

IBN DISPATCH

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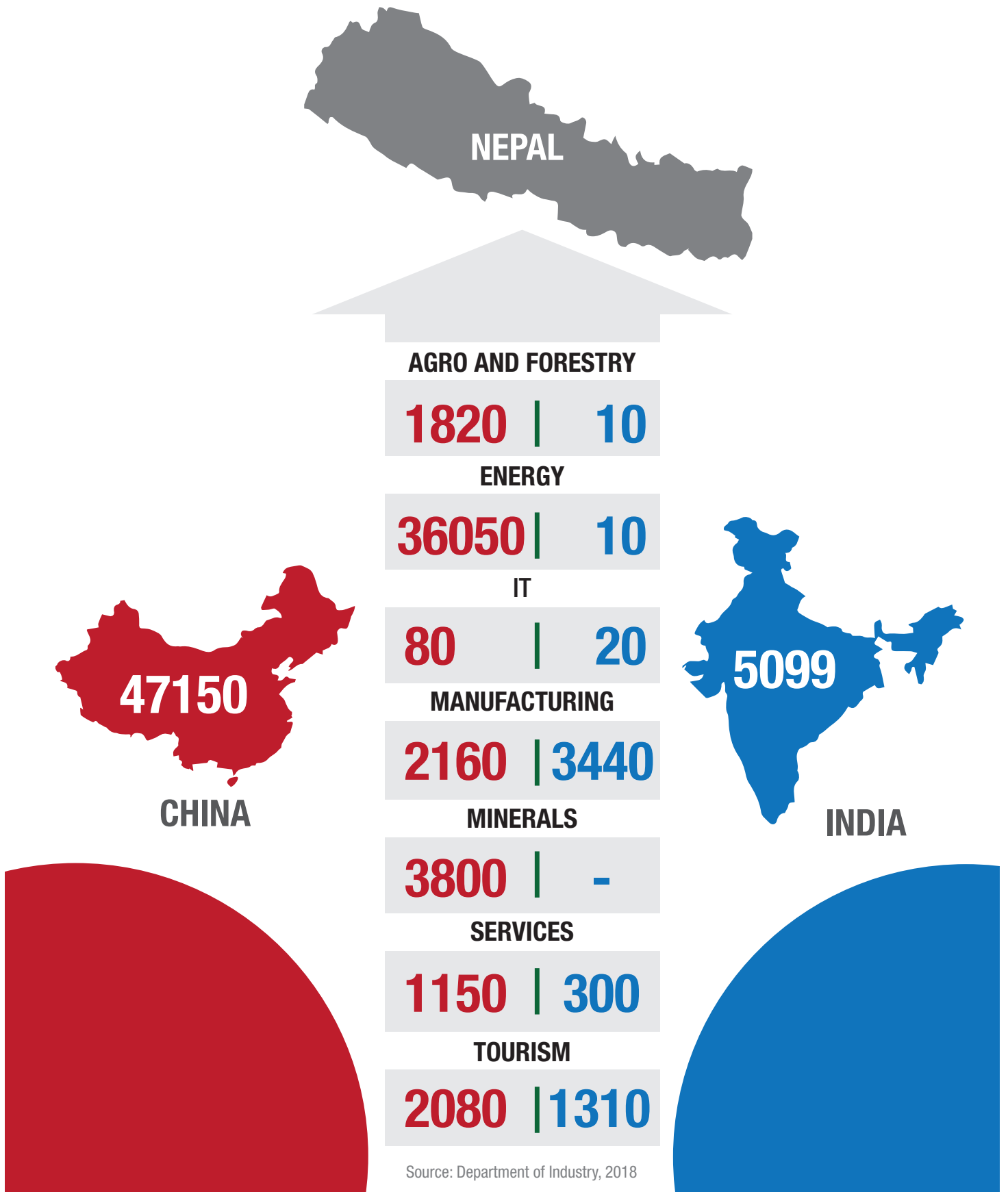
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FDI COMMITMENTS FROM INDIA AND CHINA

FY2074-075BS (NPR in Millions)



