

**National Project Bank (NPB)
and
National Project Bank Management Information
System (NPBMIS)**

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Government of Nepal**

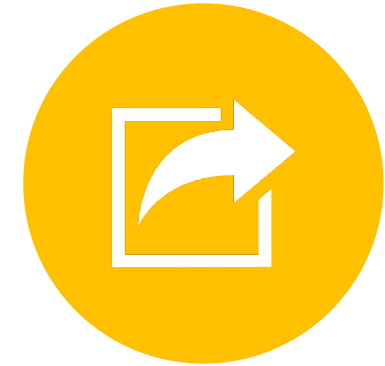
Outline



RETROSPECT



RECENT DEVELOPMENT



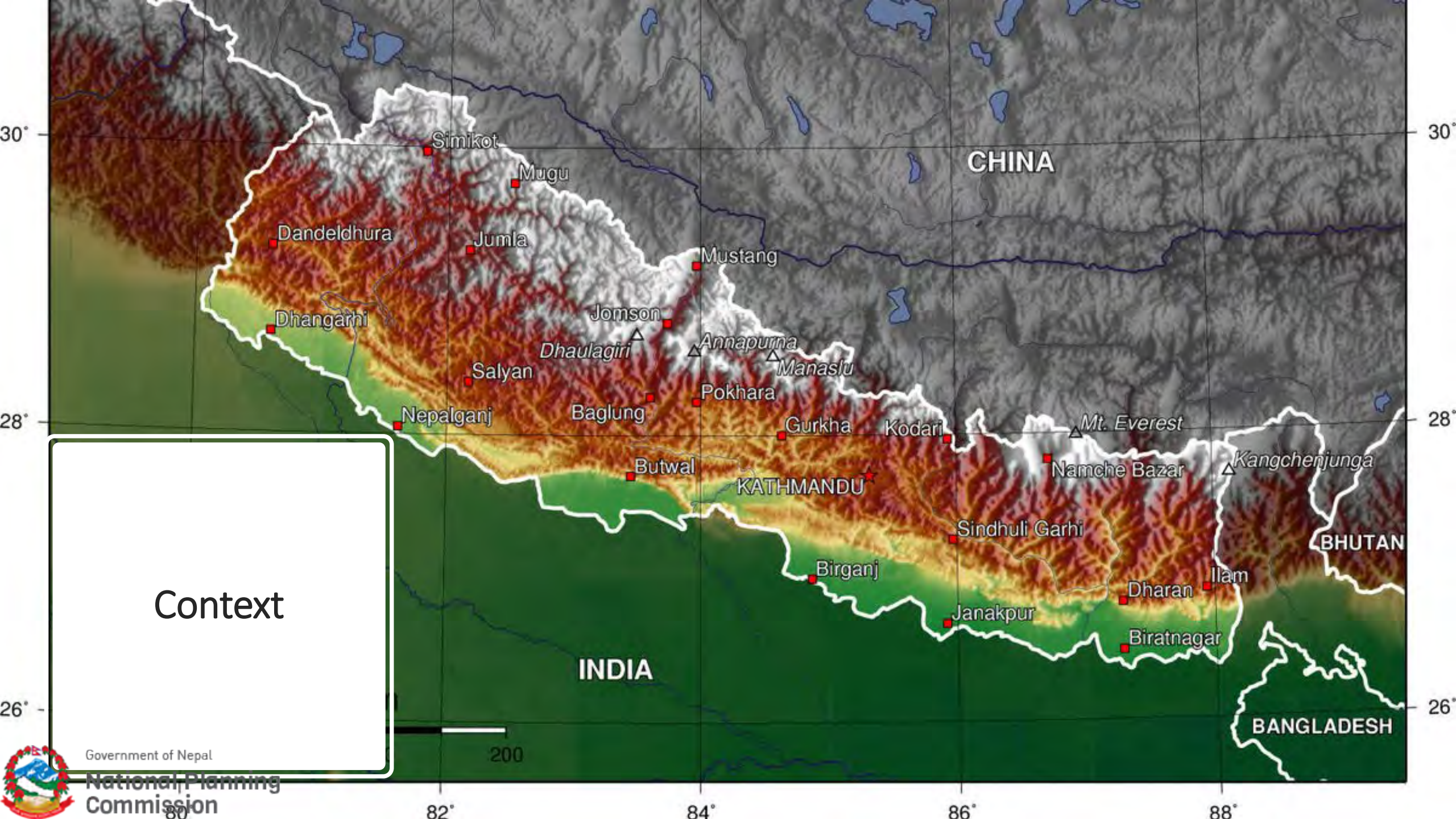
WAY FORWARD



Retrospect

- **First meeting of the Infrastructure Financing and PPP Network of Asia and the Pacific (12 - 13 September 2018).**
 - *PPP Operationalization, Creation of Viable Gap Funding & Project Development Fund,*
 - *Capacity Building for PPP Implementation, Mainstreaming the PPP into provincial and local level,*
 - *Establishment of National Project Bank (Project Pipeline & Web Portal)*





Context

Context

Nepal a land-locked, but not potentially locked

(rich natural resources, demographic and geographic dividends)

- **Unitary to Federal Structure** : Stable government at federal, province (7) and local level (753)
- **Area**: 147, 181 Sq. Km
- **Population**: 26.67m (2011 census)
- **Economic Growth Rate**: ~7% (2018), 8.5% (FY 2019/20, targeted)
- **Total Budget**: USD 13.66 billion (FY 2019/20)
- **Per Capita Income**: USD 1074



Development Vision & Goals

National Vision: Prosperous Nepal, Happy Nepali

- 15 Periodic Plan (2019 – 2023) : **Generate Prosperity**
- 16 & 17 Periodic Plan (2023 – 2032) : **Accelerate Prosperity**
- Beyond 2032 : **Sustain Prosperity**

National Goals:

- *Least Developed Country (LDC) graduation to developing country by 2022, Middle-Income Country (MIC) by 2030*
- *Full commitment of SDGs achievement by 2030*
- *25 Years Vision Paper (2043) – around 10 % growth targeted, per-capita income USD 12,100*



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Constraints



**POLICY & LEGAL (UNILATERAL
TO FEDERAL SYSTEM)**



INSTITUTIONAL CAPACITY



FINANCING GAP



