



Public-Private Partnership in the local context: A case study of Biratnagar



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Executive Summary

Public-Private Partnership Dialogue (PPPD) case study provides multifaceted insights from the perspectives of different stakeholders within the Sub-National Government, business communities, and civil societies in order to foster partnership. Public-Private Partnership Dialogues (PPPD) provide ways to solve eminent problems based on the perspective of the actors involved in the dialogue. The paper examines how stakeholders practice open dialogue, co-create opportunities and build common action in implementing local as well as national level issues related to ensuring Public-Private Partnership in addressing developmental and governance-related issues in Nepal. The practice of PPD forms the core of the efforts of Accountability Lab in promoting democracy, fair business, and responsible leadership within the framework of federalization. Given that Nepal is undergoing local governance reform, it is key to ensure support for transparent business at the local level since its design stage. This paper is a result of a series of stakeholder mapping, measurement, and assessment of existing interest and willingness among local businesses to possible reforms; the parameters for possible PPPs; and the critical need for community engagement in the monitoring of these projects.

Governance in the subnational context is going to be decisive in determining the success of the Public-Private Partnership in Nepal. One of the critical areas for partnership among the public and private sectors is the mechanism for Public-Private Partnership (PPP) projects. Following the federalization, PPP is equally crucial in easing out the government that is burdened with federalization execution challenges. In the context of Biratnagar Metropolitan City, key reform priorities are needed for the effective implementation of these projects in collaboration with provincial and local governments. The PPP Project will require keen interests and need to be in the priorities of the sub-governments to invest in these projects. And to get a better deal from such PPP projects, the local government will need to analyze risks properly and emphasize the project's sustainability as well as include local participation in the decision making.

Key Terms

Public-Private Partnership (PPP): Public-private partnerships involve collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects. (Investopedia, 2021) In respect to this paper, PPPs are all collaborations between the public and the private sector for development.

Public-Private Dialogue (PPD): Public-private dialogue is a process that involves bringing in members from the government, and the private sector (along with other important stakeholders such as media, academicians and affected citizens in reference to this paper) that helps solve issues between the two bodies and allow for improved collaboration between the government and business with continued feedback.

Citizen-centric: Citizen centric means decisions based on citizen feedback, and making decisions keeping citizens at the center.

Mini-meetings: Thematic meeting conducted with a small number of stakeholders (anywhere between 2 to 20), on a specific topic to identify problems/issues/concerns pertaining to a specific group of people, and receiving their feedback.

Elected Representative: All individuals who have participated during this process are people's representatives elected as local and provincial government of Lumbini Province and federal government.

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1. Background

Since the local elections in 2017, Nepal now has 7 provinces with around 36,000+ elected representatives from across 753 Local Government Units (LGU). The new constitution also lays out the foundation for social justice and economic and social prosperity. A variety of local, provincial, and federal legislation has already been enacted. Despite the challenges, elected representatives have attempted to create policies and mechanisms that allow for localized public service delivery, the promotion of business and citizen-government collaborations. However, the issue of a persistent lack of accountability from the government still remains. Currently, there is an atmosphere of distrust between local government, citizens, and the business community. Local businesses feel ignored and constrained by policies implemented by the government due to complex and bureaucratic systems. This does not encourage businesses to formalize and grow and stunts economic growth and employment opportunities.

Although the government has established some mechanisms and institutions to manage these ongoing challenges, there are many gaps, and efforts to address these issues are dispersed and uncoordinated both within the government and across the private sector and civil society. The recent process of federalization has led to more power at the local level, but these local governments lack the tools and capacity to support meaningful reforms; nor are there generally effective feedback mechanisms to support evidence-driven decision-making around private sector engagement and local development. Other issues including business climate reforms, inter-agency coordination, and support to start-ups are yet to be prioritized and facilitated by the government.

The Constitution of Nepal (and the 14th Periodic Plan) clearly stresses the need for cooperation among the public sector, private sector, and local cooperatives; and the government says it wants to encourage private sector development and businesses as a key part of inclusive, responsible growth. Practically, however, very little is happening. More than 1,500 young people leave the country every day in search of employment opportunities abroad. Government statistics indicate that every year around 500,000 people enter the labor market, but Nepal's private sector is only able to produce jobs for a tiny percentage of that number. Emerging businesses complain about laws and policies regarding business being very vague and difficult to grasp. It still takes days to even register a small enterprise at the Company Registration Office (CRO) and the guidelines to do so are still not precise. Entrepreneurship support for small enterprises is nascent and there is a lack of good skills development opportunities. The Public-Private Partnerships (PPP) that exist are monopolized by a select few industries or companies with good reach among the political parties and hundreds, while hundreds of other legitimate Nepali businesses are on the verge of collapse.

