

Terms of Reference (ToR)

For

Selection of Consulting Firm for conducting project appraisal and due diligence for BIFFL

Package No.: BIFFL-S10

1. Background:

Bangladesh Bank has been implementing Investment Promotion and Financing Facility II (IPFF-II) Project, a project of Finance Division, Ministry of Finance (MoF) supported by the World Bank (WB), with five years tenure from July 2017 to June 2022. IPFF-II Project has two components: (1) Long-Term Infrastructure Financing component of USD 403.70 million and (2) Technical Assistance (TA) component of USD 13.00 million. The project is established with a view to increase long-term financing for infrastructure and to build the capacity of the local financial institutions for promoting private sector-led infrastructure financing in Bangladesh. IPFF-II Project is the follow-on project of IPFF Project (ended on 31 December 2016).

The main objective of Component-1 is to continue long term lending facility along the lines of the IPFF Project, with new design features that will enhance the impact and leverage of the component. Bangladesh Bank's Project Implementation Unit (PIU), the IPFF-II Project Cell, will on-lend the borrowed funds to the Participating Financial Institutions (PFI) to refinance/co-finance long-term loans extended by the PFIs to the infrastructure investors.

Under IPFF-II Project Bangladesh Bank will provide loans to infrastructure projects through PFIs in the following key sectors:

1. Power generation, transmission, distribution, renewable energy, and services (with the exception of coal-fired and nuclear power plants)
2. Port development (sea, river, and land) including inland container terminals, inland container depots, and other services;
3. Environmental, industrial, and solid waste management projects;
4. Highways and expressways including mass-transit, bridges, tunnels, flyovers, interchanges, city roads, bus terminals, commercial car parking, and so on;
5. Airports, terminals, and related aviation facilities;
6. Water supply and distribution, sewerage, and drainage;
7. Industrial estates and parks development;
8. ICT; and
9. The social sector including health and education.

The key objective of Component-2 is to build and strengthen the ecosystem of long-term infrastructure financing in Bangladesh. As such BIFFL will receive certain TA support to appoint a firm for conducting project appraisal and due diligence for BIFFL for financing in infrastructure projects considered under IPFF-II Project. Accordingly, IPFF-II Project Cell of Bangladesh Bank signed an MoU with BIFFL on May 29, 2018, to delegate procurement and contract management responsibility to BIFFL for the service packages allocated for them. However, all such contracts shall be signed by IPFF-II Project Cell and payment will also be made by IPFF-II Project Cell. Besides, as PFI of IPFF-II, BIFFL will be able to avail facility loan under Component-1.

Bangladesh Infrastructure Finance Fund Limited (BIFFL) is a government-owned Non-Bank Financial Institution, established in 2011 for infrastructure financing. Its current paid-up capital is BDT 2,108 Crore (equivalent to US Dollar 262.5 million) with an authorized capital of BDT 10,000 Crore (Equivalent to USD 1.25 billion). BIFFL is receiving financial support from different bilateral

and multilateral agencies including the World Bank, Asian Development Bank, and JICA. The Company has a diverse long-term loan portfolio including power, connectivity, tourism, health, IT etc. Pursuant to the execution of a Master Facility Agreement, BIFFL became one of the PFIs under IPFF-II Project on 07/08/2018.

BIFFL is now seeking to hire a firm [Quality and Cost Based Selection (National)] for assisting BIFFL to conduct project appraisal and due diligence for financing in infrastructure projects in Bangladesh. The consultant will be selected following the World Bank's Procurement Regulations for IPF Borrowers, July 2016.

2. The objective of the Assignment

The main objective of the consultancy is to provide specialized technical support to BIFFL in preparing project appraisal and conducting due diligence of eligible projects under IPFF-II Project including relevant operational directives, policies, and guidelines.

3. Scope of Services, Tasks and Expected Deliverables

The scope of services of the consultant will include but not limited to the following:

- Assessment of existing project appraisal and due diligence procedures in comparison to Operations Manual of IPFF-II Project.
- Conduct project appraisal and due diligence as per Operations Manual of IPFF-II Project on the following aspects:
 - Financial Modeling and analysis
 - Credit risk grading
 - Environmental and social risk grading
 - Economic Cost-Benefit Analysis
 - Social Cost-Benefit Analysis
 - Cost verification of plant and machinery etc.
 - O&M plan
 - OEHS Guideline keeping accounts of Bangladesh Labor Law 2006 and ILO Standard
 - Technical and technology analysis
 - Procurement process verification
 - Legal due diligence including vetting of project agreements, compliances (licenses, approvals etc.)
- Conduct capacity needs assessment on BIFFL's existing human resources and recommend capacity building activities (such as in-house knowledge sharing sessions, workshops, seminars etc.).
- Provide on-job training to relevant BIFFL officials during the entire due diligence process.
- Successful appraisal (up to approval from the Board of Directors of BIFFL) of minimum nine (09) sub-projects among nine (09) different eligible sectors.
- Any other task relating to project appraisal and conducting due diligence of eligible projects assigned by BIFFL.

