



Honorable Vice Chairman Mr. Saroj Devkota
High Level Commission for Information Technology (HLCIT)
Government of Nepal.

CC:

Hon'ble Minister, Ministry of Finance (MOF)
Hon'ble Minister, Ministry of Industry, Commerce & Supplies (MoICS)
Hon'ble Minister, Ministry of Environment, Science & Technology (MoEST)
Hon'ble Minister, Ministry of Information & Communications (MoIC)
Hon'ble Vice Chairman, National Planning Commission (NPC)
Hon'ble Vice Chancellor, Kathmandu University (KU)
Secretary, Ministry of Finance (MOF)
Secretary, Ministry of Industry, Commerce & Supplies (MoICS)
Secretary, Ministry of Environment, Science & Technology (MoEST)
Secretary, Ministry of Information & Communications (MoIC)
Secretary, National Planning Commission (NPC)

Subject: Concept on Establishment of Kavre ICT Center - KICTC at IT Park, Kavre

Honorable Vice Chairman:

IT Professional Forum (ITPF) is a group of well established IT experts in private, semi-government, government, academic, and financial institutions of Nepal, with different areas of specialization. With a vision to enable IT-led development of Nepal, it was founded as a non-profit non-government organization in 1998, was formally registered at the office of the Kathmandu District Office in 2000, and was associated with the Social Welfare Council of Nepal in 2003.

ITPF has successfully accomplished many projects of national importance, with grants from organizations like the Government of Nepal, The Asia Foundation, The World Bank, European Commission, etc. Framework for e-Governance Roadmap, National e-Procurement System, e-Payment System and Business Incubation Initiative are to name a few such projects.

IT Professional Forum (ITPF), being long term associates of HLCIT, is always vigilant on timely utilization of IT Park, Kavre. Earlier effort of partial utilization of IT Park was not materialized due to number of reasons. Currently a new concept is being developed for long term and sustainable operation of IT Park in various ways. In this connection ITPF has already under gone signing of MoU with Kathmandu University (KU). To move ahead, attached initial discussion concept note is prepared for kind attention of Honorable Vice Chairman and Members of HLCIT, Government of Nepal (GON).

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IT Professional Forum

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ITPF would be highly motivated with the Honorable Vice Chairman's leadership on moving ahead for wider consultation with the stakeholders of IT Park, Kavre for the further refining the concept and preparing detailed business plan.

We would be very much pleased to prepare detail business plan based on the concept with the positive intent from your good office.

We are looking forward for high level discussion with presentation on the concept, at the time of convenience of honorable vice chairman to move ahead for the materialization of the concept at the earliest possible time.

Sincerely yours'

(Lochan Lal Amatya)
President
IT Professional Forum

Encl:
Concept Note on **Establishment of Kavre ICT Center (KICTC) at IT Park, Kavre**



Concept Note on Establishment of

Kavre ICT Center - KICTC

A Consortium of KU, ITPF, IT Industries and Individual Investors

AT

IT Park, Kavre

January 2008

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Background

IT Professional Forum (ITPF), being long term associates of HLCIT, is always vigilant on proper utilization of IT Park, Kavre. Earlier effort of partial utilization of IT Park was not materialized due to number of reasons. Currently a new concept is being developed for full utilization of IT Park in various ways. In this connection ITPF has already under gone signing of MoU with Kathmandu University (KU). To move ahead, following concept is being developed for discussion with High Level Commission for Information Technology (HLCIT), Government of Nepal (GON), the owner of the park.

Proposed institutional name for utilization of IT park: Kavre ICT Center (KICTC)

Objective

To create winning situation to all the stakeholders associated with the consortium of KICTC for the operation of IT Park.

Usage Categories

Non-commercial: Academic research and development, Innovation promotion

Semi-commercial: Business Incubation, Career Camp, IT Business development services

Commercial: Running Commercial IT Companies, High-end Training



Institutional Modality

Government

HLCIT: Facility Provider for utilizing IT Park for Academic, Professional and Business purposes

Other GON Agencies: As a guardian of the concept

- Ministry of Industry, Commerce and Supplies (MoICS)
- Ministry of Environment, Science and Technology (MoEST)

Academia

KU: Academia and other related user of the facility in close association with Professionals and Industries

Professional Societies

ITPF: Professional society to bridge business, industry and academia

Private Parties (Profit Making Entities)

Other private enterprises / individuals interested to invest / participate; at least 25 ICT professionals and NRNs to meet operational expenses for initial years of operation.



