

**REQUEST FOR EXPRESSIONS OF INTEREST  
(CONSULTING SERVICES – FIRM SELECTION)**

**COUNTRY:** Bangladesh.

**NAME OF PROJECT:** Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) Development Project (Bangladesh PRIDE (P170688))

**Credit No.:** IDA-6676 BD

**Assignment Title:** IMD for Green Zone Feasibility and Transaction Advisor.

**Reference No.:** PMC-7-BSMSN-BEZA

The Government of the People's Republic of Bangladesh has received financing from the World Bank toward the cost of the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) Development Project, a project under Bangladesh Economic Zones Authority (BEZA) and intends to apply part of the proceeds for consulting services.

As an integral part of BSMSN's Green initiatives, BEZA has proposed to develop a green and resilient economic zone called IMD (International Master Developer) Green & Smart zone with green infrastructure, cutting edge smart technology and innovation within BSMSN. An initial Technical and Financial Assessment study was conducted by a leading consulting company to conceptualize and assess the preliminary viability of IMD Green & Smart Zone under PPP mode.

BEZA is now inviting Consulting firms to provide consulting services ("the Services") including, but not limited to, the following :

Component 1: Preparation of a detailed technical, financial, legal, environmental and social feasibility report and recommendation of a suitable and bankable PPP contract structure;

Component 2: Market Sounding with potential international master developers and other relevant stakeholders.

Component 3: Public-Private Partnership (PPP) procurement, including drafting of PPP contract and supporting BEZA through the process of contract negotiation and signing and in delivering on BEZA's role in achieving financial closure.

**Implementation period** of the Services is estimated to be for a period of 26 months.

The indicative Terms of Reference (TOR) for the assignment can be found at the following website: [www.beza.gov.bd](http://www.beza.gov.bd).

The Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) Development Project 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:

1. At least 10 years of general experience (from the date of publication of this REOI) as a consulting firm is required.



2. At least completion of 3 similar assignments of conducting detailed feasibility studies of Economic Zones/Special Economic zones/Export Processing Zones or similar are proposed to be developed as PPP projects over the last 10 years.
3. At least 3 Transaction Advisory Services of PPP contracts, successfully completed over the last 10 years.
4. Experience of having successfully conducted Detailed Feasibility Studies and Transaction Advisory services for Green & Smart economic zones through PPP arrangement which was subsequently developed by Master Developers will be given preference.
5. Experience of working on detailed feasibility studies or PPP Transaction advisory assignments in South Asia or Southeast Asia will be an added advantage, though not mandatory.
6. Technical and managerial capability of the firm will be assessed.

Key Experts will not be evaluated at the shortlisting stage.

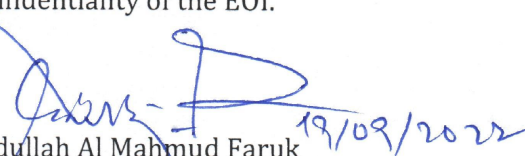
The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016, Revised November 2020 ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest related to the assignment as per paragraph 3.17 of the Procurement Regulations.

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. In the case of the joint venture, any member of the joint venture should have the specific experience indicated above. It is noted that maximum numbers of JV partners shall be four (4). The qualifications of sub-consultants will not be considered in the evaluation of EOIs for shortlisting purposes.

A Consultant will be selected in accordance with the **Quality and Cost Based Selection (QCBS) method; Market Approach-International** set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours [i.e., 0800 to 1500 hours].

Expressions of interest may be delivered through courier service or in person (hard copy along with a USB drive) or through email to the address below by 17 October 2022, 14.00 HOURS Bangladesh time. If delivered through email, the client shall not be responsible for the confidentiality of the EOI.

  
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# **Terms of Reference of IMD for Green Zone Feasibility and Transaction Advisor**

## **1. Background**

Bangladesh Economic Zones Authority (BEZA) is a government agency setup under Prime Minister's office of Bangladesh to establish, license, operate, manage and control economic zones in Bangladesh. The Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) is the largest economic zone in Bangladesh with an area coverage of 33,000 acres. This Economic Zone has been succinctly divided into several zones. BSMSN will be built with cutting-edge infrastructure and utilities, with an emphasis on green technologies and climate resilience mechanisms to help the zone become more ecologically friendly, addressing climate change and environmental conservation. One of the core initiatives of the project lies in its green development objective. As part of that initiative, BSMSN proposes to develop a green and resilient economic zone called IMD (International Master Developer) Green & Smart zone with green infrastructure, cutting edge smart technology and innovation.

The IMD Green & Smart Zone is proposed to be located within Zone 12 and 13 of BSMSN with an area of around 500 acres. The site is situated in Mirsarai Upazila of Chittagong District. IMD Green & Smart Zone is conceptualized to incorporate low carbon, green and sustainability perspectives into design and operation of infrastructure within this zone, and incorporate smart technology in design and operations to rationalize resources, improve efficiency and integrate services to make the functioning of the economic zone more efficient and streamlined. IMD Green & Smart Zone will also aim to attract investors with clean technologies and Sustainable Infrastructure to rationalize use of resources, increase energy efficiency and build resilience against climate change.

