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**CALL FOR EXPRESSION OF INTEREST**

**MAY 2020**

**DEVELOPMENT OF AN EXPORT PROCESSING ZONE**

**AT HAMID KARZAI INTERNATIONAL AIRPORT**

**UNDER PUBLIC PRIVATE PARTNERSHIP (PPP) FRAMEWORK**

**AFGHANISTAN CIVIL AVIATION AUTHORITY**

**Kabul International Airport, Ansari Wat, Kabul, Afghanistan**

# DISCLAIMER

This invitation for Expression of Interest (EOI) is not an offer by the Afghanistan Civil Aviation Authority (ACAA), but an invitation to receive responses from entities that are interested in the development of an export processing zone at HKIA under PPP framework (the “Project”).

No contractual obligation whatsoever shall arise from the EOI process unless and until a formal contract is signed and executed between ACAA and the entities concerned.

ACAA reserves the right not to proceed with the Project.

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# INTRODUCTION

The Islamic Republic of Afghanistan, is a landlocked country located in Central Asia and borders a multitude of countries from Turkmenistan, Uzbekistan, and Tajikistan in the north; Iran on the west; Pakistan on its east and south to China on the north east. With two-thirds of the country’s geography being composed of Central highlands and hilly terrain, air transport is the most vital, time-saving mode of transportation. The air transport in the country is provided by a number of international, domestic, regional and military airports.

The Hamid International Karzai Airport (HKIA) is a State owned airport and is operated by the Afghanistan Civil Aviation Authority (ACAA) (hereinafter referred to as the “Authority”), an entity constituted by the Government of Afghanistan (GoA). HKIA is the busiest airport in the country and carries more than 90% of the air- traffic to and from the country.

Afghanistan is an agrarian economy with about 60%- 80% of the population working in agriculture. The industries in the country are challenged with high labour costs and lack of production standards. Over the years, GoA has undertaken several important reforms to attract Afghan private-sector and foreign direct investment in trade, industries and development of infrastructure. Development of an export processing zone at HKIA would definitely aid in promoting industries thereby reduce labour costs and improve production standards within the country.

# BACKGROUND

The Authority has already carried out a feasibility study and developed a business case for development of an EPZ within HKIA. The Authority proposes development of an export processing zone through Design-Build-Finance-Operate-Transfer (DBFOT) mode under Public Private Partnership framework (hereinafter referred to as the “Project”).

The Authority intends to adopt a transparent, competitive bidding process to select private sector Developer for implementation of the Project.

As a first step in this direction, it has invited global EoI for Project development, from interested private sector parties, so as to assess the interest of the market in the bidding for Project development and also understand the concerns of private sector, if any with

respect to the Project.

# PROJECT RATIONALE

HKIA has an established network of air connections to Dubai, Istanbul, Tehran, Delhi, and Jeddah. India, the largest destination by weight for air cargo, received over half of Afghanistan’s total exports in 2017. Kabul Customs at HKIA believes that Afghan companies are increasingly exporting their goods through HKIA because the airport offers a faster and more secure mode of shipment, resulting in less packaging and lower insurance costs than other modes of transport.

The National Export Strategy 2018-2022 document of Afghanistan specifies dried fruits & nuts, fresh fruits & vegetables, saffron, carpets, marble & granite and precious gems & jewellery as priority sectors for trade and support services. The development of EPZ at HKIA will aid exports of these commodities by providing appropriate infrastructure at a convenient location offering logistical advantages.

