



Nepal Investment Summit 2024



**Government of Nepal
Investment Board Nepal**

Request for Expression of Interest (EOI)

**Project Name: Chandragiri-Chitlang-Palung-Chitwan
Expressway**

EoI No.: NIS2024/IBN/EoI-02

First Date of EoI Publication: 28th April 2024



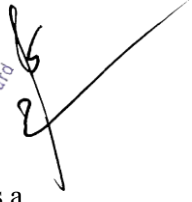
ABBREVIATIONS

EOI	Expression of Interest
GoN	Government of Nepal
IBN	Investment Board Nepal
JV	Joint Venture
NIS	Nepal Investment Summit
OIBN	Office of the Investment Board Nepal
PPP	Public-Private Partnership
RfP	Request for Proposal



Content

1. BRIEF DESCRIPTION.....	1
2. BIDDING PROCESS SCHEDULE.....	1
3. PRE-QUALIFYING CRITERIA	2
4. APPLICATION PROCEDURE	2
5. CHECKLIST.....	3



1. BRIEF DESCRIPTION

Investment Board Nepal is a high-powered agency chaired by Rt. Hon. Prime Minister established as a nodal agency for Public Private Partnership (PPP) and investment promotion in Nepal. Since its establishment, IBN has played an instrumental role in implementing transformative infrastructure projects fundamental to bolstering socio-economic development of the country. IBN has provided investment approvals – for both Public-Private Partnership and direct Private Investment projects. Being guided by the long-term vision (2043), the 15th Plan, and other subsequent policies of the Government of Nepal; and international commitments such as Sustainable Development Goals, IBN has been developing credible and bankable projects to garner investment.

The Third Nepal Investment Summit is scheduled for 28th & 29th April 2024. The main objective of the Summit is to promote Nepal as a promising investment destination and to attract domestic and foreign direct investment in various sectors. The summit is expected to bring together prominent national and international speakers, dignitaries, sector specific experts and high-level government officials. During the Summit, various projects shall also be showcased to existing and new investors and developers.

A rigorous exercise has been undertaken to collect, evaluate, screen, and prepare projects for solicitation through EoI, market sounding, and showcasing other projects at different stages in pipeline. This expression of interest is issued at the NIS 2024 as per the Clause 16 of the Public Private Partnership and Investment Regulation 2077. The summit will also be an opportune venue for developers to meet potential investors for equity and debt portions in projects.

Among the projects selected for solicitation, Chandragiri-Chitlang-Palung-Chitwan Expressway is also one. The project is being studied and developed by Office of the Investment Board Nepal. The proposed expressway project is a large infrastructure development initiative undertaken by the Government of Nepal, aimed at enhancing the national transportation network. At present, the existing road infrastructure spanning 150 kilometers connects Chitwan and Kathmandu, necessitating roughly 5 hours of travel time. This expressway is designed to connect these two major hubs through an advanced road system incorporating tunnels and bridges, effectively reducing the travel distance to less than 100 kilometers and cutting down travel time to approximately an hour. Positioned as a strategic priority, the project is intended to catalyze economic growth and leverage Nepal's geographical advantage for improved regional connectivity. By offering a fast and safe transportation route, it promises significant benefits in terms of economic activity enhancement and road safety improvement across the region.

A brief introductory description of the projects is attached to this document.

2. BIDDING PROCESS SCHEDULE

The OIBN shall adhere (tentatively) to the following schedule to evaluate and shortlist from the EOI received for the Request for Proposal.

EOI issue Date: 28th April 2024

Last date of submission of EOI: 2nd June 2024, 12:00 Noon (Nepal Standard Time)

EOI opening date and place: 2nd June 2024, 1:00 PM (Nepal Standard Time), OIBN

Application Evaluation result: 4th August 2024

Interested parties are requested to submit their EOI along with all necessary documents online at www.eoi.investinnepal.gov.np.



Contact Details:

Name of Agency: Office of Investment Board Nepal
Address: ICC Complex, New Baneshwor, Kathmandu
Phone no.: +977-01-4575277, +977-1-14575278; Fax: +977-1-4575281
Email address: info@ibn.gov.np; website: www.ibn.gov.np

The details of the project structuring will be done before the RfP is issued and the details will be provided with the RfP document. OIBN reserves the right to shortlist or not to shortlist any or all of the applicant(s) without assigning any reason whatsoever. A pre-bid conference shall be held only at the RfP stage.

