



Ethiopian
Investment
Holdings



THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

INVITATION TO SUBMIT EXPRESSION OF INTEREST (EOI)

FOR

THE TENDERING OF EIGHT STATE-OWNED SUGAR ENTERPRISES

Date of Issue of Invitation to Submit Expression of Interest: - August 19, 2022

Transaction Advisor ("TA")
Ernst & Young LLP

1. Introduction

The Federal Democratic Republic of Ethiopia wishes to invite international and domestic investors to participate in the tendering of 8 state-owned sugar enterprises. These enterprises are **Omo Kuraz 1, Omo Kuraz 2, Omo Kuraz 3, Omo Kuraz 5, Arjo Dedessa, Kessem, Tana Beles, and Tendaho** (the Sugar Enterprises).

EIH supervises and safeguards the systematic execution and efficiency of the tendering process of the above Sugar Enterprises in line with the provisions of the Definition of Objectives and Function of the Ethiopian Investment Holdings Council of Ministers Regulation No 487/2022 and all other applicable laws of the Federal Democratic Republic of Ethiopia.

The Sugar Enterprises are currently owned and managed by the Ethiopian Sugar Industry Group, (the ESI Group) pursuant to the Ethiopian Sugar Industry Group Establishment Council of Ministers Regulation No. 500/2022. Consequently, the ESI Group shall play a critical role in the process by providing necessary support concerning information on the Sugar Enterprises.

Ernst & Young LLP has been appointed as the transaction advisor by the Government of Ethiopia (GoE) to provide transaction advisory services for the tendering of the eight (8) state-owned Sugar enterprises and carry out all the necessary work that is pertinent for a successful transaction.

The GoE through this invitation of Expression of Interest (EOI), hereby invites applications from Interested Parties to indicate their interest in taking an ownership stake in the Sugar enterprises (Proposed Transaction).

2. Overview of the Sugar enterprises

Kindly refer to Project Teaser Document available for download at <https://www.mofed.gov.et/>

3. Procurement Process

3.1. Bidding Process

The GoE intends to procure Interested Parties to invest in the Sugar enterprises through a bidding process commencing with this EOI.

The bidding process shall comprise the following initial steps:

- **Step One** is the publication of this EOI.
- **Step Two** shall involve the following steps:
 - a) Interested Parties shall register their interest by downloading the EOI and executing and submitting a **Non-Disclosure Agreement** to EIH. Copies of the Non-Disclosure Agreement can be downloaded from Ministry of Finance (MoF) website at <https://www.mofed.gov.et/>.

Interested Parties will have until 1st November 2022 to submit the duly signed Non-Disclosure Agreement.
 - b) Any registered Interested Party desiring to perform preliminary independent due

diligence on the Sugar enterprises, physical or desktop due diligence, must submit a duly completed **Request for Interested Parties' Due Diligence form** to EIH and obtain written confirmation from EIH. The form shall only be made available to the Interested Party once EIH receives the duly executed **Non-Disclosure Agreement**. The preliminary independent due diligence is optional to those Interested Parties who may want to obtain more information on the Sugar enterprises being tendered as they prepare their EOIs.

Please note that the GoE reserves the discretion as to who may proceed to conduct the due diligence and the terms upon which this exercise shall be undertaken.

- c) Once a written confirmation is obtained, and subject to the payment of the participation fee outlined under the Request for Interested Parties' Due Diligence, the Interested Party shall be granted access to a data room for preliminary due diligence. At this stage, each Interested Party shall also have the option of undertaking a site visit to the Sugar Enterprises.

- **Step Three** shall be the submission of the EOI in accordance with the instructions herein.
- **Step Four** shall be the release of detailed instructions to bid (“Request for Proposals” or “RFP”) outlining the form and format of bids.
- **Step Five** shall be the submission of the investment bids from the Interested Parties in accordance with the RFP.

3.2. Indicative Timelines for the Bidding Process

Serial No.	Milestone	Start Date	End Date
1.	Publication of the EOI	19 th August, 2022	19 th August, 2022
2.	Execution of the Non-Disclosure Agreement between EIH and the Interested Parties	19 th August 2022	1 st November, 2022
3.	Investor conference	TBA	TBA
4.	Preliminary Independent Due diligence	August, 2022	20 th November, 2022
5.	Submission of the EOIs	30 th November, 2022	30 th November, 2022
6.	Release of the detailed Request for Proposal	TBA	TBA
7.	Submission of Bids	TBA	TBA

Note: The GoE and Ernst & Young LLP will hold consultative dialogue with the Interested Parties throughout the EOI process.

The above dates may change at the discretion of the Federal Democratic Republic of Ethiopia.

