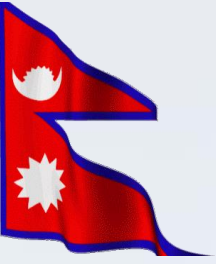# NEPAL COUNTRY REPORT

Nepal eGP (Electronic Government Procurement) System
www.bolpatra.gov.np/egp

Public Procurement Monitoring Office (PPMO)

Aug. 2024

Presentation Highlights

➢ Country Profile

➢ Current Status & Perspectives on e-Procurement

➢ Challenges & Issues on e-Procurement

➢ Way Forward

Country Profile

Geography

➢ Occupies about 0.03% of the World and 0.3% of the Asia.

➢ Lies between China and India.

➢ **Area** : 147,516 km2

➢ **Capital** : Kathmandu

➢ **Currency :** Nepali Rupee

➢ **Official Language :** Nepali

➢ **Time Zone**: +5:45 GMT

➢ Land-linked Country

➢ **Border**: East, West & South – India, & North - China

Kalapani territory
(under Indian administration)

© Nations Online Project

CHINA

Sudurpashchim

Karnali

Godawari

Birendranagar

Gandaki

Pokhara

Lumbini

Deukhuri

Kathmandu

Bagmati

Hetauda

Province No. 1

INDIA

Province No. 2

Janakpur

Biratnagar

Facts and Figures

- **Education :** 65.9%

- **Population :** 29.16 mln.[*]

- **Population Density :** 198 per km^2

- **Population Growth Rate :** 0.92%[*]

- **Diplomatic Relations**: 182 countries

- **Nepal – South Korea diplomatic relation**: on May 15, 1974

- **Exchange rate :** US$ 1 = NRs. 134.02 (15 Aug., 2024)

- **Exchange rate :** KRW 100 = NRs. 9.89 (15 Aug., 2024)

[*] National Census, 2021, National Statistics Office, https://nsonepal.gov.np

Facts and Figures

- **GDP per capita income :** US $1456

- **GDP :** Npr. 5,348 Billion (2022-23)

- **GDP Growth : 3.87%**

- **Government Expenditure:** 80.44% (2023-24)

- **Revenue :** Npr. 1,422 Billion (2023-24)

- **Internet Penetration: Fixed Broadband:** (Wired-**48.60%**, Wireless- **0.15%)**, **Mobile Broadband:** 95.81%)

- **Inflation :** 6.08%

- **Administrative Division: Province :** 7, **District :** 77, **Local Level :**753

जननी जन्मभूमिश्च स्वर्गादपि गरीयसी

Branding of Nepal
Country of Himalayas

The Mt. Everest (height-8848.86 m)

Patan Durbar Square

Bhaktapur Durbar Square

Branding of Nepal

Tilicho lake- at the highest altitude of 4919 mts

Janaki Temple

Policies & Strategies on Public Procurement & e-Procurement

National Polices & Strategies on Public Procurement & e-Procurement

➢ No Dedicated Policies and Strategies on Public Procurement & e-Procurement

➢ **Policies and Programs (F.Y. 2024/25)**

  ✓ The procurement law will be reviewed to make the procurement system competitive, transparent and development-friendly. Institutional capacity of procurement units of public entities will be enhanced. *(Unofficial Translation)*

➢ **Budget Speech (F.Y. 2024/25)**

  ✓ The procurement process will be made simpler, more transparent, and cost-effective by developing separate criteria according to the nature of goods and services. If all the bid proposals exceed the cost estimate, arrangements will be made to negotiate the contract with the lowest bidder without changing the terms of the contract. *(Unofficial Translation)*

  ✓ An e-market portal will be developed to allow the direct purchase of listed goods and services through negotiation. The public procurement law will be amended to include provisions such as selecting qualified bidders through reverse auction in the procurement information system for purchases up to a specified price limit where qualification evaluation is not required. *(Unofficial Translation)*

Current Status & Perspectives on e-Procurement

Organizational Structure

- Public Procurement Monitoring Office (PPMO) is the apex body, responsible for monitoring overall public procurement.
- PPMO is placed under the Office of the Prime Minister and Council of Ministers (OPMCM), headed by the Secretary.
- There are a total of 46 positions for staff in the PPMO.
- Total 5 IT Personnel in PPMO.
- Operation, Enhancement & Maintenance of eGP System by Consultant.