NEPAL INVESTMENT SUMMIT ON MARCH 29-30



DATE

29-30 MARCH, 2019



VENUE

SOALTEE CROWNE PLAZA, KATHMANDU



WEBSITE

WWW.INVESTMENTSUMMITNEPAL.COM

KATHMANDU: In a key initiative to promote Nepal as an ideal investment destination, the Government of Nepal (GoN) is organizing the Nepal Investment Summit (NIS) on March 29-30, 2019 in Kathmandu. The summit will be jointly organized by the Investment Board; Ministry of Finance; Ministry of Industry, Commerce and Supplies; and Ministry of Foreign Affairs in collaboration with Nepal's private sector.

The first edition of the summit was held in 2017 bringing together more than 250 international investors. A total of more than 500 domestic investors, policy makers, experts, representatives from development partners, and diplomatic agencies had also participated in the summit. The earlier summit was also successful in securing Letters of Intent (LoIs) worth NPR 13.74 billion from various foreign investors.

Themed 'A Promising Investment Destination', NIS 2019 will be inaugurated by the Right Honorable Prime Minister Mr. K.P Sharma Oli. The main objective of the upcoming summit is to present Nepal as a favorable investment destination by showcasing opportunities for investment. The summit will be a platform for investors to understand the investment environment and opportunities in Nepal through

prominent national and international speakers, dignitaries, sector-specific experts, and high-ranking government representatives.

The two-day event will focus on sharing policy reforms undertaken by the government, showcasing potential projects for study as well as for development, providing networking platform for business leaders, and encouraging public private partnerships in project implementation. The event will bring together investors (foreign, Non-Resident Nepalis, and domestic), development partners, diplomatic missions, government representatives, media, experts, and other relevant stakeholders.

The event will also offer opportunities for to investors to get sector specific one-stop shop information as well as business-to-business and business-to-government meetings among other engagement opportunities. Similarly, the summit will also be an ideal platform to sign MoUs for various business ventures, launch an international bidding process for key PPP projects, and conduct feasibility studies for some crucial projects.

The summit is expected to lead to higher investment inflow after familiarizing investors about the legal



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NEPAL INVESTMENT SUMMIT.....

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Honorable Minister for Finance recently briefing the press about the Nepal Investment Summit scheduled for 29-30 March, 2019 in Kathmandu.

provisions and procedures to investing in Nepal. The government has intensified preparations for the summit. To organize the summit in a successful manner, a steering committee led by the Honorable Minister for Finance and IBN's Vice-chair Dr. Yubaraj Khatiwada has been constituted. The committee also comprises representatives from the Office of the Prime Minister and Council of Ministers, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Industry, Commerce and Supplies, Federation of Nepalese Chambers of Commerce and Industry, Confederation of Nepalese Industries, Nepal Chamber of Commerce, and OIBN as its members.

Nepal has embarked on a new journey towards economic prosperity with the establishment of a stable government after the end of a long political transition. Acknowledging that the motto of 'Prosperous Nepal, Happy Nepali' can be achieved by attracting domestic and international investment, the government has taken a host of initiatives to develop an investment friendly environment in the country. To achieve this goal, the proper utilization of resources and application of newly promoted technology is highly necessary.

The government has pushed legal reforms by mov-

ing ahead the process of introducing new laws and amending existing laws that are expected to promote investment through a better business climate. Similarly the government has also constituted a project selection committee headed by the Finance Secretary to choose appropriate projects to showcase at the summit.

At the summit, thematic sessions will be held on hydropower development over 10 years, creating a digital economy through Information and Communication Technology (ICT), the development of recreational and pilgrimage tourism, the construction of sustainable transport infrastructure, investments in agro and forest products, the experience of international investors in Nepal, and the sharing international experience of global investors.

Cooperation from development partners, diplomatic missions, NRNA, and the private sector will be instrumental in making the summit a grand success and establishing Nepal as an ideal investment destination. ♦



Honorable Minister for Finance Dr. Yuba Raj Khatriwada addressing the representatives of diplomatic missions and development partners on 16 January, 2019 about the upcoming Nepal Investment Summit scheduled for 29-30 March, 2019 in Kathmandu.



