

**THAR COAL AND POWER TECHNICAL ASSISTANCE PROJECT
TERMS OF REFERENCE**

PROCUREMENT SPECIALIST (WITH PROJECT MANAGEMENT UNIT)

A. Background

Pakistan is endowed with extensive geological potential particularly the 175 billion tonnes of coal deposits at Thar in Sindh Province. However, the development of its mineral resources has been limited to modest amounts of coal for internal power generation. Due to the limited involvement of the private sector and foreign investors, there has been little or no modern exploration activity and the mineral sector has not benefited from modern management and advanced technologies. These conditions prevent the mineral sector of Pakistan, and the Province of Sindh in particular, from fully contributing to growth and poverty reduction. Currently, mineral exploitation represents only about 0.5% of the GDP despite Government's interest in developing the sector.

The Government of Pakistan started the reform of the mining sector by formulating a National Mineral Policy (NMP) in 1995, but the results have been modest mostly due to relatively slow implementation of the NMP and uncertainty created by inadequacies of regulatory framework at the province level. Meanwhile, in addition to the broader need for developing the mining sector, Pakistan now faces increasing economic hardship through reliance on high-cost, imported energy resources used in end-use markets for which lower-cost indigenous coal resources are appropriate. The Government of Pakistan as well as the Government of Sindh Province place a high priority on the rapid development of the coal resources of Sindh, particularly the Thar region, for power generation.

An investors' roundtable held in Washington (July 28-29, 2008), resulted in the Government of Pakistan requesting World Bank technical assistance to enable development of indigenous coal resources. Also in July, 2008, the Government of Sindh requested the World Bank for assistance to address the mining sector's needs and achieve mining sector growth. Subsequently, coal sector reform with concurrent transaction advisory service is being proposed to assist the Sindh Government (on the fuel development side) and the Government of Pakistan (on the power production side) with ongoing development initiatives and to rebalance Pakistan's fossil-energy portfolio, lessen downstream impacts on thermal industries and the power sector, and sustain economic growth.

In this context, the World Bank's Thar Coal & Power Technical Assistance Project ('the World Bank project') is under preparation to strengthen institutions, develop an appropriate sector policy framework, and legislation, etc., at both the federal and provincial levels while maintaining social and environmental performance and community well-being.

The project development objectives are (a) to help the Governments of Sindh and Pakistan strengthen the enabling policy, legal, and regulatory frameworks conducive to new investments in the coal-to-energy sector; and (b) assist the Governments of Sindh and Pakistan to attract qualified private investors to develop Thar coal deposits and build

new capacity for coal thermal power generation, guided by high standards of environmental and social sustainability. The Project will ensure that the coal-to-power sector development responds to the needs of Pakistan's long-term energy strategy.

Expected Project outcomes would be: (i) various policy, legal and regulatory instruments, consistent with international good practice, used by the Governments of Sindh and Pakistan in developing coal-to-power sector; and (ii) bidding and negotiations leading to financial close on new investment into at least one coal mine and at least one independent power producer (IPP) in Thar.

B. Preliminary Description of the World Bank Project

The project is proposed as a technical assistance Credit of approximately \$28 million to the Government of Pakistan to be implemented by the Government of Sindh in close collaboration with the Federal Government. Preliminary component description is provided below:

Component 1: Sector Governance and Capacity Building: Provide policy, legal and regulatory advisory services to key government agencies and other counterparts in order to (i) facilitate coal-to-power sector development, including ancillary infrastructure development, and (ii) complete the transaction for a selected Thar coal block (identified as Thar Block #1). To this end the project will assist in developing the coal sector policy and the coal development road-map in line with Pakistan's long-term energy strategy, updating applicable laws and regulations (including those related to mineral licensing and tendering procedures), and setting up operational environmental and social management framework for coal-to-power sector. The project will also strengthen the capacity of the provincial and federal governments to improve sector governance and attract quality private investments.

Component 2: Transaction Advisory Services: In support of the governments' efforts to attract quality private investors to develop Thar coal and to produce thermal power, the project will (i) update, or develop where needed, key technical, financial, market, and local impact analysis and other information relevant to the investors, including a basin-wide land-use plan for Thar; and (ii) provide transaction advisory services and due-diligence monitoring for a coal mine and an IPP transactions in a selected block of Thar, including preparation / issuance of requests for proposals, and assistance to the government with bid evaluations, negotiations, and financial closing.

Component 3: Project Management and Communications: Finance costs associated with managing the proposed Project, including project coordination among implementing agencies, procurement and financial management, and environmental and social management. The project will also assist the Government of Sindh and Government of Pakistan to develop communications and outreach strategy in regards to the Project and to improve public consultations.

