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IBN INTERACTS WITH POLITICAL LEADERS ON INFRASTRUCTURE ISSUES

KATHMANDU: ‘The Investment Board Nepal organised an interaction on 30 March with senior political leaders to discuss pertinent issues in relation to infrastructure project development. Leaders responsible for infrastructure development in their respective parties were invited to the half-day interaction, entitled ‘Problems, Challenges and Opportunities in Infrastructure Projects’. Delays to infrastructure projects have inflicting huge losses on the nation and developers in Nepal. The purpose of the interaction was to secure support from political parties for the smooth implementation of big infrastructure projects and address the various obstacles in the execution process.

On the occasion, Uttam Bhakta Wagle, joint secretary of IBN, welcomed the participants. IBN

CEO, Maha Prasad Adhikari, then gave a presentation updating participants on progress in the implementation of IBN-facilitated infrastructure projects. Adhikari also sought support from the political leaders to ensure the smooth implementation of projects and remove existing bottlenecks. He emphasised the existing barriers in the project execution process. He also outlined the problems facing the project; he said that the acquisition of private and government land, political instability, delays in the construction of transmission lines for the distribution of electricity, legal barriers and the high expectations of local people are the key challenges facing development projects. Shedding light on the economic benefits of infrastructure projects, Adhikari also urged political leaders to work together for the development

agenda, remove legal hurdles and build opinion in favour of IBN so that we can attract private investment to Nepal. After this presentation, Madhu Bhetuwal, technical Joint Secretary at IBN, responded to the queries raised by participants.

The leaders from the major political parties taking part in the interaction were Surendra Pandey and Pushpajyoti Dhungana of CPN (UML), Umesh Shrestha of Nepali Congress, Geeta Rana and Rameshwar Raya Yadav of the Madheshi People’s Right Forum (Democratic), Shiva Chandra Chaudhary of CPN (ML), Hari Krishna Gajurel, Deepak Shahi, Suresh Shrestha and Krishna Gurung of CPN (Revolutionary Maoist), Pushkar Dhungel of RPP, Janak Raj Sharma and Ghanashyam Neupane of National People’s Front, Leelamani

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Pokharel of CPN (Maoist Center), and Rajaram Paswan and Sarita Kumari Sah of Sadbhawana. These influential leaders expressed their views on implementation modalities and the investment climate for

implementing large-scale projects. Most of the participants stressed the need to accelerate the implementation of infrastructure projects by creating a favourable environment for investment. They also urged

the government to encourage the ownership of infrastructure projects by local people so that the implementation process is more comfortable for developers. ♦





'WE MUST PUT IN PLACE AN INTEGRATED APPROACH TO PROJECT DEVELOPMENT'

JANARDAN SHARMA 'PRABHAKAR'

Honorable Minister for Energy

Janardan Sharma 'Prabhakar' is Minister for Energy and has taken a host of initiatives for energy sector reforms, including ending load shedding in Kathmandu, Pokhara and Chitwan. He talked with IBN Dispatch about the opportunities and challenges in the development of the hydropower sector in Nepal.

You are involved in a campaign to reform the energy sector. What is the agenda that is occupying you now?

We are confronting a host of problems in the energy sector: Lack of integrated planning and conducive policies, the long-standing demands of project developers, and the growing expectations and demands of people are some of the issues we are working to resolve. It is very challenging to address such problems for the rapid development of the energy sector in Nepal. We need renewed programmes and policies. We have been able to address some of the pressing problems in this sector through policy reforms, but others are yet to be resolved. We are thinking about how to complete long-delayed projects and we have started listening to the people and collecting their expectations, in order to formulate policies and programmes in line with their needs. Another, most important agenda we are focused on, is making load shedding history.

When will our whole country be load shedding free?