2. Introduction

Biratnagar Metropolitan City has the dual distinction of being a metropolitan government and the seat of the government of Province No. 1. Accountability Lab reached out to various private and public sectoral experts, policymakers, civil society organizations, business associations, journalists, and academicians to study the challenges and opportunities of Public-Private Partnership through a series of dialogues, in order to understand the PPP scenario in the local context. Federalism has provided Nepal with an opportunity to start afresh in governance as local and provincial governments have various forms of legislative and executive authority. Strengthening these newly formed sub-national governments at the provincial and local levels to improve governance at the sub-national front will have to be the key reform priority for an efficient implementation of federalism.

However, several risks and challenges in the Public Financial Management (PFM) that include fiscal discipline, disconnect between planning and budgeting, fiduciary and corruption risks and weak implementation of fiscal federalism at the subnational governments have incapacitated them from being effective. Alongside being an opportunity, federalism has also burdened the nation fiscally as it will now have to set up various forms of governance infrastructure. And for the same, it will have to look into newer sources of revenue for investment in public service delivery and infrastructures. It is in this context that the Public-Private Partnership (PPP) model comes into play. With the correct direction, PPP can help in bringing in additional sources and financing for the government by cushioning the financial burden on various public service and infrastructure projects by setting a pre-agreed performance indicator to evaluate their performance, while at the same time allowing them to generate profits by committing to significant, long-term capital.

Realizing private players to be a significant determiner in the successful transition of the nation into federalism and to facilitate national and subnational PPP projects, the federal and provincial parliaments have already promulgated Public-Private Partnership and Investment Act (PPPIA). Being one of the better-funded sub-national governments of its kind with Rs. 3.37 billion at its disposal, Biratnagar Metropolitan City is a very interesting case study to understand how important public-private partnership could be for local governments. The city has the dual distinction of being a metropolitan government and the seat of the Province no. 1 government which makes it also possible to explore the role of the provincial government in attracting PPP in the region.



Figure 1: Academician sharing his insights on the issue

2.1 Purpose

The purpose of this study is to understand the current public-private initiatives in Biratnagar metropolitan city and how it is being implemented. The study also focuses on the future area of interest for Public-private investment and the policy reforms needed to be addressed.

2.2 Scope

The data collected for the study was gathered largely from interactions with various stakeholders situated in Biratnagar. The study was also conducted in tandem with the provincial study, hence inputs from officials from provincial ministries have also been incorporated where relevant.

2.3 Objectives

The objectives of the study are:

- To understand the current policies, identify public-private partnership projects within the city and the challenges faced by the authorities in implementing them; and
- To suggest key policy reforms.



Figure 2: Participants Participating in the Group Activity

3. Methodology

Key Informant Interview, Focused Group Discussion, and Stakeholders meetings were conducted to gather the relevant information and data for the policy paper. Potential stakeholders from Biratnagar Metropolitan city were identified. A short personal interview was conducted with the stakeholders including the Mayor of Biratnagar, the President of Nepal Young Entrepreneurs Forum, the President of Morang Business Association, Central Committee Member of FNCCI among others. 6 focus group discussions were conducted on thematic groups that included youth entrepreneurs, women entrepreneurs, journalists, civil society members, government officials, and business federations. Stakeholder Meetings termed as “Public-Private Dialogue” were also conducted that included the majority of the stakeholders reached out to, as well as elected local representatives of Biratnagar Metropolitan City, officials from ministries of Province no. 1, business federations, and civil society organizations. The stakeholders were presented with the current scenario of the city in terms of their public-private projects followed by the findings from the previous interviews and discussions. The stakeholders also contributed their understanding of the issue through a survey during the discussion.

3.1 Daily Interactions

Provincial Coordinator conducted regular interactions with key stakeholders from the public and private sectors, and personal interviews were conducted. Relevant stakeholders were identified for further consultation and dialogue based on such regular daily interactions.

