

SINDH SOLAR ENERGY PROJECT

ENERGY DEPARTMENT, GOVERNMENT OF SINDH

Terms of Reference

Component – 1: Consultancy supporting Transaction Advisory Services

1. PROJECT BACKGROUND

The Sindh Solar Energy Program (“SSEP” or “Project”) was initiated in 2018 with the objective to increase solar power generation and access to electricity in Sindh Province. The Project is implemented by the Sindh Energy Department (SED) with \$100 million of financing provided by the World Bank.

SSEP has four components as follows:

- 1) **Component 1:** Development of 400 MW of utility-scale solar under competitive bidding under a “solar park” model whereby the sites are identified by SED and the solar power projects are constructed and operated by private sector developers.
- 2) **Component 2:** Development of 20 MW of distributed solar on and around public sector buildings.
- 3) **Component 3:** Provision of solar home systems to 200,000 households with no or low access to electricity through the use of partial grants.
- 4) **Component 4:** Capacity building and technical assistance activities.

A site near Manjhand in Jamshoro District was the first sub-project identified under Component 1, with the intention of constructing a 50 MW utility-scale solar power plant through a competitive bidding process carried out under the Project. The Manjhand site would involve power offtake to the national grid through a connection to the Hyderabad Electric Supply Company (HESCO) distribution system.

Furthermore, SED has signed a Memorandum of Understanding (MoU) with K-Electric and the World Bank to develop one or more sites for solar power development on the outskirts of Karachi, to feed into the KE grid. SED’s intention is to initiate competitive bidding for all sites under the Project in consultation with the relevant federal and provincial stakeholders, allowing development of the solar power projects to be completed by the end of the Project. Bidding process is underway for the Karachi sites by KE, with award of contract to be announced in the coming months.

2. DETAILED SCOPE OF WORK

- The Consultant shall develop a comprehensive Transaction Due Diligence Report based on the legal, technical and financial memorandums already produced and shared with the

Consultant regarding land rights. The Report shall include, without limitation, the following:

- Identification of key legal and regulatory aspects acceptable to investors for each deployment scheme, taking into account licensing, permits and approvals required for the ownership, financing, construction and operation of a solar projects, including, without limitation, for (i) the execution, authorization and enforceability of the relevant Contractual Agreements by the parties, and (ii) land rights.
- Identification of any legal obstacles the relevant project participants may face in obtaining the necessary licenses, permits and approvals as identified.
- Identification of material legal obligations and responsibilities of the relevant provincial authorities and federal stakeholders, including, but not limited to, AEDB, NTDC, Central Power Purchasing Agency (CPPA), NEPRA, and other project stakeholders (e.g. investors, lenders, etc.).
- Support with advice on preparation of land lease Agreements for all SSEP solar park sites including all necessary annexes and subsidiary documentation.
- Prepare reports on agreement, negotiations/position papers on any controversial issues for SSEP if required during the Auction Evaluation Process.
- Provide recommendations on final version of the Contractual Agreements for execution and review and/or issue legal opinions.
- Prior to the Contractual Agreements signature, the Consultant shall support the transfer of all applicable Component – 1 project assets to the auction winner for the solar park auction.
- Provide administrative support during contract negotiations and contract signing of Component-1 of SSEP.
- Provide advice and support during negotiations with KE, Govt organizations and other stakeholders for Contracts and other contractual issues during the signing of contracts.
- Prepare a detailed mechanism for the collection and envisaged utilization of the ‘Solar Park Fee’ that will be paid by the winning IPP to the Sindh Energy Department.
- Provide support and advice to Gov of Singh on how to resolve land issues and ensure compliance with all legal requirements.
- Maintain a complete electronic and physical record of all documentation.

3. Qualification of Consultant Firm

- Consultant Firm shall be a registered firm well versed with relevant transactional experience and should be able to showcase their expertise to undertake the assignment besides demonstrating track record of successfully managing and executing similar transactions of comparable complexity
- The Consultant Firm will include transaction, financial and legal experts to address the terms of reference as listed above and must have experience in structuring, negotiating and financing of similar auction schemes.
- The Consultant’s personnel shall include the following senior key staff members:
 - **Project Director/Transaction Expert:** At least 10 years of experience in supporting financial closure of energy projects in Pakistan. Relevant experience leading renewable energy projects competitive bidding would be highly appreciated.
 - **Legal Expert:** At least 10 years of experience, some of which may be in supporting financial closure of energy projects in Pakistan and asset transfer.
 - **Land Acquisition Expert:** At least 10 years of experience in land acquisition and resolution of land disputes, having degree Social Sciences.

- The key staff members shall be full time and authority on the assignment or as deemed appropriate to ensure the delivery on time of the assignment.
- The Consultant Firm will be responsible for its own logistics.

4. Deliverables

S.No.	DELIVERABLE	INDICATIVE TIMELINE
		<i>Note: the timelines mentioned hereinbelow are indicative only and shall remain subject to modifications and revisions as mutually agreed in writing between the Parties</i>
D1	Inception Report	Agreement Signing + 2 weeks
D2	Legal & Financial Due Diligence Report	Agreement Signing + 4 weeks
D3	Contractual & Land Lease agreements with successful bidder(s)	Agreement Signing + 6 weeks
D4	Solar Park Fee Operational Mechanism	Agreement Signing + 8 weeks
D5	Preparation of a written summary of the process and lessons learned.	Agreement Signing + 16 weeks
D6	Support to Client (if needed) during Financial Close	Agreement Signing + 24 weeks

5. Selection Method

A Consultant shall be selected in accordance with the Consultants Qualification based Selection (CQS) method set out in World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017.

6. Mode of Payments

The payments shall be Lump sum based on the deliverables achieved and should be inclusive of all Government Taxes.

7. Time Period of Services

The overall assignment has been designed for 06 months, however, the same shall be extended as per the requirement of Client (If required).