

REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES – FIRMS SELECTION)

Bangladesh

Bangladesh Scaling-up Renewable Energy Project (P161869)

Loan No./Credit No./ Grant No.: TF-A7640

Assignment Title: Selection of Technical Consultant under Renewable Energy Financing Facility (REFF)

Reference No. (as per Procurement Plan): S-04 UNDER SREP

The Infrastructure Development Company Limited (IDCOL) *has received* financing from the World Bank toward the cost of the Bangladesh Scaling-up Renewable Energy Project (P161869), and intends to apply part of the proceeds for consulting services.

The consulting services (“the Services”) include helping IDCOL establish and operationalize the Renewable Energy Financing Facility (REFF) to support renewable energy development, mainly utility-scale renewable energy and also, rooftop solar PV sub-projects, in Bangladesh. The scope includes developing new business models and financing instruments, catalytic to mobilizing financing for renewable energy and strengthening IDCOL’s financing, risk analysis and risk management capacities with respect to the new financing products, developing relevant operational process for appraisal of utility scale renewable energy projects and strengthening IDCOL’s capacity for technical and financial due diligence and supervision of the utility-scale projects.

The detailed Terms of Reference (TOR) for the assignment *are attached to this request for expressions of interest and also can be found at the following website:* <http://idcol.org/home/notice>.

The Infrastructure Development Company Limited (IDCOL) now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are mentioned in the TOR. Key Experts will not be evaluated at the shortlisting stage.

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” July 2016 (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.



A Consultant will be selected in accordance with the Consultant's Qualification Based Selection (CQS) method set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours 1100 to 1700 Bangladesh Standard Time (BST).

Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by e-mail) by 20 February 2022

Infrastructure Development Company Limited

Attn: Sajjad Bin Siddique, Manager, Procurement

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A handwritten signature in black ink, appearing to be 'Sajjad' with a stylized flourish at the end.

TERMS OF REFERENCE

Technical Consultant under Renewable Energy Financing Facility (REFF)

I. BACKGROUND

1. Bangladesh has received concessional climate financing, through the World Bank, under the Scaling-up Renewable Energy Program in Low Income Countries (SREP) of the Climate Investment Funds (CIFs), for implementing the SREP Investment Plan for Bangladesh that was prepared by Government of Bangladesh (GOB) and endorsed by the SREP Sub-Committee. The financing will be used to scale-up of renewable capacity and undertake pilot projects across possible deployment models — primarily utility-scale and rooftop solar photovoltaic (PV) energy “as they have the most potential among renewable energy technologies in Bangladesh. Realizing the 310-MW objective set forth in SREP, would nearly double Bangladesh’s grid-connected renewable energy capacity and help meet Bangladesh’s growing demand for electricity in a cost-effective manner. Furthermore, it would go a long way towards Bangladesh realizing its Nationally Determined Contribution (NDC) to the U.N. Paris Climate Agreement, which calls for 1,000 MW of solar power generation capacity to be installed across the country by 2030. SREP support would also help catalyze private investments and demonstrate potential for deploying solar PV on a large-scale commercial basis.

2. SREP would have following three components:

- Component 1: Feni Utility-Scale Solar PV
- Component 2: Renewable Energy Financing Facility (REFF)
- Component 3: Technical Assistance

3. Component 2 establishes a dedicated Renewable Energy Financing Facility (REFF), hosted and managed by the Infrastructure Development Company Limited (IDCOL), to provide financing to private sector projects and public-private partnership (PPP) projects including joint ventures. The World Bank project will support the establishment of a dedicated Renewable Energy Financing Facility (REFF), hosted and managed by IDCOL. The Facility will channel IDA and concessional CIF-SREP resources worth US\$108 million. It will provide financing for both utility scale renewable energy and rooftop solar PV sub-projects.

4. IDCOL will function as a financial intermediary and the administrator of Renewable Energy Financing Facility (REFF) carrying out due diligence of sub-projects, approving sub-loans, and taking credit risks. The primary technology focus of REFF will be utility-scale solar PV, and rooftop solar PV. The installed capacity target will be adjusted during implementation, reflecting market uptake from the two targeted market segments.