3.2 Mini Meetings

The key stakeholders were invited for a focused group discussion consisting of small groups by adhering to public health safety guidelines. Altogether six mini-meetings were conducted. The mini-meetings provided a much-needed foundation, a list of issues and challenges, and important information about the perspectives of different stakeholders regarding the situation of PPPs in Province 1. A total of 53 stakeholders were reached out during this process. The following table gives the detail of stakeholders reached out during mini-meetings.

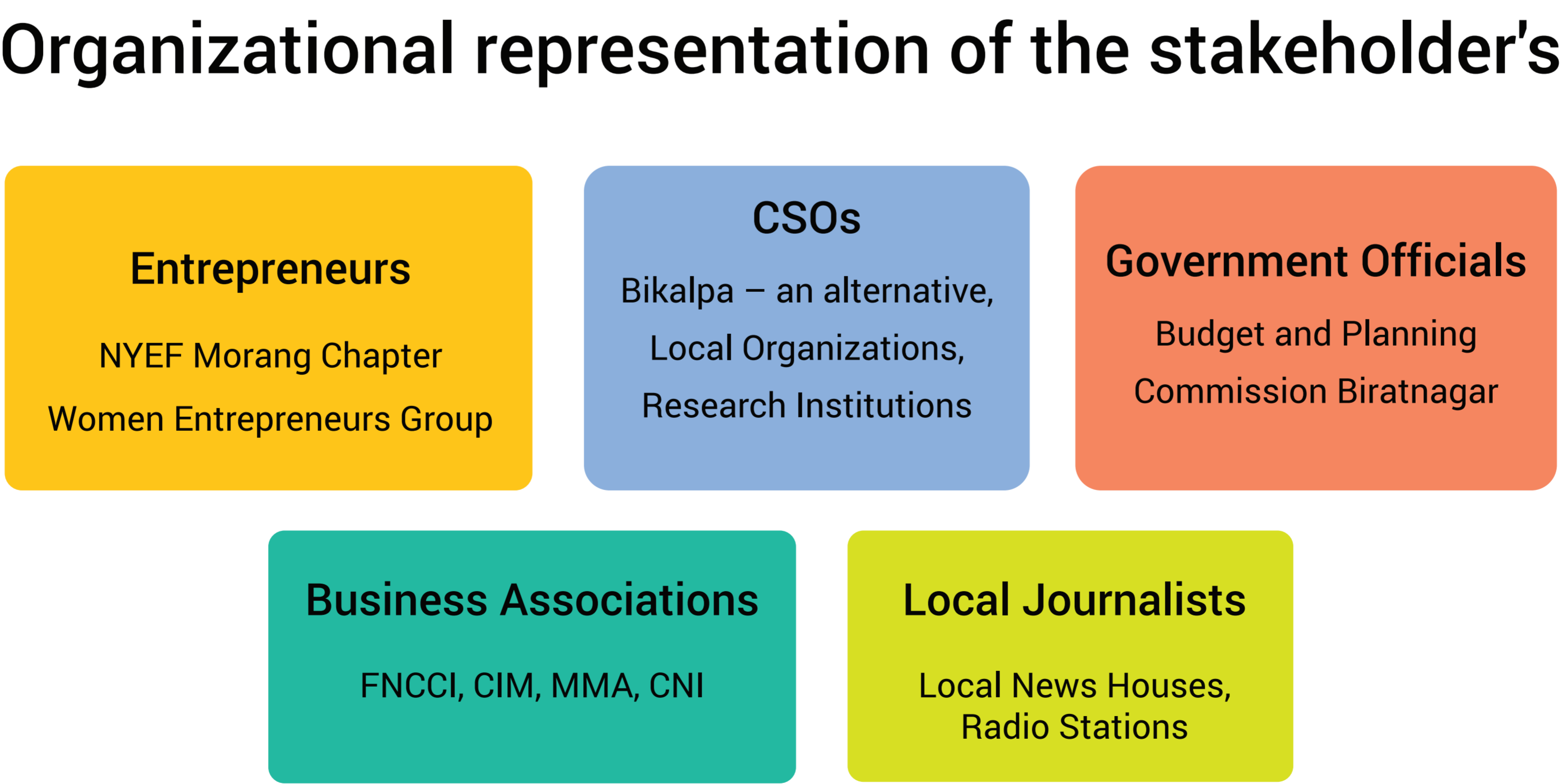


Figure 3: Organizational representation of the stakeholder's

3.3. Public-Private Dialogue (PPD)

On 26th February 2021, in the attendance of 50 stakeholders from a diverse group, Accountability Lab Nepal in Biratnagar had conducted a PPD to disseminate the findings accumulated from daily interactions and mini-meetings; stimulate interactions and consolidate ideas for policy reforms. The dialogue aimed to distinguish the predicaments and recommendations for nurturing collaboration between private and public sectors. The mayor of Biratnagar attended and participated actively in every session, including public officials, elected representatives, CSOs, Think Tank, media persons, and general citizens.

3.4. Policy Review Meeting

A policy review meeting was conducted after the policy paper was drafted by the organization to review the paper and provide feedback on recommendations for existing challenges. A close group of leaders from the public, private, and CSO communities participated to have a high-level debate on devising realistic recommendations included in this paper.



Figure 4: Local ward representative voicing her opinion

4. Findings

Since the early 2000s, there have been two major PPP policies in force related to public infrastructure with private sector investment. While these have allowed for some minor projects, there have been no major projects to date because of poor implementation of these policies- related to legal frameworks, coordination, and approval and payment processes. The lack of effective risk-sharing has also undermined trust between businesses and the government. Feasibility studies have been overlooked; bidding processes have lacked transparency, and decisions have been opaque. These factors have made legitimate businesses in Nepal extremely wary of working with the government.

Nepal wants to be a middle-income country by 2022, and PPPs will be critical to this process of development- to bolster development, attract expertise, create jobs, and build local technical capacity. But this requires serious efforts to build transparency and trust with Nepali businesses at the local level, a clearer understanding of mutual challenges, and transparent communication between provincial and local governments, the private sector, and communities around mutual benefits and responsibilities.