REGISTRATION

All interested participants can register to receive an invitation, as participation to the event is strictly on invitation-basis. There is no registration and participation fee.

For more information please log on to:

Website: www.investmentsummitnepal.com

Email: 2019@investmentsummitnepal.com



TARGET AUDIENCE

- Investors (Foreign, Non-Resident Nepali and Domestic)
- Development Partners
- Diplomatic Missions
- Government Representatives
- National and International Media
- Experts
- Other relevant stakeholders



ALLIED ACTIVITIES

- Sector specific one stop shop information center
- B2B, B2G meetings
- Project site visit on request
- Mountain flights and other tour packages on a direct payment basis



SECTORS

- Energy
- Information and Communication Technology
- Tourism
- Industry
- Transport Infrastructure
- Agriculture



MR. GOKARNA BISTA

Honorable Minister for Labor, Employment and Social Security

“LAWS AND POLICIES MUST ENSURE SECURITY OF INVESTMENT

*Mr. Gokarna Bista is the Honorable Minister for Labor, Employment and Social Security. Mr. Bista has demonstrated impressive performance in his portfolio towards making the employment sector (both domestic and foreign) more transparent, dignified, regulated, and secure. Legal, policy, and institutional reform initiatives have been taken under his leadership to secure greater rights and welfare of workers. The recently introduced contribution-based Social Security Scheme is one of the key policy initiatives developed under his leadership. Mr. Bista talked to **IBN Dispatch** in detail about the initiatives taken by his ministry to ensure good industrial relations for the benefit of both workers and employers.*

Could you tell us about the key features of the contribution-based Social Security Scheme?

We have long observed that workers in various organizations are living with job insecurity and uncertainty. Workers in the informal sector are in a far worse condition. The labor sector has also not been given dignity, reliability and quality. Employment opportunities are scarce and employment systems are also unmanaged and unregulated. Given this situation, the government has introduced the Contribution-based Social

Security Scheme to guarantee the economic and social security of laborers employed across the country. We

are hopeful that the scheme will provide a sense of security psychologically, economically and socially.

What is the response from the private sector regarding this scheme?

We have started the implementation of this scheme with the organized sector. We are getting a very positive response from business organizations. They have registered themselves to participate in the scheme.



Scan the QR code for the full interview.

“ Skills development programs will be focused on producing human resources that are highly demanded within the country and in foreign employment destinations.

We have given them three months to provide their list of workers with them. This scheme was envisaged to cover all kinds of laborers employed in both organized and unorganized sectors, full-time or part-time job holders, and white-collar and blue-collar job holders. It also covers self-employed people.

What are the long-term plans under this scheme?

In the long run, everyone will be incorporated into this scheme. If we bring everyone under the scheme within 15-20 years, it will support the distribution of senior citizen allowances. The plan benefits targeted workers with support for medical treatment, health protection, maternity scheme, accident, disability and support to dependent facilities. Our people are living in difficulties for a better future. This scheme has formed a base for a better future for workers, paving the way for not only better social security but also for higher productivity in business enterprises.

How challenging is it to implement?

We are confident that the scheme will be implemented with greater participation of workers and employer organizations. We have formulated the scheme after extensive consultations with leaders of private sector organizations. They have expressed their commitment to helping the government implement the scheme. It is a common document of tripartite commitment between the employer, workers and the government. The scheme is expected to minimize the risk of industrial strike and optimize productivity by transferring uncertainty to the Social Security Fund.

How can we link investment with this social security scheme?

Our first priority is to provide an opportunity for the Nepali workforce for employment within the country.

We need to utilize our labor force for national development. We are at the initial phase in the development of key sectors of the economy including infrastructure. We need to develop a number of infrastructure projects and industries which can offer a large number of job opportunities within the country. We have been observing huge unemployment within the country while business enterprises are facing a crunch of skilled manpower. Hence, we are exploring avenues to synchronize the demand for skilled workers and the development of such skills among job seekers. Skills development programs will be focused on producing human resources that are in high demand within the country and in foreign employment destinations. If we offer social security to workers, the trend of seeking jobs in other countries will gradually stop.

