



GOVERNMENT OF NEPAL
INVESTMENT BOARD NEPAL

SUDURPASCHIM PUBLIC TRANSPORT

About IBN

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- with a total project cost of approximately USD 9.27 billion, of which IBN has been facilitating projects with total investment of approx. USD 3.26 billion. 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



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Background

In 2019, the Sudurpashim Public Transport Project was introduced at the Nepal Investment Summit to enhance the transportation system within Sudurpaschim Province. This initiative includes route optimization, electrification, and the construction of modern bus terminals. Financing options, including PPP, were explored for project viability.

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.

Features



68 ICE Buses
(Long and Medium routes)



104 Electric Buses
(Medium and short routes)



47 Bus Stops



Commercial Areas



5 Bus Terminals

Public Transport Routes

Short Routes:

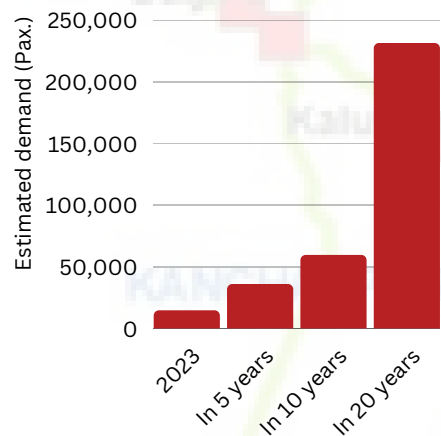
Mahendranagar – Dhangadi
Dhangadi – Tikapur
Dhangadhi – Attariya
Dhangadi Airport – Dhangadi Bus Park
Dhangadi Airport – Attariya Bus Park

Medium Routes

Mahendranagar – Nepalgunj
Dhangadi – Doti

Long Routes

Dhangadi – Kathmandu
Dhangadi – Doti



Project Benefits



State-of-the-art services



Employment Opportunities



Improved Accessibility



Environmental Consideration

Financial Indicators

Total Estimated Cost
= NPR.31.13 billion

BCR = 2.25

EIRR = 19.67%

NPV = Negative
1,599 million

DSCR = 0.33

IRR = 2.97%

Positive Net present values (NPV) can be resulted with

- A subsidy of 30% on vehicle purchase or
- 10-25% subsidy on vehicle purchase, bus park construction and interest rate or
- 15% increase in base year fare

Cost Components

Bus Terminals-NPR 781 Million

Public Transport Buses (Electric and ICE)-NPR 29.16 Billion

Bus stops-NPR 9.4 Million

Revenue Components

Bus fare

Station Rentals

Reservations

Implementation Modality



Public-Private-Partnership

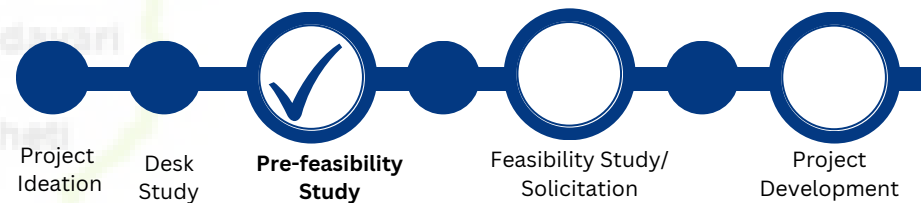
BOOT

Build-Own-Operate-Transfer

30yrs

inclusive of construction phase

Implementation Timeline



Project Outcomes

- Addressing demand-supply gap of public transport
- Promotion of clean energy technology ensuring sustainability
- Tourism promotion
- Better infrastructure and economic development
- Revenue generation

**Data and Information is based on Pre-Feasibility Study Report prepared in 2023.*