For utility-scale solar PV sub-projects, the REFF will focus on providing debt financing to private sector developers that participate in competitive auctions on sub-project sites identified by the Public Sector and the proposals from private sector developers will be considered on an exceptional basis, subject to further detailed due diligence.

5. The Facility will primarily offer senior loans to support a series of sub-projects. Based on market demand and development, it may offer other financing instruments catalytic to leveraging financing. These could include sub-ordinated loans, bridge loans, preferred equity, guarantees and insurance instruments. These instruments will be explored and developed during implementation through technical assistance support to IDCOL.

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II. OBJECTIVE

6. The objective of this advisory support is to help IDCOL establish and operationalize the Renewable Energy Financing Facility (REFF) to support renewable energy development, mainly utility-scale renewable energy and also, rooftop solar PV sub-projects, in Bangladesh. The scope includes developing new business models and financing instruments, catalytic to mobilizing financing for renewable energy and strengthening IDCOL's financing, risk analysis and risk management capacities with respect to the new financing products, developing relevant operational process for appraisal of utility scale renewable energy projects and strengthening IDCOL's capacity for technical and financial due diligence and supervision of the utility-scale projects.

7. The expected duration of the assignment is 24 (twenty-four) months. Some of the tasks under the assignment may have continuous demand after the assignment period, in which case IDCOL may procure another contract or extend the existing contract on mutual agreement to continue such tasks.

III. SCOPE OF WORK

8. Task 1: Developing New Business Models and Innovative Financial Instruments for REFF.

REFF and IDCOL more generally may offer an array of financial instruments to the private sector including long-term loans, bridge loans, preferred equity, guarantees, insurance instruments, and sub-ordinated loans. To date, IDCOL, as the administrator of REFF, has a successful track record of offering long term senior debts to renewable energy projects. However, REFF will be exploring various innovative options to maximize mobilization of private financing particularly in utility scale solar PV sub-projects and rooftop solar PV sub-projects and optimize use of the public finance available from IDA and SREP credit. To support REFF in offering different financial products, the Consultant will assess market demand for such products and develop implementation procedures and risk management policies of the above-mentioned financing instruments for utility scale projects. This task will comprise of the following sub-tasks:

- a. **Market assessment for innovative financing instruments:** The Consultant firm shall conduct a market research to explore risk appetite and risk perception of market players, including developers, financiers and off-takers for utility scale solar PV projects and rooftop solar PV projects, and market demand on innovative financing instruments such as bridge loans, preferred equity, guarantees insurance, lease finance, sub-ordinated loans, etc. Based on the market assessment, the Consultant shall recommend a selected list of innovative financing instruments to be offered by REFF. This sub-task will also include a preliminary risk assessment of the different financing instruments in comparison to the baseline instrument: senior debt, to demonstrate their potential impacts on the balance sheet of IDCOL in the context of REFF. The preliminary risk assessment may use a financial model to show the impacts of the different financing instruments on various key factors including risk-adjusted return, liquidity, financial sustainability and leveraging impact.
- b. **Due diligence guideline for the financing instruments:** The Consultant shall develop detailed technical and financial due diligence guidelines to be used with the proposed innovative financing instruments. Such guidelines will help IDCOL to conduct due diligence on both utility scale and rooftop PV sub-projects that will use the proposed financing instruments to be offered by REFF. The steps in the guideline shall include but not be limited to: i) assessment of the creditworthiness of the borrower and the co-financier,

ii) detailed financial analysis, iii) risk analysis and iv) risk-based pricing guidelines; iv) any technical due diligence aspects pertinent from the perspective of such innovative financing instruments, complementing IDCOL's existing due diligence guidelines for rooftop solar PV sub-projects, and those developed under Task 2 for utility scale sub-projects.

- c. **Template for Legal Agreements:** The Consultant shall review the existing and develop templates for legal agreements for any innovative financing instruments so identified viable for implementing under REFF in light of the relevant legal and regulatory framework.
- d. **Risk management policies:** The Consultant shall review the existing risk management policies of IDCOL and develop new risk management policies for the proposed innovative financing instruments at the portfolio level to be adopted by IDCOL for risk management purpose. The policies would include guidelines on pricing, reserving, capital management, and recovery procedures for non-performing transactions to ensure the solvency of the REFF. The Consultant will also suggest the required changes to be made in its constitutional documents in the context of legal and regulatory frameworks.
- e. **Training of IDCOL staff:** The Consultant shall provide training to IDCOL staff for new financing instruments designed for the REFF, including their due diligence guidelines and risk management policies.

