

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

Country: Bhutan

Name of Project: Bhutan Sustainable Hydropower Development Project

Assignment Title: Selection of Firms for Financial Advisory Services to Druk Green Power Corporation for Dorjilung Hydropower Project, Bhutan

Reference No.: BT-DGPCL-399483-CS-QCBS

Dorjilung Hydropower Project (DHPP), with an expected capacity of 1,125 MW, is poised to be one of Bhutan's largest hydropower facilities, harnessing the substantial yet mostly untapped hydropower resources of the nation. Situated in the eastern Lhuentse and Mongar districts, the project is anticipated to feature a 136.5 m-high gravity dam and a 15 km headrace tunnel, impounding a reservoir with approximately $44 \times 10^6 \text{ m}^3$. DHPP is located on the Kurichhu river, a tributary of the Drangmechhu that flows into India. The run-of-river plant in Dorjilung, Mongar Dzongkhag, includes a transmission line of some 40 km to the Yangbari substation, with an estimated construction cost, excluding financial expenses, of US\$1.4 billion as of 2022. The project has small footprints from social and land acquisition aspects, compared to hydropower projects of similar magnitude.

The World Bank is supporting Bhutan through an active US\$4.3 million technical assistance grant "the Sustainable Hydropower Development Project", which is executed by Druk Green Power Corporation Limited (DGPC, the Client). The grant supports upgrading of technical feasibility (Detailed Project Report) and ESIA studies of the 1,125 MW Dorjilung Hydropower Project and its associated transmission line to bring them up to World Bank bankability. The grant also supports capacity building and became effective in May 2022.

As further support for Bhutan, in February 2023, the RGoB requested the World Bank to help convene the financing for the Dorjilung Hydropower Project (the Project). While the RGoB has stated that due to the strategic nature of the project a public financing is preferred, this should be balanced with the availability of public financing and strategic considerations relating to regional trade.

DHPP team with the World Bank support is undertaking a preliminary assessment on financial structuring options for the DHPP, including identifying suitable project modalities, financial and risk-mitigation instruments, and financing options (the Preliminary Assessment). This work aims to optimize Bhutan's fiscal benefits from the export of hydropower component while also maximizing domestic supply cost-effectiveness. The outcomes are expected to contribute as inputs to and integrate with the Financial Advisor's work.

The model developed by Bhutan with the Financial Advisor for the DHPP is expected to set a precedent for financing future hydropower endeavors in the country. By establishing such a precedent, Bhutan aims to establish a new standard for financing its remaining hydropower potential, fostering energy independence and sustainable economic growth.

The Financial Advisor's primary objective is to develop a financial plan consistent with Bhutan's strategic objectives and that can be implemented efficiently and cost-effectively to achieve Project financial closure. The financial plan is to be aimed at allowing Bhutan to maximize the country's fiscal benefits from export of hydropower while also supplying cost-effective local electricity. To support a synergistic approach to project structuring and financing, the Financial Advisor will collaborate closely with the main stakeholders of the Project, including DGPC, Department of Energy, Ministry of Finance and other relevant arms of the RGoB.

DGPC now invites eligible consulting firms or consortium of firms ("Financial Advisor") to indicate 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.

The **detailed scope of work** is mentioned in the ToR, refer Annexure – I [Terms of Reference- <https://www.drukgreen.bt/?p=3552>].

The shortlisting criteria are:

- i. The firm(s) should have registration under applicable laws of the respective country.
- ii. The firm(s) should have at least ten (10) years overall experience in the field of Financial Advisory Services
- iii. The firm(s) should have successfully implemented at least One (1) contract of public and public-private financing approaches for large hydropower project with financing value of more than USD 1 billion within five (5) years, starting from January 2019.
- iv. The firm(s) with experience in advising public sector clients on financing major infrastructure projects in the South Asia Region, and structuring, negotiating, and closing complex fully publicly financed and public-private partnerships of hydro-power operations will be an added value.

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 Nov. ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest.

A consulting firm is allowed to submit the Expression of Interest alone if it considers itself to be fully qualified on its own for the assignment, as it is not mandatory for consultants to associate with any other firm(s), whether foreign or local. Alternatively, if consultants themselves choose to associate to enhance their qualifications and capability for the assignment, then the number of members in a joint venture shall not exceed 2 (two). All members of the joint venture shall be jointly and severally responsible. In case of an association, the firms must explain in the EoI submission (a) the rationale for forming the association and (b) the anticipated role and relevant

qualifications of each member of the Joint Venture, to justify the proposed inclusion of the JV members. Failure to provide the above explanation in the Expression of Interest may risk the association not being shortlisted for the assignment. The qualifications/experience of sub-consultants will not be considered by the Client in the evaluation of Expressions of Interest for Shortlisting purposes.

A consultancy firm will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Procurement Regulations.

Expressions of interest must be delivered in a written form to the address below (in person, or by mail or by e-mail) by 3:00 PM (Bhutan Standard Time), **January 23, 2024** to the address mentioned below and shall be opened on the same day at 3:30 PM. For email submission (to the email address mentioned below), all documents shall be in PDF format. In case of email submission, the Client will not be responsible for the confidentiality of the EoI.

The EoI shall be written in English language

Clarification, if any, with regard to the EoI shall be obtained from the following

Attn:

Sonam Wangdi, Director
Projects Department
Druk Green Power Corporation Limited
Post Box No. 1351, Motithang, Thimphu, Bhutan
Tel: +975 2 330979
E-mail: s.wangdi2586@drukgreen.bt