An initial Technical and Financial Assessment study was conducted by a leading consulting company to conceptualize and assess the preliminary viability of IMD Green & Smart Zone under PPP mode. In order to incorporate the best prevalent practices in development of smart and green industrial infrastructure, the proposed zone was evaluated against similar developments in comparable neighboring and global economies. The Technical and Financial Assessment Study conducted a demand side assessment including sector identification, value chain assessment, preliminary demand forecast, etc., to understand the demand side perspective of the proposed zone. The study also included a conceptual masterplan detailing initial proposition on onsite and offsite infrastructure and a block cost based estimated project cost. Based on this assessment, the report has conducted an initial assessment of the financial viability of the proposed zone.

BEZA wants to proceed with developing and implementing this IMD Green & Smart Zone under a PPP structure, with a leading International Master Developer as the private partner. In this context, BEZA wishes to retain the services of a Feasibility & Transaction Advisor to support and work with BEZA through this process.





## 2. Objective(s) of the Feasibility and Transaction Advisory Assignment

The Objectives of the advisory services are to:

- (i) Conduct a detailed feasibility study to ascertain the technical, legal, environmental, social and financial feasibility of developing and implementing **IMD Green & Smart Zone at the BSMSN**, over an area of over 500 acres, as a green and smart economic zone;
- (ii) If the project is found to be technically, legally, environmentally, socially and financially feasible, and subject to BEZA and Government of Bangladesh approvals, identify bankable PPP models / structures, with risk allocation acceptable to BEZA;
- (iii) Attract a tier-1/world class and internationally recognized economic zone master developer to develop the **IMD Green & Smart Zone** so that the zone can attract quality investments/end users;
- (iv) Provide transaction advisory services to BEZA for developing bid documents, project agreements, selecting the Private Sector Partner (PSP) and supporting achievement of financial close.

The detailed feasibility study would be informed by the Technical and Financial Assessment study (referred above) undertaken for the IMD Green & Smart Zone, and would comply with both World Bank Environmental and Social Framework (ESF) and Government of Bangladesh standards, procurement guidelines and other requirements. It also needs to be in line with Government of Bangladesh's requirements for project planning and approval process of PPP Projects, and to support BEZA through the process of securing requisite internal approvals, as well as approvals from PPP Authority and CCEA.

## 3. Scope of Work

The major areas of the scope of work are summarized in the Table below. :

Component	Task
Component 1: Preliminary market sounding with potential international master developers and "owners" / authorities of other similar international economic zones to identify factors / elements / incentives	Component-1 is divided into two main and distinct sub-components (Component 1-a and Component 1-b).



required to attract Tier-1 master developers as PPP Partners to this project and undertake detailed feasibility with PPP option recommendations.	
Component 1-a: identifying factors/ elements /incentives required to attract Tier-1 international master developers as PPP Partner.	<b>Task-1a:</b> Conduct preliminary market sounding with potential international master developers and other similar international economic zones that have successfully attracted such master developers to identify the elements, incentives, facilities, infrastructures etc. required to attract a tier-1 master developer to develop the IMD Green & Smart Zone at BSMSN, under a PPP structure. Gaining a good understanding of these factors upfront would inform the rest of the feasibility study and the transaction advisory stages of the assignment.
Component 1-b: Preparation of the detailed feasibility report and recommend a suitable PPP contract structure	<b>Task 1b:</b> Based on the findings of the component 1-a, the consultant should prepare a detailed feasibility report on IMD Green & Smart Zone which would include, but not limited to: a) Detailed site assessment to understand the benefits offered by the EZ; b) Detailed assessment of the demand side of EZ including identification of potential sectors and potential investors based on the value proposition offered by the proposed EZ; this assessment should be based on consultations with potential investors / end users for each identified sector; demand forecast, including projections of off-take over the first 1-3 years, 3-5 years, 5-10 years, etc., and estimated revenue projections (based on different tariff scenarios and multiple feasible sources of revenue for the master developer), including any potential for revenues from carbon credits, if applicable, over the PPP contract period; c) Conceptual/indicative masterplan including zoning of the proposed EZ, proposed onsite and offsite infrastructures, including transportation and connectivity infrastructures, electricity connectivity, gas connectivity etc.; d) Propose minimum specifications of all elements of onsite infrastructure and their estimated capital and O&M costs; e) Financial Analysis and Assessment, including development of detailed project cost, O&M cost and revenue estimates, and develop a detailed financial model, based on financing assumptions from consultations with potential domestic and international financiers and based on an acceptable PPP structure, that could potentially include revenue share with BEZA; ; f) Economic Analysis and Assessment, including development of a model to arrive at EIRR and ENPV for the project; g) study on environmental and social issues, based on World Bank ESMF and Government of Bangladesh standards, including climate risk assessment and recommendations; h) legal & regulatory assessment with recommendations on the optimal PPP structure and also if any amendments are required to

	<p>facilitate implementation of the proposed project; and i) PPP modality options and recommendation and optimum risk sharing matrix, given the inputs received from initial market sounding and interactions with BEZA to understand their expectations;</p> <p><b>Task 2:</b> Support BEZA in preparing reports and presentations that may be required to seek approvals from CCEA and any other Government of Bangladesh institution and in addressing any issues raised/ clarifications sought or revisions in the feasibility report required by the CCEA or any other government organization prior to approving the project for implementation under the PPP Act.</p>
Component 2: Market Sounding	<p><b>Task 1:</b> Market Sounding 'Briefing Document' to be prepared, based on the above approved feasibility report and PPP structure</p> <p><b>Task 2:</b> Conduct market sounding with targeted potential tier 1 / world class international master developers with experience of developing similar economic zones through structured questionnaire and/or in-depth discussions, to gauge their interest levels in participation and also to ascertain if the proposed feasibility study and PPP structure addresses their concerns / inputs shared in the initial market sounding</p> <p><b>Task 3:</b> Recommend final PPP modality/risk-sharing structure by incorporating inputs from market sounding (if any changes are required).</p>



