



Hashemite Kingdom of Jordan
MINISTRY OF PUBLIC WORKS AND HOUSING
King Hussein Bridge: Public Private Partnership Project
INVITATION FOR PREQUALIFICATION

The Ministry of Public Works and Housing ("MPWH") of the Hashemite Kingdom of Jordan wishes to offer private investors the opportunity to enter into a PPP agreement to finance, design, build, maintain and operate a new border crossing terminal to replace the existing King Hussein Bridge Terminal (the "Project").

MPWH has appointed the International Finance Corporation ("IFC"), a member of the World Bank Group, acting through their Public Private Partnership Transaction Advisory Services division, as their Advisor to assist in structuring and tendering the Project.

MPWH is launching this invitation for prequalification applications ("Invitation for Prequalification") for companies or consortia with proven experience in developing and managing transport terminals or logistics platforms that wish to obtain the Request for Qualification ("RFQ") document. The RFQ stage forms the first phase of the international competitive bidding process for the Project. Only prequalified applicants will be eligible to receive the Request for Proposal document to participate in the second and final stage of the selection process.

MPWH intends to select a private sector operator for the Project through an open, transparent and competitive international bidding process, in accordance with the Jordanian PPP Law and international best practices, with the objective of signing the PPP agreement and achieving commercial close by the first quarter of 2023.

In response to this Invitation for Prequalification, any party wishing to submit a prequalification application for the Project can formally purchase the RFQ document for a non-refundable fee of JOD 1,000 or its equivalent in a freely convertible currency by bank transfer. Please note the bank account details specified below:

Bank Name: CENTRAL BANK OF JORDAN
 AMMAN - JORDAN
Account Title: General revenue account حساب الإيرادات العام
Account No.: 1/3100/2
Swift Code: CBJOJOAXXX
IBAN No.: JO46 CBJO 0010 0000 0000 0131 0000 02

The interested party can obtain the RFQ document by emailing the MPWH at the email address specified below, attaching the evidence of payment.

Any correspondence with respect to this Invitation for Prequalification shall be sent to the MPWH with a copy to the IFC coordinators at the email addresses indicated below:

<u>MPWH Coordinator</u>	<u>Eng. Maram Alayoub</u> Email: kinghusseinproject.mpwh@mpwh.gov.jo
<u>IFC Coordinator</u>	<u>Alexandre Leigh</u> Email: jordankhbppp@ifc.org

The prequalification application submission deadline is 6th of July 2022 at 2:00 p.m. Jordan time.

KING HUSSEIN BRIDGE PPP PROJECT

Project Teaser



April 2022
CONFIDENTIAL



Disclaimer

- This Project Teaser (the "Teaser") is intended to provide interested parties with information on the project to redevelop King Hussein Bridge crossing in Jordan (the "Transaction"). The International Finance Corporation ("IFC"), a member of the World Bank Group, has been appointed as the lead advisor by the Ministry of Public Works and Housing ("MPWH"), to assist in structuring and implementing the Transaction for private sector participation. Under IFC's lead, COWI is acting as technical and environmental & social consultant and Gide Loyrette Nouel ("Gide") is acting as legal advisor on the Transaction (IFC, COWI, and Gide are "MPWH's Advisors"). The Global Infrastructure Facility ("GIF") is providing funding support for the transaction preparation and tendering stage.
- The information provided in this Teaser is presented for information purposes only and does not present a sales offer.
- The Teaser does not purport to provide comprehensive information about the potential Transaction. No representation or warranty, expressed or implied, is made, or responsibility of any kind is or will be accepted, by any of MPWH or MPWH's Advisors, including with respect to the accuracy and completeness of the information contained in this Teaser. None of MPWH or MPWH's Advisors assumes any legal duty (including any duty of care) to recipients of the Teaser, and further the Teaser shall not be construed as giving any legal advice.
- This Teaser contains confidential information. By accepting this Teaser, the recipient agrees that it will cause its directors, officers, employees, representatives and advisors to use such information only to evaluate the Transaction and that they will not disclose, reproduce or distribute such information without the express written consent of IFC and MPWH.
- This Teaser provides an overview of the Transaction. However, it is not intended to serve as the basis for an investment decision in the Transaction, and each recipient is expected to make such independent investigation and to obtain such independent advice as he or she may deem necessary for such decisions.
- Neither MPWH nor any of MPWH's Advisors will be liable or responsible to any person for any cost or expense incurred in appraising the Transaction or in any transaction, whether or not consummated, which may follow.
- IFC asserts all its privileges, immunities and exemptions granted in IFC's Articles of Agreement, international conventions, and any applicable laws.