- **Key Functions of Public Procurement Monitoring Office (PPMO):**

  - Prepare public procurement policy, monitor the public procurement law implementation
  - Establish and maintain Electronic Government Procurement system (e-GP)
  - Develop and Issue Standard Bidding Documents, manuals, directives, guidelines, instructions, technical notes for facilitating the procurement proceeding.
  - Make arrangements for regular training for the bidders and employees, etc.

Stakeholder of e-GP System

- ➢ Public Entity,

- ➢ Bidding Community,

- ➢ Financial Institute,

- ➢ Oversight Agency
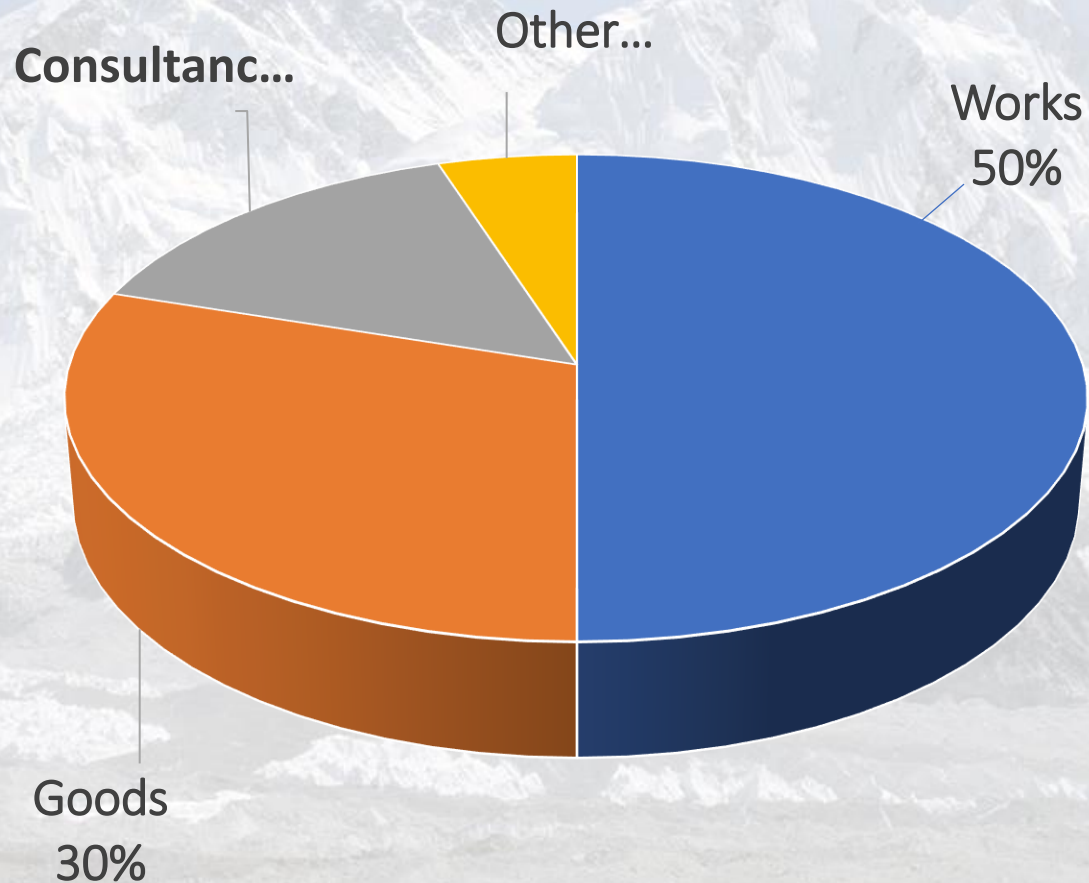
Size of Budget and Expenditure

