

建設産業情報（最近の動向）

在外公館名 在ネパール大使館記入日 2015/07/31

1. 現地の建設・不動産市場に係る経済情報

該当なし

2. 建設業制度、入札契約制度、不動産業制度の改正動向（改正等がなければ記入不要）

該当なし

3. 報道情報

末尾記載リストに係る記事について幅広く情報提供をお願いします。

	タイトル、概要	日付/掲載紙
1	コイララ首相シンズリ道路開通式に出席、日本の援助に謝意（日本関係）	2015/07/04 ライジングネパール
2	インド派遣団がトリブバン空港を視察（インド関係）	2015/07/04 カトマンズポスト
3	インド、空港整備に関心を示す（インド関係）	2015/07/07 ヒマラヤンタイムズ
4	ネパール政府、ファストトラック整備にインドからのローンを活用することを検討（インド関係）	2015/07/08 ヒマラヤンタイムズ
5	日ネ間の新たなシンボル、シンズリ道路（日本関係）	2015/07/09 ピープルズレビュー ウイークリー
6	米、水力発電に関する援助を拡大（米関係）	2015/07/14 ヒマラヤンタイムズ
7	メラムチ上水計画、3度の工期延長も間に合わず（ADB関係）	2015/07/15 リパブリカ

8	光ファイバー埋設プロジェクトの遅れ（ADB関係）	2015/07/20 ヒマラヤンタイムズ
9	中国、災害復興重点地区の5地区選定（中国関係）	2015/07/24 ライジングネパール
10	ADB、ネパール政府にプロジェクトの改善を要求（ADB関係）	2015/07/28 ライジングネパール
11	ネパール投資委員会、ADB及び世銀と空港関係事業について協議（ADB、世銀関係）	2015/07/29 カトマンズポスト
12	タナフ水力発電プロジェクト、コンサルタントが間もなく始動（ADB関係）	2015/07/30 ヒマラヤンタイムズ
13	韓国、瓦礫撤去のための重機を寄贈（韓国関係）	2015/07/30 ライジングネパール

4. その他我が国の建設産業界にとって参考となりうる最近の動向

該当なし

PM inaugurates BP Highway

Govt of Japan thanked for extending support

By A Staff Reporter

Kathmandu, July 3

The Banepa-Sindhuli-Bardibas Highway constructed by the Government of Japan has been

officially opened for general transport amidst a function organised at Dhulikhel on Friday.

Prime Minister Sushil Koirala inaugurated the highway, also known as BP Highway that links Kathmandu to eastern Terai. The construction works of 160 km road which took off in 1995 completed in February 2015.

The feasibility study of the road had been completed in 1988 and its aftercare study was conducted in 1993 by the government of Japan as per the request of the government.

Inaugurating the road, Prime Minister Sushil Koirala, said that the economic backwardness of the country was due to the inability of harnessing plenty of resources available in the country.

The Prime Minister attributed differences that existed among political parties in the past for the nominal economic development in the country.

He said that the country could achieve total economic transformation within 10 years, provided that good governance, transparency, accountability and zero corruption are

assured.

In another context, PM Koirala said that no one can obstruct the process of constitution writing that started recently after the signing of the 16-point agreement among the major political parties.

Thanking the government of Japan for constructing the BP Highway, Prime Minister Koirala urged the Japan Government to support resolving some problems seen in some sections of the highway.

Minister for Physical Infrastructure and Transport Bimalendra Nidhi said that a technical team would be formed to make the B. P. Highway more safe and durable.

He said that operation of vehicles more than the capacity of the road will be restricted for the safety and durability of the road.

Japanese ambassador to Nepal Masashi Ogawa said that the government of Japan would extend its support in building infrastructures in Nepal in coming days.

Tulsi Prasad Sitaula, secretary at the Ministry of Physical Infrastructure and Transport, said that the feasibility study of Thankot-Nagdhunga road had been completed.

The Highway is designed to be an environmentally friendly, an easy to maintain

and a realistic road in terms of cost, considering its challenging geological condition.

The highway was constructed by Government of Japan with a grant assistance of 26 billion Japanese Yen.

The counterpart fund Rs. 1.48 billion was provided by the Nepalese government which has been used for payment of the compensation of land/building, royalty, tax refund, authorization to pay commission, maintenance of handed over section and administrative cost etc.

Government of Japan has adopted environment, topography and ecology friendly technology while constructing this particular road.

For the prevention from disasters including landslides, an anchor on crib wall with high intensity net and rock bolt have been used in the risky places. Similarly, Geotextile reinforced earth wall (REW) technology has also been used with vegetation sheets and drainage shects for high embankment wall.

The BP Highway is stimulating the economic and social activities in the hill area of Kavre, Ramechhap and Sindhuli districts.

For the maintenance of this road, the government of Japan has provided equipments and vehicles equivalent to 284.6 million yen.



Prime Minister Sushil Koirala at the inauguration and handover programme of the Banepa-Bardibas Highway (BP Highway), constructed with the assistance from Japan, Friday. (Photo: TRN)

Indian delegation to inspect TIA, SIA

SANGAM PRASAIN
KATHMANDU, JULY 4

A four member delegation of the Airport Authority of India (AAI) is scheduled to arrive in Kathmandu on Monday to inspect the Tribhuvan International Airport (TIA) and the planned Second International Airport in Nijgadh, Bara. The team is led by AAI Executive Director HS Suresh.

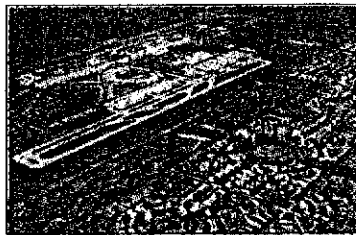
As per the schedule, the team would carry out inspection of the TIA on Monday and a field visit of the SIA site on Tuesday.