9. Task 2: Guideline for Due Diligence for Utility-scale Solar Sub-Projects: The Consultant shall develop a step-by-step guideline for due diligence of the utility scale sub-projects that will help IDCOL's comprehensive due diligence on such projects to decide on financing from the REFF. The guideline shall support IDCOL in conducting technical, financial and legal review of the projects. The scope of the review includes: i) suitability of the major equipment, ii) plant electrical design, iii) civil works design, iv) site design, and v) layout and compliance. **The output for this task is the comprehensive guideline for utility-scale solar PV projects to be adopted for the operation of REFF.** The due diligence shall include but not limited to the following:

- a. Create a check-list for desk due diligence and site visit
- b. Conduct solar resource assessment and energy yield prediction with uncertainty analysis, considering expected module degradation
- c. Review system design to confirm viability indicated in the detailed feasibility study report
- d. Technology review of modules, inverters, transformers, and mounting or trackers, cables, including warranties and design life
- e. Review the contracts, including the Power Purchase Agreement (PPA), risk allocation between developers and off-takers, and assess the possibility to meet the timeline, the warranty and guarantee positions within the contracts
- f. Review grid connection agreement and timelines indicating consent and agreement from the respective grid operator
- g. Review of grid study report
- h. Review to assess the performance criteria under the PPA, including dispatch procedures and capacity testing procedures.
- i. Review and comment on the operation and maintenance plan of the Project Company including among others start up procedures and maintenance schedule
- j. Review permitting status to confirm compliance with all necessary permits and approvals, and absence of serious environmental issues
- k. Review of financial model inputs to help ensure financial projections are realistic

9

- l. Review of acceptance testing procedures and required certifications
- m. Support review the environmental and social impact assessment (ESIA) and environmental and social management plan (ESMP) from the technical point of view
- n. Provide hands-on training to IDCOL staffs on technical due diligence and processes, software, tools, field visits etc.

Such guideline as required under this task must not contradict with the existing due diligence processes, guidelines or policies adopted as per the directions of its board and regulator(s).

10. Task 3: Support for Technical Due Diligence for Utility-scale Solar Projects. This task refers to the Consultant's actual support in conducting technical due diligence to the first three utility scale to be proposed for financing under REFF and help sub-projects achieve financial closure and progress to implementation. Site visits to assess the suitability of the site for the installation of a solar PV plant would be included as necessary. The technical due diligence will follow the guideline prepared in Task 2.

11. Task 4: Creating a market and developing pipeline of Rooftop PV and utility scale solar PV This task refers to several promotional activities that Consultant would assist IDCOL to conduct across the country. This would include preparing and delivering presentations at different forums and conferences, assisting in creating dedicated leaflet and brochures, creating awareness through stakeholder consultation and meeting with industry associations to create demand aggregation. The Consultant will actively assist IDCOL to develop sub-projects which includes office and site visits of prospective clients and attending various meetings with them as and when required, to facilitate clientele acquisition as well as project development and disbursement. The consultant should develop additional project pipeline of at least 200 MWp rooftop solar PV which will be ready for disbursement under REFF financing, following approval of sub-projects and execution of agreements with IDCOL. The consultant will actively support IDCOL in acquiring clients under utility scale solar PV sub-projects available in the market.

12. The final output for this assignment will comprise of two compiled reports for Task 1 and Task 2 and due diligence reports for the first three sub-projects to be completed under Task 3. The documents shall be in word documents with relevant annexes delivered as both electronic and hard copy documents. The reports shall have an executive summary and power point presentations that could be used by IDCOL and other related stakeholders. All financial models must be in MS-Excel format, and must clearly set out all assumptions, sensitivity analyses and model outputs.