We have been able to end load shedding in the capital and some other places in the country are enjoying minimal hours of load shedding. Our 'Brighter Nepal' campaign will help us to end load shedding soon. However, we need to dispel some misunderstanding about the hydropower sector. First, we have to change the mindset that we can achieve prosperity by exporting our electricity. Instead, we should build our capacity to consume locally-produced electricity domestically. Similarly, we have to shake off the notion that we don't have sufficient capital. We have sufficient capital and we can arrange additional capital for large development projects. First, we need to prioritise domestic investment in hydropower projects. If this is not enough, we can then take loans from international agencies and attract foreign direct investment. To effectively implement energy sector reforms, we have established power generation, developed the grid, facilitated electricity trading and hydroelectricity investment, and established development and engineering companies.

You have initiated the slogan ‘Nepal’s water, people’s investment’ under the ‘Brighter Nepal’ campaign. But the existing capacity of Nepal in terms of human resources, capital and technology demands more foreign direct investment in large-scale hydropower projects. How can we sync these two components?

‘Nepal’s water, people’s investment’ is a campaign designed to effectively harness our water resources by maximising the use of our own people’s money and local human resources, paving the way for people’s ownership of hydropower projects, thereby maximising the returns to the people. If we succeed in developing hydropower projects in this modality, our people will reap the benefits, which will ultimately contribute to national prosperity. If we speed up the development of hydropower and encourage consumption domestically in industries, we will be able to bring down the trade deficit and generate more employment. Nationality cannot be strengthened by blaming others, only by making our people prosperous. Without prosperity, our nationality cannot be safeguarded. We are capable of developing small projects in terms of capital, technology and human resources. For large-scale projects, we can call on international lending agencies or international investors.

The ‘Ujyalo Nepal Abhiyan’ (Brighter Nepal Campaign) is this government’s signature campaign. How can you be assured that this campaign will continue if the government changes?

It is true that any government cannot last forever, but some crucial programmes initiated by the present government should not be dismissed by successive governments. I am hopeful that future governments will



also give due priority to such programmes.

We are talking about the domestic funding of hydropower projects, but many projects developed through domestic resources are not completing on time. What is your take on this?

We are worried that development projects (both domestically-funded and those funded by FDI) are not performing as expected. Even IBN-facilitated foreign investment projects are experiencing delays. We need to overcome some hurdles to ensure better performance in project implementation.

We are talking about the implementation of large-scale projects in a rapid way, but procedural hurdles, such as delays in the EIA process and the acquisition of government and private land, are key problems facing such projects. How can we overcome such hurdles?

Delays in the development of associated infrastructure, such as transmission lines for hydropower projects, slow bureaucratic processes for approving environmental impact assessments (EIAs), the tedious process of acquiring land, and the selection of inappropriate and incapable developers are major factors that have been hampering the timely execution of projects. I am putting full effort into creating an environment that paves the way for the speedy implementation of hydropower projects. We must put in place an integrated approach in full coordination with the concerned ministries to speed up the implementation of large-scale projects, including by minimising the time needed to complete the feasibility study, detailed project report, and EIA. I am presenting a proposal to the cabinet in this regards so that the government can come up with a policy to address such hurdles. If we work in line this approach, I am sure that we can complete small project in three years, medium-sized projects in five years and large-scale projects in seven years.

You and other high-ranking officials under your ministry have been travelling to different districts and interacting with people regarding ‘Nepal’s water, people’s investment’. What response have you received?

In the past people were hopeless. Now people are feeling relieved and are optimistic about the host of initiatives being undertaken by our ministry for reform in the power sector, including minimising load shedding. The warm response we have received from people has emboldened us. We are hopeful that people will enthusiastically participate in ‘Nepal’s water, people’s investment’ campaign. ♦

IBN APPROVES RAP FOR ARUN-3



KATHMANDU: The Investment Board Nepal has approved the Resettlement Action Plan (RAP) prepared by Sutej-Arun Power Development Company (SAPDC) – the developer of Arun-3 Hydropower Project – for project-affected people in Sankhuwasabha district. The RAP, which was designed in line with the Asian Development Bank’s Safeguard measures, was endorsed by IBN in February after undergoing an extensive review. As per the PDA, the project developer is responsible for developing the RAP in line with national requirements and international standards to enhance the living standards of people displaced by the project. The framing of the RAP was closely monitored by IBN, which also played an active role in community engagements and during the consultation process. The developer shared the draft RAP with project-affected people at the local and central level before finalising it (in Besi in Diding VDC on 9 February, Yaphu on 10 February, Num Bazaar of Num VDC on 11 February and Gadhibazar of

Pathibhara VDC on 13 February). The RAP was signed by SAPDC and the local project-affected people in last week of February 2016, in the presence of officials of IBN and the local administration.