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Costing and Financing

SDGs (2016 – 2030)

Average annual requirement (AAR): USD 18.37 bn

Contribution for SDGs

- Public : 55%
- Private: 45%

Finance gap: USD 5.31 bn

- Public: USD 1.97 bn
- Private: USD 3.34 bn



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Costing and Financing

15th Periodic Plan (2019/20-2023/24)

Targeted an average growth of 10.3 percent over the next five years

Per capita income: USD 1595

Total investment: USD 84 bn (FY 2018/19 price)

- Government : 39% (AAR - USD 6.53 bn)
- **Private** : **55.6%** (AAR – USD 9.32 bn)
- Cooperative : 5.4% (AAR - USD 0.9 bn)

Private sector has to play a vital role in achieving national goals



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Recent Development – PPP Initiatives

- Legal and Policy Framework
- Institutional set-up with one stop solution
- **Setting up of NATIONAL PROJECT BANK at NPC**

(Screening, appraisal, selection and prioritization)



Legal & Policy Reform

PUBLIC PRIVATE PARTNERSHIP AND INVESTMENT BILL, 2019

FOREIGN INVESTMENT AND TRANSFER OF TECHNOLOGY ACT, 2019

SPECIAL ECONOMIC ZONE ACT (FIRST AMENDMENT), 2019

HEDGING REGULATIONS, 2019

COMPANY ACT, 2017

LABOR ACT, 2017

INDUSTRIAL ENTERPRISES ACT, 2016

ENVIRONMENT PROTECTION RULES (5TH AMENDMENT), 2017

LAND RELATED REGULATIONS

HYDROPOWER PROJECTS RELATED LAWS



Institutional Set-up

National Planning Commission

- Overall National Plan and Project Allocation
- Chaired by Hon. Prime Minister

www.npc.gov.np



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Institutional Set-up

Office of the Investment Board

- Overall PPP Execution
- One stop solution
- Chaired by Hon. Prime Minister
- PPP & Investment bill approved – governs PPP and FDI projects
- IBN to approve schemes worth more than USD 55 million