How can we increase investment in the industrial sector?

Entrepreneurs will only be encouraged to invest when chances of instability due to strikes and bandhs is nil. We are conscious that there should not be any disruption in industrial activities from the workers' side. Laws and policies must ensure security of investment. Without guaranteeing the protection of investment, we cannot promote investment. There should not be a situation where the industrial climate deteriorates due to the activities of workers. To create an investment friendly environment, we need to build close relations between employers and employees. The existing labor law has made attempt to bridge the gap between workers and employers.

How can we utilize remittance to promote investment?

For the productive use of remittance, we need to do two major things. First, we need to make sure that remittance comes into Nepal through banking channels so that there is proper documentation of remittance and its sources are well documented. Second, we have to develop a mechanism to ensure proper utilization of remittance. We need to make the process of remitting money very scientific, transparent and smooth. It is a fact that more than 90 percent of remittance is spent on consumption. To explore ways for the productive use of remittance, we have formed a high level task force. The panel is expected to submit recommendations for policies, legal and institutional mechanisms for promoting the investment of remittance within two weeks.

What are your fresh initiatives on the foreign employment front?

We are equally serious about enhancing social securi-

SKILLS DEVELOPMENT GUIDELINE DISCLOSED

KATHMANDU: On December 17-18, 2018, the Office of the Investment Board of Nepal (OIBN) and Sutlej Arun-3 Power Development Company (SAP-DC) jointly disclosed the 'Guideline for Selection, Standards, Management and Regulation of Skills Training and Scholarship for Arun-3 Hydropower Project 2018' in the rural municipalities affected by the project. A team led by Mr. Uttam Bhakta Wagle, Joint Secretary at OIBN, was there to present the guideline to affected communities in Chichila and Makalu rural municipalities.

As required by the Nepal Employment and Skills Training Plan, developed jointly by OIBN and the project developer, the guideline was formulated to facilitate the smooth implementation of the plan. The guideline was approved by the Skills Training Implementation and Monitoring Committees headed separately by the chairs of the relevant rural municipalities.

The guideline is applicable to permanent residents of all six wards of Makalu; wards 1, 2 and 3 of Chichila and ward 5 of both Silichyong and Bhotkhola rural municipalities. The committees are also comprised of representatives from the project developer and OIBN. The secretariats of the committees have been set up in the concerned rural municipalities.

Speaking on the occasion, Mr. Wagle said that the government was fully committed to maximizing the benefits to local people from the project. The chairpersons of the affected rural municipalities have pledged to extend their cooperation for the effective



enforcement of the guidelines.

The plan was developed as per the provisions in the Project Development Agreement (PDA) signed between the government and SAPDC in November 2014. As per the plan, the developer is providing basic skills training and scholarships to academic courses for selected people living in rural municipalities affected by the project ♦