Amount in Billion

S. No.	Description	F.Y. 2022/23			F.Y. 2023/24		
		Budget	Expenditure	Percentage	Budget	Expenditure	Percentage
1	Recurrent	1,183	1,006	85.00%	1,142	952	83.41%
2	Capital	380	234	61.44%	302	192	63.47%
3	Financing	230	190	82.58%	307	265	86.07%
4	**Total Expenditure**	**1,794**	**1,430**	**79.69%**	**1,751**	**1,409**	**80.44%**

➤ Around 60 % (Unofficial Data) of the annual national budget has been allocated for public procurement, out of which:

Other...
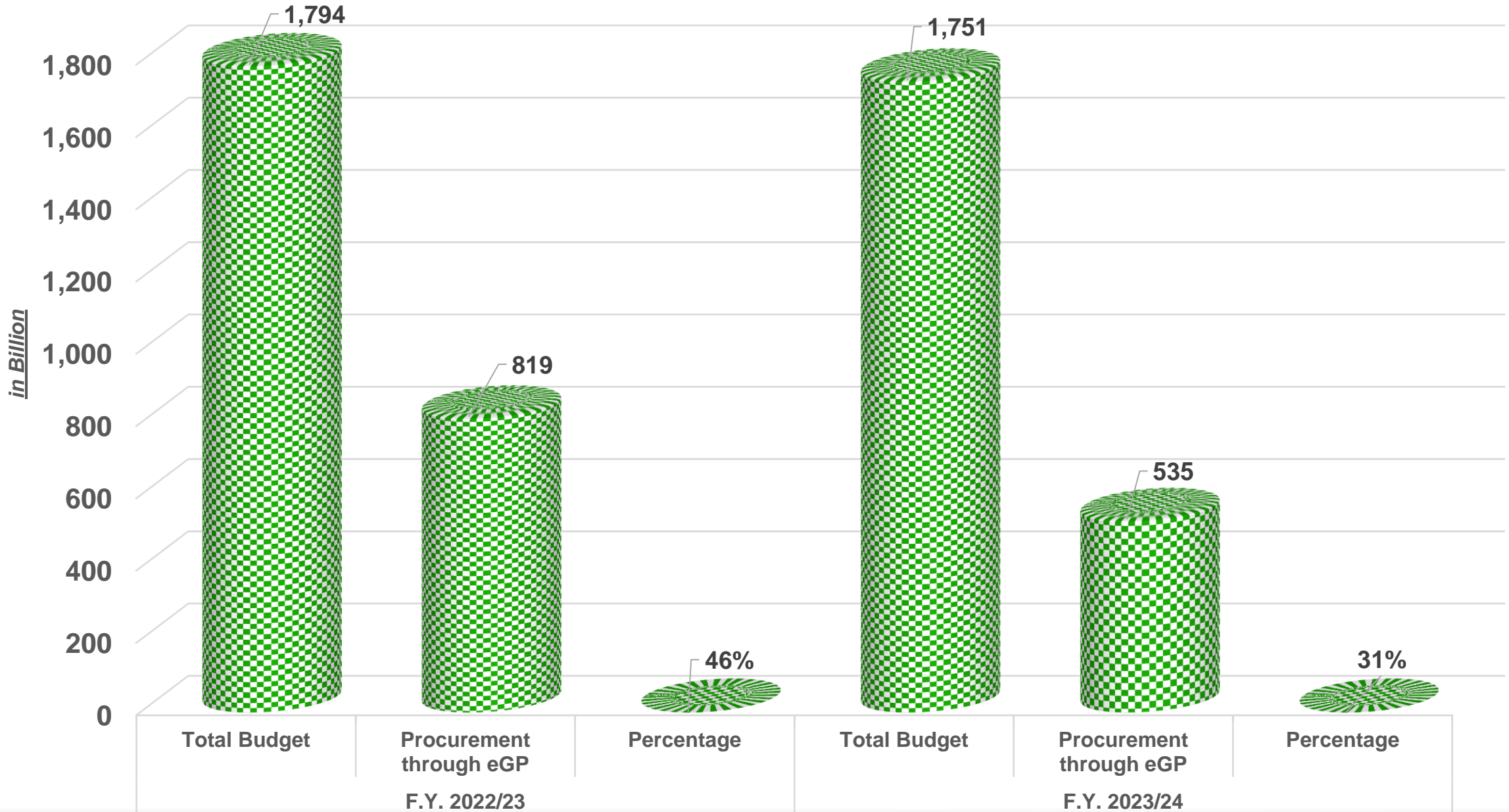
Consultanc...

