



## Nepal Investment Summit 2024



Government of Nepal  
**Investment Board Nepal**

## Request for Expression of Interest (EOI)

**Project Name: Sudurpaschim Public Transport Project**

**EoI No.:** NIS2024/IBN/EoI-05

**First Date of EoI Publication:** 28<sup>th</sup> April 2024



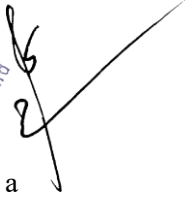
## ABBREVIATIONS

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



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## 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 15<sup>th</sup> 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 28<sup>th</sup> & 29<sup>th</sup> 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, Sudurpashchim Public Transport Project is also one. The project is being studied and developed by Office of Investment Board Nepal. The Sudurpashchim Public Transport Project focuses on enhancing transportation infrastructure in Sudurpashchim Province to address existing challenges such as weak urban infrastructure, inefficient transport systems, and traffic congestion. It also ensures a safe, comfortable, and efficient service. The project aims to address the demand-supply gap with electric buses and upgraded facilities, with a pre-feasibility study in 2023 estimating a daily demand of 48,215 passengers. The project is expected to boost income, employment, and economic growth in the province.

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: 28<sup>th</sup> April 2024

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

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

Application Evaluation result: 4<sup>th</sup> August 2024

*Interested parties are requested to submit their EOI along with all necessary documents online at [www.eoi.investinnepal.gov.np](http://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](mailto:info@ibn.gov.np); website: [www.ibn.gov.np](http://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 and operating bus based public transport in cities.
- b) Must have completed construction of at least one of such public transport projects in the past 5 years whose project cost is not less than NPR 13 billion. The applicant/JV should have successfully completed at least 3 of such projects in the past 20 years.
- c) Net worth of the applicant should be equivalent to at least NPR 13 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 the 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) The fee must be paid to OIBN to the OIBN office or a dedicated desk at the Nepal Investment Summit) 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	Sudurpashchim Public Transport Project
2	<b>Background</b>	<p><b>Brief Introduction:</b></p> <p>The Sudurpashchim Public Transport Project focuses on enhancing transportation infrastructure in Sudurpashchim Province to address existing challenges such as weak urban infrastructure, inefficient transport systems, and traffic congestion.</p> <p>The project aims to address the demand-supply gap with electric buses and upgraded facilities, with a pre-feasibility study in 2023 estimating a daily demand of 48,215 passengers. The project is expected to boost income, employment, and economic growth in the region.</p> <ul style="list-style-type: none"> <li>➤ <b>Sector:</b> Transportation</li> <li>➤ <b>Location:</b> <ul style="list-style-type: none"> <li>○ Province: Sudurpashchim</li> <li>○ District: Kailali, Kanchanpur, Doti</li> <li>○ Cities: Mahendranagar, Dhangadhi, Attariya, Tikapur, and Dipayal</li> </ul> </li> </ul> <p><b>Concession period:</b> 30 years</p> <p><b>Construction period:</b> 3 years</p> <ul style="list-style-type: none"> <li>➤ <b>Objectives:</b> <ul style="list-style-type: none"> <li>● Improved transportation infrastructure and accessibility to enhance connectivity.</li> <li>● Ensure easier access to public transportation service within Sudurpashchim Province</li> <li>● Stimulated economic growth by enabling smoother flow of goods and people</li> <li>● Environmental sustainability by reducing carbon emission</li> <li>● Enhanced transportation efficiency through reduced travel time</li> </ul> </li> </ul> <p><b>Justification:</b></p> <ul style="list-style-type: none"> <li>➤ <b>Population and Mobility:</b> Addresses the needs of a densely populated area (138.4 per sqm.) to enhance mobility and meet growing transportation demands.</li> <li>➤ <b>Economic and Tourism Development:</b> Aims to boost economic growth and tourism by improving access to key attractions like Khaptad National Park.</li> <li>➤ <b>Congestion and Livability:</b> Focuses on reducing urban congestion to improve livability in growing cities like Dhangadhi</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Transport Efficiency: Enhances transportation system efficiency and convenience through infrastructure upgrades.</li> </ul>
3	<b>Features/Components</b>	<p>Addition of new vehicles: 172</p> <ul style="list-style-type: none"> <li>➤ 68 diesel vehicles</li> <li>➤ 104 electric vehicles</li> </ul> <p>Bus stops: 47</p> <p>Road Routes</p> <ul style="list-style-type: none"> <li>• Long route: Dhangadi-Kathmandu and Mahendranagar-Kathmandu</li> <li>• Medium Route: Mahendranagar-Nepalgunj and Dhangadi-Doti</li> <li>• Short route: Mahendranagar-Dhangadi; Dhangadi-Tikapur; Dhangadi-Attariya, Dhangadi Airport – Dhangadi Buspark and Attariya Buspark.</li> </ul> <p>5 terminals: Mahendranagar, Dhangadi, Dipayal, Tikapur and Attariya</p> <p>Fuel Stations and Charging Stations for EVs</p> <p>Commercial Area including:</p> <ul style="list-style-type: none"> <li>• Stores and shops</li> <li>• Hotels and Restaurants</li> <li>• Washrooms with amenities</li> <li>• Mechanical Workshops</li> </ul>
4	<b>Benefits</b>	<ul style="list-style-type: none"> <li>• State-of –the-art transportation services</li> <li>• Employment opportunities</li> <li>• Improved Accessibility</li> <li>• Environmental Consideration</li> </ul>
5	<b>Project Outcome</b>	<ul style="list-style-type: none"> <li>• Addressing demand-supply gap of public transport</li> <li>• Promotion of clean energy technology ensuring sustainability</li> <li>• Tourism promotion</li> <li>• Better infrastructure and economic development</li> <li>• Revenue generation</li> </ul>