The key objectives of the development of EPZ are set out below;

* Increase foreign exchange through increased exports
* Attract foreign direct investment (FDI) in the country
* Support in job creation
* Expands the industrial base
* Introduces new technology into the country
* Create backward linkages from EPZ to the domestic economy

# KEY FEATURES OF THE PROJECT

The key features of the Project are as follows:

* Development of an export processing zone at HKIA
* Estimated Project cost of development is about USD 47.3 million[[1]](#footnote-1)
* The proposed EPZ shall be primarily be focused at exports of following commodities;
	+ Carpets
	+ Gems & Jewelry
	+ Saffron
	+ Asafoetida
	+ Food Processing Industry (fresh fruit and vegetables)
	+ Dry fruits processing
	+ Pharmaceuticals
* Project site admeasuring an area of 52.4 hectares (“Project Site”) within the secure perimeter of HKIA has been earmarked by the Authority for the Project implementation
* ACAA is in the process of land acquisition and making it ready for development
* The Authority holds the right and title over the Project site
* The Project is proposed for development over a concession period of about twenty five years which also includes one and half years of construction.
* The private sector Developer selected by way of a competitive bidding process would design, finance and construct the EPZ; operate and manage EPZ over the concession period; and at the end of the concession period, shall transfer the EPZ back to the Authority.
* In consideration to the grant of concession/ rights by the Authority to the private sector Developer, the private sector Developer may be required to make periodic payments (concession payments) to the Authority over the concession period.

# PROJECT COMPONENTS

The main components that are expected to be developed as part of the Project are set out below;

* Standard design factory buildings
* Built-up sheds
* Site circulation (road network) & Security
* Electricity distribution network (power supply & distribution)
* Wastewater treatment plant
* Domestic Water distribution system
* Site grading and drainage network
* Communication network
* Hydropower plant
* Management support & services facility (site clearance, excise, tax etc offices)
* Housing accommodation
* On-site parking
* Banking & Insurance
* Transportation & Logistics centre

# SATELLITE IMAGE OF THE PROJECT SITE


# PROJECT SITE IMAGES


# NOTICE INVITING GLOBAL EXPRESSION OF INTEREST (EOI)

**DEVELOPMENT OF AN EXPORT PROCESSING ZONE AT HAMID KARZAI INTERNATIONAL AIRPORT UNDER PUBLIC PRIVATE PARTNERSHIP (PPP) FRAMEWORK**

Afghanistan Civil Aviation Authority (ACAA) (hereinafter referred to as the “Authority”) is responsible for the operation and management of the Hamid Karzai International Airport (HKIA) at Kabul. It is the major international airports of Afghanistan which handles an average of 2 million passengers per annum, which has been increasing steadily over the years. Given the widespread development of infrastructure and economy in Afghanistan, the Authority is actively pursuing development of ancillary infrastructure facilities at HKIA to provide world class infrastructure service delivery and experience to all its stakeholders, especially, the passengers.

Development of an export processing zone (EPZ) at HKIA through Design-Build-Finance-Operate-Transfer (DBFOT) mode under PPP framework (hereinafter referred to as the “Project”) is one of the several projects that the Authority is desirous to implement. The Authority has earmarked an area of 52.4 hectares (“Project Site”) of land (5 hectares towards the south and on 47.4 hectares towards the north of the existing HKIA runway) within its security perimeter for development of the Project. The Project Site is under the title of ACAA, it is vacant, encumbrance free and in good condition. The estimated Project cost of development of EPZ is estimated at USD 47.3 million. The scope of the private sector would include design, finance and construct EPZ, operate and manage the same for a period of about thirty (30) years; and at the end of which, transfer EPZ back to the Authority.

In light of the above, the Authority hereby invites this ‘Global Expression of Interest’ from eligible private sector investors/ developers/ operators, in individual capacity or as part of a Consortium, having experience in financing, construction, operation and management of projects of similar nature.

Interested parties should submit/send their EOI for the proposed Project, as per the formats set out in the EOI document in sealed cover to the Mr. Amanzeb Ansari, Chief of Staff, Afghanistan Civil Aviation Authority, Kabul international Airport, Ansari Wat, Kabul, Afghanistan.

Note: In case of clarification, please feel free to contact us at the details mentioned below:

Mr. Amanzeb Ansari

Senior Planning and Policy Advisor

Afghanistan Civil Aviation Authority

Kabul international Airport

Ansari Wat, Kabul, Afghanistan

Email: ansari@acaa.gov.af

amanzeb.ansari@gmail.com

Phone# 0093 77 1001001

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## MODE & MANNER OF SUBMISSION

The Authority invites ‘Global Expression of Interest’ (EOI) from eligible private sector investors/ developers and operators who have experience in financing, construction, operation and management of projects of similar nature, either in individual capacity or in the capacity of a Consortium.