Works
50%

Goods
30%

Size of e-Procurement

Coverage of e-Procurement (e-GP Directive Provision):

➤ Open bidding should be done through the eGP system only.

➤ Other procurement methods, like Sealed Quotations and Direct Procurement, may also be done through the eGP system.

➤ Generally, values greater than Nrs. 2 million should be procured under open bidding competition.

National Budget Vs. e-Procurement Budget
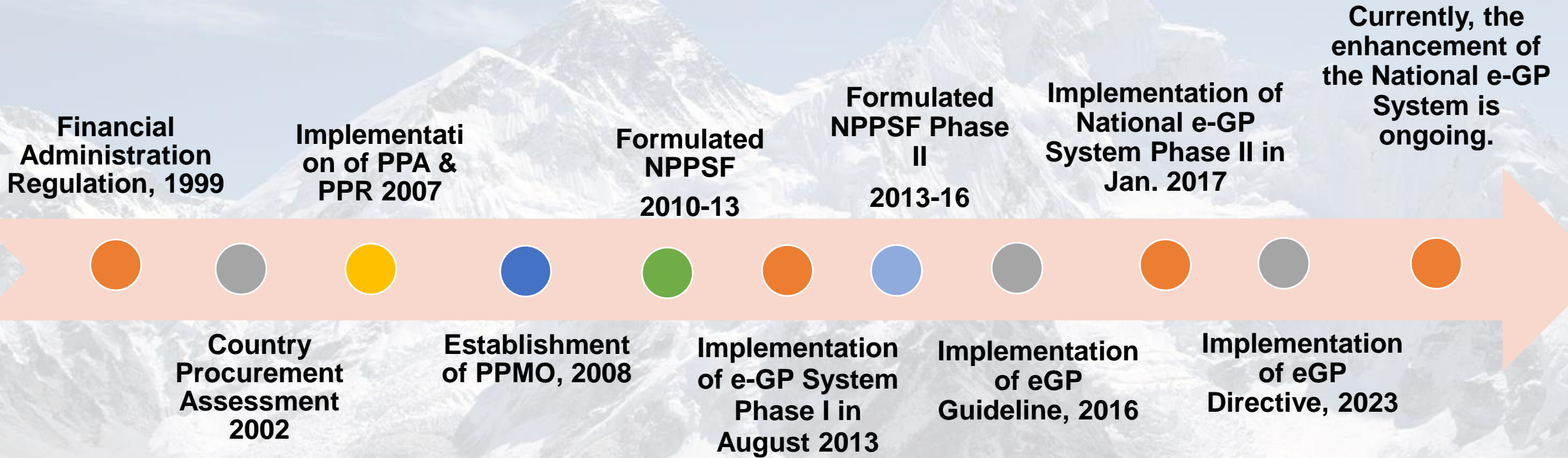
No. of Bids Published through eGP System Phase II

Procurement Method Name	Procurement Category Name	2016/17 to 2021/22	2022/23	2023/24	Upto 2023/24
QCBS	Consultancy (EOI + RFP)	1443	345	277	2065
NCB	Goods	14263	4334	5021	23618
ICB	Goods	713	191	162	1066
Sealed Quotation	Goods	4967	2034	2391	9392
	Goods Total	*19943*	*6559*	*7574*	*34076*
NCB	Works	50208	14256	15182	79646
ICB	Works	95	25	25	145
Sealed Quotation	Works	11405	3656	3333	18394
	Works Total	*61708*	*17937*	*18540*	*98185*
	Total Bids Published	**83094**	**24856**	**26391**	**134341**
	Total Bids Submission	**455176**	**115724**	**146334**	**717234**

Past & Current Level of Stage on e-Procurement

Public Procurement Reform Initiative in Nepal:

Financial Administration Regulation, 1999

Country Procurement Assessment 2002

Implementation of PPA & PPR 2007

Establishment of PPMO, 2008

Formulated NPPSF 2010-13

Implementation of e-GP System Phase I in August 2013

Formulated NPPSF Phase II 2013-16

Implementation of eGP Guideline, 2016

Implementation of National e-GP System Phase II in Jan. 2017

Implementation of eGP Directive, 2023

Currently, the enhancement of the National e-GP System is ongoing.