<http://www.ibn.gov.np/>



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National Project Bank (NPB)



- **Depository of projects eligible for investment (i.e. bankable projects) to be executed by the federal government which will be selected on the basis of predetermined process of project identification, appraisal, selection and prioritization guidelines developed by National Planning Commission.**



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Objectives

Project Good Governance

- ✓ Central Depository of Projects from different sector
- ✓ Best value for Money
- ✓ Effective Management and optimal utilization of valuable resources

Decision Making

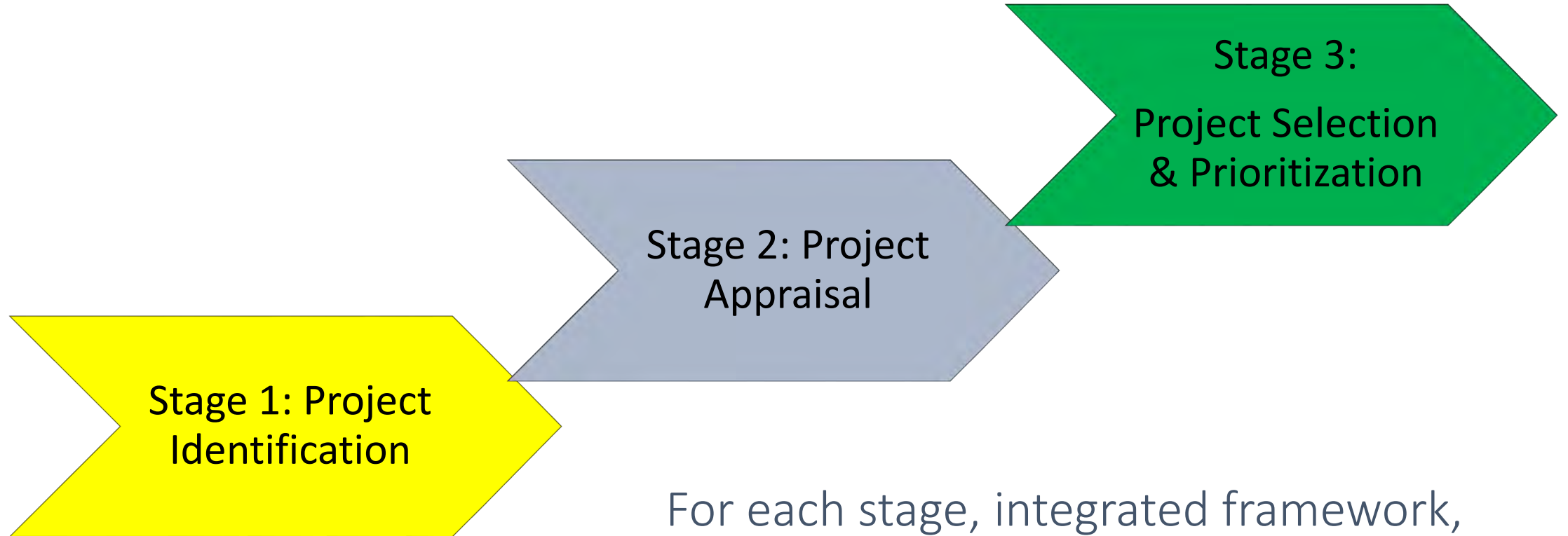
- ✓ *Ready to Kick off projects*
- ✓ *Identify development modals (e.g. Govt., EPC, EPCF, BT, BOOT, PPP, FDI)*

Credibility Enhancement of Development Projects

- ✓ *Effective mobilization of development cooperation based on its needs and priorities.*
- ✓ *Appropriate, and evidence based allocation of projects in private and public sector.*



