



Nepal Investment Board
&
**Federation of Nepalese Chambers of
Commerce and Industry**

PROJECT SUBMISSION REQUIREMENT

Project Selection Criteria

The project selection will be based on evaluation of criteria like Economic, Social development, Promoter strength, Financial viability, Impact on environment and R&R, Impact on government finances and Ease of implement ability. The various criteria and parameters for evaluation within these are described below.

1. Economic:

- a. Whether this is a priority sector
- b. Quantum of investment
- c. Export orientation
- d. Extent of localization
- e. Extent of value addition within economy
- f. Employment generation potential
- g. Is this a trigger project which will trigger larger development and result in downstream projects?

2. Social development

- a. Focus on Backward geographical areas, being served
- b. Whether it serves disadvantaged sections of the society
- c. Gender equity
- d. Is project leading to human capital development?

3. Promoter strength

- a. Whether it has experience in sector/similar project
- b. Quality of management team
- c. Financial strength
- d. Is there a history of bank finance in Nepal/ FI funding for similar projects?

4. Financial viability
 - a. Whether information available on financial viability
 - b. Whether the promoter has done any market assessment and financial feasibility?
 - c. Does the project appear prima facie financially viable?
5. Environment impact and Resettlement and Rehabilitation (R&R)
 - a. Is the proposed project in a polluting category?
 - b. Is EIA clearance required to be sought?
 - c. Is there deforestation required?
 - d. Intensity of use of natural resources like water, energy, timber, minerals
 - e. Displacement of indigenous people and R&R required, if any
6. Potential impact on government finances
 - a. Does the project generate revenues in terms of taxes, royalty, fees etc.
 - b. Extent of government subsidy and support sought
7. Ease of implementation
 - a. Is it a new project (Greenfield project) or expansion of an existing project (Brownfield project)?
 - b. Extent of project preparedness in terms of land availability, technical studies completed, approvals or licenses obtained
 - c. Are there any regulatory or policy hurdles in implementing the project.