Government officials said one of the team's objective is to inspect whether TIA has sustained damages in the recent earthquake, and offer support with necessary facilities. However, multiple sources said the team's major objective is to take ahead the plan of developing the SIA project as well as expansion of the Kathmandu airport.

On April 25, Abhay Thakur, joint secretary in-charge of Nepal at the Indian foreign ministry, speaking at a conference on investment opportunities in Nepal, said India was interested in developing airports in Nijgadh as well as in the expansion of the Kathmandu airport. "A delegation from the AAI is expected to visit Nepal soon to take these plans forward," he had told the Indian media.

The event was organised by the Federation of Indian Chambers of Commerce and Industry, and was also attended by then Nepal's ambassador designate Deep Kumar Upadhyay.

Subsequently, India's Minister for External Affairs Sushma Swaraj urged the Nepal government to expedite the construction of the Kathmandu-Tarai Fast Track and SIA projects with India's participation.



■ (Top) Tribhuvan International Airport and (bottom) a computer-generated image of the proposed Second International Airport.

"Work on construction of the Nijgadh airport with India's participation should be expedited. These projects will create new job opportunities, contribute to revenue, and facilitate long-term recovery," said Swaraj at the International Conference on Nepal's Reconstruction in Kathmandu on June 25.

Suresh Acharya, joint-secretary of the Tourism Ministry, said no damage is reported at the TIA and that the Nepali side would make the Indian delegation clear about it.

"Presently, we do not need support for TIA enhancement as we have a number of ongoing projects carried out by the Asian Development Bank and JICA."

He said India has been expressing interest in the development of the SIA, but until now there are no such plans to involve India. "It should be clear there would not be any formal commitments or agreements regard-

ing these two projects during the Indian team's this visit," he said.

As the SIA in the southern border point would be more accessible for a large population of Bihar, India is more concerned about it, said a government official.

The SIA scheme envisions building a modern airport in Nijgadh, which is 175 km from Kathmandu, as an alternative to congestion and winter fog at TIA, the country's sole aerial gateway.

The estimated cost for the first phase, according to the feasibility study, would be \$650 million. The airport will be able to handle 15 million passengers annually and accommodate the super jumbo Airbus 380 after the first phase of construction.

By the end of the third phase of construction, the airport will have a parallel runway enabling it to handle 60 million passengers annually. If the SIA is built, it will be an air hub joining 27 cities in South Asia and generate over 100,000 jobs.

Some officials said the plan floated by the Investment Board Nepal (IBN) to bundle the TIA and the SIA and award it to a single developer would have interested India.

The IBN had said as it seems difficult to find investors for the SIA until the Kathmandu-Tarai Fast Track is built, and the project is unlikely to be profitable for the next 20-25 years as long as an airport is operated in Kathmandu, both the projects should be allotted to a single company so that the profit raised from TIA would compensate the SIA.

South Korea-based Land Mark Worldwide Company that had prepared the detailed feasibility study of the SIA has recommended introducing a clear aviation policy for diverting 70 percent of the traffic from TIA to the SIA to make the project viable.

AAI interested to support airport infrastructure development

Himalayan News Service

Kathmandu, July 6

Indian airport authority has shown interest to support Nepal government in development of the airport infrastructure of the country. Officials of Airport Authority of India (AAI), led by its Executive Director HS Suresh, are in Nepal at present to explore the possible areas for assistance.

The team today held separate meetings with Minister for Culture, Tourism and Civil Aviation Kripasur Sherpa, director General of Civil Aviation Authority of Nepal (CAAN) and general manager of Tribhuvan International Airport (TIA) to discuss various matters.

In the meeting with Sherpa, the team discussed about Second International Airport (SIA), TIA improvement and Kathmandu-Tarai Fast Track Road.

Suresh was flanked by two other technical officials from AAI and two officials from Indian Embassy in Nepal. India has

also been showing interest in developing SIA and improving the TIA. However, Buddhi Sagar Lamichhane, joint secretary at the Ministry of Culture, Tourism and Civil Aviation (MoCTCA) said that there had been no specific discussion on such issues.

On Tuesday, the team is scheduled to visit the site of the planned SIA. During the meeting with Birendra Prasad Shrestha, general manager of TIA, the visiting team had discussed about improving capacity of the TIA and possible support of AAI.

"As the current provision allows aircraft coming from India to land in TIA only from Simara side, I have requested the team to look into other alternatives," said Shrestha.

Both the countries have also been considering air route restructuring. However, the visit is said to have focused more on airport infrastructure.

The government has been planning to construct the SIA, which is expected to reduce

congestion being faced by TIA and boost air connectivity with international markets. The airport will have capacity to handle 15 million passengers annually after completion of first phase, which is estimated to cost \$650 million.

Meanwhile, a committee formed to investigate a Turkish Airlines plane skidding off the runway has submitted its report to the MoCTCA. Today, the committee handed over a draft of the report to Minister Sherpa, according to Lamichhane, who was member secretary of the committee.

"The draft report will be sent to France, Turkey and Singapore for feedback as per a provision of International Civil Aviation Organisation, before making it public," said Lamichhane.

After the Turkish Airlines aircraft had skidded off the runway on March 4, the government had formed a four-member investigation team under the coordination of former tourism secretary Nagendra Ghimire.

Government mulls over using Indian soft credit to build fast track

Rupak D Sharma

Kathmandu, July 7

The government is mulling over using a huge portion of credit extended last year by India to build the Kathmandu-Tarai fast track road — a 76-km highway that will link the capital with the southern plains and work as a life-line once second international airport is built in Nijgad.

During Indian Prime Minister Narendra Modi's visit to Nepal in November, India had formally provided a line of credit of US\$1 billion (approximately Rs 100 billion) to the government.