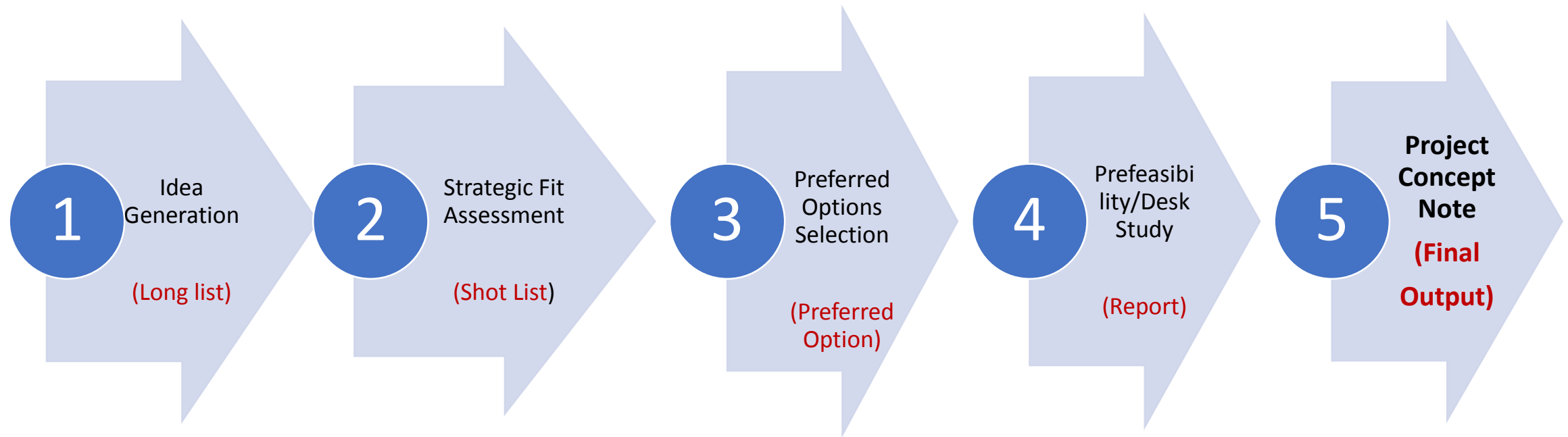
Three stages of NPB



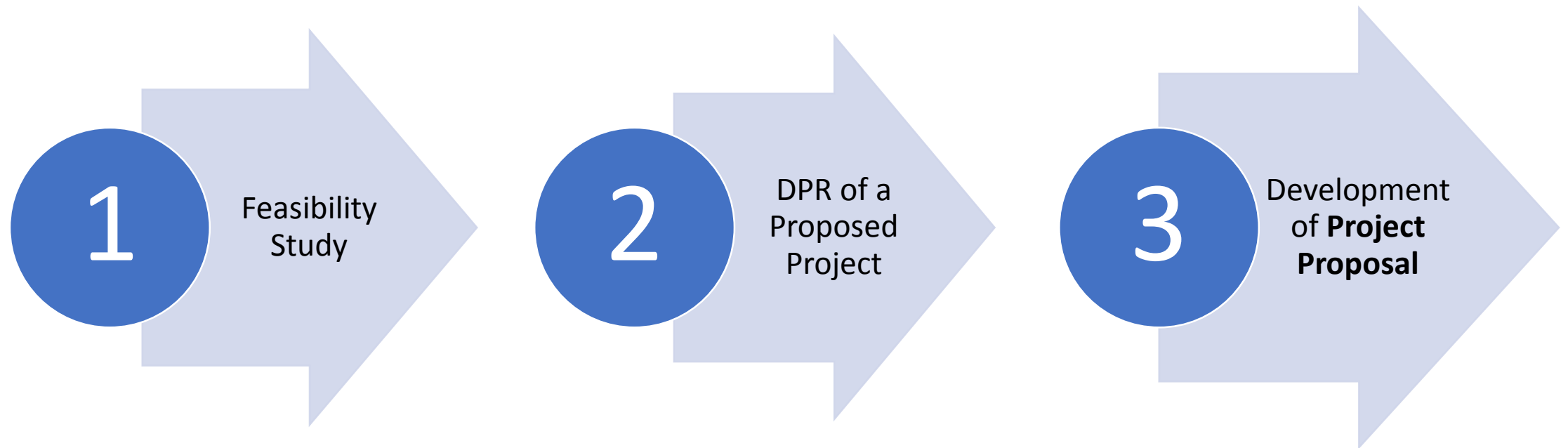
For each stage, integrated framework, process and tools are developed