4. Reporting requirements and Time Schedule for Deliverables

The Consultant will work with different investment units of BIFFL and be responsible to the CEO of BIFFL or to any other person designated by him for discharging all the above-mentioned services under the Project. The consultant will submit the following deliverables to BIFFL in due time:

Sl.	Deliverables	Frequency / Time
1.	Work plan and inception report setting out the scope of services to be delivered with monthly	One-time (within 15 (fifteen) days of the date of Contract)

Sl.	Deliverables	Frequency / Time
	targets.	
2.	Monthly overall progress reports to set out performance against Work plan.	Every month
3.	Project-specific and overall quarterly progress report on the assessment of performance during the quarter.	Within 15 (fifteen) days at the end of each quarter to be counted from the date of Contract
4.	Other deliverables as per the scope of work	As per the submitted work plan
5.	Final Report on overall performance over the period of the assignment.	In the last month of the Contract period.

The Consultants shall also submit all original notes, records, background information, reports, digital copies of text documents in unprotected digital formats (such as MS Word, MS Excel, MS PowerPoint etc.)

5. Team Composition and Estimated Time Input for the Service

Estimated time input (Person-month) requirement for providing the Services is as follows:

Sl. No.	Key Expert	Person-Month
1.	Team Leader	6 Person-Month
2.	Financial Analyst	9 Person-Month
3.	Technical Specialist (Civil)	3 Person-Month
4.	Technical Specialist (Electrical)	3 Person-Month
5.	Legal Expert	6 Person-Month
6.	E&S Specialist	6 Person-Month
7.	Capacity Building Specialist	3 Person-Month
Total		36 Person-Month (Thirty-six Person-Months)

The total Services will need to be delivered over a Contract period of **30 (thirty) months**. The final contract period will be adjusted depending on the execution date of the Contract. The type of contract of this assignment is **Time-Based Contract**.

6. Qualification Requirements for the Key Experts

The Firm will engage a team leader, key professionals, and other staffs to perform the said services. Qualification and experiences of key professional/ positions are as follows:

Sl. No.	Key Experts	Qualification & Experience	Roles & Responsibilities
1.	Team Leader	<u>Education:</u> <ul style="list-style-type: none"> Minimum Post-Graduation in Finance/ Accounting/ Business Administration/ Economics/Law or similar degree. Having relevant professional degree will be an added advantage <u>Experience:</u> <ul style="list-style-type: none"> 15 (Fifteen) years General Experience including 10 (Ten) years relevant working experience. Experience of successfully conducting 	<ul style="list-style-type: none"> Team formation, coordination, and overall supervision. Conducting project appraisal and due diligence Others as per the scope of works

Sl. No.	Key Experts	Qualification & Experience	Roles & Responsibilities
		<p>infrastructure related project appraisal and due diligence of development partner (World Bank/IFC/ADB etc.) funded projects is required.</p> <p>Experience of leading a consultants' team as the Team Leader or the Deputy Team Leader for more than three (03) assignments in infrastructure related projects.</p>	
2.	Financial Analyst	<p><u>Education:</u></p> <ul style="list-style-type: none"> • Minimum Post-Graduation in Finance/ Accounting/ Business Administration/ Economics or similar degree. • Having relevant professional degree will be an added advantage <p><u>Experience:</u></p> <ul style="list-style-type: none"> • 10 (Ten) year General Experience including eight (08) years relevant working experience. <p>Having Experience of successfully conducting infrastructure related project appraisal and due diligence on development partner (World Bank/IFC/ADB etc.) funded projects.</p>	<ul style="list-style-type: none"> • Conducting project appraisal and due diligence • Conduct an advanced financial analysis as per the scope of work. • Others as per the scope of works
3	Technical Specialist (Civil)	<p><u>Education:</u></p> <ul style="list-style-type: none"> • Minimum Graduation in Civil from a reputed university • Having relevant professional degree will be an added advantage <p><u>Experience:</u></p> <ul style="list-style-type: none"> • 10 (Ten) years General experience including eight (08) years relevant working experience. <p>Having experience of successfully conducting a technical appraisal and due diligence on development partner (World Bank/IFC/ADB etc.) funded infrastructure projects.</p>	<ul style="list-style-type: none"> • Conduct technical analysis of projects • Conducting project appraisal and due diligence • Others as per the scope of works
4.	Technical Specialist (Electrical)	<p><u>Education:</u></p> <ul style="list-style-type: none"> • Minimum Graduation in Electrical from a reputed university • Having relevant professional degree will be an added advantage <p><u>Experience:</u></p> <ul style="list-style-type: none"> • 10 (Ten) years General experience including eight (08) years relevant working experience. <p>Having experience of successfully conducting a technical appraisal and due diligence on development partner (World Bank/IFC/ADB etc.) funded infrastructure projects.</p>	<ul style="list-style-type: none"> • Conduct technical analysis of projects • Conducting project appraisal and due diligence • Others as per the scope of works