"We are now looking at the option of using \$750 million of the pledged amount to build the fast track," Tulasi Prasad Sitaula, secretary at the Ministry of Physical Infrastructure and Transport, told *The Himalayan Times*.

He, however, did not explain whether the government was also intending to use part of 40 per cent of the credit amount which was recently converted into grant by India to support reconstruction works in the aftermath of earthquakes. He only said, "We are yet to discuss this issue."

The issue of using Indian credit to build fast track was discussed during a meeting held today at the Ministry of Finance. The meeting was attended by Finance Minister Ram Sharan Mahat, Minister for Physical Infrastructure and Transport Bimalendra Nidhi, National Planning Commission Vice Chairman Govind Raj Pokhrel, Sitaula and Mukunda Gajanan Sapre, executive director of India-based IL&FS Transportation Networks, which prepared the detailed project report on fast track in partnership with other firms.

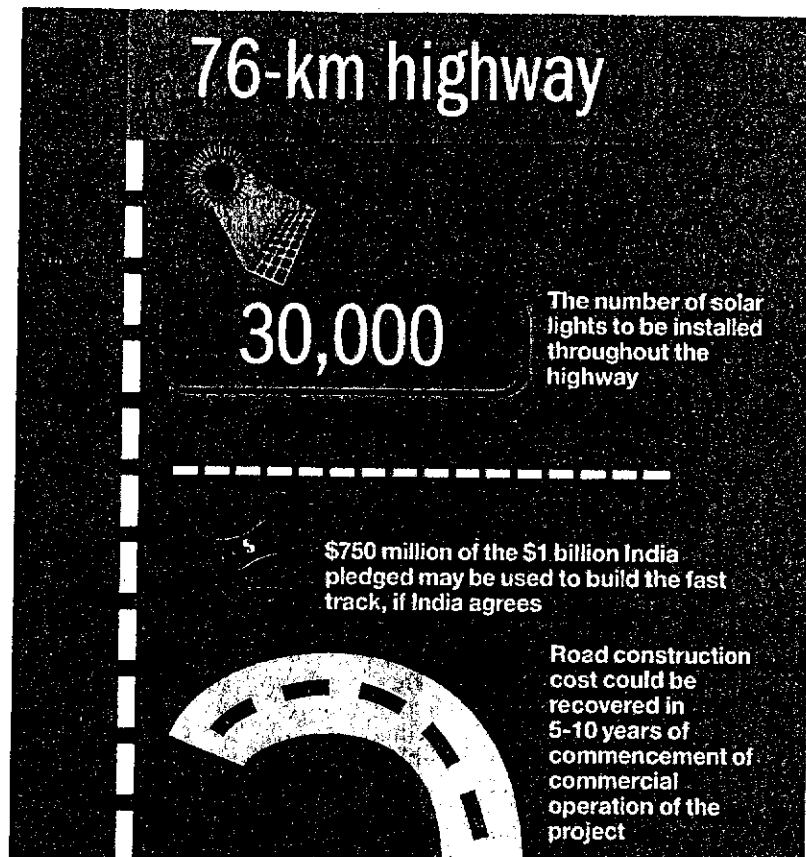
In March, the government handed over the task of preparing the detailed project report to a consortium between IL&FS Transportation Networks, IL&FS Engineering and Construction, and Suryavir Infrastructure Construction.

The report, recently handed over to the government, is being evaluated by the Ministry of Physical Infrastructure and Transport.

If the ministry is satisfied with both the technical and financial components of the report, it can even hand over the project to IL&FS.

"So far we have gone through the technical part (of the report), and it looks pretty good," said Sitaula.

For instance, the report has pro-



posed installation of 30,000 solar lights throughout the 76-km highway.

It has also proposed increasing the width of the four-lane road by a metre.

If this suggestion is heeded, the width of the road would increase to 15 metres — 7.5 m on each side of the road — from existing 14 metres.

"What also appears genuine in the report is the cost of building the track, which stands at \$980 million (approximately Rs 98 billion), excluding value added tax," said Sitaula.

This estimate of IL&FS is similar to previous government projection of around Rs 100 billion to build the road.

However, IL&FS has also proposed building a six-lane road for which \$1.3 billion has to be invested. IL&FS has also proposed that land for six-lane road be acquired now, as the highway will have to be widened in the next one-and-a-half decades due to rise in traffic movement.

"We are yet to take a decision on this matter," said Sitaula.

As of now, the government has said it would make investment of around \$150 million — about 15 per cent of the total project cost — in the project.

And if IL&FS bags the project, it has said it would make equity investment equivalent to 20 per cent of the total project cost.

"The remaining 65 per cent of the project cost has to be mobilised in the form of bank loans. But IL&FS has lately started saying credit is not so cheap in the Indian market," Sitaula said, adding, "This is one of the reasons why we are mulling over using Indian credit to build the fast track."

If the government formally decides to mobilise \$750 million in Indian credit to build the road, and if India agrees to it, road construction cost could be recovered in less than five years of commencement of commercial operation of the project. "But if the project relies on private bank credit, it could take eight to 10 years to achieve breakeven point," Sitaula said.

During the International Conference on Nepal's Reconstruction on June 25, Indian External Affairs Minister Sushma Swaraj had said: "Work on construction of the fast track and (second international) airport at Nijgad should be expedited with India's participation."

Sindhuli road: New symbol of Nepal-Japan relations

Bishwamani Subedi, Chief Reporter of Jan Aastha vernacular weekly was greatly delighted to visit his two-month old son in Inruwa, headquarters of Sunsari district, in six hours from Kathmandu. Previously he had no option of taking another route but to travel via East-West Highway to reach his hometown that would take almost twelve hours. Thanks to the Banepa-Bardibas Highway and the Japanese Government for the generous grant assistance extended and undertaken the construction of the highway. Also known as BP Highway, this route is vitally important in that it is the only major east bound exit from the Kathmandu Valley.