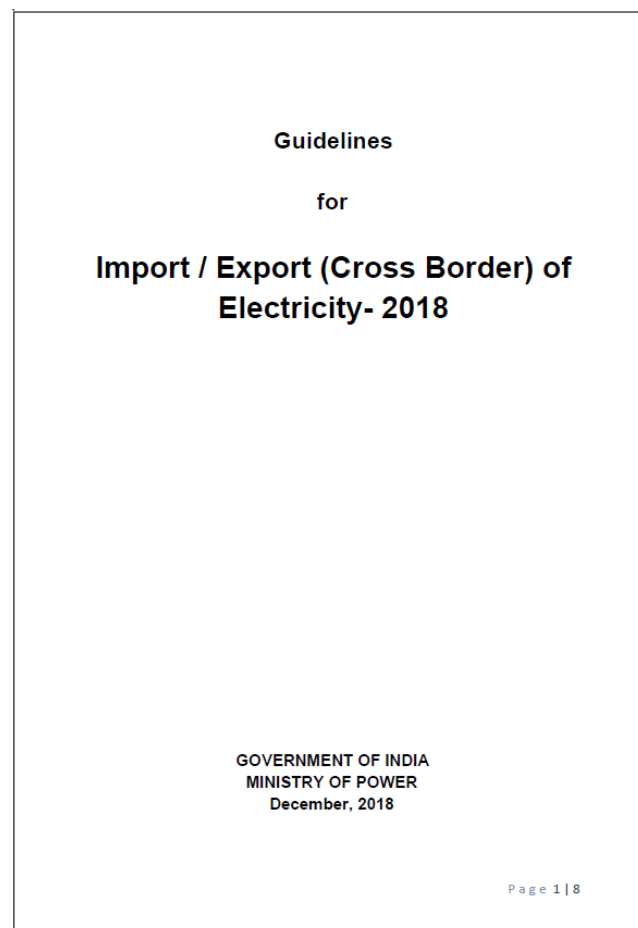
NEW GUIDELINE TO PAVE WAY FOR EXPORTING POWER FROM NEPAL

KATHMANDU: India has revised the ‘Guidelines for Import/Export (Cross Border) of Power’ paving the way for the unhindered export of the electricity produced in Nepal to India and third countries. Nepal had been putting pressure on India for the last couple of years to review the earlier guidelines as it was not in the spirit of the Power Trade Agreement (PTA) signed between India and Nepal in 2014.

The guideline was first introduced by the Indian government on December 5, 2016. As per the earlier guideline, only companies operating in Nepal with at least 51 percent Indian investment could export power to India. The newly amended guidelines has opened the doors to exporting power to other countries from Nepal via India. Under the guideline, Nepal-based power producers can either use Indian transmission infrastructures or construct their own infrastructure to export power to third countries after securing permission from the Indian government. The Ministry of Power of India amended the guideline on December 18, 2018.

The key objectives of the ‘Guidelines for Import/Export (Cross Border) of Power 2018’ are to facilitate the import/export of electricity between India and neighboring countries; develop a dynamic and robust electricity infrastructure for the import/export of electricity; promote transparency, consistency and predictability in regulatory mechanisms pertaining to the import/export of electricity; and the operation of a reliable grid for the transmission of electricity for import/export.

Nepali officials and private investors are upbeat, stating the review of the guidelines has created a conducive environment for attracting investment (both domestic and foreign) in the hydropower sector and



expanding the market of electricity generated in Nepal. The immediate beneficiary of the newly amended guideline is GMR Ltd., the developer of Upper Karnali Hydropower Project, which is preparing to sign a Power Purchase Agreement (PPA) with the Bangladeshi government to sell electricity. ♦

“LAWS AND POLICIES.....

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ty provisions for our migrant workers. We have taken initiatives to make foreign employment more rule-based, secure and transparent. For the greater security of workers, we have initiated the signing of agreements with the governments of major destination countries for the formal documentation of social security and other rights of our migrant workers. Recently we signed such an agreement with Malaysia which is one of the key destinations for our youths.

We have initiated the process of inking such pact with Qatar, the UAE, Oman, South Arabia and Japan. We have established a mechanism involving our missions in the respective countries to verify demand letters

from employers to end the years-long problem of fake demand letters. Under our efforts to open quality labor destinations, we have recently opened the way for employment in Japan for our youths. We have also started initiatives to enhance the welfare of our workers, utilize their skills earned in foreign land, and arrange easy loan to returnees among others. We have also started developing a strong data base on the arrivals and departures of Nepali workers and providing work permits from the province level. We have already started granting work permits for the first time outside capital from Butwal and Jankpur. This service will be expanded to all provinces to facilitate the issuance of work permits.

« Logon to www.ibn.gov.np for full interview.

RFPS CALLED FOR FOUR PROJECTS

KATHMANDU: The OIBN has called Request for Proposals (RFPs) on January 1, 2019 from short-listed companies which had submitted Expression of Interests (EOIs) letters to conduct feasibility studies for the development and operation of the projects under four different categories. The OIBN demanded EOI proposals from interested firms on August 9, 2018.