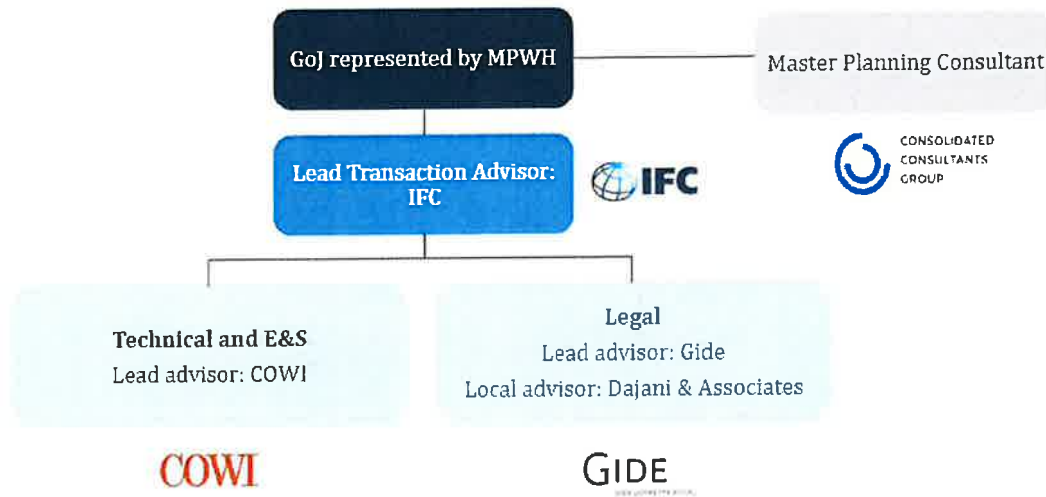
Executive Summary

- **Project Description:** The Government of Jordan (“GoJ”) Ministry of Public Works and Housing (“MPWH”) wishes to introduce private sector participation through the development of new passenger and cargo terminal facilities at the King Hussein Bridge (“KHB”) crossing that connects Jordan to the West Bank to improve the flow of persons and goods and service levels.
- **Location:** The existing KHB land border terminal is located around 40 km west of Amman.
- **Project Structure:**
 - The private partner will develop the Project under a Design-Build-Finance-Operate-Maintenance-Transfer (“DBFOMT”) contract or similar arrangement.
 - Concession agreement term is expected to be maximum 25 years.
 - Demand risk to be borne by the private operator (“PO”); payment will be through user fees (regulated) as well as generation of commercial revenues (market driven).
 - Expansion works will be triggered if traffic and capacity thresholds are reached.
 - The Project scope is limited to the facilities that are on the Jordanian side, and will be located on a new site adjacent to the existing facilities.
- **Progress to date:** Legal, technical, traffic, financial and E&S due diligence are completed. The RFQ was launched on April 6, 2022. The deadline for the submission of prequalification applications is July 6, 2022 after which the announcement of the prequalified bidders and release of RFP is expected to take place by the end of July 2022. The current phase is the prequalification phase whereby bidders are expected to indicate their experience in similar projects in order to assess the potential of their participation in the project.



KH Bridge PPP Project Preparation

- IFC PPP Transaction Advisory has been retained by MPWH to act as Lead Transaction Advisor to conduct the due diligence, structure the transaction and prepare the tender. IFC has appointed legal (Gide) and technical / E&S (COWI) advisors. The World Bank Group-managed Global Infrastructure Facility is supporting this project by funding part of the project preparation work.
- The Project is led by the MPWH from the GoJ side.





Jordan – Country Overview

- **Population: 10.2 million**
- **GDP per capita (current USD): \$4,283**
- **Unitary state under a constitutional monarchy:** the King retains wide executive and legislative powers from the government and parliament.
- As a landlocked country residing at the center of one of the most volatile regions in the world, Jordan is considered to have **consistently preserved its stability**.
- **Jordan is among the most advanced countries in the region for the implementation of infrastructure PPPs;** GoJ has successfully mobilized investments for PPPs in water, wastewater treatment, transport, and energy.
- In particular, the **Queen Alia International Airport PPP** has been touted as one of the most successful PPPs in the region and demonstrates GoJ's commitment to attracting private sector financing for infrastructure.