The Bardibas-Sindhuli-Banepa Highway constructed with the aim of linking capital Kathmandu with the Tarai region by a short route has helped in improvement of lives of residents in Sindhuli, Kavrepalanchowk, Ramechhap and Mahottari districts.

The local residents are delighted to have the road built and say that the road has helped in increasing their livelihood because they are able to take the food, vegetables and consumable items produced in the districts to the towns for sale and generate income.

The 160-kilometer highway was constructed at 25 billion Japanese Yen grant assistance provided by the Japanese government that links Kathmandu to eastern Tarai was handed over to Nepal Government last week and it was officially inaugurated by Prime Minister Sushil Koirala. It took twenty years to complete. A Japanese engineer and seven Nepalis sacrificed their lives during construction.

This road can be taken as a milestone for the socio-economic development of entire region including Sindhuli, Ramechhap, Kavrepalanchowk and its neighboring districts. This road interconnects rural and



BY
**SHARACHCHANDRA
BHANDARY**

urban areas by which people are benefitted through the expansion of commercialized agriculture and smooth transport of essential commodities as well as people. Its strategic importance in connecting the Tarai and Hills area will facilitate in bringing nearer both the giant neighbors - India and China and enhance economic activities.

Until recently, Ratanchura VDC in the district was a secluded village comprising of 69 households, most of them belonging to Dalits who depended on subsistence farming for their livelihoods. But after the village got linked with the BP Highway, Sindhuli Bazaar, one of the main market areas in the district, is now just 36 kilometers away (approximately one-hour drive). What this has done is effectively paved the path for commercial farming in what was once a remote village.

A local resident of Dund Bhanjyang, Pabitra Thapa, who earned around Rs 35,000 last year from vegetable farming, said, "This is the first time that I was able to generate this much money from vegetable farming in my field." While earlier she harvested corn and millet in her land, but which was barely enough for self-consumption, now large amount of chillies, tomatoes and other vegetables she produces in her farm reach the nearby markets by bus where they are sold at good prices.

The Highway passes through the Mahabharat Range in Sindhuli while connecting Dhulikhel in Kavrepalanchowk district to Bardibas in Mahottari. The Sindhuli Road, the highway has

become the third major highway after the Prithvi Highway and Araniko Highway linking the Kathmandu Valley to other parts of the country. It has significantly reduced travel time to and from the eastern districts of Nepal.

Towns and markets are sprawling all along the road with shops, hotels and houses being built in an unprecedented rate. Hari Koirala of Dumja VDC has been able to support his family of nine by selling his farm produce in the local market. The area in the VDC adjacent to the road has developed as a market centre enabling people like Koirala to reap the benefits. "Earlier we had to walk for days on end to buy even daily essentials. Earning money by selling livestock, milk or vegetables was something we couldn't even imagine back then," he said.

Junar (a citrus fruit) farmers in the district are also cherishing the immense possibilities the highway has opened for them. Around 3,185 households from 42 VDCs have been engaging in organized commercial farming of Junar, producing up to 12,000 metric tons of each year in the district alone. Kathmandu and major cities in Tarai such as Janakpur, Birgunj, Biratnagar and Narayanghat have become ready markets due to the road linkage.

The BP Highway has also become a boon to dairy farmers in Bhakundebsi in Kavrepalanchok district. A milk chilling centre has been established with Japanese assistance along with 40 milk collection centers. While in the past farmers had to hire

porters to transport milk to Panauti or Banepa, now with the easy road access, dairy farms as far as Kathmandu have started collecting milk from the surrounding villages, providing farmers with sustainable source of income.

Nepal-Japan relations date back to the late eighteenth century. The relationship became formal with the establishment of diplomatic relations in 28 July 1956 after the establishment of Nepal Embassy in Tokyo in 1965 and Japan established its embassy in Kathmandu in 1967. Japan is a longstanding friend and development partner of Nepal has been providing assistance to the Government of Nepal since early 1960. First Grant Loan was provided in 1968. It has written off debts many times. The areas of economic cooperation include human resource development, social services, scholarship, infrastructure, health, environment, human resources development, agriculture, hydropower, foreign direct investment and culture. The Japanese Government has been assisting in the socio-economic development of Nepal through various programs implemented by the Japan International Cooperation Agency (JICA).

According to Japanese Ambassador to Nepal, Masashi Ogawa, it is one of the largest Japanese Grant Aid Projects so far in terms of aid volume. He has expressed his firm belief that this road, an excellent example of cordial relationship between Japan and Nepal, will play a significant role as a new symbol of this relationship by strengthening the already existing cordial ties between the peoples of two countries.

Mr Bhandary is a Senior Correspondent for Foreign Affairs at the official news agency of Nepal - National News Agency (RSS). He can be reached at sharachchandra@gmail.com

US to help expand hydropower in Nepal

Himalayan News Service

Kathmandu, July 13

The US Embassy in Kathmandu today announced the launch of Nepal Hydropower Development Project to support hydropower development in Nepal.

The US Embassy through the US Agency for International Development has announced the five-year project to support restructuring of the power sector with an aim to create viable national power services and promote expanded electricity trade between Nepal and India. Issuing a press statement, USAID stated that the \$9.8-million project implemented by Deloitte Consulting LLP will support Nepal government's efforts in expanding the country's access to modern, high-quality hydropower services while helping the country become an energy exporter

in South Asia.