Any queries or requests for clarification relating to any aspect of this EOI shall only be directed to sugarbid@mofed.gov.et with a copy to project.sikuar@ke.ey.com

4. Instructions to Interested Parties

4.1. Submission of the EOI

- 4.1.1. Completed EOI document must be delivered to the address below on or before **30th November 2022 at 5pm East African Time (EAT)**.
- 4.1.2. The Federal Democratic Republic of Ethiopia may, at its discretion, extend the deadline for the submission of the EOI by amending the EOI, in which case all rights and obligations of the GoE and Interested Parties shall thereafter be subject to the deadline as extended.
- 4.1.3. At any time prior to the deadline for submission of the EOI, the Federal Democratic Republic of Ethiopia may, for any reason, modify the EOI by issuing an addendum.
- 4.1.4. The Federal Democratic Republic of Ethiopia reserves the right to seek any additional documents, information, indemnities, warranties, representations, or performance obligations from the Interested Parties or any of their related entities to the Federal Democratic Republic of Ethiopia sole satisfaction without any liability to the Federal

Democratic Republic of Ethiopia and the Interested Parties.

4.1.5. Interested Parties shall provide all information sought in this EOI or subsequently requested during this EOI process. The EOI shall comprise of:

4.1.5.1. A letter expressing the intent or desire to participate in the Proposed Transaction giving reference to the EOI and a rationale for the same and confirming that the information provided by the interested party is true, correct, and accurate to the best of their knowledge.

The letter should also confirm that the Interested Party understands that the Federal Democratic Republic of Ethiopia reserves the right to accept or reject any EOI without assigning any reason whatsoever and to conduct due diligence on the Interested Party and request additional documents, information, or clarification.

4.1.5.2. Legal Status

Each Interested Party shall provide its certificate of incorporation/registration in its country of incorporation. In the case of a consortium, an Interested Party may choose to provide the certificate of incorporation/registration for the consortium lead or respective certificates of incorporation/registration for all the consortium members.

4.1.5.3. Details of contact persons (Name, designation, contact number, and email address).

4.1.5.4. Business Profile

Each Interested Party shall submit a detailed business profile stating the business of the Interested Party, track record, relevant experience, and any other relevant information.

4.1.5.5. Financial Capacity

Each Interested Party shall provide audited financial statements for the three (3) most recent years and any other information it deems relevant to demonstrate the interested party's financial capacity.

4.1.5.6. Key Transaction Issues and Due Diligence Comments Form

Each Interested Party may submit a summarised report, of not more than five (5) pages, highlighting the key issues they wish to be considered as part of the proposed transaction and any limitations/constraints identified from the Preliminary Due Diligence exercise.

4.1.5.7. Preferred Sugar enterprise(s)

Each Interested Party shall state the identified Sugar enterprise or enterprises in which they are interested in and any key issues pertaining to their interest,

or queries about the enterprises identified that they would like to discuss before participating in the Request for Proposal stage (as contained in paragraph 4.1.10 above). Interested Parties can express their interest in one Sugar enterprise or a combination of two or more Sugar enterprises or all the Sugar enterprises.

4.1.5.8. Identification of the preferred transaction structure

Each Interested Party shall indicate their preferred method of investment in the ownership of identified enterprises structure should they be successful at the RFP stage.

4.2. Language of the EOI

- 4.2.1. The EOI as well as all correspondence and documents relating to the EOI shall be written in the English language. Supporting documents and printed literature that are part of the EOI may be in another language provided they are accompanied by an accurate translation of the relevant passages into the English language, in which case, for purposes of interpretation of the EOI, such translation shall govern.

4.3. Electronic Submission

- 4.3.1. Interested parties shall submit the EOI in electronic form via email at sugarbid@mofed.gov.et with a copy to projectsikuar@ke.ey.com with the subject line 'EXPRESSION OF INTEREST IN THE TENDERING OF EIGHT STATE-OWNED SUGAR ENTERPRISES' attaching all the supporting documents in PDF format or as scanned documents by the due date. All documents submitted in the electronic form may either be scanned versions of documents with physical signatures or signed digitally using a valid Digital Signature Certificate.

4.4. Physical Submission

- 4.4.1. Interested parties may submit the EOI in physical form. Depending on the sizes or quantities or weight of the EOI documents, an Interested Party may use an envelope, package or container. Interested Parties shall deliver the EOI in a single sealed envelope, or in a single sealed package, or in a single sealed container bearing the name and Reference number of the EOI, addressed to EIH and a warning not to open before the time and date for EOI opening.
- 4.4.2. The sealed envelopes shall:
- 4.4.2.1. Bear the name and address of EIH;
 - 4.4.2.2. Bear the name and address of the Interested Party;
 - 4.4.2.3. Bear the reference number of the EOI; and
 - 4.4.2.4. In addition, the Due Date should be indicated on the right-hand top corner of each envelope.