Jordan Geographic Position



Queen Alia International Airport



Source: *The Economist*, *World Bank Monthly Economic Update*, *World Bank Country Partnership Framework*

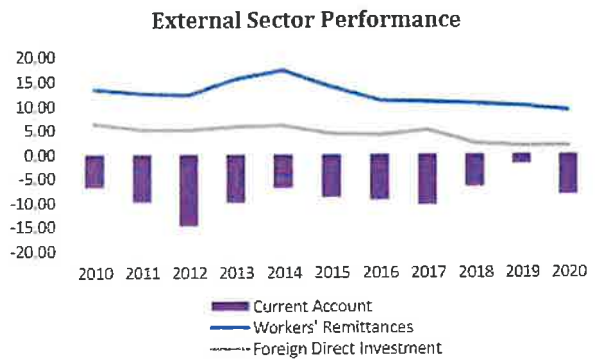
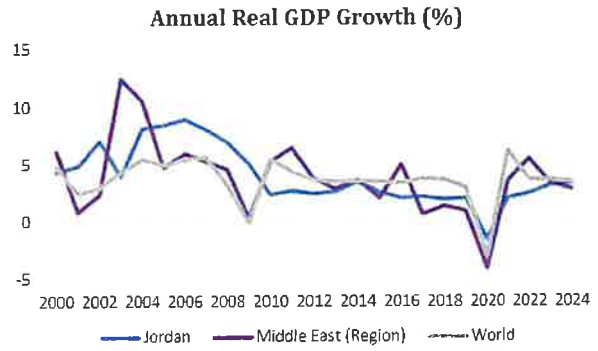
5 KH Bridge PPP – Project Teaser – CONFIDENTIAL





Jordan – Economic Context

- Jordan’s economy is showing a healthy recovery following a moderate contraction of 1.6% in 2020 as a result of the pandemic. Since then, real GDP growth has increased to 2.0% in 2021 and is expected to increase further to 2.4% in 2022 through an export-led support, which hinges on the restoration of macroeconomic stability, a supportive external environment, and stable oil prices.
- Accommodative monetary policy by the Central Bank of Jordan (CBJ) as well as fiscal policy, continued to play an active role in supporting the economy during the pandemic, while inflation has remained low. Inflation is projected to reach 2.8% in 2022 due to elevated international commodity prices.
- GoJ has faced a series of shocks, including the disruption of export routes and markets from regional conflicts and the hosting of 1.3 million Syrian refugees.
- In 2019, Jordan pursued important structural reforms, introducing new governing regulations that led to improvements in the ease of doing business and the overall business climate. In collaboration with the World Bank and other development partners, Jordan developed a Five-Year Reform Matrix to lay the foundations for more sustainable, inclusive growth that can deliver on agendas involving jobs, youth, and gender.



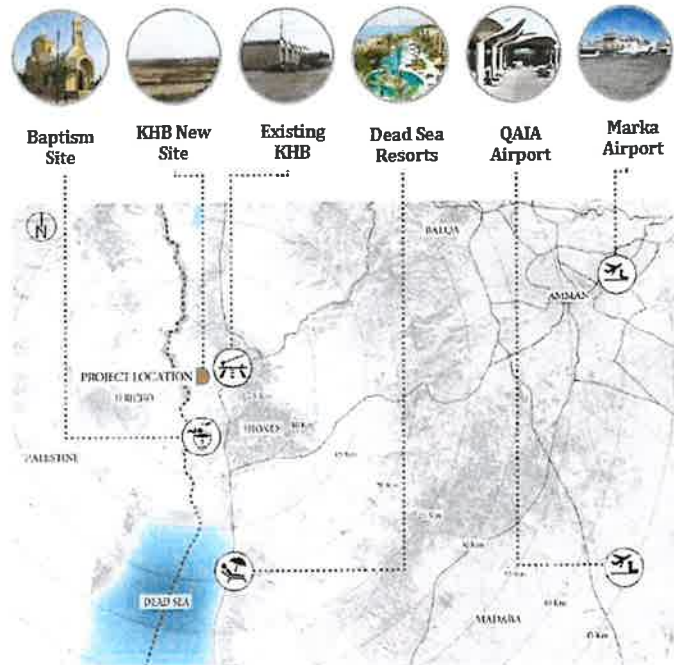
Source: The Economist Intelligence Unit, World Bank Monthly Economic Update, IMF Data Mapper





