Town Development Fund Nepal

Role and Competence

Genesis

1987 Town Development Fund Board established as semi-autonomous institution under Ministry of Housing and Physical Planning with the support of Government of Nepal, World Bank, German Government and UN Habitat (TA).

1997 Town Development Fund Act provides TDF with full autonomy.

TDF Board Chairman Secretary of the Ministry of Physical Planning and Works.

Board Members Ministry of Local Development, Ministry of Finance, Technical and Finance Expert, and five Mayors from five development regions, Executive Director
The Mandate

Urban Infrastructure Financing

Social Infrastructure
- grants

Urban Infrastructure Financing
- soft loans

Revenue Generating
- loans

Urban Infrastructure Financing

TDF Today

Transitional Institution

with policy, rules and regulations to ensure successful and sustainable processing and financing of infrastructure and revenue generating projects

“Donor Driven”
Ongoing Programs

- **KfW** → **Grant** → **District Health Project** (DHS) → **Loan** → **GoN** → **Grant** → **Town Development Program II** (MPPW / MLD) → **Loan** → **ADB**

- **DUDBC** → **Loan** → **Urban Environment Improvement Project** → **Loan** → ** DWSS** → **Small Town Water Supply and Sanitation Sector Project** → **Loan** → **UN Habitat Support**

- **58 municipalities**
- **29 small towns** only for water supply
- **8 towns** outside Kathmandu Valley

Bharatpur – Central Bus Terminal Images
Financing Programs

Total Funds (TDF Contribution)
NPR 3,000 million = US$ 46 million

Loan Financed Projects  80%
Grant Financed Projects  20%

TDF Competencies

Marketing and Need Assessment
Prioritization with Clients
Matching with Priority Sectors
Need Based Decision Ranking
Preliminary Assessment
TDF Competencies

Identification
Screening

Presentation to the Stakeholders
Feasibility Study
(technical & financial)

Concept
Design & Project
Formulation

Project Appraisal

Financing Agreement

Procurement of Works and Services
(with best practices)

Identification
Screening

Concept
Design & Project
Formulation

Bid Process
Management

Procurement of Works and Services
(with best practices)

Flexibility in Modalities
(users, bidding)

Quality Management
(engineers, clients, users)

Periodic Monitoring
Main Sectors for Financing

- Transport Facilities
- Water Supply
- Solid Waste
- Public Buildings
- Social Infrastructure
- Poverty Reduction
- Education
- Drainage
- Sewage
- Solid Waste

Identification Screening

TDF Today

Transitional Institution

with policy, rules and regulations to ensure successful and sustainable processing and financing of infrastructure and revenue generating projects

“Donor Driven”

Financing Policy

Projects

Municipalities

Revolving Fund

Donor

Grants

Loans
The Vision

Financially Independent Institution

preparing the way for self-sustaining municipal credit systems that can also tap domestic and international capital markets for financing in future

“Owner Driven”

Thank You!