"The work under NHDP is a key element of the US government's support to power sector development in Nepal," said Peter W Bodde, US Ambassador to Nepal in the statement. "Successful private sector engagement will play a crucial role in expanding Nepal's hydropower sector while also increasing the amount of energy available for use in Nepal as well as regional exports," he added.

Working with the Investment Board of Nepal, Nepal Electricity Authority, and Ministry of Energy, the project will help facilitate private sector investment in hydropower resources. The project is expected to bring about economic growth, create jobs and bring higher export revenues through electricity sales, better energy security by enhancing domestic generating capacity, said the embassy.

Sluggish Melamchi may miss third deadline

DHRUBA DANGAL,
SINDHU PALKHOKA, July 14

Melamchi Drinking Water Project is set to miss its third deadline as only half of the total 26.5 kilometers pipelines for the project have been laid so far.

The latest deadline, which was extended for the third to mid-2016, will expire in less than 14 months.

Despite all the hype surrounding the national pride project that is always accorded top priority during the annual budget, the progress in implementation leaves much to be desired.

The first deadline for the drinking water project, which is expected to supply 170 million liters of water on a daily basis, was set for 2007. But 15 years after the deadline expired, the project is yet to accomplish its goals.

Even to this day the authorities can not definitively say when the Melamchi project will be completed.

Ghanashyam Bhattarai, executive director of Melamchi project, blamed the contractor for delaying the project.

After China Railway 15 Bureau Group Corporation left the project midway completing 6.5-km tunnel in three and half years, the contract was awarded to an Italian contractor Cooperative and Muratorie Cementisti di Ravenna (CMC). It had agreed to complete digging of 26.5-km tunnel in five years.

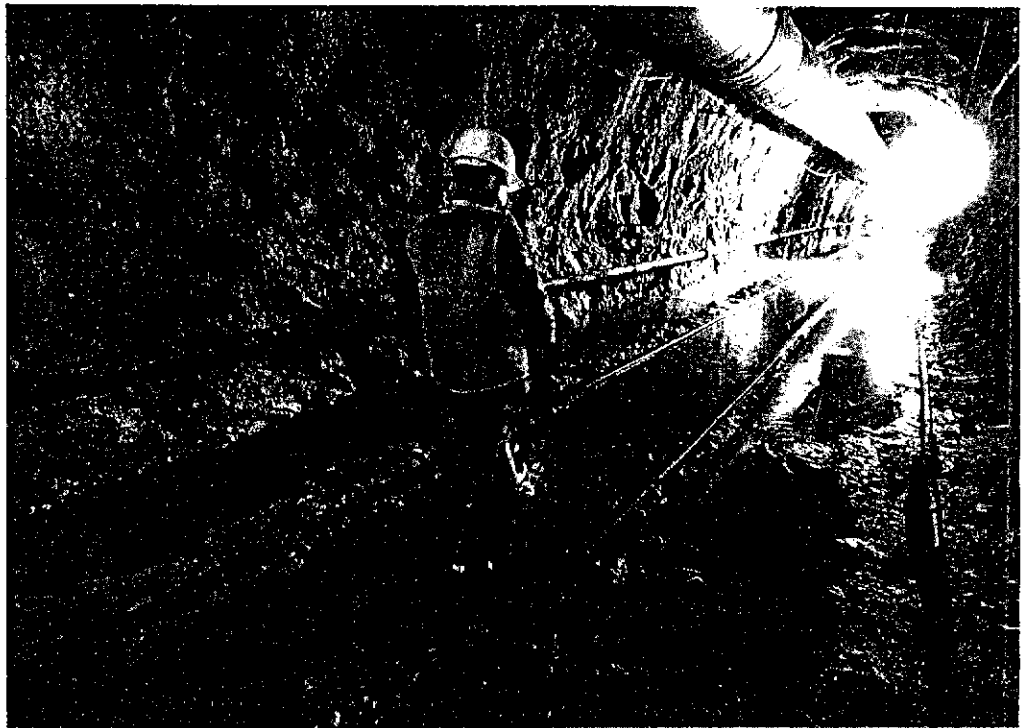
But CMC has already missed the deadline as per Melamchi Water Supply Development Board (MWSDB).

Although construction works, briefly stalled following the April 25 earthquake, has resumed, the task has been mostly limited to removing the obstructions caused by the disaster. The project team has not even conducted the assessment of the full extent of the damage caused by the earthquake.

"A technical team has started assessing the damage within the tunnel," said executive director Bhattarai.

In order to complete the project within 14 months, the Italian contractor will have to dig tunnel at the rate of 1 km per month.

Over Rs 7 billion has already been spent to implement the project.



PHOTOS: CHANDRA SHEKHAR KARMI/REPÚBLICA

In this file photo, a worker is seen walking inside a tunnel of Melamchi Drinking Water Project in Sundarjal, Kathmandu. The third deadline for the project has been set for mid-2016.

1970

- Acute shortage of drinking water
- Formation of Drinking Water and Drainage Management with a view to improve distribution of drinking water facilities

1988

- Identification of drinking water sources assigned to British Company. Melamchi was the first priority among 20 alternatives

1997

- Establishment of Melamchi Water Limited

1998

- Feasibility study for Melamchi project by the companies including Spray Mountains of Australia.
- Detailed survey carried out by Narplant
- Formation of Melamchi Water Supply Development Board (MWSDB)

2000

- Melamchi Drinking Water Supply Project started
- Agreement between Asian Development Bank and MWSDB for 120 million US dollar loan

2007

- First project deadline

2008

- Restructuring of project

2009

- Agreement with China Railway 15 Bureau Group Corporation for digging out 26.5-km long tunnel for the project

2012

- China Railway 15 Bureau Group Corporation stops work
- Project agreement canceled on September 25, 2012

2014

- Contract awarded to Italian contractor Cooperative and Muratorie Cementisti di Ravenna (CMC)

2016

- Third deadline of Melamchi project

SASEC project to be delayed

70pc work on laying optical fibre cables completed

Himalayan News Service

Kathmandu, July 19

The government is preparing to yet again provide additional time for optical fibre laying project being carried out under the support of Asian Development Bank (ADB). The Ministry of Information and Communications (MoIC) has requested the Ministry of Finance for more time and resources for the project.