Project Identification Process



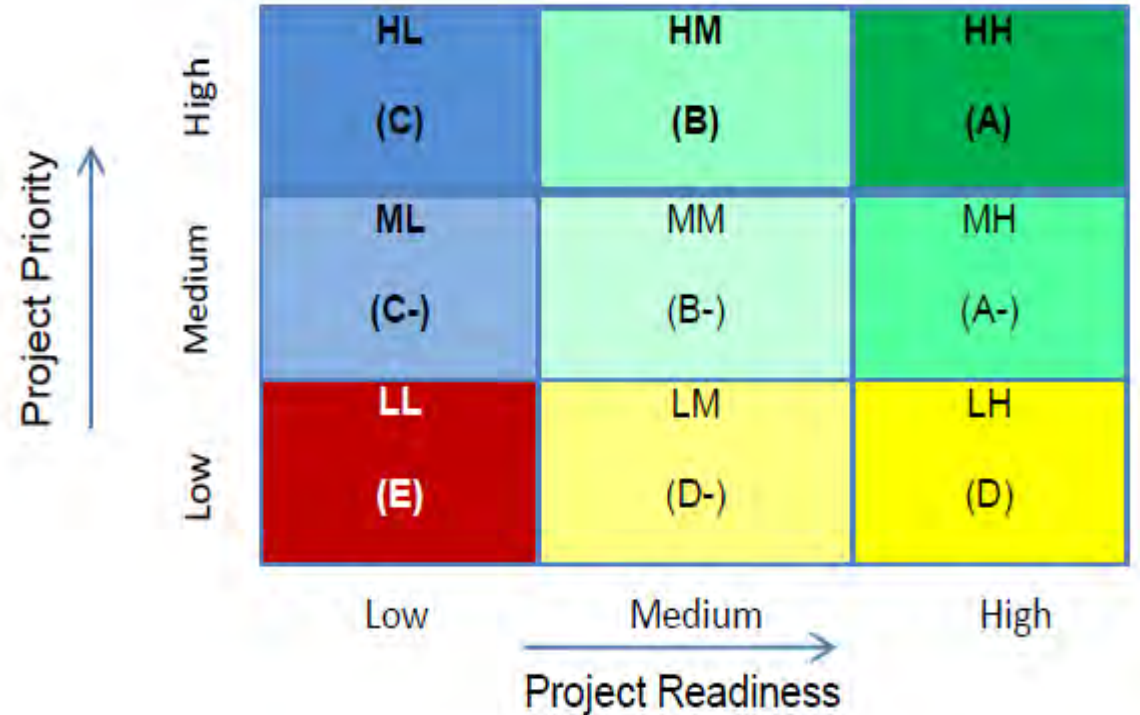
Project Appraisal & Project Proposal Process



Selection and Prioritization of Projects



- ***A priority list of projects shall be created in NPB.***
- ***Offers a portfolio of strategic projects representing various sectors of investment in Nepal according to project readiness and project priority.***



