

**Brief Concept Paper for the Development of**  
**A Sustainable National Innovation Center in Nepal**

**And**  
**Request for Support**

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## **National Innovation Center Nepal**

### **Brief Concept Note**

#### **Need and Opportunity**

One of the main reasons why Nepal is economically a least developed country is because there is not much happening for economic development. Nepal imports over 90% of its products for different purposes, and it exports less than 10% of its products for foreign currency, resulting in huge trade deficit. Therefore, a major economic overhaul is required to make Nepal a developed country in the 21<sup>st</sup> century. For that to happen, Nepal must give the highest priority to science, technology-creation and innovation in order to ensure a sustainable base for her much needed growth engines.

Considerable attention is needed to nurturing home grown inventors, innovators and scientists for economic development to happen. However, because of the lack of such an initiative at the government level, many talented, innovative and creative Nepalese are leaving the country every year in search of better careers and opportunities abroad. This is a huge and shameful loss for a poor country like Nepal. As a result, Nepal is still one of the least developed countries, despite so much foreign aid over many years. Unless and until Nepal stops losing creative, innovative and talented human resources at such an alarming rate, it will always remain an underdeveloped country. At such a situation no investor would be interested to invest in Nepal for establishing any kind of industry. This is the bitter but irrefutable fact. Our goal is to keep talented and creative people and use their talents for the economic development of Nepal through research and innovation.

#### **Vision and Approaches**

The vision of the National Innovation Center is to introduce Research and Development (R&D) culture to Nepal and help to nurture and promote innovation based ecosystems by employing both grassroots (bottom-up) and top-down approaches as given below.

- **Grassroots Approach:** In order to recognize the often-overlooked resourcefulness and inventiveness of grassroots innovators, NIC intends to set up network of local grassroots innovation hubs in rural Nepali communities with the idea to provide tools and resources to support innovative rural Nepali populace and to incubate their creative ideas. NIC will support them to creatively solve their local challenges, all the while contributing to the local economy.
- **Top-down Approach:** NIC will be focused to build a central structure and regional structures to work with talented and innovative Nepalese, who are either studying at the university or graduated from the university. It will also support to and collaborate with innovators and researchers, who are already working in Nepal in different fields of innovations and inventions. These hubs are intended to act as 'impact accelerators or incubators' at the national level to support innovative enterprises and research projects that can positively impact the social and economic fabric of the country.
- **Persuade Nepalese Researchers Currently Working Abroad for Support:** The vision also includes creating an environment conducive to persuading talented Nepali researchers and scientists currently working abroad to engage and contribute in various ways to help nurture the creativity of young and talented Nepali back home. NIC will create a database of those researchers and scientists and will request them to provide mentorship to young Nepali researchers and innovators in various fields as it will be needed.

### **Modality**

A **not-for-profit sharing company** by the name of “Rashtriya Awishkar Kendra” (National Innovation Center) has been registered according to sub-section (1) section 5 of Company Act 2006 Nepal. The innovation center will provide young researchers, innovators and inventors full financial support and mentoring in four steps as given below:

- Step 1 - Provide full financial support and mentoring for accelerating prototype design,
- Step 2 - Provide full financial support and mentoring for product development,
- Step 3 - Provide full support for getting patent right, trade mark, intellectual property right, etc.
- Step 4 - Provide support for connecting them to investors so that they can launch innovative products and services aimed at impacting the economic and social development.

In this sense, NIC is a nurturing center, and it will nurture the talents of the creative and innovative people of Nepal just like we nurture our children. In other words, NIC aims to create a model to retain, nurture and promote Nepal's top human capital and leverage their considerable intellect, creativity, and talent in fostering the country's social and economic growth. This model can be replicable in all least developed countries that are going to through a similar process.

