

# INTEGRATED AGRICULTURE INFRASTRUCTURE PROJECT IN URLABARI, MORANG

## SALIENT FEATURES

| SN             | FEATURES        | CHARACTERISTICS  |
|----------------|-----------------|--|
| <b>GENERAL</b> |                 |  |
| 1              | Name of Project | Integrated Agriculture Infrastructure Project in Urlabari, Morang              |
| 2              | Sector          | Agriculture  |
| 3              | Type            | Establishment of multi-chambered cold storage, warehouse and processing center |

### PROJECT LOCATION

|   |                  |   |
|---|------------------|---|
| 1 | Province         | Province 1  |
| 2 | Project Location | Urlabari, Morang ( <a href="#">Location Map</a> ) |

### PROJECT COMPONENT/TECHNOLOGY

|   |                            |   |
|---|----------------------------|---|
| 1 | Cold storage and warehouse | <ul style="list-style-type: none"><li>■ Capacity: 4000 Mt.</li><li>■ Multi-chambered storage system</li><li>■ Temperature range 0 to 10°C (varied with commodities)</li><li>■ Relative Humidity (RH) 75 to 95%</li><li>■ Standard packaging and transportation</li><li>■ Major fruit/vegetables: citrus (mandarin, sweet orange, lime etc.), apple, winter and summer fruits, and vegetables (summer and winter),</li><li>■ Major cereals/ pulses: rice, maize and pulses</li></ul> |
|---|----------------------------|---|

| SN | FEATURES                  | CHARACTERISTICS   |
|----|---------------------------|---|
| 2  | Warehouse and Processing  | <ul style="list-style-type: none"> <li>■ Capacity: 17,500 Mt.</li> <li>■ Paddy, wheat and maize grain storage in standard silos</li> <li>■ Dry storage (moisture 13 to 15%)</li> <li>■ Milling with destoning, sorting, polishing, flour grading etc.</li> <li>■ By-products: feed companies</li> <li>■ Refined and processed pulses</li> </ul> |
| 3  | Integration and Alliances | <ul style="list-style-type: none"> <li>■ Mechanism of issuing warehouse receipt</li> <li>■ Integration with Bank &amp; Financial Institutions and Commodity Exchanges</li> <li>■ Develop alliance with National Supply Company being setup by Government of Nepal</li> </ul>  |

## MARKET ASSESSMENT

|   |               |  |
|---|---------------|--|
| 1 | Business Case | <ul style="list-style-type: none"> <li>■ Per capita Urban consumption of agricultural commodities are higher (by 20-50%) than national.</li> <li>■ Province 1 is a rich hub for agricultural products with Biratnagar, Birtamod, and Itahari being major markets in the lower belt (Terai) and Ilam and Dhankuta in the hills.</li> <li>■ Quality fruit and vegetables supply needs to be regularized with relatively small range of buying price deviation.</li> <li>■ 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.</li> <li>■ Warehouse with processing units of cereal grains reduces import dependency for refined and processed products.</li> <li>■ Commodity Exchanges are being setup in Nepal so there is very strong opportunity to have strategic partnership.</li> </ul> |
|---|---------------|--|

## DEVELOPMENT MODALITY

|   |                                 |  |
|---|---------------------------------|--|
| 1 | Development modality            | Public Private Partnership   |
| 2 | Role of the Government of Nepal | <ul style="list-style-type: none"> <li>■ Provision of government land, land acquisition, facilitation and project security</li> <li>■ Facilitating legal approvals/permits</li> <li>■ Review &amp; monitoring</li> </ul> |

| SN | FEATURES                   | CHARACTERISTICS  |
|----|----------------------------|--|
| 3  | Role of the Private Sector | <ul style="list-style-type: none"> <li>■ Plan, design, build, finance and operate the facilities during the Concession Period</li> <li>■ Collection of revenues from the project during the Concession Period</li> <li>■ Handover to the Government after the Concession Period</li> </ul> |
| 4  | Development Period         | <p>a. Pre- Construction Period: 6-12 months</p> <p>b. Financial Closure: 9 months</p> <p>c. Construction Period: 2 years</p> <p>d. Concession Period: 20 Years (Up to 30 years)</p>  |

#### INDICATIVE FINANCIALS

|   |   |                    |
|---|---|--------------------|
| 1 | Total Project Cost (including Interest During Construction) | ~ USD 5.45 million |
| 2 | Interest Rate (including hedging cost)                      | 12.00%             |
| 3 | Project IRR   | 14.41%             |
| 4 | Equity IRR  | 15.95%             |

# 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**

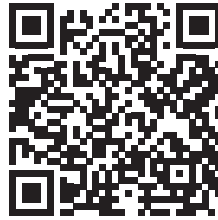
Please use 'Company name\_Project name' as the reference code for the payment made in the case of an online payment.

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](mailto: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



### **Office of the Investment Board**

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