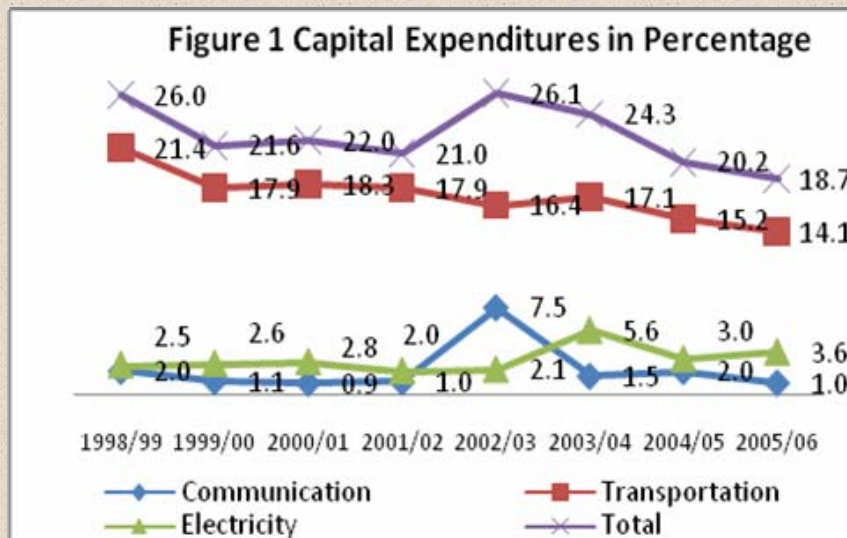


Introduction

- **Infrastructure - a backbone to the economic and social development of the country.**
- **Efficient infrastructure services help to generate job opportunities as well as create an environment for additional income generation.**
- **The Government's agendas clearly show the priority for infrastructure development**
- **Failure on the part of effective implementation has constraint the desired level of progress in these sectors.**
- **This is reflected by a low utilization of resources.**