4.1 Policy Evolution

Evolution of the legal framework for PPP[3Ps]

1990-2000: Hydropower Policy & Electricity Act, Foreign Investment & Technology Transfer Act (1992) and BOT Policy on Road Sector (1991) allowed the opening of foreign investments in the hydropower sector and initiated the process of BOOT (Build Own Operate Transfer) model in the sector.

2000-2010: Hydropower Policy, Public Infrastructure Build Operate and Transfer Policy (2001), Private Investment in Infrastructure Build and Operate Ordinance (2003/4), Private Financing in Build and Operation of Infrastructure Act (2006), Private Investments in Infrastructure Act (2006), and Financing in Build and Operation of Infrastructure Regulations (2007) streamlined many of legislation required for the BOOT model, paving way for Public-Private Partnership in the infrastructure sectors.

2010-2020: Investment Board Act (2011), Public-Private Partnership Policy (2015), Foreign Investment and One-Window Policy (2015), Electricity Regulatory Commission Act, Foreign Investment & Technology Transfer Act (2017), Electricity Regulatory Commission Regulation (2018), and Public-Private Partnership and Investment Act (PPPIA) (2019) laid the foundations for ensuring private investments into the nation. Many legislations focused on improving the investment climate and making the bureaucracy more efficient for investors. This culminated in the promulgation of the Public-Private Partnership and Investment Act 2019 (PPPIA), the principal legislation for Public-Private Partnership.

Public-Private Partnership and Investment Act 2019^[1]

Some of the salient features of the PPPIA 2019 include:

- PPP unit at the office to conduct a feasibility study of PPP projects, to select the developers, and facilitate public agencies in construction and operation. Investment unit for coordination, collaboration, and facilitation for creating an investment-friendly atmosphere.
- Monitoring and Facilitation committee to be formed under chair and vice-chair of the board.
- For the fulfillment of the funding gap for the infrastructure project Validity Gap Funding (VGF), has been incorporated into the act.
- "Swiss Challenge Method"(SCM) of private sector-initiated procurement method, where a private developer makes an unsolicited public infrastructure project proposal to the government.
- For national-level projects, the Investment Board acts as the approval agency. On the sub-national front, the entity prescribed by the sub-national legislation will be responsible for approval.
- PPPIA also makes provision for handling unsolicited proposals, something which was missing from the BOOT act. Unsolicited proposals are also carefully evaluated by the evaluation committee.
- Provision with regards to direct negotiation without availing the two-step procurement procedure is also present.

