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.