

# National Commercial Orchards



## Project Summary

**Lead Agency:** Ministry Of Agriculture, Irrigation And Livestocks (MAIL)

**Sector:** Agriculture

**Location:** Many Provinces

## Proposed PPP Model

### Build-Operate-Transfer(BOT):

The private partner will assume construction risk, demand risk and will share a percentage of the revenue generated from the entire project (both the orchard establishment and agribusiness) with MAIL but transfer it back to MAIL at the end of the concession period. The private partner will establish the commercial orchards, design and build related facilities (rainwater harvesting reservoir pools, irrigation systems and water harvesting structures). They will be responsible for financing, operating and maintaining the assets (both the orchard and agro resources).

## Project Description

Afghanistan produces some of the best fruits of the world including grapes, almond, pistachio, walnut, pomegranate, raisin, pine-nut, and citrus. Most of the horticultural products are exported to India and Pakistan

Commercial Orchards PPP is a major, national 'flagship' project; there is a strong and successful background of horticulture development in Afghanistan, and significant political will and importance placed on the proposed project.

Orchard production already takes place successfully in all provinces. This project intends to build on this solid base to increase the production area in each province, commencing with a 'pilot' and leading to series of other PPP transactions.

The PPP project is seeking private sector investment of up to USD\$1.5 billion.

## Project Objectives

1. Increased sustainable production result from commercial orchards.
2. Producing high-quality fruits for domestic and export markets.
3. Job creation in horticulture sector
4. Investment opportunities for the private sector.
5. Balance of trade (exports and imports of fresh and dry fruits).
6. Value increase of horticultural products (preliminary cooling, sorting, grading, processing, packaging, storage, and transportation)
7. Increasing the income of orchard owners, processors and traders through linkage to domestic and foreign markets.



## Opportunities

1. Estimated plantation area of 122,315.44 hectares for fruit trees (MAIL, 2018)
2. Estimated plantation area of 87,517 hectares for vineyards (MAIL, 2018)
3. Afghanistan horticulture sub-sector has grown 5.5% during the last decade accounting for 34% of agriculture gross product (1.4 billion USD) and 6.7% of national domestic product
4. Afghanistan is the world seventh-largest raisin exporter (valued at 150 million USD), and eleventh exporter of almond (valued at 110 million USD).
5. Presence of local skill set in abundance
6. Afghanistan is located on a commercial trade route, with opportunity for product exportation to European, USA, UK, South East, Middle East and the Gulf markets.

