



SOUTH PUNJAB FOREST COMPANY (SPFC)

Brief of 'Afforestation Projects of SPFC in South Punjab under PPP mode'

South Punjab Forest Company (SPFC)

South Punjab Forest Company (SPFC), is a subsidiary of the Forestry, Wildlife & Fisheries (FW&F) Department, Government of the Punjab, established under section 42 of the Companies Ordinance, 1984, as a Public Sector Company. The organization is governed by a ten-member Board of Directors (BOD).

Objectives

One of the main objectives of the organization is to streamline public and private sector investments in the forestry sector, so that deforestation can be reduced in Punjab and forest conservation and sustainable economic development go hand in hand. SPFC aims to promote sustainable forest investments in Pakistan, so that the wood-based industry can thrive and instead of relying on the wood from existing forests, sustainably farmed wood from trees grown on SPFC's land can be used in the process, eventually contributing to the GDP at large.

Salient Features

- A total area of 99,077 acres of forestland comprising 38 forest sites and divided into 187 lots of various sizes, spread across five districts of South Punjab. The unencumbered forestland is being offered to private investors.
- Opportunity for all sorts of investors i.e. from small scale farmer to multinational corporate entity, as the size of these forests vary from 100 acres to 30,000 acres.
- An individual/firm can bid for a maximum 20% of the total area.
- SPFC's land spreads across Dera Ghazi Khan, Rajanpur, Muzaffargarh, Rahim Yar Khan and Bahawalpur districts.
- Huge potential for commercial forestry by producing wood highly demanded by the wood-based industry, particularly the particleboard industry.
- Potential for rangeland management activities, as more than 20,000 acres is available for this purpose.
- Creation of almost 15,000 jobs.
- Carbon sequestration of approximately 5.6 million tons.
- Promotion of natural flora.



Business Model

Role of Government Agency

- Provision of unencumbered land
- Approach/access to the site
- Facilitation in obtaining sanctioned canal water to the command areas forests

Role of Private Party

- Design, Finance, Develop, Operate, Maintain and Transfer after expiry of Concession Period (15 years)

Sources of Revenue

Private Party

- By harvesting forest crop
- By ancillary sources;
 - Apiculture
 - Sericulture
 - Medicinal plants etc.

Government Agency

- Product/Revenue Sharing (15% reserve price of the total produce for forestry/Minimum price of Rs. 2000/- for rangeland).
- 25% of government share will comprise indigenous tree species which will not be felled during the concession period, thus improving the forest cover at large.

Concession Period

- For a period of 15 years.

PPP Modality

- Build Operate Transfer (BOT)

Technical Evaluation Criteria

- Holder of National Tax Number (duly supported by NTN Certificate)
- Clearance from CIB (duly supported by Credit Information Report)
- Bidder should have at least 5 years of total experience in doing business in Pakistan or abroad (appropriate evidence should be furnished in support)



- As part of its team, bidder should have a forester or person with experience of managing agriculture farms with following qualification and experience equivalence:-
 - Masters with 5 years of experience in relevant field; or
 - Graduate with 7 years of experience in relevant field; or
 - Matric/ Certificate holder in forestry/block officer with 10 years of experience in relevant field.
- Bidder's net worth should be equivalent to at least Rs. 50,000 per acre.
- Bidder shall submit an overall layout and development plan/design for the project site.

Financial Evaluation Criteria

- For Afforestation lots, bidder shall propose percentage of produce to be shared with SPFC during and at the end of the concession period. The project site shall be awarded to the bidder that would offer the highest percentage of produce to the government.
- For Rangeland Lots, bidder shall propose annual license fee per acre, which shall increase @ 5% p.a over the concession period. The project site shall be awarded to the bidder that would offer the highest annual license fee per acre to the government.

Expected Return on Investment (ROI)

The expected return on investment over a period of 15 years is 25% to 45% varying from species to species.

For reference purposes, the Bidding Proposal can be downloaded from the website of South Punjab Forest Company (SPFC):
<http://spfc.org.pk/tenders/current-tenders.php>

Last Date for Submission of Request for Proposal (RFP) is September 15, 2017, by 1400 hours.

Contact Information

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