The institutional and legal framework in Biratnagar Metropolitan

The metropolitan city is yet to formulate its own policy on Public-Private Partnership, unlike the provincial government which already has one in place. This is the guiding legal framework for the metropolitan city as well. The local government has been directly negotiating with private agencies or companies if there is strong evidence that only one company has the capability to operationalize the PPP projects prioritized by the metropolitan city. In such cases, the metropolitan city can directly negotiate with the private agency and award the contract. For instance, the metropolitan city recently signed an MoU with the Provincial Investment Authority to allow the construction of a 22-story commercial complex within the city worth NRs. 5 billion.



Figure 5: Group activity identifying challenges and solutions to fostering PPP

¹ <https://ibn.gov.np/wp-content/uploads/2020/04/PPPIA2075-English.pdf>

4.2 Existing Projects of Public and Private sectors collaboration

Tourism Infrastructure projects like view tower, cable car operation, zoological park, refreshment/recreation center, public parks, and amusement parks were mostly fruits of public-private collaborations. Apart from that, warehouse and cold storage, micro-hydro power plant, and investment in alternative energy are other areas where local governments are trying to bring in private investments in Province 1. Most of the urban utilities like parks, playing grounds, public toilets, city transportation, street food corner, overhead bridges, parking management systems, traffic management systems, and solid waste management systems were the projects that the government has been trying to design by collaborating with the private sector.

C-Plot shopping complex	C-Plot Users` Committee, Morang	Other	Completed
A-Plot Park		Public Amenities	Ongoing
B-Plot Parking lot		Public Amenities	Ongoing
Hariyali Park	Himalaya Nursery, Biratnagar 11	Other	Ongoing
Fountain Eco-Park Biratnagar	Morang Merchant Association	Other	Infrastructure completed/ still in charge of maintenance
Public Toilet (Gudri Bazaar)	Mr. Pahlahu Dom	Urban Sanitation	Completed
City Entrance Gate (beautification maintenance)	Pashupati Paints	Other	Ongoing
Integrated Solid Waste Management of Biratnagar	Environment Development and Social Change Forum	Solid Waste Management Group	Completed
Solid waste management of Biratnagar	Waste management group Pvt. Ltd and J.V Kathmandu	Solid Waste Management	Tenure Completed
Community Composting in Ward No.1, Biratnagar	Joint TLO organisation	Solid Waste Management	Completed
Advertisement Board		Public Space/Display	Completed
Bus Terminal Maintenance	Gauri Parbati Nirman Sewa	Public Amenities	Completed
Traffic I-land Project	Lions club of Biratnagar, green City Biratnagar, Biratnagar Metropolitan, Road Division	Others	Completed

5. Key Learnings:

5.1. Public-Private Partnership as a reliable alternative:

Public-Private Partnership is widely accepted as a reliable means of investment for emerging economies to fund their infrastructure development at a faster and cost-effective rate by sharing risk sharing, ensuring quality delivery, and strengthening the public services. This allows the government to leverage the taxpayers' money on other sectors instead.

The mayor of Biratnagar Metropolitan city pointed out that the model has been adopted largely due to his administration's understanding of its significance. "I believe such a model helps in broadening the tax base instead of raising it. And at a time when we are facing the ire of the public for increasing taxes in the name of federalism, I welcome every private investor to come up with new ideas and plans, or feedback and suggestions. We are eagerly awaiting." Both the province 1 government and Biratnagar municipality have accepted PPP as a reliable alternative to funding development priorities.



Figure 6: Political leader sharing his opinion

The government or the private sectors are obliged to invest in various development modes as they are under pressure to meet up the public expectations despite budgetary constraints. Thus, federal, provincial, and local governments will need to collaborate with the private sectors, while also allowing access to beneficiaries that include local communities. "It would be a win-win situation if we could generate funds from the private sectors and be able to form a strong and responsible monitoring body that has a sense of ownership," says Mr. Bidur Poudel, an official

with the Ministry of economic affairs and Planning, Province no. 1.

Biratnagar metropolitan office recently signed a memorandum of understanding with the Province Investment Authority, Province 1 to construct a commercial complex worth NRs. 5 billion rupees through local investment. The metropolitan office has already issued a notice for clearance of the site at ward no. 9. The project will be under the public-private-cooperative partnership model and will be based on the provisions under the Provincial public-private partnership and investment act, 2019.