3. PRE-QUALIFYING CRITERIA

The applicants must meet the following pre-qualifying criteria to be considered for further evaluation and shortlisting:

- a) Minimum of 10 years of experience of the applicant or lead partner (in case of JV/consortium) in developing or constructing national highways or expressways.
- b) Must have completed construction of at least one of such roads/ expressways in the past 5 years whose project cost is not less than NPR 90 billion. The applicant/JV should have successfully completed at least 3 of such projects overall in the past 20 years.
- c) Net worth of the applicant should be equivalent to at least NPR 90 billion as per the last fiscal year's audited balance sheet. In the case of JV/Consortium, the net worth will be calculated based on the percentage share as mentioned in the JV agreement or MOU. If no such share is indicated, the net worth of lead firm will be considered.

Note: The currency exchange rate of the first date of EOI publication will be considered for conversion of net worth and project scale if reported in currency other than Nepali Rupees.

4. APPLICATION PROCEDURE

The developer/investor who meets the above pre-qualifying criteria can make the application for the project.

- a) Application may be made by a single entity or a group of entities (Consortium or JV) comprising up to three different companies/parties including a lead member.
- b) A consortium/JV may fulfil the pre-qualifying criteria in a joint /cumulative manner, except for the number of years of work experience.
- c) A non-refundable fee of NPR 150,000 shall be payable for each application (PPPIR 2077, Clause 17 (3)) at the time of making the application. Any application submitted without the proof of payment of the fee will be considered non-compliant.
- d) fee must be deposited or electronically transferred to the following bank account of OIBN:

Account No.: 1420100102100001
Account Name: OFFICE OF THE INVESTMENT BOARD



Bank name: Rastriya Banijya Bank (RBB)
Bank Branch: Baneshwor
SWIFT Code: RBBANPKA

- e) Please use "Company name_Project name" as the reference code for the payment made in the case of the online payment.
- f) After payment of the fee is made, the OIBN shall assign a focal person and may provide additional documents or information relevant to the project (if available).
- g) Applicants should submit the EOI with all required documents online by 2nd June 2024 (12:00 PM Nepal Standard Time).
- h) The Government of Nepal (OIBN or relevant government) shall review the proposal and ask additional information if required.

Note: If the corruption case is being filed to Court against the Natural Person or Board of Director of the firm/institution /company or any partner of JV, such Natural Person or Board of Director of the firm/institution /company or any partner of JV such consultant's proposal shall be excluded during the evaluation.

5. CHECKLIST

Clause 17 of the PPPIR 2077 mentions that the interested investor shall acquire the request for expression of interest from the concerned agency or website and submit the documents as mentioned in the request for proposal document. Following documents and information must be submitted while submitting the EoI.

1. Notarized copy/ies of VAT/PAN registration certificate (for national developer) and official company registration certificate (for international developer).
2. Detailed profile of the developers/investors, including profile of senior management team, and annual report audited financial statements for at least past three years, latest tax clearance certificate.
3. Where the interested party is considering potential consortium partners, an indication of such intention and details of potential consortium partners (to the extent known). The interested party should clearly state the role of the consortium members and detail the scope they would intend to deliver, for example, design services, construction and commissioning services, facilities management services.
4. Evidence of power of attorney.
5. Project concept, plan, and information on financial, economic, social, technical, and environmental feasibility.
6. Method of project implementation, project development modality and work schedule.
7. Business plan with basic financial statements
8. Financial arrangement and source of investment
9. Self-declaration letter on validity and accuracy of the projects and details submitted and corruption charges and against corruption charges.
10. Expected support from GoN, if any.
11. All the documents need to be properly signed and stamped.
12. Other relevant information, if any.

Brief Project Description

1	Project Name	Chandragiri – Chitlang – Palung – Chitwan Expressway
2	Background	<p>Brief Introduction:</p> <p>The proposed expressway project is a large infrastructure development initiative undertaken by the Government of Nepal, aimed at enhancing the national transportation network. At present, the existing road infrastructure spanning 150 kilometers connects Chitwan and Kathmandu, necessitating roughly 5 hours of travel time. This expressway is designed to connect these two major hubs through an advanced road system incorporating tunnels and bridges, effectively reducing the travel distance to less than 100 kilometers and cutting down travel time to approximately an hour. Positioned as a strategic priority, the project is intended to catalyze economic growth and leverage Nepal's geographical advantage for improved regional connectivity. By offering a fast and safe transportation route, it promises significant benefits in terms of economic activity enhancement and road safety improvement across the region.</p> <ul style="list-style-type: none"> ➤ Sector: Transportation ➤ Location: <ul style="list-style-type: none"> ○ ○ Province: Bagmati Province ○ Affected Districts by the project: Kathmandu, Makwanpur and Chitwan ○ Geographical Coordinate: 27°41'08" N 85°12'25" E to 27°43'57" N 84°25'49" E. <p>Objectives</p> <ul style="list-style-type: none"> ➤ Directly connects Kathmandu and Chitwan, enhancing accessibility and transportation. ➤ Provide an express route that offers faster transportation, reducing travel time for both domestic and international trade. ➤ Can extend connectivity to critical trade nodes facilitating cross-border trade: <ul style="list-style-type: none"> ○ Kodari and Rasuwagadhi Nepal- China Border in North ○ Belhaiya and Lumbini: West Nepal- India Border ○ Birgunj: South Nepal <p>Rationale</p> <ul style="list-style-type: none"> ○ Provide an alternative route, easing pressure on existing roads such as Nagdhunga-Mugling-Chitwan road and Tribhuvan Highway. ○ Aligns with the objectives of the 15th periodic plan and National Transport Policy. ○ Addresses growing transportation demand
3	Salient features	<ul style="list-style-type: none"> ➤ Total Length: 96.50 Km ➤ Design Speed: 80-120 Kmph ➤ Tunnels: 9 nos. <ul style="list-style-type: none"> ○ Total length: 29.80 Km ○ Longest tunnel: 13.2 Km

