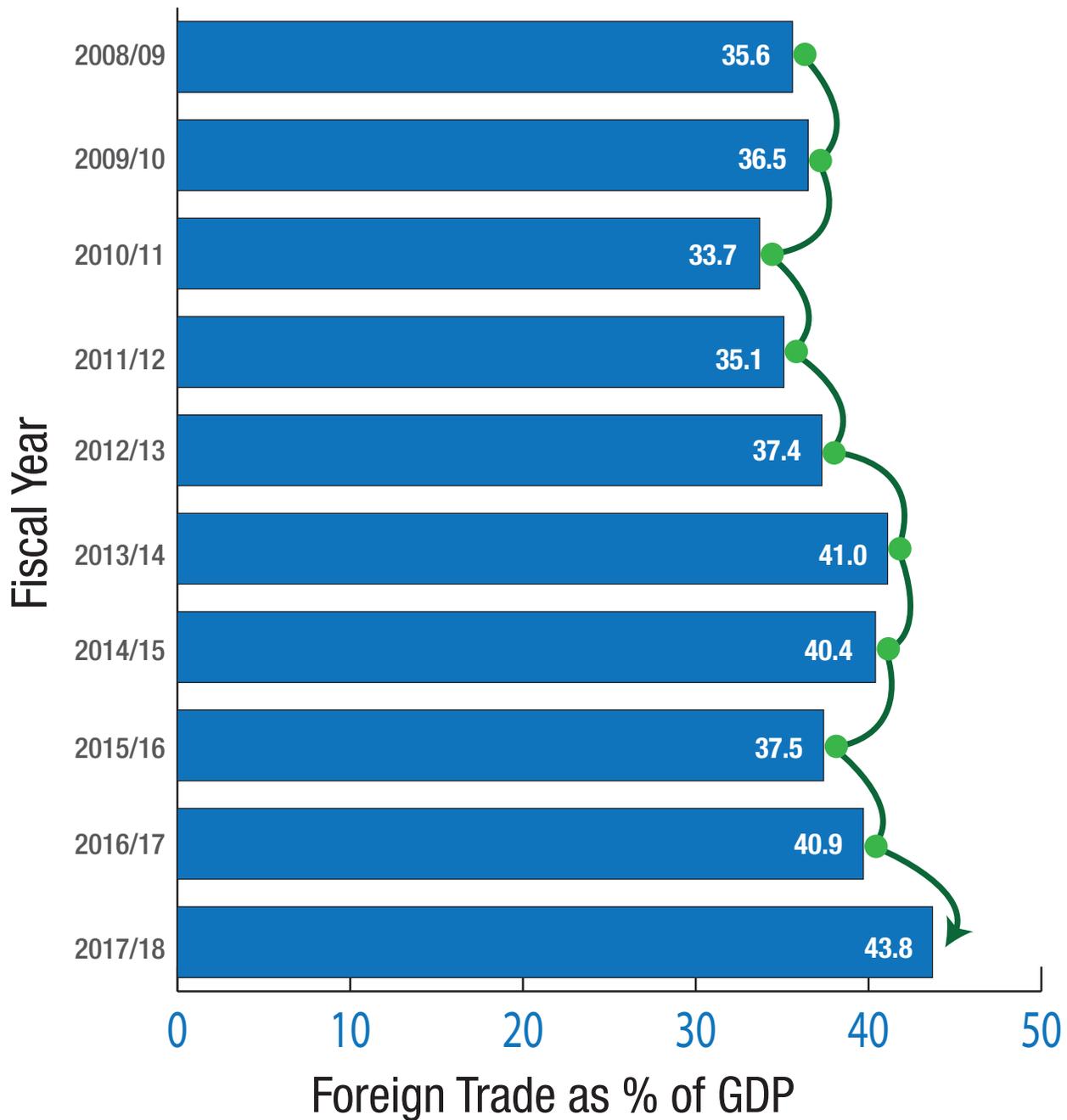
INTERVIEW WITH MR. PASANG SHERPA, CHAIRPERSON OF CHICHILA RURAL MUNICIPALITY, SANKHUWASABHA