5.2. Managing the act of allying:

To ensure practical guidance, monitoring, evaluation, and supervision, the Public sectors should provide the linkages between intergovernmental sectors, private sectors, CSOs, and citizens. Inclusion of the voices of citizens in any kind of development activities is very crucial. Therefore, a robust citizen-centric and participatory approach are needed for a sustainable partnership. This has been one of the major factors behind the misalignment between the citizen's expectations and the government's service delivery in the case of Biratnagar. "Community-level participation and monitoring will always voice against deformity and discordance and fulfill the role of a watchdog, and also help in coordination for sustainable development and reducing hindrances", says Mr. Ambika Prasad Chaulagain, Deputy Secretary from the Ministry of social development, Province no. 1.

Economist Bhesa Prasad Dhamala adds that "Citizens should ally not only for the achievement of project goals but also for the challenges and participating in monitoring the progress and offering responsibilities, legitimacy, and proximity."

Alongside that, it is equally important for the government representatives, beneficiaries, and private sectors to ensure they don't create hurdles and hassles amidst existing projects from their respective ends.

5.3. Ensuring Public Accountability:

Alignments allow stakeholders to be more collaborative and have meaningful approaches to manage challenging decisions and resolve disagreements. Alliance with diverse sectors will also make the private sector answerable.

"As private sectors are out of traditional accountability systems unlike Public sectors, they pose an accountability deficit in meeting social and public welfare needs. Thus, it is important to make them aware of the negative impacts of their activities and ensure they establish corporate responsibility to adhere to the public rights" adds Mr. Bidur Poudel, from Ministry of economic affairs and Planning, Province no. 1.

There is a widespread lack of accountability in the public sectors as well which has prevented the public from getting real-time information. "The bureaucracy generally underestimates public problems which have detached them from the government.", says Uttam Dhungel representing the Consumer's rights groups. Representatives from civil society and beneficiary groups were very vocal regarding consultation with local people and beneficiaries of infrastructure projects before physically starting the partnership. In most of the process of PPP projects, beneficiary concerns remain the missing link which should not be forgotten. Although the discussion was usually conducted with some affected populations, the chances of the discussions resulting in changes in the PPP are severely limited. There is no feedback loop created where the concern of the citizens are addressed by the public sector while taking forward PPP projects.

Affected citizens are unaware of the effect of the PPP projects on them. Participants in the PPD pointed out the need to include the perspective of the affected population's voices in the feasibility report prepared by the local governments. This would ensure that the perspective of citizens is known to private agencies prior to making investment decisions.

5.4. Project Pipeline and Risk sharing in PPPs through Provincial Investment authority:

There is a long list of pipeline projects, a majority of which have not materialized or are facing implementation challenges. This has also diminished the private sector's trust in the government planning mechanism. The biggest constraint to PPPs in urban infrastructure is the lack of proactive role being played by the provincial investment authority. Subnational governments should focus on building the PPP project pipeline consisting of bankable projects which are actually feasible. Since the past year, private urban infrastructure project developers (and lenders) are requiring more and clearer forms of public sector support, risk-sharing, and contingent liabilities than before, largely due to pandemics. The main aim of the investment board and Provincial investment authority is to work as a mediator between the sub-national governments and the private sectors. It needs to be able to work in tandem with the local authorities. The provincial investment authority needs to conduct a periodical dialogue with local governments and private sectors as well as citizens groups to review the practices of PPP and jointly identify solutions to problems.



Figure 7: Participants after PPD

6. Conclusion and Recommendations

Federalism has paved the way for sub-national governments to formulate plans and policies and allowed them larger fiscal independence. Alongside this, they also inherited an increased administrative size that has bloated their expenses. This transition can be supported through proper policy and constructive dialogue. Therefore, there is a need to generate evidence and data on subnational governance that help to inform policy and decision making. For Biratnagar Metropolitan City, areas for improvement include urban service delivery and economic governance while also building capacity for policymaking and project implementation. Involvement of the private sector only will not ensure success unless strong policy frameworks are created at local levels to ensure the implementation of the PPP projects. This needs to be coupled with an emphasis on monitoring and evaluation to test the quality of planning and maintaining policies and laws at the federal, state, and local levels including developing a system for adopting profit sharing and risk mitigation plans.