<p>Component 3: PPP procurement</p>	<p><b>Task 1:</b> Recommend appropriate procurement process – single stage or two stage, including justifications for the recommendation, in line with World Bank, BEZA and Government of Bangladesh’s guidelines</p> <p><b>Task 2:</b> If BEZA decides on two stage procurement process, prepare RFQ documents in accordance with Bangladesh law/PPP act and green economic zone guideline and in line with World Bank’s guidelines / frameworks</p> <p><b>Task 3:</b> While recommending procurement process, preparing various bidding documents and during evaluation of bids, adhere to and comply with the provisions regarding Forced Labour, if any</p> <p><b>Task 4:</b> a) Reach out to leading tier 1 international master developers of EZs to try and attract maximum interest and bids for the project; b) Prepare documents / presentations required and support BEZA in the preparation and conduct of Pre-bid meetings / road shows / interactions with interested bidders</p> <p><b>Task 5:</b> Support bid evaluation committee in their initial evaluation of responses to RFQ (in case of two stage bid process)</p> <p><b>Task 6:</b> Prepare RFP and the draft PPP agreement and other relevant agreements, if required, and support BEZA in responding to queries, etc., while securing relevant approvals for the same</p> <p><b>Task 7:</b> Support bid evaluation committee in their evaluation of responses to RFP;</p> <p><b>Task 8 :</b> Provide support in the negotiation of the PPP agreement with the preferred bidder and contract signing</p> <p><b>Task 9:</b> Prepare a comprehensive management plan for BEZA, in accordance with the provisions of the PPP agreement, to help BEZA in the management of the Project and its risks, rights and obligations and deliver at least 2 training workshops of 1-2 days each, to share this with BEZA in detail</p> <p><b>Task 10 :</b> Support BEZA in its role in helping the project / PPP Partner achieve financial close.</p> <p><b>Task 11:</b> Any other support that may be required through the management of bid process, negotiation and signing of the PPP agreement and financial close.</p>
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This assignment is proposed to be undertaken in two clear phases: Phase 1 will comprise the Detailed Feasibility Assessment and if approved by BEZA and other Government of Bangladesh entities, then BEZA will move ahead with Phase 2 of the assignment, which will comprise Market Sounding and PPP Procurement. At the end of Phase 1 of this assignment, BEZA, at its discretion, could decide not to move ahead with the conduct of Phase 2 of this assignment.

### **3. Detailed Tasks:**

#### **Component 1: Preliminary market sounding to identify factors / elements / incentives required to attract Tier-1 international master developer and detailed feasibility assessment with PPP option recommendations:**

##### **Component 1-a: identifying elements to attract Tier-1 master developer:**

###### **Task-1:**

The consultant should conduct a preliminary market sounding with tier 1, world class international master developers of EZs and with "owners" / authorities of similar international EZs to identify the factor, elements, facilities, infrastructures, incentives, etc., that may be required to attract a tier-1 international master developer to develop the IMD Green & Smart Zone at BSMSN. This market sounding could be informed by the findings of the Technical and Financial Assessment Study and initial discussions about the project with BEZA.

##### **Component 1-b - Preparation of the detailed technical, legal, environmental, social and financial feasibility assessment report and recommend a suitable PPP contract structure**

###### **Task-1:**

The detailed feasibility report is expected to incorporate the findings from the preliminary market sounding undertaken under component 1-a of this assignment. The detailed feasibility study will be followed by the recommendation of a suitable PPP contract structure.

The detailed feasibility study should include, but not be limited to, the following:

###### **A. Detailed assessment of demand of the proposed EZ :**

The consultant will carry out the technical due diligence, analysis, and assessment of the project, including:

- (i) Identification of probable sectors that can invest in the EZ following a comprehensive framework of sector assessment. This assessment should follow a well-recognized and internationally accepted approach, including a comprehensive Value Chain Assessment of the probable sectors or industry needs to identify competitive advantages offered by the proposed EZ. A comprehensive site assessment needs to be done to match identified sectors and industries to the actual location of the zone. Site assessment should be done following a well-structured



assessment criteria which demonstrates clear rationale and linkage between the industry and the proposed location of the industry in the EZ. The consultant should also identify clear strategic advantages/disadvantages of the physical location of the EZ to help in the process of selecting the targeted industries.

(ii) Proper and comprehensive benchmarking exercise with other similar Green / Smart EZs in South Asia / South East Asia, should be done considering all the required and relevant parameters applicable for the proposed EZ.