As of mid-July, 70 per cent work on laying optical fibre cables has been completed, according to MoIC. The project is called the 'South Asian Sub-Regional Economic Cooperation (SASEC) Information Highway' and has a target to lay 170 km optical fibre cables enabling the country to establish cross-border fibre connection with India, Bangladesh and Bhutan.

Based on the agreement signed with South Korean firm ICRAFT in January 2013, the project was supposed to have been completed within 2013. However, it is taking more time due to multiple reasons including lack of coordination with stakeholders, late issuance of commitment letter to the contractor,

delay in design approval for laying optical fibre cable along the BP Highway, lack of technical expertise within MoIC, and the April/May earthquakes, among others.

It is also one of the projects with the lowest performance among those being supported by the ADB, which has provided \$5 million for the project. "The budget allocated for the project was less so we have also requested the Finance Ministry to provide additional resources," said an official at MoIC. The official added that the additional fund sought should be provided by the government from its own resources.

The project has focused on setting up cross-border optical fibre links that directly connect Nepal, India, Bangladesh and Bhutan, and expanding broadband ICT access to 30 rural communities by setting up e-centres. Similarly, it has a target to conduct research and development for building technical and business skills in ICT, particularly in developing local content and e-applications such as e-governance, e-learning, telemedicine, e-remittance and e-commerce for the people of the rural/remote areas.

The government has already selected the locations to set up 30 community e-centres in nine selected districts, including Sunsari, Saptari, Dhanusha, Mahottari, Sindhuli and Kavrepalanchowk, among others.

Due to delay in project completion, the deadline had earlier been extended till December 2014. Later, MoIC had again provided additional time of up to mid-July 2015. The MoIC official said that as the project cost had also gone up, the ministry is planning to provide an extra time of a maximum of three to four months this time.

The cross-country fibre link between the four countries is expected to reduce the cost of voice and data services besides helping improve telecom service.

MoIC has been saying that once the project starts commissioning voice traffic to and from third countries, it can be handled through India's undersea optical fibre cable connection. The project has envisaged of fibre network of 10Gbps backbone capacity to support multiple services and provide backbone capacity for a number of services.

Year 2015, Month 7, Date 26 (FRI)

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THE RISING NEPAL / THE KATHMANDU POST / THE HIMALAYAN TIMES / REPUBLICA

China specifies five key areas for post-disaster reconstruction

By Modnath Dhakal

Kathmandu, July 23

China has specified five key areas to implement aid projects for post-disaster reconstruction for the next three to five years.

Zhang Xiangchen, assistant minister of commerce of China, said Thursday that China would assist in infrastructure development, improvement of people's livelihood, restoration of cultural relics, capacity building for disaster prevention and mitigation and medical and health cooperation.

Speaking at a press conference organised at the Embassy of China here, he said, "We also extend our support in repairing and reinforcing the projects built with Chinese assistance."

Leading an 11-member high delegation, Xiangchen arrived here on Tuesday for a five-day visit.

The delegation is here to discuss about the projects of post-disaster reconstruction.

"Under infrastructure, priority projects are the restoration and re-opening of the Araniko and Syabrubensi-Rasuwa Gadi Highways to traffic and urban transportation and public buildings

in Kathmandu," Xiangchen informed.

In the area of improving people's livelihood, the northern neighbour would assist in the reconstruction of schools, hospitals and construction of resettlement buildings for earthquake victims in Sindhupalchowk and Rasuwa.

Likewise, it would help for overall restoration of Basantapur Durbar Square and Swoyambhunath. "This is important to revitalise the tourism industry," Xiangchen said.

For capacity building for disaster prevention and mitigation, China would help in devising disaster prevention and mitigation plans, earthquake monitoring network and urban seismic zoning research to help the country improve its disaster prevention and control capabilities.

Similarly, it would also carry out works to upgrade the Civil Services Hospital and provide medical equipment and personnel training to improve Nepal's medical infrastructure and service capacity.

"In addition to that, China plans to restore

See Page 6

China specifies...

the ongoing projects of phase I of Kathmandu inner Ring Road and Tatopani Checkpoint and to repair and reinforce the projects built in Nepal with Chinese assistance," stated the vice minister.

Further to that China has announced to provide grant Rs. 1 billion in cash for the relocation of earthquake victims.

It announced this in the Joint Bilateral Meeting on Post Disaster Reconstruction Plan between the Government of Nepal and China held at the Ministry of Finance, Thursday.

The Chinese vice minister and Suman Prasad Sharma, finance secretary, signed MoU on Post-Disaster Reconstruction Aid Project Plan and the Agreement on Targeted Cash Assistance.

Xiangchen said that China was ready to work with India and other countries to assist Nepal in reconstruction works.

"As the reconstruction is a long-term and massive project, we will strengthen coordination with the international community and relevant donor countries and remain open towards appropriate forms of international cooperation," he said.

Speaking on a different note, he said that China was ready to work for a trilateral partnership among China-Nepal-India in terms of road connectivity and trade relations.

"This region has an immense potential in trade and it should be harvested for the benefit of all," he said.

'Improve ADB funded project performance'

By A Staff Reporter
Kathmandu, July 27

Asian Development Bank's (ADB) Director General for South Asia suggested Nepal government to improve the performance of ADB-funded projects for the continuation of ADB assistance.