### **Sustainability:**

NIC will be a unique organization because the goal is to make it fully sustainable. In order to make the center unique and fully sustainable from the very beginning, NIC will register a hydropower company as a major stakeholder and will develop a 10 MW to 15 MW hydropower station. The power will be sold to the government to generate cash income for sustaining the center.

The hydropower station was chosen to make the innovation center sustainable because it is the most predictable, stable, and steady source of revenue. It is a one-time investment, and there is no need for further ongoing investment. NIC will get necessary permission from the Nepal government to build the power station and sell the power. There are sites available to build the hydropower station.

The estimated minimum cost for building a 10 MW hydropower station is around US\$15 million. NIC needs US\$ 5 million (30% of the total project cost) for equity to build the 10 MW hydropower station. 70% of the total project cost will be taken as loan from the commercial banks. Once we get the fund for the equity, commercial banks will be ready to provide 70% of the project cost as long term loan. It will take about five years to complete the hydropower station and generate income to make the innovation center operational and sustainable on the long term.

It is estimated that a 10 MW hydropower station will generate a net income of about US\$ 3 million to US\$ 4 million every year by selling the power to the government. In the first few years of power production, 75% (~\$3 million) of the net income will be used every year to pay back interest and loan, and pay for the operating and maintenance cost. 25% (~US\$ 1 million) of the net income will be used to run the innovation center. The estimated loan payback period is 8 years. Once the bank loan is paid off, NIC will have about US\$ 2.5 Million a year for operation. After it will start operating from the income of the hydropower, we will also be looking for all possible sources of income in future as well.

### **Current Board of Directors**

The team members, who are taking initial leadership role, are Dr. Mahabir Pun (Social Entrepreneur and Internet Hall of Fame inductee) leads the project as Chairman with Mr. Rameshore Khanal

(Economist and Former Secretary, Ministry of Finance), Dr. Dambar Nepali (Hydro power expert), Dr. Pramod Dhakal (Former scientist in Canada now with Open University Nepal), and Dr. Dinesh Bhujju (Scientist, National Academy of Science and Technology). More board members will be inducted based upon their contributions. The Board Members are not entitled to any financial incentives.

### **Requests to Individuals and Donor Communities**

NIC has already requested to the government of Nepal for some seed funding for the development of 10 MW hydropower station. The government always seemed positive to the proposal but they never provided any concrete support even after trying hard for four years from 2012 to 2016. Therefore, NIC has launched a public fundraising campaign since July 2016 to raise US\$ 5 million from Nepalese living in Nepal and abroad. NIC is getting very good responses from all the Nepalese and friends of Nepal. Here is how you can help for the innovation center.

- By bringing ideas to move the fundraising campaign effectively to meet the goal
- By giving ideas to establish and to run innovation center the most productive ways
- By signing up to become mentor for the talented Nepali innovators and inventors in future
- By providing financial support and material support in your capacity
- By sharing the importance of an innovation center for Nepal with as many people as possible

Thus NIC would like to request individuals, donor communities and angel investors for one time financial support either in the form of a grant or soft loan to help materialize the project. There is no doubt that such support will have long lasting positive impact for the economic and social development of Nepal. Thus, NIC is providing individuals, donor communities and friends of Nepal with a unique and powerful opportunity to help Nepal become a prosperous nation. Your contribution will be the most meaningful investments you will ever make for helping NIC become sustainable and for supporting Nepal become an economically developed country.

While the hydro power building team will be involved in constructing the 10-MW hydropower station for long term sustainability, NIC will also be working to support innovative and creative people whatever way it can for small scale innovations and researches.

Let us conclude with the famous Chinese proverb - **“Give a Man a Fish and You Feed Him for a Day. Teach a Man to Fish, and You Feed Him for a Lifetime”**. Your contribution for NIC will exactly work the same way for Nepal. NIC will teach Nepali innovators and inventors how to fish in order to make Nepal a prosperous nation. On behalf of the young generation of Nepal, I appreciate very much for your involvement and support to make the dream come true.

#### **Contact Information:**

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