(iii) A comprehensive demand forecast of the EZ should be done, based on a well-structured and comprehensive consultation with potential investors / end users, from the preliminarily identified focus sectors. Demand forecast should include, but not be limited, to the following:

- Land demand considering not only the projected demand from potential end user consultations, but also considering specific industry's projected growth rates for the shortlisted and permitted sectors or any other alternative mechanisms thought to be appropriate by the consultant firm, to determine the demand.
- The demand assessment should include projected sector-wise off-take within 1-3 years, 3-5 years, 5-10 years, 10 years - end of PPP contract period
- The demand assessment should be made at different levels of (a) land lease pricing and (b) land sale pricing, after discussion with BEZA regarding the different levels of tariff/pricing to be assessed
- Projected revenue from land lease / sale in 1-3 years, 3-5 years, 5-10 years, 10 years - end of PPP contract period
- Based on the demand assessment, detailed Infrastructure demand of the proposed EZ such as road network, electricity, gas, water, sanitation, effluent, etc., should be prepared
- Projected usage of various infrastructure services in volume, based on different levels of tariff (different tariff levels should be checked after discussions with BEZA regarding this)

#### **B. Conceptual/indicative masterplan:**

The consultant should prepare conceptual/indicative masterplan of the proposed EZ. This masterplan should be in line with the overall masterplan for BSMSN. This masterplan should include, but not be limited to the following:

- (i) A detailed GIS map showing the proposed locations of all the industries and infrastructures that are proposed in the EZ as well as the green areas, break-out areas between distinct zones, etc.
- (ii) Provide linkages and connectivity to the rest of BSMSN and also to various infrastructure facilities within BSMSN
- (iii) Provide clear rationale for all the elements of the masterplan.

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- (iv) In discussion with BEZA, identify elements of the Master Plan where the PPP Master Developer can be provided flexibility to change to suit requirements and specific elements that cannot be changed, if any

### **C. Technical assessment and inputs of the proposed infrastructure facilities:**

The consultant should undertake technical investigations and provide detailed technical specifications of all proposed infrastructure facilities, which should include, but not be limited to, the following:

- (i) The Consultant should undertake a detailed topographic survey of the site and also undertake soil investigations and any other technical investigations required to develop technical specifications of all infrastructure facilities required within this EZ
- (ii) Conduct a comprehensive technical assessment of all infrastructure facilities within the rest of BSMSN to which the infrastructure facilities within this EZ would connect to, and use this assessment as an input to developing preliminary technical design and specifications for infrastructure facilities within the EZ
- (iii) Prepare preliminary technical specifications and engineering designs of all infrastructure facilities (Road network, electricity, gas transmission, water supply, sanitation, effluent network and treatment, etc.) proposed in the masterplan, including any offsite and connecting infrastructure that may be required.
- (iv) develop detailed cost estimates, based on estimated bill of quantities and BEZA approved rates for each infrastructure subproject, including costing of environmental and social mitigation, resilience and monitoring requirements
- (v) develop detailed cost estimates for operations and maintenance of each of these infrastructure sub-projects based on projected demand / usage (from the demand estimation determined above) from year 1 of operations until the end of the PPP agreement period, and also based on inflation indexation, wherever relevant
- (vi) The consultant should identify all the linked projects and facilities related to the IMD Green & Smart Zone at BSMSN. The implications and impacts of these projects and facilities should be factored in the overall technical and financial viability of the project

**D. Financial Analysis and Financial Feasibility Assessment:** The consultant will carry out a detailed financial analysis and assessment of the financial feasibility of the project including:

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(i) Evolve a financing plan based on (a) evaluation of financing structures of recently financially closed similar projects in Bangladesh or neighboring developing economies; (b) interacting with potential sources of debt, sub-debt and equity in Bangladesh and also some potential international financiers and the corresponding terms and conditions of the same; (c) securing inputs from BEZA regarding the funds available under the World Bank supported PRIDE project for supporting this project; (d) interactions with potential private sector partners to understand their preferred or likely financing structure for this / similar projects;

(ii) Prepare a detailed financial model in Microsoft Excel for the entire project, based on the revenue projections, project cost estimates and O&M cost estimates derived in the demand assessment and technical assessment sections of the study and the proposed financing plan. The financial model should include, but not be limited, to the following:

- a. Assessing if the project is financially feasible and bankable, at different levels of revenue share with BEZA, based on its Project and Equity IRRs, NPV, Debt Service Coverage Ratio and other metrics of feasibility assessment;
- b. Undertaking sensitivity analysis, i.e., "what if" scenarios, across various key parameters of the project to assess whether the project is financially feasible and bankable even under various adverse scenarios
- c. determining value for money (VFM) for BEZA under PPP structure; and
- d. evaluating other commercial structures as may be required;

The financial model should include appropriate accounting, depreciation and tax treatments relevant for the project. The financial model should allow for the input of an array of assumptions and outputs that are typical for similar EZ projects to calculate pretax project IRR, project IRR, WACC, NPV, equity IRR, DSCR and LLCR. The financial model should provide outputs including projected financial statements (cash flow, balance sheet, profit and loss, etc.), feasibility metrics, project returns, etc., and provide outputs in tabular and chart forms.

The financial model should be provided to BEZA in an excel file in unlocked form, i.e. formulas visible and editable in cells and, as a minimum, the models should include the above indicated analysis for at least the PPP agreement period.

Conduct walk-through of the financial model for BEZA as may be required; make and deliver presentations to other agencies of the Government of Bangladesh, like the Prime minister's Office (Line Ministry) and others, the World Bank, and other parties as requested on the financial analysis and other aspects of the project and respond to any queries or clarifications sought.

