



Nepal Investment Summit 2024



**Government of Nepal
Investment Board Nepal**

Request for Expression of Interest (EOI)

Project Name: Kaligandaki-2 Storage Hydropower Project

EoI No.: NIS2024/OIBN/EoI-08

First Date of EoI Publication: 28th April 2024



ABBREVIATIONS

DOED	Department of Electricity Development
EM	Electromechanical
EOI	Expression of Interest
GoN	Government of Nepal
IBN	Investment Board Nepal
JV	Joint Venture
MoEWRI	Ministry of Energy, Water Resources and Irrigation
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 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, **Kali Gandaki 2 Storage Hydropower Project** is one of them. The project related studies are carried out by Department of Electricity Development. The Kali Gandaki 2 Storage Hydropower Project lies in Tanhau, Palpa and Nawalparasi (East) and Syangja district of Gandaki and Lumbini Province. The proposed dam site area is about 180 km away from Kathmandu and the nearest airport is Bharatpur Airport which is 30 kilometers from the proposed dam site. The project would attract religious tourists for night stays and other recreational activities since the Kali Gandaki River is a religious river for Hindus. This project has multiple benefits such as hydropower, irrigation, and tourism and will provide multifaceted benefits to the local community and wider economic landscape. It aims to generate hydroelectricity of capacity 650 MW with 3294.6 GWh annual energy generation and to provide a year-round irrigation facility to the 9,950 ha. agriculture command area of Nawalpur District efficiently. At present, the feasibility study of this project is in the interim draft report phase. *(Details provided in this EOI are based on the Interim Draft Report of Feasibility Study and may change during the final report submission of Feasibility Study being carried out by Department of Electricity Development (DoED)).*

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, 12:00 AM (Nepal Standard Time)

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



EOI opening date and place: 12nd June 2024, 12:00 PM (Nepal Standard Time), Office of the
Investment Board Nepal
Application Evaluation result: 12th 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 any or all the applicant(s) without assigning any reasons 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 the lead partner (in case of JV/consortium) in development of hydropower projects.
- b) Must have completed development of at least one Hydropower Projects in the past 5 years whose Power capacity should not be less than 488 MW. (*Completed development projects means: For domestic developer, at least EM works-initiated projects for which letter issued from DOED regarding the custom facilities is required and for international developer, project completion/operation certificate is required*)

OR

Must have completed development of hydropower projects with aggregate capacity of 3900 MW in past 20 years.

- c) Must have completed development of at least one storage project with Dam of Height 75 meter in past 20 years.
- d) Must have completed development of at least one HPP with the significant amount (minimum of 500 Person) of resettlement component in past 20 years.
- e) The net worth of the applicant or JV (in case of JV/consortium) should be equivalent to at least 401 million USD at the time of making the application/proposal. 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 USD.



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 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 12th 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 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

Project Boundary	
Easting	83° 37'20" E to 84° 19'24" E
Northing	27° 47'04" N to 27° 55'40" N
Province	Lumbini and Gandaki Province
District	Tanahau, Palpa, Nawalparasi (East) and Syangja
Municipality/Rural Municipality (RM)	Galyan Municipality, Bagnaskali Municipality, Mathagadi RM, Rambha RM, Purba Khola RM, Chapakot Municipality, Rampur Municipality, Nisdi RM, Bungdikali RM, Ghiring RM, Bulingar RM, Rishing RM and Devghat RM
Nearest Access	From Bharatpur to Dam site 34 Km partially Blacktopped road
Hydrology	
Catchment Area	11767.56 Km ²
Long term flow	444.45 m ³ /s on average with maximum of 1442.03 m ³ /s and minimum of 85.26 m ³ /s
Construction Flood	7221 m ³ /s
Design Flood Discharge	22160 m ³ /s
Sediment Yield	4436.98 tonne/year/Km ²
90% Exceedance Flow	82 m ³ /s
General Geology	
Geological Project Area	Less Himalayas Zone
Main Litho-Unit of Project Area	Phyllite, Slate and Carbonate rock such as Limestone and Dolomite intercalated with Meta-sandstone and Quartzite
Geological Formation	Dam Site at Syangja Formation and Powerhouse at Sangram Formation; whole reservoir area in Galyan Formation
Major Faults	MBT lies 7km to 8km downstream of the Proposed Dam site in the South direction;
Reservoir	
Full Supply Level	360 masl
Minimum Operation Water Level	318 masl
Flood Water Level	365.90 masl
Dead Storage Level	290 masl
Gross Capacity at FSL (360masl)	3646 Mm ³
Live Storage Capacity	1544.76 Mm ³
Dam & Spillway	
Type	CFRD
Crest Level	370 masl
Base Width	564.20 m
Spillway Gate (Number; B xH)	4 Nos; 15 m x 11 m