Addressing a tripartite Portfolio Review Meeting organised in the capital, DG Hun Kim warned that Nepal may miss the potential resources if it did not improve its performance.

Funds of ADB are allocated competitively—based on the country's portfolio performance, he said adding that the country would miss the potential resources if it did not improve its performance.

In Nepal, ADB has ongoing portfolio of \$1.95 billion—comprising 52 loan and grants—and they have many challenges.

Portfolio performance in general has suffered with prolonged procurement process,

weak project management capacity, and weak performance of consultants and contractors, he said.

All these have led to slow project implementation with low disbursement resulting in multiple loan and grant extensions, he added.

He stressed on the need of strong government leadership to improve the country's absorption capacity.

"We have enormous challenges for timely implementation of this Emergency Project. Its implementation has to be complete by 31 March 2019."

He suggested the government to establish fully functional Reconstruction Authority with its clear working mechanism at central level and project implementation units at the project level for implementing the Earthquake Emergency Assistance Project.

The ADB has approved \$200 million fund under the emergency assistance project.



Dignitaries at a tripartite Portfolio Review Meeting organised in capital, Monday.

(Photo: Rajendra/TRN)

Expressing dissatisfaction over the delay on the implementation of ADB-funded projects including Melamchi Water Supply, Tribhuvan International Airport Upgradation, SASEC Roads

Connectivity, and various Power Transmission Line Projects, he stressed on enhancing the monitoring and review mechanism on this project.

Finance Secretary Suman Prasad Sharma said that the

government was committed to improve the project performance of ADB-funded projects.

He directed all project implementing agencies to keep track of the procurement,

disbursement, safeguards, financial management and technical issues through regular progress review and applying timely interventions for improving the project performance.

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Investment Board to consult with WB, ADB

SANJEEV GIRI
KATHMANDU, JULY 28

The Investment Board Nepal (IBN) on Tuesday decided to hold a joint consultation meeting with two international donor agencies to help the government decide between the Public Private Partnership (PPP) and other models for the upgradation of the Tribhuvan International Airport (TIA) and the development of the proposed Second International Airport (SIA) in Nijgadh, Bara.

An IBN board meeting chaired by Prime Minister Sushil Koirala decided to hold discussion with the International Finance Corporation (IFC) of the World Bank Group and the Asian Development Bank (ADB).

"Apart from the IFC and the ADB, we will call Finance Ministry and other stakeholders for the meeting and discuss the direction for the appropriate modality we need to follow for timely commencement of these two projects," said IBN CEO Radhesh Pant. "With this, we also aim to know if we need further study on these two projects."

The SIA scheme envisions building a modern airport in Nijgadh, Bara, 175km from Kathmandu, as an alternative to saturated TIA, the country's sole aerial gateway.

A joint-committee, comprising officials from the Ministry of Tourism and Civil Aviation, the Civil Aviation Authority of Nepal (Caan) and the Investment Board Nepal (IBN), has decided to conduct a detailed survey on the SIA project and the government is preparing to hire the IFC for the purpose.

After the Cabinet approves the survey proposal, the IBN and IFC will sign a memorandum of understanding to carry out the survey which will take at least two months, according to Tourism Ministry



In this handout photo, Prime Minister Sushil Koirala (right) attends an Investment Board Nepal meeting on Tuesday.

IBN to host investment summit in Nov

KATHMANDU: The Investment Board Nepal (IBN) has decided to host 'Rebuilding and Reconstruction Investment Summit' in Kathmandu on November 2015. According to IBN CEO Radhesh Pant, the summit will bring together the private sector stakeholders where the government will be pitching in several development projects. "We aim to bring in pri-

ivate sector stakeholders together to discuss the needs of Nepal and also find out what the private sector can offer," he said, adding that they aim to showcase to the world about the prospects and potential of Nepal. The event will be organised in coordination with the Ministry of Industry and the National Reconstruction Authority, among others. (PA)

officials. The IBN has planned to bundle the two projects and award it to a single developer. The IBN believes that it would be difficult to find investors for the SIA until the Kathmandu-Tarai Fast Track is in place.

Since the project is unlikely to make a profit for the next 20-25 years because of the competition from the Kathmandu airport, both the projects should be assigned to a single company to enable it to use

the TIA profits to compensate for the SIA losses.

The first phase of the SIA is estimated to cost \$650 million. The airport will be able to handle 15 million passengers annually and accommodate the super jumbo Airbus 380 after the first phase of construction.

By the end of the third phase, the airport will have a parallel runway, shooting its annual capacity to 60 million passengers. Upon

completion, the SIA will be an air hub joining 27 cities in South Asia, generating over 100,000 jobs.

Likewise, the IBN board has also approved Rs 36 billion in Foreign Direct Investment (FDI) of China's Hongshi Holdings Group and Shivam Holdings Nepal to set up a cement factory in Nepal.

This is the largest foreign direct investment (FDI) pledge yet from the northern neighbour. The Chinese company will invest 70 percent in the project, while the Nepali partner will inject the remaining amount.

According to Pant, the cement plant to be established by Hongshi Shivam will have an annual production capacity of 4.3 metric tonnes.

"The company is currently searching for an appropriate mining site," Pant said. Hongshi Holdings' investment will be the third largest FDI in the cement industry after the Nigeria-based Dangote Group and Reliance Cements of India.

Consultant for Tanahu hydro to begin work soon

Himalayan News Service

Kathmandu, July 29

The consultant for Tanahu Hydropower Project will begin preparatory works in a few days to kick-start implementation of the much-delayed 140-megawatt reservoir-type project.

"The project manager and the team are arriving in Nepal soon. It will start conducting the preparatory works within this week or from first week of August," said Sunil Kumar Dhungel, managing director of Tanahu Hydropower Ltd (THL), a state-owned special purpose vehicle formed to implement the project.