**E. Economic Analysis and Assessment:** The Consultant will carry out an economic analysis of the project in accordance with the guidelines of the Government of Bangladesh including:

- (i) Review the macroeconomic context of the project to provide an understanding of how specific macroeconomic factors may affect project performance;

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(ii) Undertake demand analysis for the project; demand analysis provides the basis for estimating the scale of, and economic benefits from, the investment project;

(iii) identify the project rationale for public intervention which can be based on the failure of (a) markets to adequately provide what society wants, or (b) public institutions to deliver public goods or services;

(iv) help identify demands/problems to be solved by the project, the project intervention, outputs, expected outcomes and impacts;

(v) identify project alternatives; least-cost analysis to be undertaken to identify the preferred alternative; the basis for selecting the preferred alternative should be clearly explained, particularly if it is not the least-cost alternative in economic terms;

(vi) undertake and compare project benefits and costs in economic terms using with-project and without-project scenarios for the project; the basic criteria for assessing the project economic viability will be economic net present value and economic internal rate of return for the project; parity pricing should be applied for major tradable cost and revenue items, along with other appropriate conversion factors;

(vii) undertake distributional analysis of project benefits to project beneficiary and stakeholder groups, and the extent to which they gain from benefits or bear costs associated with the project; undertake poverty impact assessment where necessary;

(viii) undertake sensitivity and risk analysis; where possible, undertake a quantitative risk analysis and explicitly include probability distributions of key uncertain variables;

#### **F. Environmental and Social impact assessment:**

As part of this exercise, consulting team will review the environmental and social issues on the site, including resettlement, if required. This is not intended to be a full environmental impact assessment, social impact assessment or resettlement plan but a comprehensive review of the key issues.

A review of the physical environment along with the baseline should be included for the site, but not be limited to: i) climate, ii) land use/topography, iii) agriculture, iv) ecology, v) air quality, vi) noise, vii) soil quality and geology, viii) surface water, and ix) ground water etc.

In addition, an assessment of the biological environment should be undertaken and should include, but not be limited to: i) vegetation, ii) flora and fauna, iii) animals, and iv) ecologically sensitive/protected areas or special areas in the surrounding community.

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Lastly, a review of the human and social environment should be undertaken and should include, but not be limited to: i) health and safety, ii) socioeconomic and resettlement issues, iii) working & labor condition, iv) minority/child issues iii) historic and cultural aspects, if applicable.

This review should also specifically address gender issues, and i) if and how women and girls in particular will be impacted by the project and ii) how women and girls can be included in the benefits that the community will derive from the project.

At this stage, the consulting firm should highlight areas of significant problems or highlight key issues and propose ways of both mitigating the problems and designing management plans in light of the Green and Resilience Economic Zone guideline of BEZA for moving forward. While undertaking this review, it should be kept in mind that each site will be utilized for a variety of industry sectors and green infrastructure facilities for which these impacts on the physical and social environment must be identified and mitigated in the future. All mitigation measures along with the regulatory and safeguard requirements for both the environmental and social aspects should be quantified in such a way that the costs can be included directly in the financial and economic analysis.

The output of the consultant firm should include a detailed Terms of Reference for a Detailed Environment and Social Impact Assessment study to be undertaken at a later stage.

**G. Climate risk assessment:** Based on an initial climate risk screening assessment of the project, the performance of the proposed investment is likely to be affected by future changes in climate conditions and their impacts including temperature increase, precipitation increase, flood, and land slide risk etc. To achieve the impact and outputs of the proposed investments, a climate risk and vulnerability assessment (CRVA) is required to provide a detailed and focused risk and vulnerability assessment that will identify and, to the extent possible quantify risks to the project from climate change and variability, and provide corresponding adaptation measures. The feasibility study will incorporate a comprehensive section on the potential risks of climate change to the project and possible adaptation interventions, including practical advice on the use of the CRVA results for project design and operation; and finalize the climate change assessment where the outputs of the CRVA will be used by the PPP SPV to finalize detailed design.

#### **Scope of work.**

- (i) Conduct a climate change vulnerability and risk assessment for the project area to identify vulnerability of the planned infrastructure, and adaptation measures to be incorporated into the project design;
- (ii) review existing studies, data and information on current and projected climate change risks and vulnerability for the proposed areas and sectors covered by the project;
- (iii) identify climate risks and vulnerabilities and potential adaptation options and practices as inputs to modelling and/or assessment of climate change impacts on relevant aspects of the project;
- (iv) conduct technical and economic assessments of potential climate risk and vulnerability adaptation options and practices relevant to the project;

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- (v) within the context of the project, assess existing policies, laws and regulations and/or institutional framework for adaptation and identify ways to enhance the enabling environment (if necessary);

#### **G. Legal & regulatory framework assessment:**

The consultant will review the current Legal and Regulatory framework in Bangladesh pertaining to economic zone development. This analysis should include, amongst others, the following:

- (i) Review existing laws/acts that govern the development of economic zones in Bangladesh;
- (ii) Review existing laws/acts that govern the inception, planning, approval and implementation of Economic Zone PPP projects in Bangladesh;
- (iii) Informed by the above review and assessments, the Consultant should evolve alternative project structuring options. The consultant should identify the pros and cons of each such structure from the point of view of (a) delivering on BEZA's objectives from the project and is amenable to BEZA's preferred risk sharing matrix; (b) attractiveness to potential private sector participants; (c) risk profile and its impact on bankability; (d) project implement-ability, in terms of project phasing, implementation time period and associated risks; and (e) any other factors that the consultant deems appropriate;
- (iv) Develop a recommended project structure, including justifications for the same, and with a well-defined list of approvals or licenses that would be required and the associated challenges and time frames for the same.