Strategic Advantage of Mixed-use

Activities / Use	Advantage	Disadvantage
Commercial Running IT Companies High-end Training	Physical facility High bandwidth in competitive price KU at the proximity Driving to excel in skill Availability of residential facility	Location / Commuting time Weak local support services Low commercial value addition Not substantial strategic business advantage
Semi-commercial Business Incubation Career Camp IT BDS	Enterprise development Entrepreneurship course at KU Availability of residential facility Idle for carrier oriented young graduates Value added HR for international market Location is not critical	Location / Commuting time Weak local support services
Non-commercial Masters Courses IT R&D Activities Innovation promotion	Proximity to KU On-going ICT Masters / Bachelors program at KU Center of excellence for ICT R&D	
Mixed Use (all of the above) Proportional mix at least to sustain for five years, details to be elaborated in Business Plan)	Generation of synergy out of the activities Creating winning situations to all (Government, HLCIT, KU and IT Communities at large) Sharing of resources of KU and Other activities within the IT Park Transition to full commercial operation Most viable option of operation in least possible time Attractive proposition to bi-lateral and multilateral agencies	

BDS: Business Development Services

Mixed-use model is most attractive from strategic operational modality of IT Park for immediate startups with long term sustained operation at the same time meeting the objective. The initial operation in the form of more non-commercial is perceived to be semi-commercial in short term and commercial in the longer term (may be after five years)



Institutional Arrangement

Kavre ICT Center (KICTC): The Initial Promoters of the center are HLCIT, KU & ITPF. KICTC will be run as a business venture in a cooperative model with additional individual ICT professionals both in the country and NRNs and other ICT companies & ventures. A Board for the cooperative will be formed to provide general guidelines. KICTC board will be chaired by GoN representative (say HLCIT) and Chief Executive Officer (CEO) of KICTC will serve as Member Secretary of the board. KICTC will be run by professional managers and companies as decided by the board.

Objectives of KICTC:

1. To receive a portion or a whole of IT Park facility from HLCIT in agreed condition with deferred lease fee for certain period
2. To co-ordinate with prospective stakeholders
3. To distribute facility for the following purposes
 - a. **Non-commercial:** Academic research and development, Innovation promotion
 - b. **Semi-commercial:** Business Incubation, Career Camp
 - c. **Commercial:** Running Commercial IT Companies, High-end Training
4. To run some portion or the whole of IT Park as a business venture with GON & other funding agencies partial support in semi-commercial and full support in non-commercial activities as stated above.
5. HLCIT, KU & ITPF as an initial promoter of KICTC, followed by at least 25 ICT Institutions, Companies and Professionals (including convention, meeting, workshop operators and resort owners of Dhulikhel) from Nepal and NRNs in ICT sector abroad could participate in utilizing KICTC.
6. Promoters may have special advantage to use the facility in Knowledge based activities in a wider sense.

Some of the key factors that will be adopted in operating KICTC are:

- One complete floor (consisting of two studios/wings) is to be leased by KICTC from IT Park/HLCIT for 1 year on experimental basis and may be later extended for 5 - 10 years after the evaluation of its effective use during the experimental basis.
- One wing will be dedicated for IT Business Incubation and another wing will be dedicated for IT Career Camp with the goal of exporting highly skilled professionals and High-end training center with training services export goal.
- KICTC may sublease the facility to any other party to work only with the objectives of KICTC as stated above.
- Some of the residential blocks will also be leased for the purpose of hosting KICTC personnel (Manager, permanent mentors or trainers etc).



- Some of the residential blocks may be turned into hostels for residential trainees. The training center is supposed to conduct full time training. Hence for e.g. OCP course may be conducted in 3 weeks, full time.
- Initial establishment & operating expenses will be met by :
 - Contributions from KICTC business operation members (say 1 Lakh Rs each). If we can assemble 25 members including KU, ITPF; we will have Rs 25 Lakh as operating expenses.
 - Funds from GON or any other funding agencies for initial establishment costs and operating expenses of non-commercial activities
- Estimated cost of establishment and initial operating cost: Rs 1 Crore
- HLCIT will not have to pay anything in cash but their inputs for space rentals, computers & other infrastructure may be taken as loan to KICTC without a need to pay for the interest.

Addendum of the MOU between ITPF and KU

1. A taskforce will be established between ITPF and Department of Computer science and Engineering (KU), which plans, monitors and controls the execution of Understanding.
2. Both parties will explore for possibility of utilization of IT Park for the development and promotion of IT related activities. Both parties will work together for:
 - a. Promote Business Incubation activities
 - b. Establish company with involvement of institutions and professionals interested in IT for initiating activities in IT Park
 - c. Running high end carrier camp for graduates
 - d. High-end training services with export potential
 - e. Innovation promotion initiatives
3. Active participation of ITPF associates and members in providing expert service in academic activities at KU or participation of KU ICT, entrepreneurship & management faculties to ICT industrial activities in Nepal
4. Facilitate for 3 months Internship for 4th Year Computer Science and Engineering students of KU in ITPF Associate Companies.



Attachments:

1. Organization Profile, IT Professional Forum (ITPF)
2. Addendum of the MoU with KU and ITPF
3. Organization Profile, Venture Cookies Pvt. Ltd. (VCPL)
4. Company Profile, Alternative Technologies Pvt. Ltd. (ATPL)
5. Company Profile, Professional Computer System (PCS)
6. Company Profile, Hitech Valley iNet Pvt. Ltd.