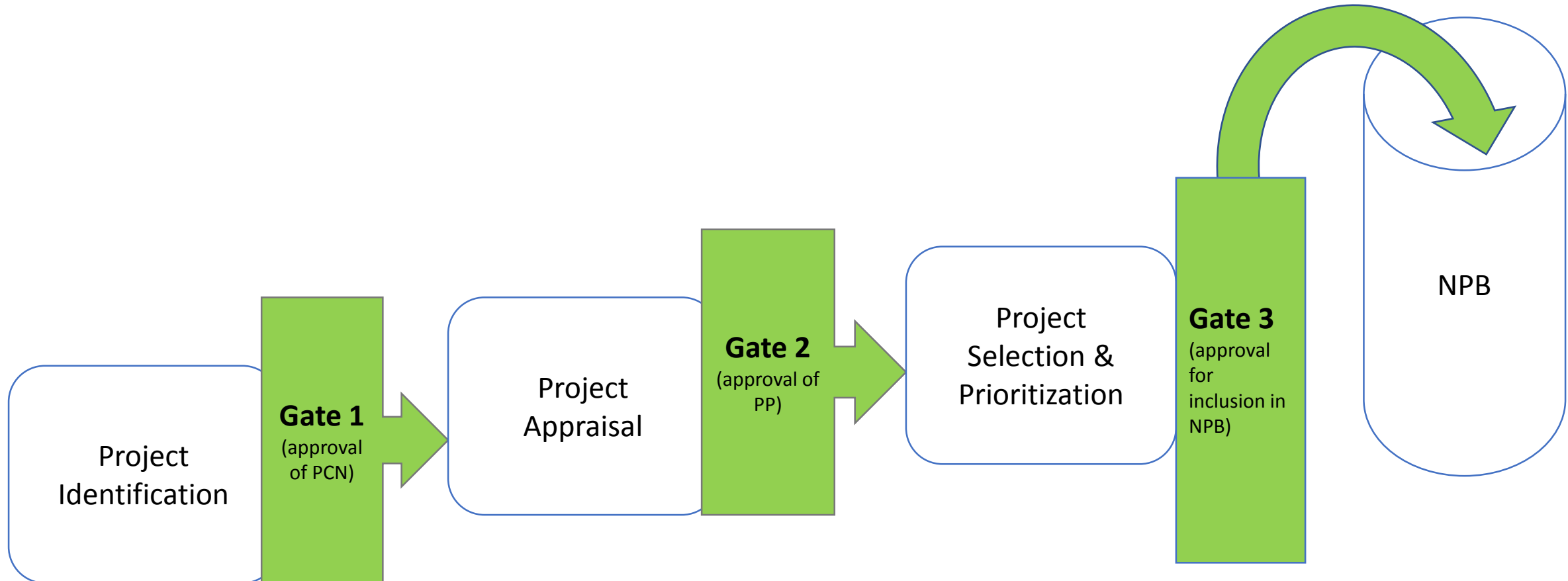
L = Low, M = Medium, and H = High



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Procedures for establishing NPB



National Project Bank Management Information System (NPBMIS)