IV. DELIVERABLES AND TIMELINE

13. The expected duration of the assignment is 24 (twenty-four) months. The Consultant shall appoint the necessary staff including a Team Leader and other required qualified staff with relevant education and experience. Indicative summary of the implementation schedule will be as follows:

Deliverables/Reports	Deadlines
Inception Report	Contract signing + 21 days
Compiled Report for Task 1	Contract signing + 360 days
Task 1.a. Report	Contract signing + 90 days
Task 1.b. Report	Contract signing + 180 days
Task 1.c. Report	Contract signing + 180 days

9✓

Deliverables/Reports	Deadlines
Task 1.d. Activity	Contract signing + 360 days
Compiled Report for Task 2	Contract signing + 360 days
Due Diligence Report for sub-project 1 under Task 3	15 days after submission of materials
Due Diligence Report for sub-project 2 under Task 3	15 days after submission of materials
Due Diligence Report for sub-project 2 under Task 3	15 days after submission of materials
Task 3 Quarterly Progress Report to cover activities of Task 1 & 2 and progress on Task 3	Contract signing + 90/180/270/360/450/540/630/720 days
Task 4	
Arranging Project Pipeline for 30 MWp	Contract Signing+180 days
Arranging Project Pipeline for 50 MWp	Contract Signing+360 days
Arranging Project Pipeline for 60 MWp	Contract Signing+540 days
Arranging Project Pipeline for 60 MWp	Contract Signing+720 days
All Deliverables Finalized	Contract signing + 720 days

V. PAYMENT TERMS

Deliverables	Deadline	Payment Schedule
Inception Report Submission	Contract signing + 21 days	10% of total payment
Deliverables of Task 1, 2 & 3 as mentioned above + Arranging Project Pipeline for 30 MWp	Contract Signing+180 days	15% of total payment
Deliverables of Task 1, 2 & 3 as mentioned above + Arranging Project Pipeline for additional 50 MWp	Contract Signing+360 days	25% of total payment
Deliverables of Task 1, 2 & 3 as mentioned above + Arranging Project Pipeline for additional 60 MWp	Contract Signing+540 days	25% of total payment
Deliverables of Task 1, 2 & 3 as mentioned above + Arranging Project Pipeline for additional 60 MWp	Contract Signing+720 days	25% of total payment

VI. MINIMUM QUALIFICATIONS OF THE KEY STAFF

Specialist	Requirements
Project Director (International)	• The Project Director will lead and manage the team as well as coordinate with on-site team members and work in close coordination to provide overall direction to the tasks. The Project Director should have the following qualifications and experiences: • Graduate Degree in electrical engineering discipline and a Master's degree in Energy & Environment, Power or Economics, Business or Finance.

92

	• At least 15 (fifteen) years of experience in power sector and financing including five years technical and economic evaluation/ due-diligence of renewable energy related power generation projects. The experience shall include international experience in countries other than the staff's nationality for minimum 7 (seven) years, • Prior experience of working in Bangladesh Energy sector for at least 2 years in two different projects in the past 4 years.
Solar PV experts International – 01 National – 02	• The experts will work with project developers and/or EPC contractors in carrying out the tasks mentioned in the ToR and detailed due diligence of projects. Both the international and national experts should have the following qualifications and experiences: • At least Master's Degree in a related Engineering specialization • Minimum 10 (ten) years of experience in the solar PV sector including at least ten years of experience in PV power plant development covering design, procurement or construction. The experience shall include international experience in countries other than the staff's nationality for minimum 7 (seven) years. • Good command of PV standards and proven experience on resource assessment and calculation of energy yield for solar PV projects
Project Financing Specialist (International)	The incumbent will work closely with the Project Director and the team to identify and/or develop bankable financing instruments for the Project that optimizes the use of private capital. The expert should have the following qualifications and experiences: • At least a master's degree in Business or Finance. • At least 10 (ten) years of experience in financial advisory services for infrastructure and energy projects, including experience of at least 03 (three) renewable energy projects utilizing non-recourse project finance and implemented in the developing country(ies). The experience shall include international experience in countries other than the staff's nationality for minimum 7 (seven) years. • The person should have experience identifying and allocating project risks, as well as demonstrated experience in designing and implementing successful financing instruments
Transaction Specialist (International)	The transaction specialist would support IDCOL in achieving financial closure of the 3 sub-projects related to utility scale solar PV power plant. The specialist will also prepare various due diligence and other reports under the assignment. The expert should have the following qualifications and experiences: • A degree in business administration, engineering or economics