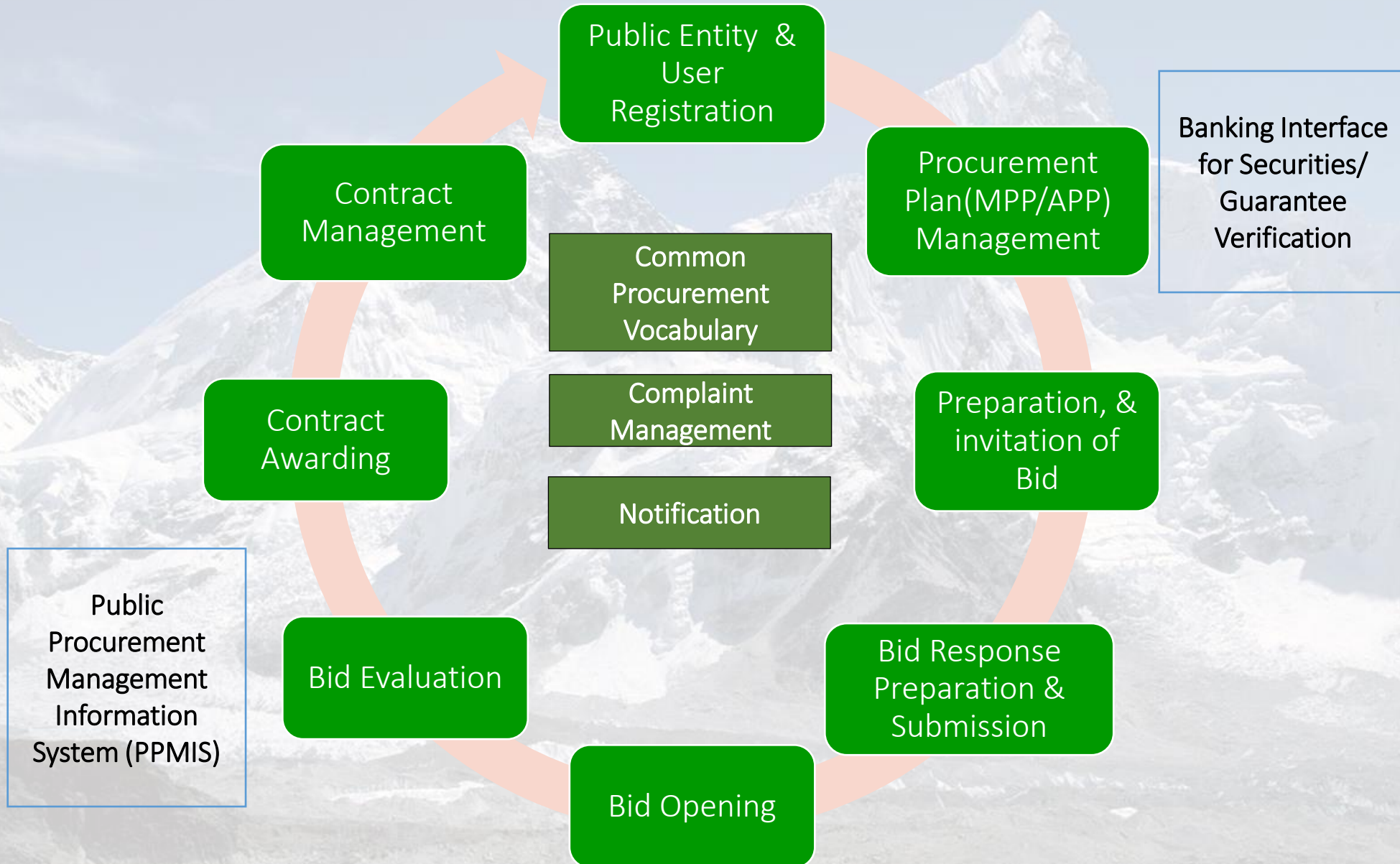| • PPMO= Public Procurement Monitoring Office	• PPA = Public Procurement Act, 2007)
• PPR= Public Procurement Regulation, 2008	• NPPSF = National Public Procurement Strategic Framework