KH Bridge Terminal Profile

- The existing terminal, located 40 km west of Amman, serves as the sole international entry/exit point for Palestinians living in the West Bank and processes significant amount of trade.
- The current bridge structure has been in place since the late 1990s (although the crossing dates back to the Ottoman era in the late 19th century but has been destroyed and rebuilt multiple times).
- The existing terminal has become inadequate in size and capacity and is no longer capable of efficiently handling the growing passenger and cargo flows, as well as the constrained demand, which is expected to be released once a new and optimized facility is developed.
- The current situation, which results in trucks and passengers spending several hours crossing from the Jordanian side, has placed a break on growth during the past few years.



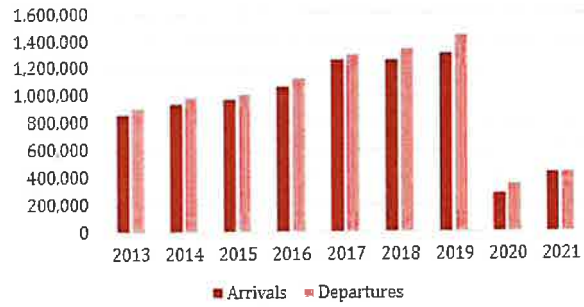
Source: KHB Master Plan



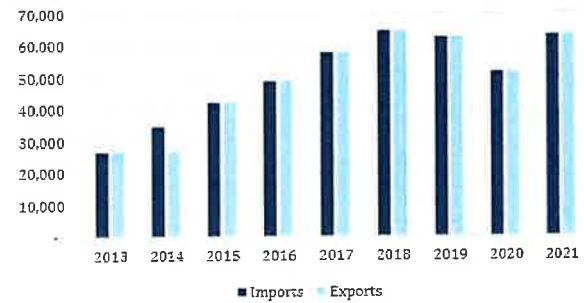
Project Rationale

- The King Hussein Bridge Crossing Terminal (KHB Terminal) is key infrastructure for Jordan's economic and social development, as it serves West Bank businesses that import from / export to Jordan and the wider region (Aqaba Port, QAIA, Saudi border, etc.) and is the sole entry / exit point for Palestinians living in the West Bank.
- In 2019, approximately 2.7 million passengers and 125 thousand truckloads passed through KH Bridge; historical growth has been strong (8% CAGR for passenger traffic and 15% CAGR for cargo traffic since 2013).
- Rehabilitating and expanding KH Bridge is high on the GoJ's agenda given the opportunity to access private sector financing and expertise in the transportation and logistics sector as well as provide better infrastructure and services to users.
- As a result of the COVID-19 pandemic, there has been a significant decrease in passenger traffic. However, pre-pandemic traffic levels are expected to be reached fairly quickly due to the border crossing being the only existing exit / entry point into the West Bank area.

KHB Historical Passenger Volume



KHB Historical Cargo Volume





Current Facilities and Redevelopment Plan

Existing KHB Terminal



Redevelopment Plan

- The existing terminal has three zones: passenger zone (73,000 m²), pilgrims terminal (35,000 m²), and cargo zone (34,000 m²). These zones are located along the King Hussein Road leading to the bridge and the border.
- The pilgrim terminal opened in 2018 and will continue to operate. It will serve as the terminal for pilgrim travelers in groups, mainly during the Hajj season.

- The current facilities for passengers and cargo will be taken out of use and replaced by new facilities.
- The new site to be developed is within an area of 1,905,123 m², and the required land will be made available by GoJ for the Project. The site is located 2 km west of the existing facilities and closer to the border.
- A modern and larger greenfield terminal and supporting facilities is expected to accommodate the increasing flow of passengers and cargo, reduce transit time, increase efficiency of customs checks, and improve working conditions for staff.