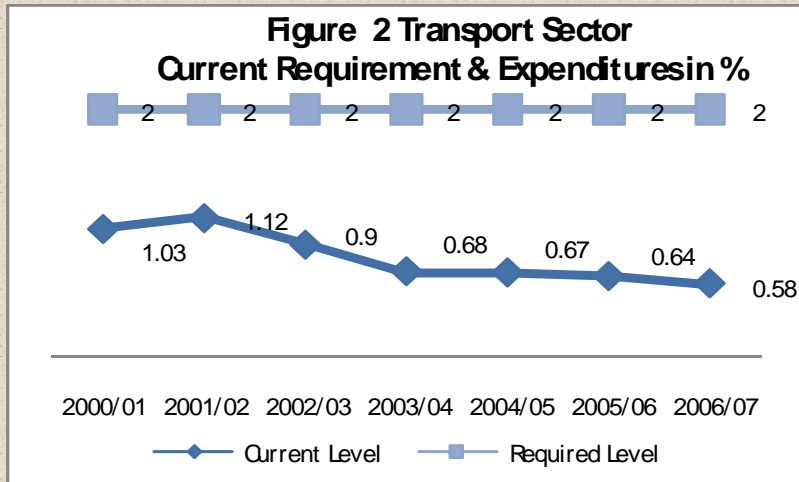
Investments Level



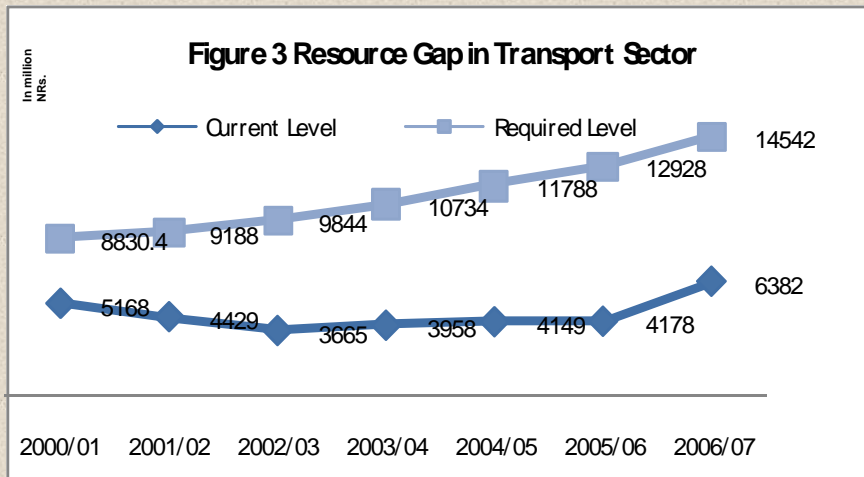
Investments Level

- A general pattern shows that expenditures of the developing countries in the road sector are equivalent to 2 % of the GDP.
- This level of expenditure is accepted as a standard practice to achieve meaningful sectoral impacts.
- A typical case is that of Bhutan where the road sector expenditures stands around 2.5% of the GDP.
- Nepal stands significantly behind in terms of transport sector expenditures.

Investments Level



Investments Level



Emergence of Private Sector

- **The present challenge for the government is to overcome the problem of ensuring sufficient funds for the development of infrastructure in the country.**
 - **Effective mobilization of internal resources,**
 - **Donor support and**
 - **Attracting and encouraging the private sector in financing infrastructure development.**

Emergence of Private Sector

- **Responsibility of developing and managing the physical infrastructures lie solely on the Government – a myth**
- **The private sector is now demonstrating a faster growth rate and its comparative capability to manage public infrastructures enhancing.**
- **It is also pertinent that the traditional approach is now weakening as it has failed in bringing**
 - **effectiveness**
 - **and innovativeness**

Fig 4. Comparative Advantages of PPP

- Acceleration of Infrastructure Provision,
 - Faster Implementation,
 - Value for Money,
 - Partnership Building,
- Enhanced Public Management,
 - Genuine Risk Transfer,
- Clearly Defined Output Specification,
- Asset Performance & Reduced Costs
 - Performance-Related Reward,
 - Private Investment Promotion,
 - Improved Quality of Service

Emergence of Private Sector

- Consideration of private sector initiatives at par with the Government development plan.
- A strong case for capitalizing on PS sector efficiencies together with partnership in resource utilization is emerging.
- A strong private sector can act in a responsive manner if transparency and competitive atmosphere is maintained throughout the planning and contract award process.
- As a result, PPP is now emerging as an ideal model for developing countries to adopt as part and parcel of the development plan.

Emergence of Private Sector

- **Public Private Partnership**
 - institutional innovation technique which overcomes the current weakness in the system,
 - robust and commercially sustainable model
 - demands a creative and innovative approach
 - value for money – quality enhancement
 - an innovative approach with application of latest state of arts
- **In case of PPP, the role and challenges of consulting industry**
 - Engineering services
 - Facilitating and soliciting the private sector to invest
 - Infuse competitive atmosphere.
 - Demonstrate the local capacity and capability
 - Facilitate adaptation Internationally accepted best practices.

Shifting Roles

- **Encouraging involvement of private sector in upscaling the provision of infrastructure - depends on the strength to cope with the current challenges in infrastructure development and management.**
- **To recognize the potential and steer the construction industry as a major contributor to development impetus.**
- **A Strategy Plan for the construction industry has been prepared with wider consultation. – all stakeholders**
- **Revision of Construction Business Development Act 2055 to stimulate the industry.**

Shifting Roles

- The Government is drafting of an act on “Consulting Industry Development”
- All the stakes working together for the common cause of the building nation, can bring remarkable changes in quality of life of the people through the delivery of effective and efficient infrastructure services.
- There is a need now to strengthen the role of each agency with clear guidelines and growth oriented focus - key for boosting economic and social prosperity of the country.

Conclusion

- **10,000 MW in 10 years**
- **Fast Track corridor**
 - Kathmandu - Neejgrah
 - Kathmandu and Pokahra
 - Neejgrah – Lumbini
- **North South & East West Road Corridor**
 - Establishing Trade Transit Points between India and China
 - Mid Hill Highway
- **Development of Inter Modal Transport**
 - East West Railway
 - Extension of Railways from Indian Border to East West Highway
- **Developing Express Way**
- **Urban Transport Infrastructure including Outer Ring Road**
- **Major Highway Bypass**