National Project Bank
Management Information System



+ Add New Project



Dashboard

TOTAL PROJECTS

146

ONGOING PROJECTS

98

FUTURE PROJECTS

48

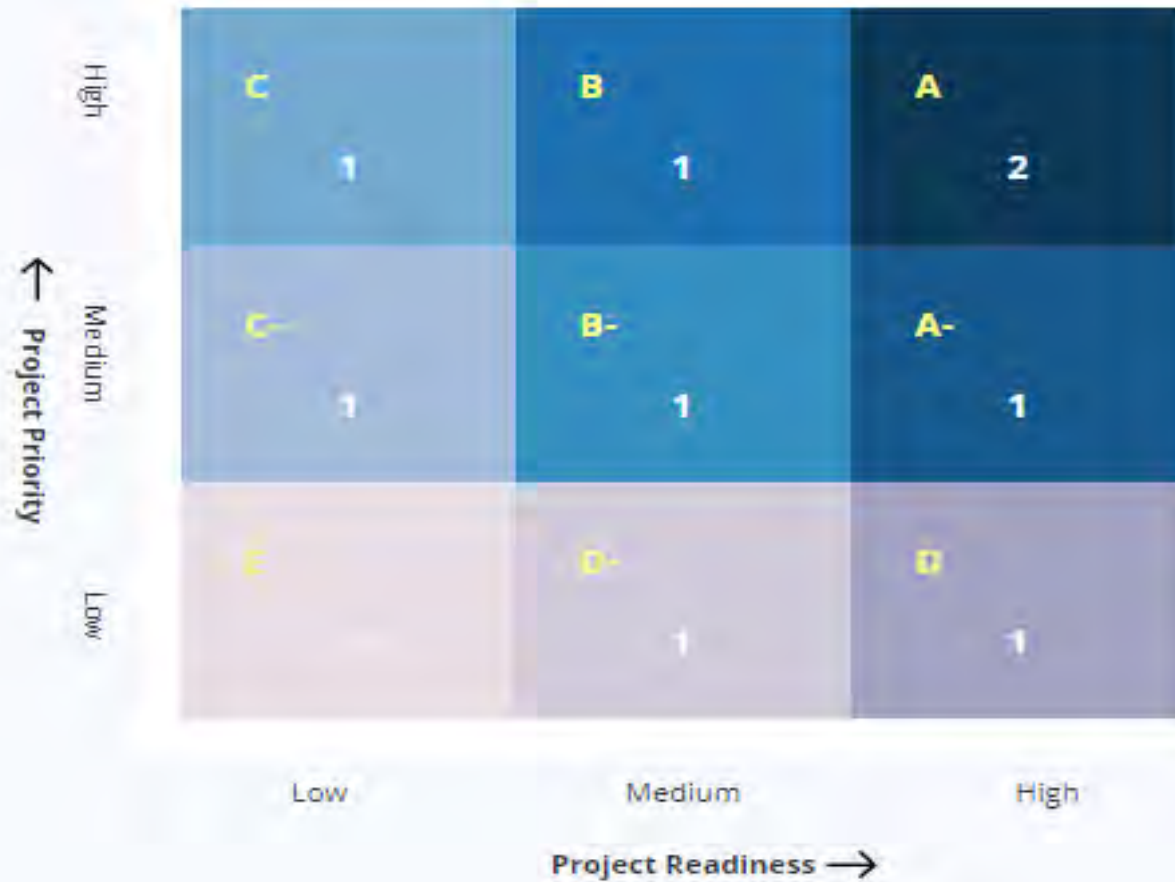
NPBMIS



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Project Ranking

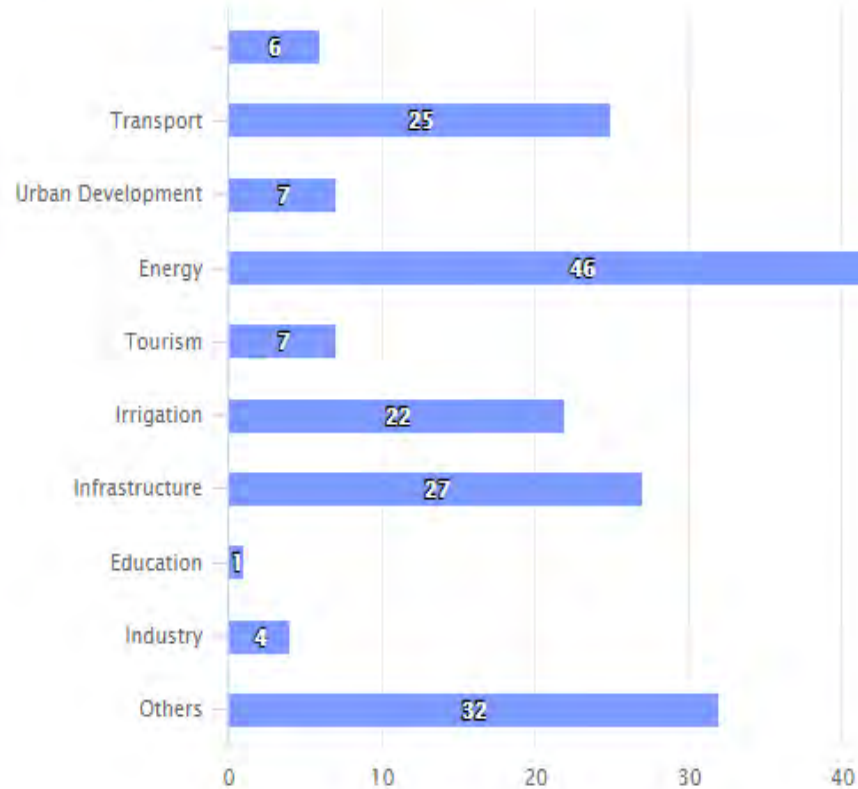


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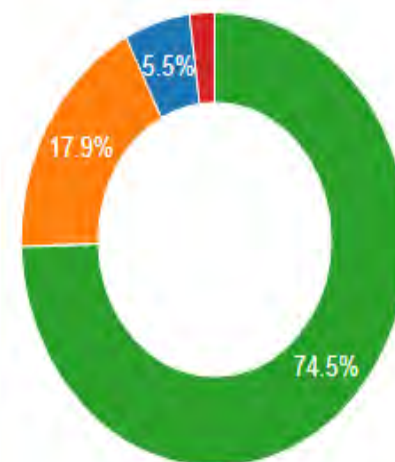
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GUIDELINE