Figure: Existing KHB Terminal

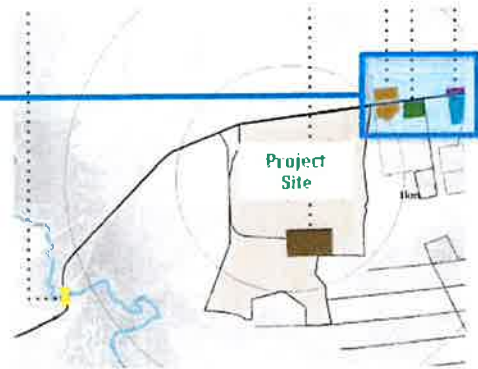
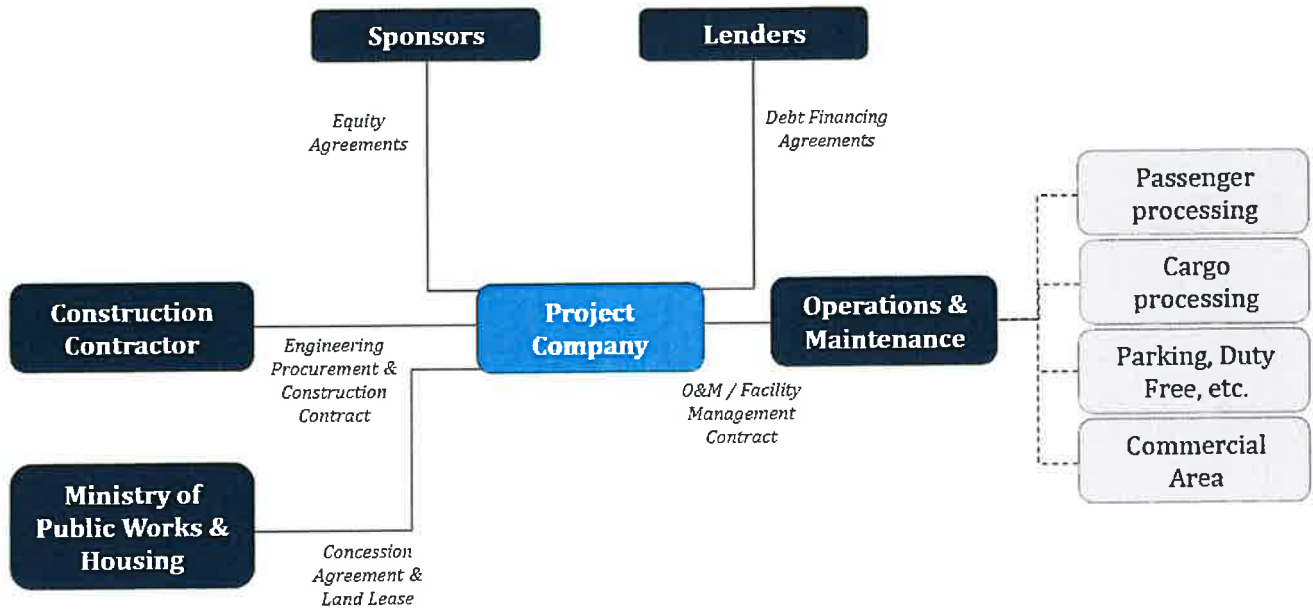


