

INTEGRATED AGRICULTURE INFRASTRUCTURE PROJECT IN PARSAGADHI, PARSA

SALIENT FEATURES

| SN | FEATURES | CHARACTERISTICS |
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GENERAL

| | | |
|---|-----------------|--|
| 1 | Name of Project | Integrated Agriculture Infrastructure Project in Parsagadhi, Parsa |
| 2 | Sector | Agriculture |
| 3 | Type | Establishment of multi-chambered cold storage, warehouse and processing center |

PROJECT LOCATION

| | | |
|---|------------------|---|
| 1 | Province | Province 2 |
| 2 | Project Location | Parsagadhi Municipality, Parsa (Location Map) |

PROJECT COMPONENT/TECHNOLOGY

| | | | | | |
|---|----------------------------|--------------------------------|--------------------|---------------------|-----------------------|
| 1 | Cold storage and warehouse | Structure | Commodities | Chamber/Silo | Capacity (Mt.) |
| | | Cold Storage (5000 Mt.) | Vegetables | Chamber 1 | 2500 |
| | | | Summer Fruits | Chamber 2 | 1500 |
| | | | Fish | Chamber 3 | 1000 |
| <ul style="list-style-type: none"> Major fruit/vegetables: fruit, vegetable, fish and other perishable commodities | | | | | |

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|---|---------------------------|--|---|---------------------|----------------------|
| 2 | Warehouse and Processing | Structure | Commodities | Chamber/Silo | Capacity(Mt.) |
| | | Ware house/ Store house (20,000 Mt.) | Rice | Silo (4 Nos.) | 10,000 |
| | | | Wheat | Silo (2 Nos.) | 5000 |
| | | | Lentil, Pigeon pea and other pulses | Silo (2 Nos.) | 5000 |
| <ul style="list-style-type: none"> ■ Dry storage (moisture 13 to 15%) ■ Milling with destoning, sorting, polishing, flour grading etc. ■ By-products: feed companies | | | | | |
| 3 | Integration and Alliances | <ul style="list-style-type: none"> ■ Mechanism of issuing warehouse receipt ■ Integration with Bank & Financial Institutions and Commodity Exchanges ■ Develop alliance with National Supply Company being setup by Government of Nepal | | | |

MARKET ASSESSMENT

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| 1 | Business Case | <ul style="list-style-type: none"> ■ Out of the total arable land, Province No. 2 has the highest cultivated land area i.e. 89.9 percent, while in contrast, per capita food consumption and food security status is under national average in this province. This hints at the potential of the project within the province. Moreover, central and accessible location and road networks means that there is huge prospect to supply to major national market hubs. ■ Quality fruit and vegetables supply needs to be regularized with relatively small range of buying price deviation. ■ There are huge market gaps among different parts within the country. Farmers of some areas get extremely low prices during main season, while consumers of other areas need to consume at excessively higher prices. ■ Warehouse with processing units of cereal grains reduces import dependency for refined and processed products. ■ Commodity Exchanges are being setup in Nepal so there is very strong opportunity to have strategic partnership. |
|---|---------------|--|

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| DEVELOPMENT MODALITY | | |
| 1 | Development modality | Public Private Partnership Private Investment (Alternative modal) |
| 2 | Role of the Government of Nepal | <ul style="list-style-type: none"> ■ Provision of government land, land acquisition, facilitation and project security ■ Facilitating legal approvals/permits ■ Review & monitoring |
| 3 | Role of the Private Sector | <ul style="list-style-type: none"> ■ Plan, design, build, finance and operate the facilities during the Concession Period ■ Collection of revenues from the project during the Concession Period ■ Handover to the Government after the Concession Period |
| 4 | Development Period | <ul style="list-style-type: none"> a. Pre- Construction Period: 6 months b. Financial Closure: 6 months c. Construction Period: 2 years d. Concession Period: 20 Years (Up to 30 years) |

INDICATIVE FINANCIALS

| | | |
|---|---|-------------------|
| 1 | Total Project Cost (including Interest During Construction) | ~ USD 6.1 million |
| 2 | Interest Rate (including hedging cost) | 12.00% |
| 3 | Project IRR | 16.02% |
| 4 | Equity IRR | 19.28% |

APPLICATION PROCEDURE

PRE-QUALIFYING CRITERIA FOR THIS PROJECT

- 1) At least five years' experience of developing and managing projects related to integrated agriculture.
- 2) Net worth equivalent to at least USD 2 million at the time of making the application/proposal.

APPLICATION PROCEDURE

1. The developer/ investor who meet the above pre-qualifying criteria can make the application for this project.
2. 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, coming together to implement the project.
3. A consortium/JV may fulfil the pre-qualifying criteria in a joint/cumulative manner, except for the number of years of work experience.
4. A fee of NRs 10,000 shall be payable for each application made (with application to one project counting as a single application).
5. The fee must be paid to OIBN (to the OIBN office or a dedicated desk at the Nepal Investment Summit), or by electronic transfer to the following bank account of OIBN:

Office Code: 301003502

Office Name: Office of the Investment Board

Revenue Heading: 14229

Bank Name: Everest Bank Ltd.

Swift Code: EVBLNPKA

Please use '**Company name_Project name**' as the reference code for the payment made in the case of an online payment.

6. After payment of the fee is made, the OIBN shall assign an engagement manager and may provide additional documents or information relevant to the project (if available).
7. Applicants should submit the detailed proposal with all required documents by 20th April 2019. Applications shall be submitted in physical copies to the OIBN or emailed to projects@ibn.gov.np.
8. The Government of Nepal (OIBN or relevant government agency at the relevant level of government) shall review the proposal and ask additional information if required.
9. The Government of Nepal shall decide on your application by 31st May 2019.

DETAILED PROPOSAL CHECKLIST

1. Detailed profile of the developers/ investors, including profile of senior management team, annual report and audited financial statements for at least past three years (2015, 2016 & 2017), and consortium agreement or JV agreement or Memorandum of Understanding in the case of consortiums or JV.
2. Project concept, plan, and information on financial, economic, technical and environmental feasibility.
3. Method of project implementation, project development modality and work schedule
4. Business plan with basic financial statements
5. Financial arrangement and source of investment
6. Socio-economic contribution to Nepal
7. Expected support from GoN
8. Other relevant information, if any

APPLY NOW



CONTACT DETAILS



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