RFPs have been called from interested firms for the study of these four projects- Education, Sports and Health City Project, Luxury Resort in Shey Phoksundo National Park, Integrated Agriculture (Commercial Farming, Livestock Farming and Meat Processing) Project and Ski Resort Project in Manang district. ♦

SHORTLISTED BIDDERS

PROJECTS	FIRMS CALLED FOR RFPS
Education, Sports and Health City Project	Joint Venture of Civil Informatics and Solutions Pvt. Ltd., and Nepal Consult Pvt. Ltd., ERMC Pvt. Ltd, Ernst & Young LLP, and Grant Thornton India LLP.
Luxury Resort in Shey Phoksundo National Park	ERMC P. Ltd., Ernst & Young LLP, KPMG Advisory Services Pvt. Ltd., and Full Bright Consultancy Pvt. Ltd.
Integrated Agriculture (Commercial Farming, Livestock Farming and Meat Processing) Project	KPMG Advisory Services Pvt. Ltd., and Full Bright Consultancy Pvt. Ltd., and iDE Nepal, CMS Engineering Consult Pvt. Ltd., and FCG ANZDEC (New Zealand), PricewaterhouseCoopers (PWC) Pvt. Ltd., Ernst & Young LLP, Agrifood Consulting International, Grant Thornton India LLP
Ski Resort in Manang	ERMC Pvt. Ltd., Ernst & Young LLP, ILF Consulting Engineers Austria GmbH, KPMG Advisory Services Pvt. Ltd. and Full Bright Consultancy Pvt. Ltd.

INDUSTRIAL BENEFITS PLAN FOR ARUN-3 UNVEILED



BIRATNAGAR: The Sutlej Arun-3 Power Development Company (SAPDC) and OIBN jointly organized a disclosure program for the Nepal Industrial Benefits Plan targeted to benefitting domestic business people in Biratnagar on November 29. The plan is designed to fulfil the requirement of goods and services for the project by providing fair business opportunities to Nepali suppliers and service providers.

The plan was jointly developed by SAPDC and OIBN and was approved by OIBN as required by the PDA signed in 2014. In the process of developing the plan, consultations were held with members of various Nepalese business associations and suppliers of goods and services who could become potential suppliers and service providers for the project. The PDA requires the project to inform Nepali business people about material requirements, stimulate business linkages, give opportunities for local suppliers, establish and setup a supplier database, and encourage full and fair access for the supply of goods and services.

The plan also stipulates promoting a vibrant, growing, and competitive supplier base within Nepal that over time can meet higher value-added requirements for goods and services for the project. It is estimated the project will use around 1.46 million cubic meters

of sand and in aggregate 458,000 tons of cement and 48,500 tons of iron rods to build the project's core structures.

The plan envisages to maximizing the use of domestic goods and services provided that the Nepalese resources meet the quality, quantity and availability requirements without compromising the cost and time schedule of the work. The project offers opportunities for businesses in construction materials, transport, logistics, telecommunication, health, medical, agriculture, tourism and other allied sectors.

During the program, contractors for different packages in the project – Jai Prakash Associates Ltd., Patel Engineering Ltd., Om Metals Infra Project Ltd., and Bharat Heavy Electrical Ltd. (BHEL) – had given separate presentations about the requirement for materials and services for the project in terms of time, quantity and quality. In the program, officiating Principal Secretary of Province 1, Mr. Kedar Neupane, urged Nepali business people to take maximum benefits from the business opportunities unleashed by the Arun-3 project. OIBN's Joint Secretary Mr. Uttam Bhakta Wagle expressed his commitment to support the project developer in the smooth implementation of the PDA. ♦

MY STORY...



My name is Pratima GC Shrestha, a resident of Binay Tribeni Rural Municipality-4, Nawalpur district. I am really happy living with my family members and working in an organization (Hongshi Shivam Cement) located right in front of my doorstep. I was with my husband in Kathmandu before I joined this company. Before I got this job, I would have to ask for money with my husband or other family members even for small things like recharging my mobile balance. Such a situation does not exist now. I am in a position to even easily settle larger financial needs with my income. As a woman, I also found a conducive environment here for women and housewives to work, irrespective of being educated or not.



GOVERNMENT OF NEPAL
OFFICE OF THE INVESTMENT BOARD



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