Functional Coverage of e-GP System PhaseII

Public Entity & User Registration

Procurement Plan(MPP/APP) Management

Banking Interface for Securities/ Guarantee Verification

Contract Management

Common Procurement Vocabulary

Complaint Management

Notification

Contract Awarding

Preparation, & invitation of Bid

Public Procurement Management Information System (PPMIS)

Bid Evaluation

Bid Response Preparation & Submission

Bid Opening

➢Public Procurement Act, 2007

➢Public Procurement Regulation, 2007

➢Electronic Procurement System Operation Directive, 2023

➢Directive related to Procurement through EPC (Engineering Procurement Construction), 2078

➢Different SBDs etc.

List of Standard Bidding Documents (SBDs)

Procurement Category	SBD Document	e-GP System
Goods	1. Procurement of Goods, Direct Purchage	No Template
	2. Sealed Quotation	Online Template
	3. Procurement of Goods, NCB 1S1E	UPloadable Template (1S1E/1S2E)
	4. Procurement of Goods, NCB 1S2E	UPloadable Template (1S1E/1S2E)
Works	5. Sealed Quotation	Online Template (1S1E)
	6. Procurement of NCB Works, Qualification not required	Online & Uploadable Template(1S1E)
	7. Procurement of NCB Works, Qualification required	No Template
	8. Procurement of Works, NCB 1S2E	Online & Uploadable Template(1S2E)
	9. Procurement of Works, ICB 1S2E	Online & Unloadable Template (1S2E)
	10. Procurement of Pre Qualification of Bidders for ICB Works	Online Template (need to update)
	11. Procurement of Works (EPC Contract) NCB 1S2E	Online & Unloadable Template
	12. Procurement of Works (EPC Contract) ICB 1S2E	Online & Unloadable Template
Consulting	13. Procurement of Consulting Services, Direct Purchase	No Template
	14. Procurement of Consulting Services, EOI for NCB & ICB	Online Template (1S2E)
	15. Procurement of Consulting Services, RFP for Lumpsum Contract	Online Template (1S2E) (Neetd to update)
	16. Procurement of Consulting Services, RFP for Time Based Contract	Online Template (1S2E) (Neetd to update)
Other Services	17. Procurement of Ration	No Template

Challenges & Issues on e-Procurement

Major Challenges

- **ICT Infrastructure:** Most of the infrastructure used in e-GP system are in End of Life and End of Service status. There is the urgent need to upgrade existing infrastructure.

- **Human Resource:** Currently, PPMO is facing insufficient number of IT personnel. There are concerns about the availability of trained personnel to effectively operate and maintain the e-GP system, which could hinder its full implementation

- Software Technology Stack used in e-GP System.

- Credibility and Security of e-GP System.

- Capacity Building of Stakeholder.

- Development of full fledge e-GP System: Integration of system with other related agency, Payment module etc.

- Creation of different Template in system according to SBD.

Major Pending Issues on e-procurement

➤ Procurement of New ICT Infrastructure:.

➤ Upgradation of software and management of License:

➤ Enhancement of eGP Software.

➤ Integration with other agency's System.

➤ Implementation of Digital Signature.

➤ Capacity building for stakeholders at a mass level.

➤ Development of full fledge eGP System: Development of all procurement stage as per Act and Regulation, different template according to SBD, Payment module etc.

Way Forward

➢ Management of New ICT Infrastructure:.

➢ Upgradation of software and management of License (Temporary)

➢ Enhancement of eGP software with new technology.

➢ Integration with other agency's System

➢ Implementation of Digital Signature.

➢ Mass-level capacity building for stakeholders.

➢ Development of full fledge eGP System: Development of all procurement stage as per Act and Regulation, different template according to SBD, Payment module etc.

If any queries Please?

Thank you for your kind attention!