The EOI is invited to give an opportunity to interested parties to share their view / requirements on the Project and issues/ concerns, if any on the development model selected for Project implementation. The ultimate objective of the EoI is to structure the Project in such a way that it attracts maximum private sector participation for development.

The EOI may either be submitted in response to the suggested pattern of development detailed herein above or the potential Applicants are welcome to propose alternate development models, which shall be examined by the Authority, prior to commencement of the bidding process for selection of the private Developer for Project.

Interested Applicants should submit/send their EOI with all required information(s) requested in the formats shared under this EOI, on or **before 2nd July 2020 up to 1600 Hrs** in the two formats mentioned below:

1. Soft copy of EOI and scanned copies of all accompanying documents sent via email to amanzeb.ansari@gmail.comwith the title:

“**Expression of Interest (EOI) for the development of an Export Processing Zone at HKIA under PPP framework”**

1. Printed copy of EOI together with all accompanying documents in a plain sealed envelope clearly marked as:

“**Expression of Interest (EOI) for the development of an Export Processing Zone at HKIA under PPP framework”**

EOI shall be submitted in English language only and may include supporting documents about the Applicant and its relevant experience.

The EoI shall be hand delivered (including courier services) to the following address:

Mr. Amanzeb Ansari

Senior Planning and Policy Advisor

Afghanistan Civil Aviation Authority

Kabul international Airport

Ansari Wat, Kabul, Afghanistan

## PRE-EOI QUERIES

The interested Applicants may seek clarifications on any of the information provided in this request for EOI in writing email to ACAA at the address mentioned below. All queries should be sent via email to amanzeb.ansari@gmail.com **before 1600hrs(Kabul time) on 17th June 2020.**

## SCHEDULE OF EVENTS

With respect to the EOI process, the Authority shall endeavor to abide by the schedule of events set out below;

|  |  |
| --- | --- |
| **Events** | **Date & Time** |
| **Last date for receipt of queries** | **17th June 2020 at 1600hrs.** |
| Last date & time for EOI Submission: | **2nd July 2020 at 16:00 hrs.** |

## FORMATS FOR EOI SUBMISSION

**FORMAT – 1**

**COVER LETTER FOR EXPRESSION OF INTEREST**

(*To be furnished on the letter head of the Applicant*)

To:

Mr. Amanzeb Ansari

Senior Planning and Policy Advisor

Afghanistan Civil Aviation Authority

Kabul international Airport

Ansari Wat, Kabul, Afghanistan

Email: ansari@acaa.gov.af

amanzeb.ansari@gmail.com

Phone# 0093 77 1001001

Sub: Submission of Expression of Interest for Development of an Export Processing Zone at Hamid Karzai International Airport under Public Private Partnership Framework

Dear Sir/ Madam:

In response to the Invitation for Expressions of Interest (EOI) dated\_\_\_\_\_\_\_\_\_\_\_ for the above purpose, we would like to express interest to carry out the above proposed task.

As instructed, we attach 2 sets of the following documents in separately sealed envelopes and one soft copy:

1. Organizational Details (Format-2)

2. Experience in related fields (Format-3)

3. Financial strength of the organization (Format-4)

4. Additional information (Format-5)

5. Declaration (Format-6)

Sincerely Yours,

Signature of the Authorised Signatory of the Applicant

Full name and Designation of the Authorised Signatory of the Applicant

Stamp & Date

Enclosure: As stated above

**FORMAT 2**

**APPLICANT DETAILS**

|  |  |  |
| --- | --- | --- |
| **No.** | **Particulars** | **Details** |
| 1 | Name of the Applicant |  |
| 2 | Main Areas of Business |  |
| 3 | Nature of Applicant(Specify whether - Sole Proprietorship/ Partnership/ Company/ Limited Liability Partnership) |  |
| 4 | Whether the Applicant has been blacklisted by any Government Instrumentality/ Other entity? If yes, provide details thereof. |  |
| 5 | Contact details of Registered Office (address with telephone no. & fax no. and email address) |  |
| 6 | Contact details of Other Offices (address with telephone no. & fax no. and email address) of the Applicant |  |
| 7 | Contact Details of Concerned/ Designated Officer (address with telephone no. & fax no. and email address) of Applicant |  |