The process of acquiring land for the Arun-3 project has gone very smoothly, because of the scientific arrangements for the compensation and resettlement of affected people contained in the RAP. The Compensation Determination Committee (CDC), headed by Chief District Officer of Sankhuwasabha, facilitated negotiations between landowners and the project developer to fix land prices. Land prices were fixed at NPR 825,000 per ropani for sloping land, NPR 907,500 for normal farm land, NPR 1.04 million for black cardamom land and NPR 1.2 million for paddy.

The project has acquired a total of 49 hectares of private land from owners of 391 private land parcels (112 in Diding, 82 in Yaphu, 147 in Num and 50 in Pathibhara). Compensation

has been distributed to more than 95% of the total 269 affected people and, once land ownership has been clarified, the owners of the remaining 24 plots will receive compensation. According to Madhukar Khadka, a consultant from SAPDC, project-affected people have received NPR 27,000–37.1 million in compensation for their property. The local people are pleased with the land acquisition process. ♦

SJVN Arun-3 Power Development Company Pvt. Ltd.



**Resettlement and Rehabilitation
Plan of SJVN Arun-3 Power
Development (P) Ltd. (SAPDC)**

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IBN INTENSIFIES PDA NEGOTIATIONS

INTEGRATED SOLID WASTE MANAGEMENT PROJECT



KATHMANDU: Office of the Investment Board Nepal (IBN) has intensified the negotiations for the signing of a Project Development Agreement (PDA) with the developer of the Integrated Solid Waste Management Project for the Kathmandu Valley. IBN officials and Nepwaste Pvt Ltd, the developer of Package 1 of the project, are in the final stages of finalising the content of the PDA. Negotiations are focused on waste collection

tariffs (which are to be levied from households), the development of a landfill site (which has been proposed for Bancharedanda, Nuwakot), the establishment of recycling units for the project, and the segregation of biodegradable and non-biodegradable waste at source.

Once the PDA has been signed with Nepwaste, IBN will initiate PDA negotiations with Clean Valley Company, the developer of other two projects under Phase

2 and Phase 3. Clean Valley will manage waste collection in Lalitpur, Bhaktapur and Kirtipur municipalities, whereas Nepwaste will manage waste collection in Kathmandu Metropolitan City (KMC) and nine neighbouring municipalities: Budhanilkantha, Nagarjun, Tokha, Tarakeshwore, Gokarneshwore, Sankarapur, Dakshinkali, Kageshwori-Manohara and Chandragiri. ♦





IBN WELCOMES NEW JOINT SECRETARY WAGLE

KATHMANDU: On 23 March, IBN welcomed Joint Secretary Uttam Bhakta Wagle, who was transferred from the Ministry of Finance. Wagle has taken on administrative responsibilities at IBN. The post of administrative joint-secretary had been vacant for the last four months since the transfer of the then Joint Secretary Ravi Bhattarai to the Ministry of Commerce on December 2016. IBN also introduced Senior Divisional Engineer Sunil Paudel, Legal Officer Lokhari Kandel and Engineer Subash Thapalia. Maha Prasad Adhikari, CEO of IBN, welcomed all incoming officers at a function organised at IBN in March. ♦



IBN CEO Maha Prasad Adhikari, Joint Secretary Uttam Bhakta Wagle alongwith other IBN officials after distributing the certificate of appreciation to the volunteers of Nepal Investment Summit 2017.

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