2

	• 10 (Ten) years of working experience in the energy sector, specifically on a renewable energy project due-diligence. The experience shall include international experience in countries other than the staff's nationality for minimum 5 (five) years.
Legal Advisor(s) (National)	The expert shall, among others, lend his expertise to the team in conducting legal review of project agreements and legal documents for the first three utility scale solar PV power projects. The expert shall also develop and draft the template for legal documents and policies for innovative financing instruments as well as render legal advice or services as sought under sub-projects to be financed under REFF. The expert shall also work in coordination with the pipeline development team and ensure market feedback in preparing the documents. The documentation should go along with the market development efforts. The expert should have the following qualifications and experiences: • A Juris Doctorate, or master's degree in law, • Ten years of relevant legal background, legal skills and experience in the drafting and negotiating of project finance agreements, as well as experience advising on the legal documentation required for commercially financed infrastructure and energy transactions • Experience of conducting legal due diligence that includes regulatory framework assessments and identification of licensing, permitting and other legal risks.
Market Specialist(s) (National)	The expert shall be capable enough to develop at Rooftop Solar pipeline of at least 200 MWp that will obtain IDCOL's financing in the end. The specialist will coordinate with all IDCOL's staff and existing processes and proactively engage with the market by discussing with various businesses, groups or associations. The expert will also acquire clients for utility scale projects and engage with various utilities or government entities in this regard. The expert should have the following qualifications and experiences: • A Master's degree in Finance or Marketing or Engineering, • At least 7 (seven) years of demonstrated experience on pipeline development, client acquisition and coordinating with various stakeholders. The expert will have experience on acquiring business from private sector enterprises or maintaining relationship with them.

VII. CONTENTS OF EOI SUBMISSIONS

IDCOL now invites eligible applicants ("Firms") to express their interest in providing the Services. Interested Firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. In this regard, the interested

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applicants are requested to submit their Expressions of Interest (EOIs) along with the documents listed below:

- a) documentary evidence of incorporation of the Firm (Trade License of the year of registration and of the latest year, MOA, Incorporation certificate, Articles of Association, or Membership of professional bodies, registered Partnership deed, copy of tax payer certificate etc.)
- b) audit report (by CA firm) for last 03 (Three) years containing necessary disclosures including segregation of revenue sources (please submit a revenue statement certified by a chartered accountants, if necessary disclosure on revenue segregated by sources is not clearly stated in the audit report);
- c) annual report for the latest fiscal year, if any;
- d) bank solvency certificate and/or bank statements showing the amount of liquidity asset available;
- e) details of works completed in the last five (5) years including clients' names, brief description of engagements, contract period, contract value, etc. as per the chart below:

SI No	Name of the Project/Assignment	Total Person-Month	Total Contract Value	Period (time of start and end)
1				
2				
...				

- f) completion certificate(s) issued by the clients articulating title, topic, duration and amount of contracts/assignments;
- g) other necessary documents to establish their eligibility according to the following section.
- h) Consultants may associate with other firms in the form of a joint venture or a sub consultancy to enhance their qualifications. If there is any joint-venture or consortium formed, the JV firms shall have to submit all the information as above;
- i) Content of EoI shall be printed in English language. In case of any original document(s) [certificate, statement, etc.] being in a language other than English, the applicant is required to submit a notarized copy of the document(s) translated in English.

VIII. ELIGIBILITY OF CONSULTING FIRM

A Consulting Firm or Joint Venture with broad and deep experience in conducting similar assignment is needed. Selection of the firm will be based on followings:

- Firm working experience, especially age of the firm/year of registration from appropriate authorities (experience beyond 10 years will be considered).
- Have record of a minimum 8 (eight) years' working experience in RE energy sector (grid-connected commercial / industrial-scale solar photovoltaic systems), out of which minimum 5 years working experience in Bangladesh;
- Have designed/developed new innovative financing instruments/models for any Renewable Energy program preferably for solar photovoltaic systems;
- Have completed minimum 03 (three) similar assignments in last 05 (five) years' ;
- Have all the technical facilities of their own or necessary arrangements with such facilities;
- Maintain satisfactory financial performance.