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INVESTO GRAPH

CONTRIBUTION OF FOREIGN TRADE IN NEPAL'S GDP

In term of percentage (2008/09-2017/18)



Source: Current Macroeconomic and Financial Situation 2018/19, Nepal Rastra Bank

NEA ENGINEERING AND OIBN SIGN A PACT FOR PMU



KATHMANDU: The NEA Engineering Company and Office of the Investment Board (OIBN) signed an agreement on November 18 to provide technical compliance monitoring services for the Project Monitoring Unit (PMU) that oversees the construction of the 900 MW Arun-3 Hydropower Project. The PMU, is a government panel which has been formed to monitor the management and administration of

the Project Development Agreement (PDA) signed between the project developer and the Government of Nepal (GoN). Mr. Balaram Rijyal, Joint Secretary of OIBN and Hitendra Dev Shakya, CEO of NEA Engineering signed the pact in the OIBN office, New Baneshwor, Kathmandu. The PDA requires the project developer to extend cooperation to the PMU for the compliance monitoring process. ♦





Mr. Pasang Sherpa

Chairperson, Chichila Rural Municipality, Sankhuwasabha

“WE PROVIDE ALL OUT SUPPORT TO INVESTORS”

Mr. Pasang Sherpa is the Chairperson of Chichila Rural Municipality, one of the affected areas of the Arun-3 Hydropower Project in Sankhuwasabha District. He has played a significant role in resolving project-related issues at the local level. Mr. Sherpa has been involved in the Arun-3 Project from its conceptualization. His involvement as a facilitator in settling disputes between the project developer and affected communities is commendable. Talking to IBN Dispatch, Mr. Sherpa highlighted the significance of the development project for the people and expressed his commitment to support investors who are interested in investing in the district.

What is your contribution as Chair of the affected rural municipality?

Our rural municipality is one of the areas affected by the Arun-3 Hydropower Project. Though construction work for the project is ongoing, I personally feel that there needs to be more effort to fulfill the spirit of Project Development Agreement (PDA) signed between the Nepali government and the project developer company. We have already informed the officials of SJVN-Arun-3 Power Development Company (SAPDC) about areas in PDA implementation for improvement. We have been putting pressure on the developer to maximize benefits for impacted areas through employment, business opportunities and local development support. Local people expect more from the project. We have

formed a committee to implement the plans specified in the PDA with representatives from the Office of the Investment Board, the developer company, and the local government. The process of providing scholarships to local youths has moved ahead satisfactorily. However, the process of developing local infrastructure and providing vocational training to locals needs to take off soon. We are now facing social issues like pollution which needs to be resolved at the earliest. We have already corresponded with representatives of SAPDC about this. We are hopeful that the company will take this issue seriously.



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What kind of positive impact can be observed from the large-scale projects like Arun-3?

Any big project brings prosperity to the host community and district as well as the country. We have seen local business activities increase since construction work on the Arun-3 project began. People are getting employment. Entrepreneurship in agriculture has increased at the local level. The educational status has been enhanced. We have seen very positive economic changes in local communities with the commencement of this project.

As the head of the local government in the project affected community, how do you assess your role in dealing with situations during the project implementation phase?

The project is very important but problems arise in the process of implementing a large scale project. We have been dealing with a host of grievances brought up by project affected people and are trying to resolve the issues in consultation with the project developers, OIBN and concerned agencies. As the people's representatives take such issues on a coordination role to seek an amicable solution. We also suggest the project developer how they can maintain good relations with local people to ensure seamless implementation of the project. When people get carried away by rumors about the project we remind them about the significance of the project in the community and clarify things. We have been negotiating between the local people and the project developer to create a conducive environment for smooth implementation of the project. We wear two hats – one to support the project developer by creating a favorable situation for timely completion of the project and the other to safeguard the rights of project affected people.

What will be your suggestions to people's representatives of other local government bodies who are hosting large scale development projects?

