Invest for Impact Nepal

Invest for Impact Nepal is a platform dedicated to connecting Development Finance Institutions with high-impact investment opportunities in Nepal through Financial Institutions and Private Equity Funds.

NEWSLETTER

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IIN receives Enablers of Entrepreneurship award

The youth entrepreneurs' forum of the Confederation of Nepalese Industries (CNIYEF) presented to Invest for Impact Nepal the "Enablers of Entrepreneurship" award in recognition of its work and commitment to supporting entrepreneurs to be investment-ready. The award was also in recognition of IIN's contribution to innovative endeavors to promote acceptance and practices of ESG standards for the long-term sustainability of Nepalese businesses. The award was given during the "CNIYEF Startup Festival 2023" in Kathmandu on 23 December. The award was received by CEO Bibek Shrestha on behalf of IIN.

Nepal Government's MoU with Development Finance Institutions

The Government of Nepal (GoN) has signed a Memorandum of Understanding (MoU) with Development Finance Institutions (DFIs) collectively, demonstrating a commitment to fostering foreign investment in Nepal. This agreement, inked in London in November by H.E. Gyan Chandra Acharya, Ambassador of Nepal to the United Kingdom, and Jörg Frieden, Chairman of the Board of Directors, SIFEM AG, highlights the government's recognition of the crucial role DFIs play, in supporting economic development in Nepal. Finance Minister Dr. Prakash Sharan Mahat, in his address to the DFIs during the MoU signing, acknowledged the importance of foreign investments in Nepal's development. He emphasized Nepal's legal provisions that facilitate capital mobilization through international financial markets and called for foreign investments, particularly in the renewable energy sector, as a means to address climate change. The MoU between the Government of Nepal and DFIs also signifies a collective effort to create a conducive investment environment to further encourage and streamline foreign investments in the country.

Innovation in SME Financing

Invest for Impact Nepal in collaboration with Nepal Bankers' Association and Nepal Private Equity Association organised a seminar on "Innovation in SME financing: What Can Nepal Do Better?". A key takeaway from the event was that SMEs can significantly contribute to Nepal's graduation to a middle-income country by 2030. Dr. Matthew Gamser, the keynote speaker of the programme, former founding CEO of the Global SME Financing Forum promoted by IFC, highlighted how technology can be a catalyst in increasing access to finance for SMEs. He also shared his views on key support for infrastructure and policy interventions by the government to expedite easy access to finance for SMEs. Development Partners, such as FCDO and SDC, who are dedicated to supporting the SME sector in Nepal, expressed their commitment to improving digital financing to facilitate SMEs' access to finance through banks and other financial institutions. Likewise, representatives of regulatory authorities, represented by the Governor of Nepal Rastra Bank and the Chairman of the Securities Board of Nepal, proposed the need for further innovation also in the regulatory space. The Governor went further and suggested the need to review the country's definition of SMEs and to align it with international standards.

Discussion on enhancing access to finance for women entrepreneurs

Invest for Impact Nepal engaged with SME women entrepreneurs and entrepreneurs' forum in Nepal, to understand the challenges women entrepreneurs face in accessing finance. Despite the crucial role SMEs play in driving the economy and generating income, women entrepreneurs, in particular, still struggle to secure financing from financial institutions.

Social norms, lack of collateral, and complex processes to access finance were presented as key hurdles for women entrepreneurs in addition to the implementation of government policies for women entrepreneurs by financial institutions. FCDO's Development Director, Ms. Pippa Bird stressed the importance of a gender-friendly approach and encouraged financial institutions to see women entrepreneurs as valuable contributors to both families and the nation's economy." The discussions also ignited the idea that private equity firms could offer an alternative, and a joint effort in the banking sector to create a more inclusive financial system to cater to women entrepreneurs. Acknowledging support for the SME sector, Ms. Dorothee Lötscher, First Secretary of Embassy of Switzerland in Nepal, emphasized the significant role that DFIs can play in directing their investments specifically towards SMEs owned and managed by women.

Participants in the discussion included representatives from FWEAN, SAWDF, and individual women entrepreneurs.

Experience sharing session amongst Nepalese PEVC players

Members and partners of the Nepal Private Equity Association had an opportunity to learn from the life experience of Sir Graham Wrigley, the founding partner of "Permira" a British global investment firm specializing in buyout, growth equity, and credit funds. Sir Graham Wrigley is also the former Chair of British International Investment. He shared his life experiences and the story of Permira's growth into one of the world's leading private equity firms with over $20 bn under management. During the session he also shared how Permira collaborates with companies globally, exploring growth opportunities and enhancing business value through spin-offs, mergers and acquisitions, and organic growth. The session also featured a Q&A where the participants asked about his experiences in frontier market and his role as the chair of BII.

Asian Bankers Association meet in Kathmandu

The 39th Asian Bankers Association conference was held in Kathmandu in November and organised by the Nepal Bank's Association. The conference, with the theme "Asian Banking Roadmap for Recovery and Sustained Growth", focused on discussion on global market trends, digital transformation, ESG banking strategy, managing uncertainty, and the changing environment. Member banks, government representatives, regulatory agencies of the Asia-Pacific region, and experts in the finance, banking sector, and climate change participated during the two-day meet.

In his address at the conference, Nepal Rastra Bank Governor Maha Prasad Adhikari said the way forward to lift Nepal from a low economic growth was by boosting capital formation. He stressed that banks and financial institutions had a key role in boosting capital mobilization. Finance Minister Prakash Sharan Mahat urged the Asian banking sector to support investments in Nepal's hydropower sector and assured banking representatives a strong market for Nepal's electricity. He cited India's interest in buying up to 10,000 MW and as well as Bangladesh's interest in buying Nepal's electricity. The association which is based in Taiwan, is a forum for advancing the banking and finance industry in the Asia-Pacific region and promoting regional economic cooperation.

Global IME Bank secures $25 Million loan from Climate Fund for clean energy investment

Global IME Bank has secured US$ 25 million loan from the Global Climate Partnership Fund (GCPF) to expand its investment in clean energy initiatives, including energy efficiency projects and renewable energy ventures. The loan is anticipated to boost the bank's credit capacity and its role in the energy sector, aligning with Nepal's goals of reducing climate change impacts and promoting renewable energy.

Contact Us

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