		<ul style="list-style-type: none"> ➤ No. of Bridges: 30 <ul style="list-style-type: none"> ○ Total length: 9.53 km ○ Longest bridge: 1.3 Km ➤ Highway Type: Access Controlled Expressway ➤ Terrain: Mountainous, Hilly, Plain ➤ Travel time: 57 minutes. ➤ No. of lanes of highway carriageway: 4 			
5	Benefits	<ul style="list-style-type: none"> ➤ High-Speed Connectivity (4-lane access-controlled highway) ➤ Reduced Travel Time by up to 4 hours ➤ Boost in trade and Commerce ➤ Decongestion of Highways ➤ Improved Safety ➤ Support to other industries like manufacturing, tourism, healthcare, etc. ➤ Saving in vehicle operating costs by saving fuel consumption ➤ Increased Interconnectivity ➤ Reliable and Safer Access 			
6	Project Outcome	<ul style="list-style-type: none"> ➤ Enhanced riding quality ➤ Reduced carbon emissions ➤ Decreased travel time ➤ Increased Interconnectivity ➤ Easier Movement of Goods and Services 			
7	Financial Indicators	Descriptions	Financial Analysis		Economic Analysis
			With Toll Only	Toll + VOC Savings	
		Estimated Project Cost (NPR)	221.12 billion		
		IRR (%)	11.98	17.71	15.27
		NPV (NPR in million) at 10 % discount	55,139.1	230,819.8	86,280.1
		Pay-back period (years)	11.26	8.52	6.45
		Discounted Pay-back period (years)	20.6	14.71	11.6
Benefit Cost Ratio	1.3	2.4	1.7		
8	Project Implementation Modality	Public Private Partnership			
		Hybrid Annuity Model (HAM): BOT + EPC HAM combines elements of both BOT and EPC models. It is designed to provide a balanced risk-sharing mechanism between the government and the private sector while ensuring that the road projects are completed on time and are of high quality.			

		<p>Role of private sector in developing the project:</p> <ul style="list-style-type: none"> • Conduct a detailed feasibility study encompassing the design, construction, and maintenance of the road for a duration of 15 years. • Develop comprehensive design plans considering safety standards, road capacity, and long-term durability. • Execute construction activities adhering to engineering specifications and regulatory requirements. • Implement robust maintenance strategies to ensure the road's longevity and functionality over the 15 years. • Collection of revenues from the project during the Concession Period • Handover to the Government after the Concession Period <p>Role of the government in developing the project:</p> <ul style="list-style-type: none"> • Provide fixed annuity payments made semiannually for 15 years to cover both construction and maintenance costs. • Provision of Right-of-Way, land for terminals, facilitation, and project security • Facilitating legal approvals/permits • Review & Monitoring 						
9	Project Implementation Timeline	<p>Pre-feasibility Study has been completed.</p> <table border="1" data-bbox="616 1207 1385 1328"> <thead> <tr> <th>Project Stage</th> <th>Completion date</th> </tr> </thead> <tbody> <tr> <td>Pre-feasibility Study</td> <td>2023</td> </tr> <tr> <td>Solicitation</td> <td>April 28, 2024</td> </tr> </tbody> </table>	Project Stage	Completion date	Pre-feasibility Study	2023	Solicitation	April 28, 2024
Project Stage	Completion date							
Pre-feasibility Study	2023							
Solicitation	April 28, 2024							
11	Relevant Agencies	<ul style="list-style-type: none"> • <i>Investment Board Nepal</i> • <i>Ministry of Physical Infrastructure and Transport (MoPIT)</i> • <i>Department of Road (DoR)</i> 						