PROJECTS BASED ON SECTOR

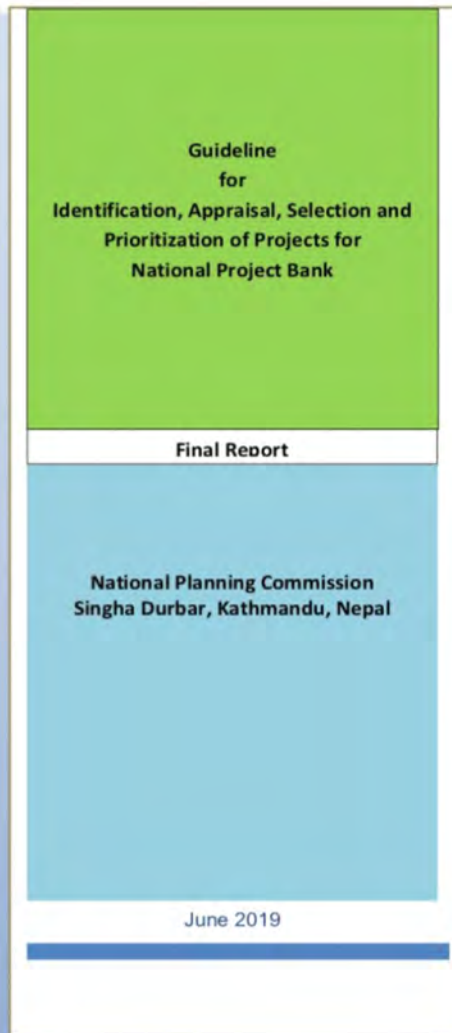


PROJECTS BASED ON PRIORITY



Mainstreaming of NPB

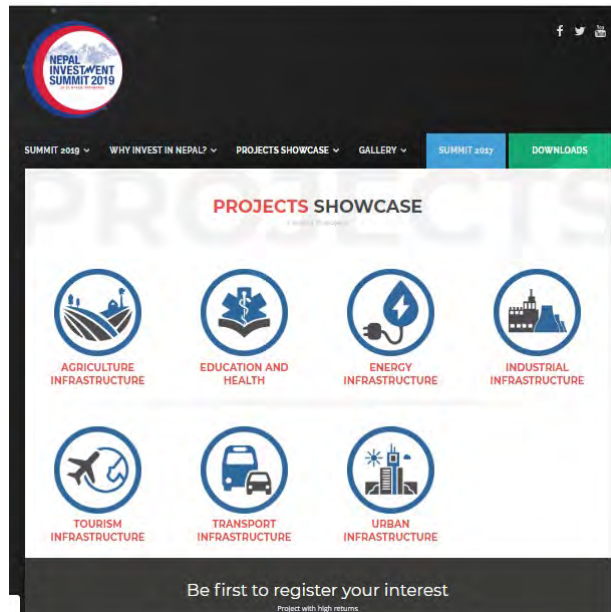
- NPB General Guideline
- National Development Action Committee
(Chaired by Hon. Prime Minister)
- Approach Paper for 15th Periodic Plan
- Budget Formulation Guideline and MTEF
- Multi-year Contract Standard for Projects, 2019
- PPP & FDI Bill



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PPP Showcase Projects



- 7 Sectors – 70 Projects
- Sector Wise Investment
- Status
- <https://investmentsummitnepal.com/>
- [project-showcase/](#)



Way Forward

- **Up scaling of NPB and NPBMIS**
- **Capacity Development in NPC, IBN & line ministries**
- **Sector specific harmonized guidelines including techniques, tools, & methods**
- **Enactment of PPP Act**
- **Technical support**
- **Networking and Knowledge Sharing**



Thank you



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