**H. PPP modality options and recommendation:** The consultant should identify and evaluate all possible PPP options for implementing the IMD Green & Smart Zone at BSMSN, and recommend the one best suited to this project. The pros and cons of each option should be evaluated rigorously across an exhaustive set of relevant criteria, which would include, amongst others, the following:

- i. Deliver on BEZA's objectives from this project;
- ii. Optimal risk sharing between BEZA and the Private Sector Partner, with each partner bearing the risks that they are best equipped to address / mitigate
- iii. Attractiveness to potential private sector participants / bidders
- iv. Financial returns to the private sector partner and BEZA
- v. Bankability, i.e., levels of comfort to potential lenders to the project
- vi. Maximizes BEZA's and the Government of Bangladesh's Value-for-money;
- vii. In line with the current legal and regulatory framework;
- viii. Any other criteria that the Consultants believe to be appropriate for this evaluation

The consultant should detail out the recommended PPP option across all its dimensions, including the roles and responsibilities of BEZA and the private sector partner. The Consultant should also outline the pros and cons of the recommended PPP option and also its risks and potential risk mitigation measures.



**Task-2:**

The consultant would support BEZA in preparing reports and presentations that may be required to seek approvals from CCEA and any other Government of Bangladesh institution and in addressing any issues raised/ clarifications sought or revisions in the feasibility report required by the CCEA or any other Governmental entity prior to approving the project for implementation under the PPP Act.

*\*\*The feasibility study report shall be prepared in accordance with the scope as detailed above including the requirements of the Planning Commission of Bangladesh outlined in Annexure 01.*

**If the Project is approved by BEZA and appropriate entities of the Government of Bangladesh, BEZA would move ahead with Phase 2 of this assignment, comprising Market Sounding (Component 2) and PPP Procurement (Component 3).**

**Component 2: Market Sounding**

The main objective of market sounding is to test the private sector's interest in implementing the proposed project and its ability to assume risks that are proposed to be transferred via the PPP contract. The objectives of the market sounding are to:

- Generate interest amongst tier 1 world class master developers in the proposed green & smart economic zone development, and encourage these potential developers to share their views / responses to the proposed project and project structure
- Understand the expectations and readiness of potential market participants in the project, and the factors affecting their level of interest.
- Test the market's appetite to take on the proposed risks outlined in the recommended PPP modality
- Receive market views and feedback on how the potential development of the project could best be undertaken.
- Understand the merits of different development and procurement routes, to inform the next stages of project development

Market sounding would focus on the private sector as a whole, rather than on any individual company. The Consultant, together with BEZA, will conduct a Market Sounding, not only with tier 1 international master developers of EZs, but also with potential financiers, advisors, construction contractors and other industry participants to assess market interest in the Green & Smart EZ Project at BSMSN. This market sounding includes no element of evaluation, and there is no commitment of any kind involved.

Interactions with all stakeholders as part of the market sounding exercise could be undertaken on a one-on-one or group basis, virtually or physically, by the Consultant. The Consultant would invite BEZA for all such interactions and BEZA would participate in as many as possible.



To provide respondents with some relevant background, the Advisor will also produce a **Market Sounding Briefing Document for IMD Green & Smart Zone (the 'Briefing Document')**. This Briefing Document would include a brief description of the project, the estimated size of the investment, the broad contours of the PPP model, the role of BEZA as a Contracting Authority, and other key aspects of the project as deemed appropriate.

The consultations should be undertaken by a mix of using free-flowing discussions as well as discussions based on a broad guideline, covering specific areas, agreed on with BEZA, prior to the start of the Market Sounding interaction.

### **Component 3: PPP Procurement**

Upon approval of the Detailed Feasibility Assessment and decision by BEZA to move forward with the PPP transaction, the Transaction Advisor is expected to:

- Review whether the Feasibility Study Report remains valid and if required, revise appropriately;
- Based on the output of the Market Sounding exercise and other inputs, evaluate and recommend whether the PPP Procurement should be a two-stage process or a single stage process, along with sound justifications for the same;
- If BEZA chooses a two stage process and if the appropriate Government of Bangladesh entities have approved the same, then the Advisor would draft a Request for Pre-Qualification (RfQ), including an Information Memorandum and seek BEZA's approval of the same;
- Support BEZA to advertise and market the project to enhance the competitiveness of the bid process for the project;
- Support BEZA in the preparation and conduct of pre-bid meeting(s) with all interested private sector partners and also help BEZA draft minutes of such meeting(s) and draft responses and clarifications to all questions raised at the pre bid meeting(s);
- Support the bid evaluation committee, as required, in evaluating the responses to the RfQ and in developing a short-list of bidders;
- Draft the Request for Proposal and the draft PPP agreement, in line with the PPP Act and other similar PPP agreements executed in Bangladesh in the recent past. Discuss these drafts with BEZA and secure approval for the same, including from the Government of Bangladesh's Law Department, if possible, at this stage (else, this would be mandatorily required prior to finalization of the PPP agreement and prior to signing of the agreement);
- Support BEZA in responding to any queries and clarifications from short-listed bidders;
- Support the bid evaluation committee, as required, in evaluating the responses to the RfP and in identifying the preferred bidder and the top one or two fall-back bidders (in order of preference)
- Support BEZA in negotiating and signing the PPP agreement
- Support BEZA in its role of facilitating the process of the project achieving financial close, over a 6-9 month period

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- Within 1 month of signing the PPP Agreement, the Consultant should prepare a comprehensive project management plan for BEZA, in accordance with the provisions of the PPP agreement, including formats for regular reports and project MIS, to help BEZA in the management, monitoring and supervision, of the Project and its risks, rights and obligations. The Consultant should undertake at least two detailed training workshops of 1-2 days each, on implementation of this project management plan, including sharing a detailed understanding of BEZA's role in monitoring and supervision and its risks, rights and obligations on the project, for personnel identified by BEZA.