6.1 Addressing misalignment between government planning and private sectors' interests.

The enactment of PPPIA has opened the way for PPP projects to function smoothly. The clarity provided by the act on the functions of the investment board and its function, as well as the setting up of a PPP Unit and a monitoring and evaluation unit in respective subnational governments, has excited the private players who had various reservations on proper implementation of PPP projects. The successful implementation of the PPPIA in the subnational context would be instrumental in breathing in new life to private involvement in public service delivery and infrastructure projects. One of the key areas for reforms would be the misalignment between the government planning and the private sector's interests, as well as its institutional capacity and governance. The government should set up a mechanism to include the private sector's perspective in the identification phase of the PPP projects. This will provide space to accommodate the private sectors' perspective in the PPP process. The PPPIA has allowed private players to get involved in analysis and evaluation by being allowed to enter into a PPP agreement based on unsolicited proposals. Because the private sector is represented by a number of business associations, these associations should also prioritize projects under PPP and then approach the government by making use of the provision of unsolicited proposals. This can also save resources for government agencies to identify various projects.

6.2 Need to Institutionalizing Public-Private Dialogue

There is an urgent need to institutionalize PPDs by the Province Investment Authority in province 1. The Authority should create ongoing opportunities for open dialogue and consultation among diverse stakeholders, periodic review of existing PPP projects, and device appropriate strategy. The Authority should organize Public-Private Dialogue (PPD) or any other institutional mechanism to review the implementation of existing projects under PPP. A broad range of stakeholders must be involved such as affected populations, private sector, municipality, local academia, and media. The

municipality should create a forum where affected citizens, implementing private entities, and watchdogs organizations can raise their voices, provide effective solutions for any problems which emanate during the course of implementation of PPP projects. This forum will also help establish communication channels between affected citizens, implementing entities, and the municipality and also take corrective measures. Such PPD also functions as an independent assessment of existing projects and suggests ways to take corrective measures. This should be seen as a part of the move on the part of the Investment Authority to broaden the space for participation of private sectors, establish communication channels with feedback channels, and institutionalize representation of concerns of affected populations.

6.3 Building trust between public and private stakeholders by identifying proper evaluation indicators and committing more resources

Proper indicators for evaluating a project should be created with the inclusion of the beneficiaries in the process of identifying, feasibility study, and selecting projects under PPPs. Apart from sound public decision-making through comprehensive analysis, it is important to include the local beneficiaries like the Tole Development Committee, Consumers protection groups, and local civil society members to scrutinize the modality. This process can help in improving the confidence of the public in such projects and also hold both the government and private sector accountable for the proper implementation and management of the project. After all, it is the general public who can provide the best evaluation on the public service delivery.

6.4 Generating public awareness and enhancing institutional capacity for PPP projects.

Dialogues and stakeholder meetings should be regularly conducted and expanded to include sector-wise analysis for identifying the scope of PPP in various sectors. One of the chief areas of concern for investors in Nepal has been the local opposition to projects in their area, which has caused many minor and major infrastructure and service delivery projects to be shelved. This is largely due to distrust of the beneficiaries towards the project, which could have been prevented by proper dialogue and their inclusion in the implementation phase. Recognition of the concerns of the citizens is of paramount importance. The concerns of citizens should be included in the pre-feasibility report of any PPP projects such that interested private agencies remain wary of the potential issues that can crop up during the implementation of the PPP projects later. Given the importance of PPP projects for financing local infrastructure development, local governments need to ensure that the concerns of citizens are well recognized and remedial measures taken to address such concerns. Also, since unsolicited proposals can now be legally accepted by the government, private sectors can be encouraged to explore various opportunities through various awareness programs. Apart from the private investors, government agencies need to be equally proactive in identifying the scope of PPP in various areas of public service delivery. For proper

implementation of the PPPIA, the PPP unit and Monitoring and Evaluation Committee will have to include extremely competent individuals.

6.5 Financial policy stimulus needed

On the financial front, the reduction of transaction cost of PPP through the creation of Project Development funds for project development and land acquisition and other clearances or statutory approvals will greatly boost the confidence of the investors. Furthermore, actualizing One Stop Point would significantly improve the doing-business environment in the country and help in attracting Foreign Direct Investments (FDI). Also, there is a need to develop Local debt and capital markets as per recommendations from representatives from the business associations of Biratnagar.

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