Sl. No.	Key Experts	Qualification & Experience	Roles & Responsibilities
5.	Legal Specialist	<p><u>Education</u> Minimum Post Graduation in Law or Equivalent degree.</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> • 10 (Ten) years General experience with eight (08) years of relevant working experience. • Experience in reviewing, vetting project agreements, project compliance document etc. of infrastructure related projects is required. <p>Having experience of successfully conducting a technical appraisal and due diligence on development partner (World Bank/IFC/ADB etc.) funded infrastructure projects.</p>	<ul style="list-style-type: none"> • Conduct legal due diligence • Vetting, reviewing project agreements, checking project compliance (approvals and licenses etc.) • Others as per the scope of works
6.	E&S Specialist	<p><u>Education:</u></p> <ul style="list-style-type: none"> • Minimum Master's in Environmental Science/ Environmental Engineering / Urban & Regional Planning/ Development Studies or Equivalent degree. • Having relevant professional degree will be an added advantage <p><u>Experience:</u></p> <ul style="list-style-type: none"> • 10 (Ten) years General experience including eight (08) years relevant working experience. <p>Experience of preparing environmental management policy, environmental action framework, resettlement action plan under development partner (World Bank/IFC/ADB etc.) funded infrastructure projects is required.</p>	<ul style="list-style-type: none"> • Review and evaluate ESIA provided by sub-projects. • Conducting project appraisal and due diligence. • Others as per the scope of works
7.	Capacity Building Specialist	<p><u>Education:</u></p> <ul style="list-style-type: none"> • Minimum Post-Graduation in Human Resources Management/ Business Administration or Equivalent degree. • Having relevant professional degree will be an added advantage <p><u>Experience:</u></p> <ul style="list-style-type: none"> • 10 (Ten) years General experience including eight (08) years relevant working experience. • Experience in training, capacity building, workshops, and conferences. <p>Having working experience under development partner (World Bank/ADB etc.) funded project.</p>	<ul style="list-style-type: none"> • Development capacity needs assessment of BIFFL's human resources, • Design and implement capacity building activities (in the form of in-house training, workshops, seminars etc.) • Others as per the scope of works

The Consultant may propose other experts as non-key experts and supporting staffs required to accomplish the tasks outlined in the ToR. It is the Consultant's responsibility to select the optimum team and to propose the professionals which it believes best meets the needs of BIFFL.

7. Client's Input and Counterpart Personnel

- (a) Office Space: The Consultants will be provided with four (04) temporary workstation(s) at BIFFL Extension Office during their contract period, along with guest-access to BIFFL's wireless internet service.
- (b) Data and documents: BIFFL will gather relevant documents and data and prepare them for the Consultant's review upon their arrival.
- (c) Professional and support counterpart personnel: Focal person shall be assigned by the client for facilitating the execution of the contract.

8. Institutional Arrangement

Reporting: The Consultant will report to the Executive Director & CEO of BIFFL for the consulting services. Deliverable reports generated as per Section 4 above will be addressed and submitted to the ED & CEO, BIFFL by the Consultant for review and consideration. The Consultant is expected to join meetings on request by BIFFL when needed and as coordinated by a focal person.

9. Payment Mechanisms

The actual time input provided by individual expert in a particular month will be realized and monitored through monthly time-sheet, along with successful and timely submission of deliverables (if any) as per section 4 above, which will be used to calculate payment of the expert for that month considering his/her monthly rate as proposed in the proposal.

10. Selection Procedure

The firm will be selected using the Quality and Cost Based Selection [QCBS(National)] method under the World Bank's Procurement Regulations for IPF Borrowers, July 2016. The selected Consulting Firm shall sign the contract with Bangladesh Bank represented by the IPFF-II Project Cell. BIFFL shall facilitate the procurement process and contract signing.