4.4.3. The address of EIH is:

Attention: Meleket Sahlu Denbu

Physical Address: General Wingate St. Hilcoe building, 5th floor

Postal Address: 4353

Phone: +251913603975

Note: If the envelope is not sealed and marked as instructed above, the GoE assumes no responsibility for the misplacement or premature opening of the contents of the EOI submitted and consequent losses, if any, suffered by the Interested Party. Any submission made shall be rejected if it is not marked as per the instructions mentioned in this EOI.

4.5. Rights of the Government on the EOI Process

- 4.5.1. The Federal Democratic Republic of Ethiopia may annul the EOI process and/or reject all EOIs at any time without any liability or any obligation in connection with such acceptance, rejection or annulment, and without communicating any reasons therefor. If the Federal Democratic Republic of Ethiopia rejects or annuls any of the EOIs, they may, at their sole discretion, invite fresh EOIs hereunder.
- 4.5.2. The Federal Democratic Republic of Ethiopia reserves the right not to proceed with the EOI process at any time, without notice or liability, and to reject any or all of the EOIs without communicating any reasons.

4.6. Confidentiality

- 4.6.1. This EOI is being made available on the condition that the Interested Party will keep confidential all confidential or proprietary information (whether written or otherwise) that is disclosed or made available to it in connection with this EOI and will require all its employees, officers, directors, and advisors ("Representatives") who have access to such material to treat the same in confidence to the same extent as the interested party itself is bound. The Interested Party will ensure that it applies the same degree of care and security measures in respect of the information as it applies to its own confidential or proprietary information, and upon request by the Federal Democratic Republic of Ethiopia, promptly return, without retaining any copy or part thereof, all such material as may be received from the Federal Democratic Republic of Ethiopia.
- 4.6.2. The Interested Party will use or exploit the Confidential Information only for the purpose of this EOI and will not use the Confidential Information for any other purpose or in any way detrimental to the Federal Democratic Republic of Ethiopia, including any commercial or business purposes. The Interested Party will not without GoE's prior written consent disclose in any manner whatsoever, in whole or in part, to any other person other than its Representatives the confidential or proprietary information which it receives in connection with this EOI.

4.7. Governing Law

The Interested Parties acknowledge that save for clause 4.6 (Confidentiality) this EOI is not a legally binding

document. Any and all disputes relating to, arising out of, or in connection with, the terms of this EOI and the Proposed Transaction shall be governed by the Laws of the Federal Democratic Republic of Ethiopia. The courts of Ethiopia shall have exclusive jurisdiction.

Disclaimer

This document does not comprise an offer of shares to the public or an invitation to the public to subscribe for shares or any investment advice. In all cases, Interested Parties should carry out their own independent evaluation and analysis of the Sugar enterprises and all data set forth in this EOI, and their own independent investigation in relation to the business of the Sugar enterprises.

This EOI is not intended to form the basis for any investment decision. This EOI is being furnished to parties who may be interested in acquiring a stake in the Sugar enterprises being tendered.

Neither the Federal Democratic Republic of Ethiopia nor any of its advisors, directors, officers, employees or agents make any representations and/or warranties in respect of the information contained in this EOI. Accordingly, neither the Federal Democratic Republic of Ethiopia, nor any of its directors, officers, agents, employees or advisors take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortuous, statutory or otherwise (including without limitation, negligence), in respect of, the accuracy, completeness, authenticity, correctness and fairness of the information or for any opinion contained in this EOI or for any errors or omissions or for any loss/damage be it tangible or intangible, howsoever arising, from the use of this EOI. This EOI has been made available to Interested Parties for information purposes only, without any regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, if any, mentioned therein, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein and is made available upon the express understanding that such Interested Parties will use it only for the purpose set forth above.

All acts, deeds and things done or caused or intended to be done by the Federal Democratic Republic of Ethiopia, hereunder are based on and in reliance on the Interested Party's acceptance of the terms and conditions of this disclaimer. Neither circulation of this EOI nor any part of its contents is to be taken as any form of commitment on the part of the Federal Democratic Republic of Ethiopia to proceed with any transaction.

This EOI is divided into sections only for the convenience of the readers. Any partial reading of this EOI may lead to inferences, which may be divergence from the conclusions and opinions based on the entirety of this EOI. Further, by accepting a copy of this EOI, the recipient accepts the terms of this notice, which forms an integral part of this EOI.

Information provided as part of this EOI is on a wide range of matters, some of which may depend upon the interpretation of the law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Federal Democratic Republic of Ethiopia shall not be liable for any delays, non-delivery, data corruption, viruses, worms, Trojan horses and other malicious codes, hacking, interception, unauthorised amendment or other tampering or other such risks or events arising to any Interested Party due to faults in any software/hardware system or otherwise used in connection with this EOI or matters related thereto.

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