6	Financial Indicators	Estimated Project Cost (NPR)	NPR 31.13 billion USD 247.59 million (1 USD = NPR 125.73, as of 2022)													
		Project IRR (%) @ discount rate of 10%	2.97													
		EIRR (%)	19.67													
		NPV (NPR)	-1599 million													
		Pay-back period (years)	NA													
		Discounted Pay-back period (years)	NA													
		Benefit Cost Ratio	2.25													
		Debt to Equity Ratio	70:30													
		Debt Service Coverage Ratio	0.33													
		Loan Interest Rate (%)	12													
<p>Because of this, it is suggested that the government offer subsidies, which have been evaluated across four scenarios, with one specific scenario being preferred over the rest, and it is as follows:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>NPV</th> <th>IRR</th> <th>BCR</th> </tr> </thead> <tbody> <tr> <td>Subsidy on Purchase of Vehicle: 25%</td> <td>3.58 billion</td> <td>24.75%</td> <td>3.12</td> </tr> <tr> <td>Building of Buspark-10% and Interest Subsidy -15%</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Scenario	NPV	IRR	BCR	Subsidy on Purchase of Vehicle: 25%	3.58 billion	24.75%	3.12	Building of Buspark-10% and Interest Subsidy -15%			
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7	Project Implementation Modality	Public Private Partnership Modality														
		Build, Own, Operate and Transfer (BOOT)														
		<p>Role of Private party in developing the project:</p> <ul style="list-style-type: none"> <li>• Planning, design, construction, financing, and operation of the transportation facilities during the concession period</li> <li>• Collection of revenue from the project during the concession period</li> <li>• Handover of the facilities to the government after the concession period</li> <li>• Considering the environmental and social concerns of the government and local communities</li> <li>• Investment in skills and competence for the operation of transportation services</li> <li>• Maintenance of industry standards and ethics</li> <li>• Development of measures for training professional labor skills for service quality</li> </ul>														

		<ul style="list-style-type: none"> <li>• Cooperation with the government to ensure the safety and well-being of the users of public transport.</li> <li>• Contribution to research and statistical database</li> <li>• Implementation of technology to increase effectiveness, service quality, and marketing</li> </ul>																				
		<p>Role of Government in developing the project:</p> <ul style="list-style-type: none"> <li>• Provision of government land, facilitation, and project security</li> <li>• Facilitation of legal approvals/permits</li> <li>• Review &amp; monitoring of the project.</li> <li>• Help create favorable market conditions to stimulate the sustainable development of the sector.</li> <li>• Support the private sector to make the project sustainable.</li> <li>• Regulation and protection of the natural, cultural and social environment through consultation with stakeholders</li> </ul>																				
8	<b>Project Implementation Timeline</b>	<p>Pre-feasibility Study has been completed.</p> <table border="1"> <thead> <tr> <th>Project Stage</th> <th>Tentative completion date</th> </tr> </thead> <tbody> <tr> <td>Pre-feasibility Study</td> <td>November 2022</td> </tr> </tbody> </table>	Project Stage	Tentative completion date	Pre-feasibility Study	November 2022																
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9	<b>Relevant Agencies</b>	<p><i>Investment Board of Nepal</i>  <i>Ministry of Physical Infrastructure and Transport</i>  <i>Provincial Government of Sudurpashchim Province</i>  <i>Ministry of Urban Development</i></p>																				
10	<b>Additional Information</b>	<p>Additional scenarios on which subsidies have been assessed are outlined below:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Parameters</th> <th>NPV</th> <th>IRR</th> <th>BCR</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Subsidy on purchase of Vehicle — 30%</td> <td>3.65 B</td> <td>25.33%</td> <td>3.22</td> </tr> <tr> <td>2</td> <td>Subsidy on building of Bus parks — 50%</td> <td>3.1 B</td> <td>21.85%</td> <td>2.62</td> </tr> <tr> <td>3</td> <td>Subsidy on Interest Rates — 50%</td> <td>2.8 B</td> <td>19.58%</td> <td>2.23</td> </tr> </tbody> </table>	Scenario	Parameters	NPV	IRR	BCR	1	Subsidy on purchase of Vehicle — 30%	3.65 B	25.33%	3.22	2	Subsidy on building of Bus parks — 50%	3.1 B	21.85%	2.62	3	Subsidy on Interest Rates — 50%	2.8 B	19.58%	2.23
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