## 5. Expected Time Schedule

The total duration of consulting services is estimated to be **26-29 months** (6 months for drafting and finalizing of the feasibility study and proposed PPP structure; 3 months for approval of the feasibility report by BEZA, CCEA and any other Government of Bangladesh institutions; 11 months for transaction phase until commercial close or signing of the PPP Agreement; 2 months to assist in developing project monitoring manuals and training BEZA personnel in project implementation monitoring and supervision; 6-9 months (starting with signing of PPP agreement) to support the preferred bidder in achieving financial close.

## 6. Expertise Required

The consultant team will consist of key Experts engaged for the duration of consulting services. The team of key consultants is expected to comprise a team leader/ PPP expert, Green, Smart EZ Expert, Technical Infrastructure / Utilities Experts (Civil and Electrical) , PPP / Project Finance Expert, EZ Master Planning Expert, PPP Procurement expert, legal expert , Environment and Social Experts:

Key Experts and indicative Expected Person-Months (PM) of engagement

SN	Position	No	PM	Total
1	Team leader/ PPP Project development and financing expert	1	13	13
2	Green, Smart EZ Expert	1	10	10
3	Technical Infrastructure / Utilities expert (Civil)	1	5	5
4	Technical Infrastructure / Utilities expert (Electrical)	1	5	5
5	EZ Master Planning Expert	1	6	6
6	Environmental expert	1	6	6
7	Social expert	1	6	6
8	PPP/project financing expert	1	10	10
9	Legal expert	1	6	6

SN	Position	No	PM	Total
10	PPP Procurement Expert	1	8	8
<b>Total</b>		<b>10</b>	<b>75</b>	<b>75</b>

Note: The above are purely estimates of the number of person months of engagement likely to be required for each position and are not definitive. Consultants should prepare their proposals based on their own estimates of person months of involvement required for each Position to deliver on the scope of work outlined above.

## 7. Qualifications

The following table provides minimum qualifications (educational background and professional experience) required for each Key Expert.

**Qualification of Key Experts**

SN	Position	Qualification	Experience
	<b>Key Expert:</b>		
K-1	Team leader/ PPP Project development and financing expert	Master's degree in business administrator/procurement/B.Sc. Engineering or in a similarly related field. Advance academic / professional qualification in procurement and supply chain management (e.g. MCIPS, CPSM) and professional certification in PPP will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 15 years general experience in infrastructure sector</li> <li>• Minimum 10 years experience in developing and/or financing infrastructure PPP projects .</li> <li>• Experience of having successfully completed Feasibility and Transaction Advisory Services of at least 3 PPP transactions. Experts with experience of completing PPP transactions related to EZ development specially EZ development in Asia/South East Asia will be given preference.</li> </ul>
K-2	Green, Smart EZ Expert	Master's Degree in Environmental Science/ Civil engineering or any other relevant field. Any advanced degree/professional qualification in the area of Economic Zones or Green projects will be given	<ul style="list-style-type: none"> <li>• Minimum 10 years general experience in economic zone or green projects or infrastructure project development</li> <li>• Minimum 05 years specific experience in the field of EZ development.</li> <li>• Experience of developing at</li> </ul>

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SN	Position	Qualification	Experience
	<b>Key Expert:</b>		
		preference.	least 02 (Two) EZ. Experience of designing and developing green and smart EZ specially in South Asia and South East Asia will be given preference.
K-3	Technical Infrastructure / expert (Civil)	Master's Degree in Civil engineering or any other relevant field. Any advanced degree/professional qualification in the relevant field will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 12 years general experience in civil infrastructure projects</li> <li>• Minimum 5 years specific experience in civil infrastructure projects related to Economic Zones</li> <li>• Experience of developing at least 01 (One) green and smart EZ in similar capacity will be given preference.</li> </ul>
K-4	Technical Infrastructure / Utilities expert (Electrical)	Master's Degree in Electrical engineering or any other relevant field. Any advanced degree/professional qualification in the relevant field will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 12 years general experience in electrical engineering related to infrastructure projects</li> <li>• Minimum 5 years experience related to electrical engineering projects related to Economic Zones .</li> <li>• Experience of developing at least 01 (One) green and smart EZ in similar capacity will be given preference.</li> </ul>
K-5	EZ Master Planning Expert	Master's Degree in Civil engineering/Urban planning/Architecture/Project Management or any other relevant field. Any advanced degree/diploma/professional qualification in the relevant field will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 12 years general experience in master planning</li> <li>• Minimum 5 years specific experience in master planning for economic zones.</li> <li>• Experience of completing master plan of at least 02 (Two) EZ. Experience of completing masterplan of smart and green EZ and in South Asia / South East Asia will be given preference.</li> </ul>

