



Swiss Agency for Development and Cooperation SDC  
स्वीस सरकार विकास सहयोग एसडिसि

## **Nepal Invests is launched by CDC, FMO and SDC to accelerate investment in Nepal**

- Market building platform will support foreign direct investment into Nepal.
- Developed by leading development finance institutions and development partners, collaborating to strengthen Nepal's recovery from COVID-19.
- This is the first initiative of its kind in Nepal – it will support the promotion of entrepreneurs and private, innovative activities in Nepal

### **19 March 2021, Kathmandu, Nepal**

CDC Group, the UK's development finance institution, FMO, the Dutch development bank and Swiss Agency for Development and Cooperation SDC have launched Nepal Invests, a platform that will drive increased investment into the country.

This group comprising of Development Finance Institutions (DFIs) and a Development Partner, will complement existing efforts to attract more investments and advance the development of the country, by channelling efforts to unlock the possibilities of investing patient, flexible capital to support private sector growth and innovation – helping to solve the biggest development challenges in Nepal.

The COVID-19 pandemic has challenged the world. For Nepal, it is clear that there will be significant economic pressure as a result of potentially volatile remittance inflows, and a surge in demand for finance at a time when the crisis has significantly reduced access and option of capital for SMEs. Nepal Invests will support the economic recovery from COVID-19 in multiple ways; partnering to address business environment challenges, exploring innovative ways to finance SMEs and increasing the skills and capacity of local investment professionals. These measures are designed to better prepare Nepal's market for increased investment from development finance institutions, frontier players, and intermediate vehicles in order to support the medium-term economic recovery.

Nepal Invests represents a ground-breaking collaboration between DFIs and development partners in the country, reflecting shared objectives to support business growth, strengthen investment and accelerate Nepal's economic recovery from COVID-19. The platform intends to mobilise additional supporting projects and contributions from other DFIs and development partners, whilst engaging closely with the needs of the Nepalese private sector.

**Srini Nagarajan, Managing Director and Head of Asia, CDC Group commented:**  
“CDC is an active investor in Nepal, we want to encourage more foreign direct investment (FDI) into the prospering nation. We are delighted to partner with FMO and the Swiss Government in this unique collaboration between DFIs and Development Partners in Nepal that aims to attract foreign capital into the country. The role of DFIs has been important in Nepal and will remain important after COVID-19, to support green growth and economic transformation. We hope to play an even stronger role in the future. I am hopeful this initiative

will help us deepen our contextual understanding, forge partnerships and enable us to do more.”

### **Andrew Shaw, Manager Capacity Development, FMO**

“FMO has played a pioneering role for development finance in Nepal. With our support to Nepal Invests, we hope to accelerate investment in the country and to support foreign investors to increasingly focus on Nepal. As part of Nepal Invests, FMO is committed to support the Nepali private sector to raise its environmental and social standards together with local stakeholders, and to facilitate the adoption of international ESG practices to create a level playing field between companies and improve access to DFI funding in the country.”

### **H.E. Elisabeth von Capeller, Ambassador of Switzerland to Nepal, Embassy of Switzerland**

Switzerland is a long-standing development partner of Nepal and is committed to supporting Nepali small and medium enterprises to grow and contribute to Nepal’s economic development. Attracting and mobilising private investments will be key in achieving the economic transformation agenda that Nepal has set for itself and the Swiss Agency for Development and Cooperation SDC is delighted to partner with CDC Group and FMO to support the Nepal Invests platform which will contribute to preparing the Nepali market for greater investments. This initiative also sets a precedent for future collaborations of this nature between development partners and development finance institutions to contribute towards Nepal’s economic advancement.

The platform is managed by Nathan Associates, in Kathmandu, Nepal. For further information or press enquiries, please contact [erussell@nathaninc.com](mailto:erussell@nathaninc.com).

**Media contact:** Clare Murray - [cmurray@cdcgroupt.com](mailto:cmurray@cdcgroupt.com)

### **About Nepal Invests**

The partnership was formed following a joint-DFI stocktaking mission to Nepal in January 2020. This mission was coordinated by SDC and SIFEM, and is a part of a collective effort by IFC and CDC (“the DFI Fragility Forum”) aimed at promoting private investments and jobs creation in fragile or politically complex contexts. Participation included DFIs such as CDC, FMO, Proparco, SIFEM, and IFC; as well as Development Partners such as the ADB, EU, FCDO, SDC, and the World Bank.

Five projects have been identified which are central to supporting the objectives of DFIs in Nepal as well as the recovery of Nepal’s private sector from COVID-19. The platform will operate initially for 18 months, termed as the Discovery Phase, with potential plans for a larger market shaping phase subsequently.

The intended outcomes of the five projects are as follows:

1. Make regulations governing FDI in Nepal more navigable for DFIs;
2. Explore alternative SME financing options;
3. Increase the capability of investment professionals in Nepal;
4. Increase the understanding and demand for growth capital amongst Nepal’s business leaders and officials;
5. Drive E&S that is standardised by DFIs and better practiced by companies in Nepal.

For further information please visit [Nepal Invests](#).

### **About CDC**

1. CDC Group is the UK's impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa.
2. CDC is a leading player in the fight against climate change and a UK champion of the UN's Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all.
3. The company has investments in over 1,200 businesses in emerging economies and a total portfolio value of \$6.2bn. This year CDC aims invest \$1.75bn in companies in Africa and Asia with a focus on fighting climate change, empowering women and creating new jobs and opportunities for millions of people.
4. CDC is funded by the UK government and all proceeds from its investments are reinvested to improve the lives of millions of people in Africa and South Asia.
5. CDC's expertise makes it the perfect partner for private investors looking to devote capital to making a measurable environmental and social impact in countries most in need of investment.

### **About FMO**

FMO is the Dutch entrepreneurial development bank. As a leading impact investor, FMO supports sustainable private sector growth in developing countries and emerging markets by investing in ambitious projects and entrepreneurs. FMO believes that a strong private sector leads to economic and social development and has a 50-year proven track-record of empowering people to employ their skills and improve their quality of life. FMO focuses on three sectors that have high development impact: financial institutions, energy, and agribusiness, food & water. With a committed portfolio of EUR 10.4 billion spanning over 80 countries, FMO is one of the larger bilateral private sector developments banks globally. For more information: please visit [www.fmo.nl](http://www.fmo.nl)

### **About SDC**

The Swiss Agency for Development and Cooperation SDC looks back on a history of 60 years of close collaboration and partnership with Nepal, a priority country of the Swiss development cooperation.

Switzerland is supporting the democratic development of the new federal state in Nepal. Through SDC, it is working to promote equitable socio-economic development and to enable men and women to exercise their rights and responsibilities within the new federal structures. It emphasizes inclusive federal state building, promotes employment and income, and contributes to the safer migration of Nepali migrant workers. Across all its interventions, SDC aims to address inequalities amongst different social, ethnic and religious groups and to contribute to disaster risk reduction.

Swiss development cooperation in Nepal focuses its interventions mainly at the province and local levels, fostering in particular the socio-economic development of women and members of disadvantaged population groups, and helping to build sustainable and inclusive institutions.