Figure: Redevelopment of the KHB Terminal



Expected Project Structure





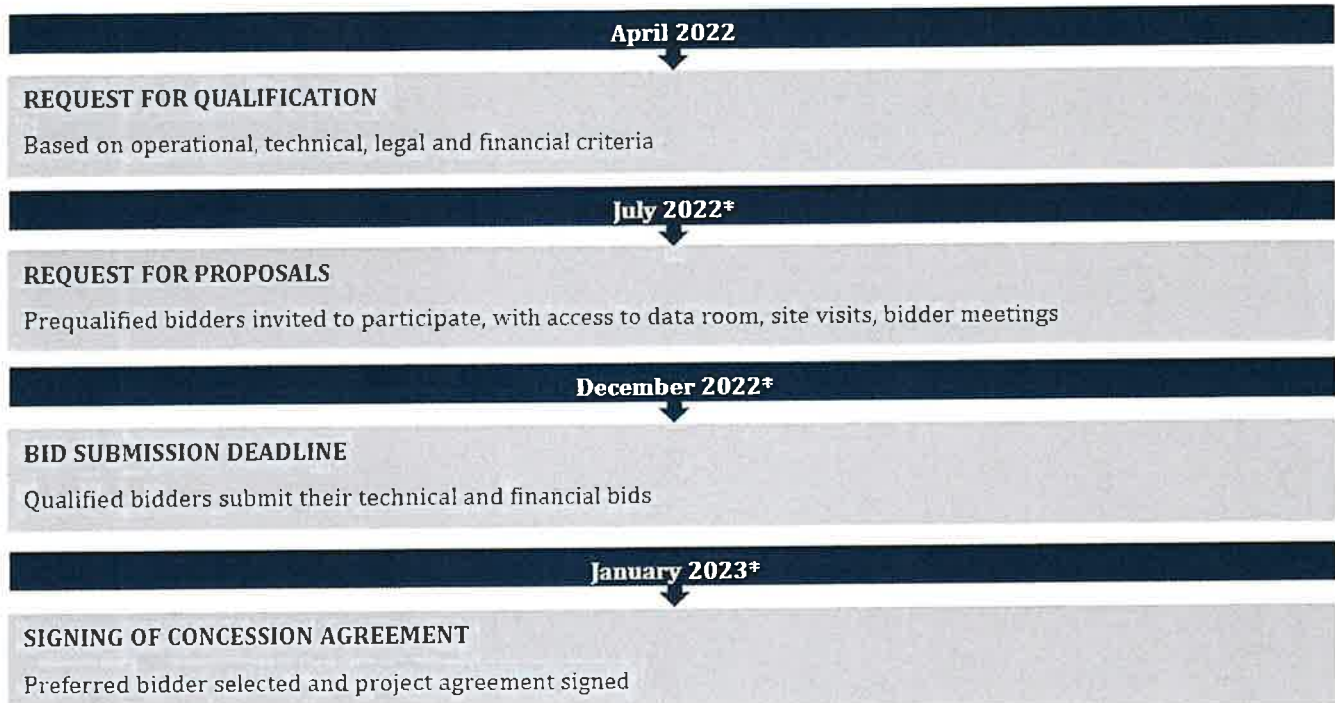
Envisaged Transaction Structure

The terms provided below are based on the initial structure and will be finalized in due course.

Public Entity	Ministry of Public Works and Housing (MPWH)
PPP Model	Design-Build-Finance-Operate-Maintain-Transfer (DBFOMT)
PPP Duration	20 years of operations after 3 years of construction
Scope of the PPP	<p>The Private Partner is expected to be responsible for:</p> <ul style="list-style-type: none"> - Developing the new terminal (design, build, finance, operate and maintain) - Operating the new terminal - Operating the Pilgrim Terminal (subject to GoJ decision) - Collecting revenue on passengers and cargo <p>The project scope is limited to the facilities that are on the Jordanian side. The existing terminal will be operated by GoJ until the new terminal is built. Closure and/or rehabilitation of the existing terminal for non passenger or cargo use is the responsibility of GoJ and is not part of the project scope.</p>
Revenues	<ul style="list-style-type: none"> • Regulated revenues: share of the passenger and cargo charges • Unregulated revenues (commercial activities)
Project Site	Grantor will have access to the site in accordance with the terms and conditions of the Project Agreement
Standard Provisions	PPP agreement to include provisions with regards to key performance indicators, governing law and dispute resolution



Tentative Project Timeline



* Timing is tentative, and any extension will impact the subsequent phases.





RFQ Process / Contacts

- Prospective bidders should first make contact via the email addresses included in the RFQ advert:
 - **Kinghusseinproject.mpwh@mpwh.gov.jo**
 - **Jordan.KHB.PPP@ifc.org**
- Once the payment of JOD 1,000 for the RFQ document is received by MPWH, prospective bidders will then receive the RFQ document along with a Non-Disclosure Agreement, which they will be requested to sign in order to receive the Project Information Memorandum.
- Should there be any clarification requests on the RFQ, prospective bidders are expected to send those clarifications to MPWH by May 23, 2022.
- MPWH will respond to questions raised during the RFQ process on June 6, 2022 – these will be shared on a consolidated basis with all prospective bidders (but anonymized / no firm names included).
- Link to RFQ advertisement:
<https://www.mpwh.gov.jo/EBV4.0/Root Storage/AR/EB Careers/RfQ advert.pdf>