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SN	Position	Qualification	Experience
	<b>Key Expert:</b>		
K-6	Environmental expert	Bachelor's degree in environmental science/environmental management/civil engineering or other relevant field. Any advanced degree/diploma/professional qualification in the relevant field will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 12 years general experience in environmental aspects of projects</li> <li>• Minimum 5 years specific experience of working on environmental aspects of infrastructure projects.</li> <li>• Experience of working in the development at least 01 (One) EZ. Experience of working in South Asia / South East Asia will be given preference.</li> </ul>
K-7	Social expert	Bachelor's degree in social science or other relevant fields. Any advanced degree/diploma/professional qualification in the relevant field will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 12 years experience of working on social aspects of projects</li> <li>• Minimum 5 years specific experience of working on social aspects of infrastructure projects .</li> <li>• Experience of working in the development at least 01 (One) EZ. Experience of working in South Asia / South East Asia will be given preference. .</li> </ul>
K-8	PPP/project financing expert	Bachelor's degree in Finance/business administration or other relevant fields. Any advanced degree/diploma/professional qualification in the relevant field will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 10 years experience in working on project financing</li> <li>• Minimum 7 years specific experience of working on project financing of infrastructure projects .</li> <li>• Experience of having successfully completed at least 2 PPP transactions. PPP transactions in Bangladesh/South Asia/South East Asia will be given preference.</li> </ul>



SN	Position	Qualification	Experience
	<b>Key Expert:</b>		
K-9	Legal expert	Bachelor's degree in law or other relevant fields. Any advanced degree/diploma/professional qualification in the relevant field will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 10 years general experience in commercial law</li> <li>• Minimum 07 years specific experience in legal issues related to infrastructure projects</li> <li>• Experience of working on at least Two infrastructure projects in Bangladesh. Preference will be given to those who have the experience of working on EZ projects in Bangladesh.,</li> </ul>
K-10	PPP Procurement Expert	Master's degree in business administration/procurement/B.Sc. Engineering or in a similarly related field. Advanced academic / professional qualification in procurement and supply chain management (e.g. MCIPS, CPSM) and professional certification in PPP will be given preference.	<ul style="list-style-type: none"> <li>• Minimum 10 year's experience of procurement in infrastructure projects.</li> <li>• Experience of transaction advisory / procurement of at least one infrastructure PPP project, preferably in South Asia.</li> <li>• Experience of working on at least one World Bank or other Multilateral financed infrastructure project, as a procurement expert.</li> </ul>

**8. BEZA's Input and Counterpart Personnel** Services, facilities, and property to be made available to the Consultant by BEZA are as follows:

- (i) introduce the Consultant to relevant Government of Bangladesh stakeholders in the collection of pertinent information on project sites;
- (ii) provide access to the project site and furnish information related to land area, etc. of the project site;
- (iii) usage of the conference room for stakeholders' meetings/workshop;
- (iv) 2 workstations (on demand) at BEZA's office;



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(v) furnish information on industrial units that have been allotted land to establish manufacturing facilities in BSMSN and make introductions to some of these companies, if required and

(vi) try and support the Consultant with information on any other aspects related to the economic zone and introductions to other appropriate Government agencies

BEZA will nominate a senior resource as a single point of contact for the Consultant, and will also nominate a core team who will be responsible to interact with the Consultant on a regular basis and be the first point of evaluation / assessment of all Consultant's outputs.



## **Planning Commission of Bangladesh**

### **Table of Contents of the Feasibility Study Report (Indicative)**

#### **Indicative Outline of the Feasibility Study:**

In addition to fulfill the requirements of BEZA/WB, the Feasibility study report has to meet the requirements of Planning Commission of Bangladesh by incorporating additional chapters on the following issues:

#### **Environmental Sustainability, Climate Resilience and Disaster Risk Analysis:**

Specify and describe the economic effects/impacts of environmental, social disaster and climate change and possible compensations for ecological damages.

#### **Assessment of Disaster Resilience of the Project:**

This chapter assesses the resilience and address about uncertainties. Key indicators need to be discussed: Contingency Plan for Emergency Disaster Management, Business Continuity Plan, Time of Recovery and Reporting of residual risks.

#### **Cost-Benefit Analysis:**

##### **Financial Analysis**

Describe the components of costs and benefits at market prices including option analysis.

- Identify the components of cost & benefit;
- Financial Net Present Value (FNPV)
- Financial Benefit Cost Ratio (FBCR)
- Financial Internal Rate of Return (FIRR)

##### **Economic Analysis**

- Identify the direct, indirect and associated cost and benefit components;
- Construct the cash flow;
- Mention the Assumption;
- Compute the following indicators and interpret the results:
- Economic Net Present Value (ENPV)

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- Economic Benefit Cost Ratio (EBCR)
  - Economic Internal Rate of Return (EIRR)

#### **Human Resources and Administrative Support Analysis:**

(During Implementation and Post Implementation of the project)

Point out the functional structure and institutional capacity of the Agency (in terms of both Technical & Financial) required for implementation and operational stages of the project(s), sources of the workforce & financing are needed to be identified.

#### **Institutional and Legal Analysis:**

Illustrate the legal restrictions (if any) that may obstruct or impede the project during its implementation and functional stage of the project outputs.

#### **Risk (Uncertainty) and Sensitivity Analysis:**

The flow of costs and benefits throughout the project life is uncertain. Given that uncertainty, Considerations have to be given to the costs that risks imply. The objective of this module is to simulate various scenarios and generate guidance on how to reduce the risk exposure through relevant contractual clauses.

#### **Alternative/Options Analysis:**

Option Analysis with recommendations & justifications. Technology and strategy recommended to achieve the goals and objectives of the proposed project should be described along with advantages and disadvantages considering various technologies and strategies applicable.

#### **Recommendation and Conclusion:**

Illustrate the solutions specifically to overcome the critical issues that may hinder the project implementation and that would be supported by different sections of analysis.