Problems arise while hosting large scale development projects. We must seek amicable solutions. If problems are small, we can resolve them within our rural municipality but if the problems are bigger, we have to coordinate between the project developer, federal agencies and political parties to settle them. We should seek an amicable solution for any such

issues to create a 'win-win' situation between the project developer and project affected community. The local government coordinates to settle any misunderstanding that may arise between the project developers and the local people. People may have grievances if untoward incidents (such as accidents, bombings) take place in the project area, so we should not sensationalize the issues. Instead, we should coordinate with project developers to make sure that such incidents will not happen in the future.

Local people expect everything from a project and put forth never-ending demands. What is your take on such trends among project affected communities?

People are losing their ancestral property and land to the project. So, the expectations of project affected people from the project are justified. People will naturally want something in return for the losses incurred due to project activities. It is not only the provisions in the PDA but also a number of verbal understandings between the project developer and local people that have set the ground for such expectations. The project developer should listen to people's voice. All demands from the local people can't be fulfilled at one time, it is a gradual process. We have been convincing the local community to put forth reasonable demands and wait for their fulfilment gradually. But, people are desperate to see visible positive changes in their life and community with the beginning of the implementation of the project. Sometimes people get enraged when the project developer delays in fulfilling their demands. However, they have been making attempts to fulfill the commitments made on different occasions.

For successful implementation of the project, in what areas should the developer company and local government collaborate?

We are for strong coordination between the project developer and local government. The project developer should not directly deal with individuals to settle problems when they arise in the process of project implementation. The project developer should approach the concerned ward elected representatives and seek their assistance in resolving these issues. Problems will be solved easier if the people's representatives are involved by the project developer rather than negotiating at the individual level. Now, project officials have realized this fact and they

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WE ARE READY...

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have started coordinating with us on various issues regarding the project. The local government should be immediately informed about incidents as we need to be involved in post-incident investigation. We cannot entirely rely on reports made by the project developer on their own way for compensation. If they claim compensation from our government, they must involve us in the investigation of such incidents. The project developers should closely coordinate with us while doing various transactions with different individuals so that we can resolve any dispute that may arise in the coming days. They should also coordinate with the local government to use local natural resources.

How can you assure that any project developer will get full support from the local government?

There are multiple benefits from any project that operates in our community. We are ready to extend all our support and guarantee the protection of investors from our level. They should coordinate with us about their investment plan. We can hold meetings with the

investors and learn what sort of support they need from us. There would be no obstacles from our side. The local people are welcoming towards foreign investments. They have been showing maximum cooperation to investors because we have been making them aware about the significance of any project for the host community, district and the country.

How are you assessing the role of the Investment Board of Nepal in materializing the Arun-3 Project?

We have great trust in IBN because it has been facilitating the project from the beginning as the focal agency. We are hopeful that things will improve in the coming days.

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

VENTURE WASTE 2 ENERGY PROJECT TO COMMENCE OPERATION SOON



DHARAN: Officials from the Office of the Investment Board Nepal (OIBN) and the Department of International Development (DFID) visited the Venture Waste 2 Energy Project located in Dharan-6, Panmara in Sunsari district on October 20. According to project officials, the project will come into operation by the end of 2019. The team also briefly interacted with the Speaker of the Provincial Assembly, assembly members, elected representatives from Dharan Sub-Metropolitan City, and officials of the Venture Waste 2 Energy Project. The construction of major structures is almost complete and equipment in the project site is also being installed. The total cost of the project is around NPR 250 million. The project will provide employment opportunities to around 100 people. The project will have the capacity to handle municipal solid waste of around 100 tons per day. Currently, Dharan Sub-Metropolitan City has been

generating around 30 tons of solid waste per day. The key responsibility of the project is to process solid waste collected by Dharan Municipality.

The project is planning to produce bio-gas, organic fertilizer and pest repellents out of the solid waste that is processed. ♦

Work Progress Seen in Arun-3 Hydropower Project





FINANCE COMMITTEE VISITS HONGSHI-SHIVAM CEMENT SITE



KATHMANDU: The Office of the Investment Board Nepal (OIBN) organized an observation visit to Hongshi Shivam Cement project site for Honorable Members of the Parliamentary Finance Committee on November 12-13. The two-day tour was conducted as part of a broader stakeholder engagement initiative taken by OIBN. The visit was arranged to update parliamentarians and share success stories on the progress of the project, seek support from lawmakers for resolving outstanding issues, and sensitize parliamentarians on the economic benefits of the project. Around a half dozen parliamentarians including the committee's chair, Mr. Krishna Prasad Dahal, officials from the committee and OIBN participated in the observation visit.