Project preparation will be funded through the Project Preparation Facility of about \$2 million, in which the advance will assist to: (i) formulate project design, in line with

intended development objectives, and prepare Terms of Reference for activities to be implemented under the Project, (ii) comply with the World Bank safeguards' requirements; (iii) set up project management, coordination, and monitoring structure; and (iii) carry out consultations and commence consultation and communication with key stakeholders and investors.

C. Scope of Consulting Services

The Procurement Specialist (member of the Project Management Unit) will be responsible for preparation and submission of procurement documents and contracts to the World Bank for review and approval. The specific duties of the Procurement Specialist shall be:

At the Project Preparatory Phase (January – mid- 2009):

The Procurement Specialist will report to the Secretary, Mines and Minerals, Sindh until the Project Coordinator is engaged and on board. During the project preparation phase, the Procurement Specialist will

(i) Manage procurement of consultants under the Project Preparation Facility (PPF) provided by the World Bank to prepare the TCAP. This will include:

- preparation of requests for expressions of interest and advertisements
- preparation of requests for proposals;
- coordination of evaluation committee meetings (to prepare short-lists and to evaluate consultants' proposals)
- preparation of evaluation reports based on the evaluation committee's decisions
- preparing contracts with consultants, including drafting contracts, coordinating negotiations, and preparing minutes of negotiations with consultants
- processing internal clearances related to procurement actions and submitting documents for the World Bank No Objection
- preparing regular (monthly) updates on procurement activities for the DMM, Ministry of Water and Power (MPW) and the World Bank

(ii) Prepare Procurement Plans for the SCAP TAP implementation in the form and substance acceptable to the DMM, MWP, and the World Bank

(iii) Provide back-up to the Project Coordinator as needed

At the Project Implementation Phase (mid- 2009 – 2013):

The duties and responsibilities of the Procurement Specialist would include to:

1. Plan, manage and implement the overall procurement strategy under the World Bank credit. Responsible for the entire procurement cycle including preparation and release of EOIs, IFBs, TORs, RFPs, Bid documents, Evaluation of proposals, Negotiations, Awarding of

contracts, delivery etc. in accordance with World Bank Guidelines, Credit Agreements and other related documents.

2. Identify and resolve critical policy, business, operational and other issues relating to procurement.
3. Advise on various procurement methods/strategies and identify appropriate methodology for a given procurement.
4. Coordinate with other stakeholders to ensure achievement of all procurement objectives within the defined scope of credit.
5. Maximize efficiency of procurement cycle by providing strategic expert advice and implementing necessary controls ensuring cost effectiveness and soundness of all procurements carried out under the credit.
6. Proper documentation of all procurements as per the instruction; of World Bank including selection and preparation of Standard Documents/formats prescribed by the World Bank for various stages of procurement.
7. Provide assistance in negotiations with the Consultants where applicable.
8. Address all matters associated with delivery of goods/services e.g. taxation, duties, clearance etc.
9. Monitor the progress with Suppliers/Consultants ensuring that all policies/procedures and requirements are fully complied with by them as per the terms of contract with the Implementing Agencies.
10. Communicate regularly with the management for the status of various procurement, obtain executive guidance and approval as and when required.
11. Develop appropriate procedures, controls, checks, rules, etc. preventing frauds, pilferage etc. in the procurement process.
12. Build capacity and train the procurement officers and staff of the Implementing Agencies enabling them to employ/contemporary tools/methods of procurement.
13. Any other activities as directed by the Project Consider consistent with the above;
14. Assist the Project Coordinator in the daily management of the Project.

EXPECTED OUTPUT:

1. Maximize efficiency of procurement cycle by providing strategic expert advice and implementing necessary controls ensuring cost effectiveness and soundness of all procurements carried out under the credit

2. Ensure quality assurance of procurement deliverables its per implementing Agencies requirements
3. Develop appropriate procedures, controls, checks, rules, etc. preventing frauds, pilferage etc. in the procurement process.
4. Build capacity and train the procurement officers and staff of the Implementing Agencies enabling them to employ/contemporary tools/methods of procurement. It is also inclusive of the training of at least 2-3 staff members of each entity.

Qualifications

The Procurement Specialist will have the following minimum qualifications:

- A degree in a relevant discipline (Extractive industry / Engineering / Business), with five to seven years direct procurement experience in an engineering environment. Preference will be given to candidates with experience in procurement under WB guidelines, with particular emphasis on the selection and employment of consultants.
- Good knowledge of English (reading, writing, speaking);
- Good interpersonal and management skills

The Procurement Specialist is expected to be a full-time consulting assignment for the duration of up to five years subject to satisfactory performance. The Procurement Specialist will be stationed in Karachi and will report to the Project Coordinator.