Spillway Type	Gated Spillway
Spillway crest	350 masl.
Discharge Channel Width	60 m
Discharge Channel Length	350m
Power Intake	
Intake Type	Multi-Level Intake
Number	6
Size of Opening	(2 X 7.0 m) X 9.0 m.
Gate Type	Vertical Slide gate
Bellmouth	6 (7m to 5m transition)
Diversion During Construction	
Type	Embankment Cofferdam Upstream and Downstream
Crest Level	250 masl u/s and d/s
Water Passage	Free flow Tunnel
Tunnel number	4
Tunnel Detail	Horseshoe Shaped concrete lined tunnel (1m thk. Concrete)
Tunnel diameter	16 m
Tunnel Length	1072m; 1272m; 1630m; 1436m
Tunnel Portals	4 inlet portals; 4 outlet portals
Control Structures	4 X 2 Stoplogs (at each Inlet portals)
Stoplog Size	7m X 16 m (2-leaf and frame)
Waterway	
Type	Horse-shoe tunnel with embedded penstock pipe
Number of Waterways	6
Tunnel Diameter	8.6 m
Concrete Infill thickness	~ 0.75-1.0 m thick concrete infill
Penstock Diameter	5.0 m
Thickness	22-36 mm
Waterway Length	965m; 1035m; 1105m; 1175m; 1245m; 1315m
Powerhouse	
Type	Surface
Number of Units	6
Size	152.70 m long, 24.6 m wide with 45.0 m high
Generating Equipment	
Turbine	Francis Type
Net Head, m	127.04 m
Rated Discharge	583.84 m ³ /s
Tailwater Elevation	221.30 masl

Installed Capacity, MW	650 MW
Transmission Voltage	400 kV
Power Evacuation	Proposed New Damauli SS at 18km
Energy Production	
Annual Energy Production	3294.60 GWh
Annual Dry Energy Production	1172.11 GWh
Annual Wet Energy Production	2122.51 GWh
Percentage of Dry Energy Production	36%
Operation Duration	6 hours to 24hours
Access Road	Kaligandaki Corridor with partially black-top road
Project Evaluation	
Preliminary Base Project Cost	NRs. 99,669,407,000.00
Preliminary Estimated Cost (Before Financing, includes contingencies, VAT)	NRs 133,213,944,000.00
Preliminary Economic Analysis	B/C=2.1, IRR=17.59% at a Discount Rate of 9%
Preliminary Financial Analysis	
1. Normal Financial Scenarios (Bank Interest Rate=9%, Loan Repayment Period=15years)	B/C=1.09, IRR=9.70%, Interest Cover Ratio=1.68, Debt Service Coverage Ratio=1.45, RoE=13.09%
2. Concessional Loan Agreement Scenario A (Bank Interest Rate=7%, Loan Repayment Period = 50 years)	B/C=1.19, IRR=10.40%, Interest Cover Ratio=2.07, Debt Service Coverage Ratio=2.39, RoE=17.54%
3. Concessional Loan Agreement Scenario B (Bank Interest Rate=5%, Loan Repayment Period = 50 years)	B/C=1.27, IRR=10.98%, Interest Cover Ratio=3.19, Debt Service Coverage Ratio=3.18, RoE=20.17%

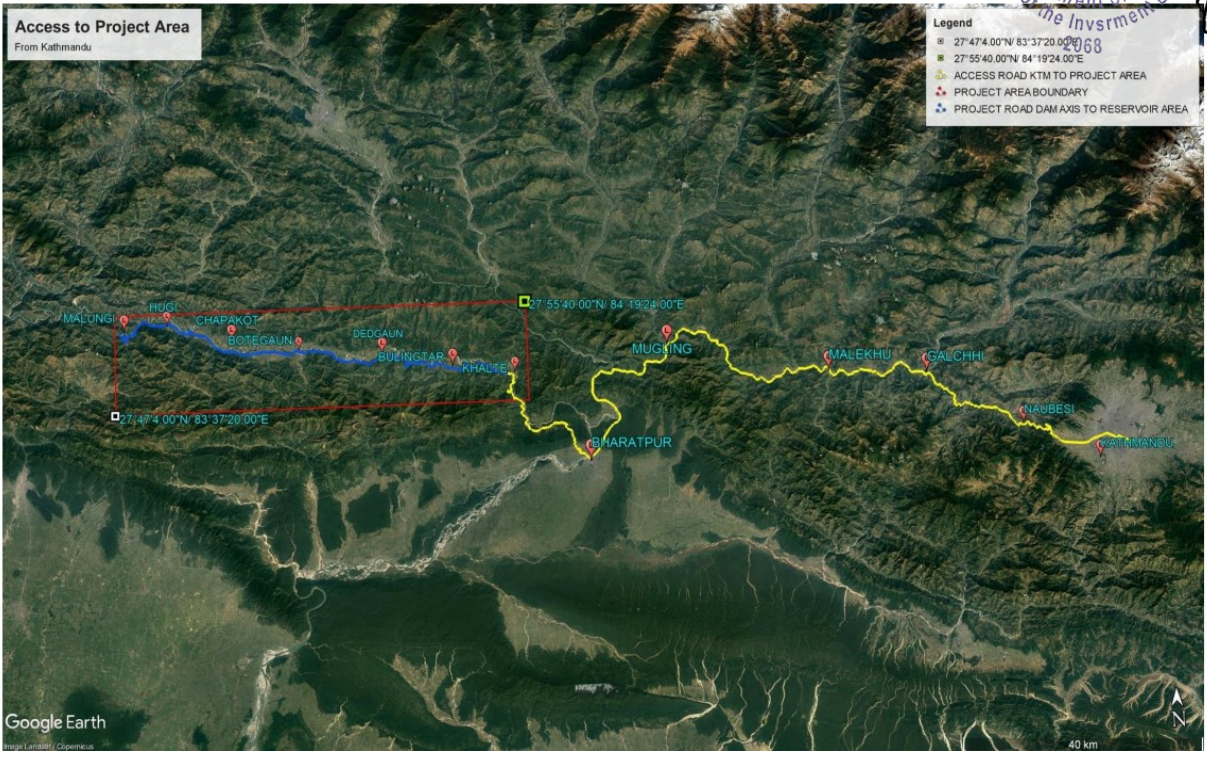


Figure 1 Project Layout