Enclosed:

1. Copy of Certificate of Incorporation/ Certificate of Registration of Partnerships/ valid proof of the nature of the Applicant
2. Undertaking with respect to point no.4 above

Signature of the Authorised Signatory of the Applicant

Full name and Designation of the Authorised Signatory of the Applicant

Stamp & Date

**FORMAT 3**

**RELEVANT EXPERIENCE**

| **No.** | **Experience** | **Name of the project** | **Total Project Cost (in USD million)** | **Date of commencement of commercial operations** | **Details of Project Components** | **Details of Industry Units** | **Duration of O&M Experience** | **Whether developed under PPP framework?** | **If PPP, then name, address, phone number, email address of the Public Authority** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | Construction, operation and management of an Export Processing Zone/ Special Economic Zone over an area of about 50 hectares or at a project cost of \_\_\_\_\_\_\_ USD |  |  |  |  |  |  |  |  |
| 2 | Operation and Management of an Export Processing Zone/ Special Economic Zone over an area of about 50 hectares or at a project cost of \_\_\_\_\_\_\_ USD |  |  |  |  |  |  |  |  |
| 3s | Any other relevant experience |  |  |  |  |  |  |  |  |

Note: Add additional rows to furnish relevant experience of multiple projects

Signature of the Authorised Signatory of the Applicant

Full name and Designation of the Authorised Signatory of the Applicant

Stamp & Date

**FORMAT 4**

**FINANCIAL EXPERIENCE**

| **Financial Year** | **Net Worth (in USD million)** | **Annual Cash flows (USD million)** |
| --- | --- | --- |
| 2015-16 |  |  |
| 2016-17 |  |  |
| 2017-18 |  |  |
| 2018-19 |  |  |
| 2019-20 |  |  |

Enclosed:

1. Certificate from the Statutory Auditor with respect to the validity of the above
2. Audited Annual Financial Statements (including Balance Sheet, Cash flow Statement and Profit and Loss Statement) for the last three financial years.

Signature of the Authorised Signatory of the Applicant

Full name and Designation of the Authorised Signatory of the Applicant

Stamp & Date

**FORMAT 5**

**ADDITIONAL INFORMATION**

| **No.** | **Enclosures that form part of previous sections** | **Name and Description** | **Number of Pages** |
| --- | --- | --- | --- |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| **No.** | **Additional Information to support relevant experience and financial experience** | **Name and Description** | **Number of Pages** |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |

Note: Add additional rows, if necessary

Signature of the Authorised Signatory of the Applicant

Full name and Designation of the Authorised Signatory of the Applicant

Stamp & Date

**FORMAT 6**

**DECLARATION**

*(To be furnished on the letter head of the Applicant)*

To:

Mr. Amanzeb Ansari

Senior Planning and Policy Advisor

Afghanistan Civil Aviation Authority

Kabul international Airport

Ansari Wat, Kabul, Afghanistan

Email: ansari@acaa.gov.af

amanzeb.ansari@gmail.com

Phone# 0093 77 1001001

Sub: Submission of Expression of Interest for Development of an Export Processing Zone at Hamid Karzai International Airport under Public Private Partnership Framework

Dear Sir/ Madam:

We hereby confirm that we are interested to undertake the Project, ‘Development of an Airport Cargo Terminal at Hamid Karzai International Airport under PPP framework’.

All the information provided herewith is genuine and accurate.

Sincerely Yours,

Signature of the Authorised Signatory of the Applicant

Full name and Designation of the Authorised Signatory of the Applicant

Stamp & Date

1. As of [insert month and year, of estimation] [↑](#footnote-ref-1)