Hongshi-Shivam is the biggest FDI project in cement production and is being facilitated by Investment Board Nepal. The company has been producing 6,000 tons of cement per day. The project applies modern technology to minimize pollution and generates energy by incinerating waste. The project is now moving towards its second phase of construction during which the belt conveyor to transport lime stone will be built. The project is facing issues in getting a transmission line for a dedicated supply of power and the acquisition of private land.

Meanwhile, on November 6, OIBN interacted with stakeholders in Tansen, Palpa to resolve outstanding disputes between local people from the mining site and Hongshi-Shivam Cement. Mr. Prabhakar Ghimire represented OIBN at the meeting. Honorable member of Federal Parliament Mr. Dal Bahadur Ranamagar, Honorable member of Province Assembly Mr. Narayan Acharya, local government representatives, senior officials of the district, the company's representatives and journalists attended the meeting. ♦

OIBN-DFID TEAM VISIT THE ARUN-3 PROJECT



SANKHUWASABHA: In an effort to briefly observe the social and environmental impact on the local community, a joint-team from the Office of the Investment Board Nepal (OIBN) and Department of International Development (DFID) visited the 900MW Arun-3 Hydropower Project site in Sankhuwasabha district from October 20 to 23. During the meeting, the team interacted with the project developer's officials, local administration, local government, and project-affected people. On October 20, the team interacted with senior officials of SJVN-Arun-3 Power Development Company (SAPDC) in Tumlingtar.

An interaction with the Chief District Officer and security officials of Sankhuwasabha District on project issues, specially security issues for the Arun-3 Project, was also held. The team also interacted with the Chairs of Chichila Rural Municipality (one of the affected municipalities) and project affected people, including women's groups.

During the meetings, the people's representatives and project affected people demanded that the project

give priority to providing employment and business opportunities to the community. They also asked the government to properly monitor the activities of the project developer, and address social as well as gender issues in the project affected area. They also demanded that the project prioritize the implementation of plans which were formulated to benefit local people. OIBN has already approved the Local Benefits Plan, Nepal Industrial Benefits Plan, Nepal Skills and Employment Plan and Disaster Management Plan.

The joint team included Mr. Richard Craig, Economic Adviser, Ms. Eleanor Bainbridge, Infrastructure Adviser, Ms. Karuna Onta, Social Development Adviser, and Mr. Manoj Khadka, Renewable Energy Adviser from DFID. Similarly, David Michhel of APPIC, and Deepika Sitaula, Section Officer and consultants (Ms. Sita Rana, Mr. Prabhakar Ghimire and Mr. Abhaya Sigdel) from OIBN were among the members of the joint team that visited the project site. ♦

MY STORY...



I am Chanda Chaudhary, a resident of Sardi Bagaincha of Binay Tribeni Rural Municipality-4, Nawalparasi (Bardaghat-Susta East). I am 32 years old and have passed my higher-secondary level exam. I have been working with Hongshi-Shivam Cement Project's plant site as a cook for the last three years. As a resident of the project-affected area, I got this job opportunity to work at this big factory. It was a great opportunity for me as I was jobless and was highly dependent on my husband's earning. Now, I am taking care of all the members of my family, which includes my father-in-law, mother-in-law, a son and a daughter, in the absence of my husband who has been working in Saudi Arabia for the last seven years. This job has helped me manage my family expenses and also pay back a loan of around five lakh rupees taken from bank to construct my house. I have been observing positive economic and social changes in the project-affected areas since the establishment of the factory, which is the largest producer of cement in Nepal. This project

has provided employment opportunities to many other jobless women. Such employment opportunities have empowered local women like me not only economically but also socially.



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