On June 29, THL had formally appointed joint venture (JV) between Lahmeyer International GmbH Ger-

"Initially, the consultant will focus on preparation of the tender documents based on which contractors will be selected to build the hydro project," Dhungel said.

Although the consultant should have been selected in May 2013, the process was delayed after the Commission for the Investigation of Abuse of Authority (CIAA) launched investigation into the consultant selection process launched by ADB.

The hydro case was picked up by the CIAA upon receiving a complaint from one Tirtha Kumar Shrestha of Tanahu, who pointed out flaws in the consultant selection process.

Based on this complaint, the CIAA asked the Ministry of Energy (MoE) to review the selection process. The MoE then formed a five-member review committee under the coordination of its Joint Secretary Keshav Dhoj Adhikari.

But since the report prepared by the committee could not solve the problem, a joint review committee was formed comprising ADB officials and representatives of Ministry of Finance (MoF) — which had mobilised \$505 million to build the project — and MoE.

The joint review committee then came out with a report saying it 'did not come across anything that gives a firm ground to question the credibility of the ADB Consultant Selection Committee'.

However, on December 17, Energy Minister Radha Kumari Gyawali surprised many by scrapping the consultant selection process. The minister's move was severely criticised by MoE, as it 'created uncertainty about implementation of the project', which was crucial for the country facing long hours of power outage every day.

The Cabinet on January 1, however, overturned the energy minister's decision, paving the way for the ADB to give continuity to the project supervision consultant selection process.

Initially, focus will be on preparation of the tender documents to select contractors

many and Manitoba Hydro International of Canada as the consultant for the \$505-million hydro project. The consultant for the project, funded by the government, the Asian Development Bank (ADB), the Japan International Cooperation Agency and the European Investment Bank, was selected after a delay of over two years.

The main tasks of the consultant would be to support THL in the areas of preparing tender documents, project administration and design, engineering services, management control and other technical aspects.

The consultant has agreed to provide these services at a cost of \$26.05 million for a total of 12 years, including one year of pre-construction phase, six years of construction stage and five years of operation stage.

Korea provides debris removing equipment

By A Staff Reporter
Kathmandu, July 29

Nepal has received a total of 27 heavy equipments from the Republic of Korea (RoK).

The Government of Nepal will utilize these high quality equipments for removing and cleaning debris in the areas affected by the destructive April 25 earthquake and its aftershocks.

Under its aid assistance programme, the Government of RoK made available 24 heavy equipments to the Government of Nepal through Korea International Cooperation Agency (KOICA). Similarly, Doosan Infracore, a Korea-based construction equipment manufacturer, also donated three equipments to Nepal.

Ambassador of RoK to Nepal, Choe Yong-Jin, handed over symbolic keys of the equipments to Secretary of the Ministry of Home Affairs, Surya Prasad Silwal, amidst a programme organized here at the Nepal Police Club on Wednesday. The Korean envoy Choe and Home Secretary Silwal signed and exchanged letters in this connection.

The equipments include 10 Doosan DX225LCB (Hydraulic Excavators), six Doosan Wheel Loaders SD310, four

Bobcat S450 (Skid Steer Loaders) and four Bobcat E32 (Compact Mini Excavators). Likewise, Doosan Infracore, with its 115 years of legacy in the field of construction equipment manufacturing, donated one Doosan DX225LCB (Hydraulic Excavator, one Bobcat E32 (Compact Mini Excavator) and one Bobcat S450 (Skid Steer Loader).

Speaking at the hand-over ceremony, Secretary Silwal said that the 27 equipments would be a symbol of mutual cooperation and friendship between Nepal and the RoK.

"The Korean support will significantly contribute to reconstruction and rehabilitation activities in Nepal," he said.

More than 8,800 people were killed and 600,000 houses were destroyed in some 14 districts of the country by the earthquake.

Appreciating the Korean support, he informed that the Government of RoK has been extending development assistance to Nepal through KOICA since 1991.

He said that the Ministry of Home Affairs was formulating plans for enhancing capacity of security forces to cope with natural disasters like earthquake.

On the occasion, Korean

Ambassador Choe expressed the hope that the heavy equipments provided by his country would be helpful for removing debris and carrying out the tasks of reconstruction and rehabilitation in the earthquake-hit areas.

"The Korean government expects that its support will make substantive contributions to the recovery and reconstruction activities of the Nepalese people, who are suffering after the recent earthquake. We will continue to explore ways to join the international community's efforts to support Nepal's reconstruction," he said.

He extended his condolences to the people who lost their loved ones in the April 25 earthquake and its aftershocks.

He also assured of making available special assistance to Nepal for enhancing the bilateral relations in the future.

Jae Jong Jin, Senior Vice-President of Doosan Infracore, expressed his belief that his company's contribution would help Nepal its recovery and reconstruction efforts.

Acting Inspector General of Nepal Police Rajendra Singh Bhandari, Country Director of KOICA Nepal Office Jo Haeng Lan, among others,

were also present at the hand-over ceremony.

As an immediate relief for humanitarian assistance after the disastrous earthquake of April 25, the Korean Government provided grant aid worth US\$ 1.5 million by dispatching a search and rescue team and a medical team to Nepal and by donating relief items in kind and in cash through the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) and the International Federation of Red Cross and Red Crescent Societies (IFRC).

In addition, in order to join hands with Nepal for her reconstruction efforts towards "Resilient Nepal", the Korean Government on May 20 decided to provide additional US\$ 10 million aid assistance.

Meanwhile, the Korean government will help reconstruct health sector in Nuwakot district through KOICA. About US\$ 8 million will be utilized for reconstructing the concrete District Hospital along with several pre-fabricated health posts with provision of necessary medical equipment including capacity development programmes.

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