

TERMS OF REFERENCE

Project Readiness Assessment for a new berth and bulk handling facility PPP project for the Port of Bridgetown, Barbados

Country: Barbados

Project Number: XXX

Technical Cooperation Number: BA-T1103

[Web link to approved document]

1. Background and Justification

- 1.1.** *The Technical Cooperation (TC) BA-T1103 aims to support the government of Barbados in the diagnostic of the scope and quality of the project studies through the implementation of the methodology developed by the Global Infrastructure Facility (GIF) named Project Readiness Assessment (PRA). The PRA assess the project in the following dimensions: i) technical solution, ii) commercial structure, iii) affordability, iv) governance, v) regulatory environment, and vi) social & environmental. The PRA outputs will allow the government to assess which gaps have to be close to allow the project to be ready for a successful bidding and implementation process.*
- 1.2.** *The TC is consistent with the Second Update of the Institutional Strategy 2020-2023 (AB-3190-2), with the development challenges of Productivity and Innovation and Regional Economic Integration, by improving port competitiveness in Barbados. It also aligns with the cross-cutting areas of Institutional capacity and the rule of law, climate change (CC) and environmental sustainability, and Gender equality and diversity, by promoting the adequate and comprehensive assessment of infrastructure projects that ultimate would result in the development of sustainable and resilient infrastructure, aligned with the Paris Agreement of the United Nations Framework Convention on Climate Change (Paris Agreement), which also takes into consideration the gender and diversity lens.*
- 1.3.** *In addition, the TC is aligned with the Inter-American Development Bank (IDB) Group Country Strategy with Barbados 2019-2023 (GN-2953-1), which specifically mentions how the Bank will support proposed interventions center on facilitating private sector-driven investment that supports greater productivity, competitiveness, and growth in the medium and long term, including investments in ports to improve maritime connectivity. The TC is also aligned with the Sustainable Infrastructure Strategy for Competitiveness and Inclusive Growth (GN-2710-5) in the priority area of action to promote continuous improvements in infrastructure governance and regulatory framework to increase efficiency in the provision of infrastructure services.*
- 1.4.** *As IDB estimates show, Barbados needs to invest more than USD 341 million in energy,*

telecommunications, and water and sanitation sectors, to meet Sustainable Development Goals (SDGs) by 2030. Besides, according to an internal market intelligence exercise, we estimate at least USD 187.5 million for the transport sector – summing up to USD 554 million in total. The macroeconomic and fiscal conditions of the Country (national debt in relation to GDP is above 120%) increase the difficulty of implementing infrastructure projects solely with public investment, and thus the private sector participation in infrastructure development is key to close the gap and meet SDGs.

- 1.5.** Barbados is among the weakest countries when it comes to its environment for the implementation of efficient and sustainable Public-Private Partnerships (PPP). There is a broad agreement in the international community on the fact that the lack of adequately prepared projects is one of the biggest bottlenecks that the Latin America and the Caribbean (LAC) countries face in mobilizing private investment in the economic and social infrastructure sector. As analyzed in the *Infrascope 2021/2022 (IDB and The Economist Impact)*. Barbados ranks poorly in all categories related to its ability to implement efficient and sustainable PPP (regulations and institutions, project preparation, financing, risk management and contract monitoring, and performance evaluation and impact – Ex-post), but particularly on project preparation – being at the bottom of the 26 IDB countries list. Worth mentioning that project preparation category comprises project selection and prioritization, evaluation, selection standards, preparation facilities and support, and the incorporation of environmental and social sustainability goals.
- 1.6.** Regarding the Port of Bridgetown, it is the sole commercial seaport in Barbados and handles more than 90% of all goods imported into the Country, with extensive facilities for handling a variety of cargo, including bulk, containers, liquid cargo, and general cargo. It was recently expanded and upgraded. As the only commercial port on the island, Bridgetown deals with over 1,000,000 tons of cargo, around 90,000 TEUs, 700 vessels, and more than 550,000 passengers every year. Currently, the port mostly handles containerized cargo followed by bulk commodities like sugar, cereals, grains, etc. It imports mineral fuels, petroleum goods, locally produced handicrafts and decorative items, food, light machinery, and transportation equipment.
- 1.7.** The Government of Barbados (GoB) through Barbados Port Inc. (BPI) is seeking specialist technical advice to support early-stage development of a new berth and bulk handling facility for the Port of Bridgetown, under a PPP mechanism. To this end, the IDB and the Global Infrastructure Facility (GIF) have partnered to make funding and technical support available to prepare a Project Readiness Assessment (PRA) with the objective of assessing the status of the project preparation, reviewing the existing studies identifying any gaps and shortcoming that will need to be addressed, and prepare recommendations to ensure successful delivery of the Project. The project, together with the Port of Bridgetown strategic location, would increase its potential to become a cargo hub in this part of the Caribbean.

2. Objective

- 2.1.** *The objective of this TOR is to allow the GoB, through the development of a PRA, to assess which gaps must be close for the project to be ready for a successful bidding and implementation process, and ultimately, promote economic growth in the Country by improving port competitiveness.*

3. Scope of Services and Key Activities

The Consultant is required to undertake the following tasks as part of the PRA:

- 3.1. Task 1 – Project Screening:** *The expectation, pending confirmation by the Consultant during the Inception Mission, is that this Project will map as PRA Stage 2. The Consultant should undertake an initial review of the information available to confirm whether a Stage 1 or Stage 2 assessment is more appropriate.*
- 3.2. Task 2 – PRA Assessment (Stage 2):** *The Consultant should apply the PRA Stage 2 (unless otherwise agreed) methodology as described in the attached appendices¹, undertaking the necessary site visits, desktop review of available documentation, and interviews with government officials (see Section G of this TOR)², and potentially private sector interested parties. This work will conclude with delivery of a PRA RAG (Red-Amber-Green) rating and standardized PRA report (see Section E Deliverables below).*
- 3.3. Task 3 – Action Plan:** *based on the PRA assessment, the Consultant should set out recommendations of key areas for further development.*

In addition to the PRA pilot described in Tasks 1-3, the Consultant should also undertake the following tasks for the same Project scope:

- 3.4. Task 4 – Strategic Advice to Support Project Delivery:** *This task encompasses two complementary subtasks.*
- 3.4.1. Task 4a – Project contractual structure risk assessment:** *The current proposed project structure includes an expected equity participation of the public authority in the SPV, which introduces risks embodied in the shareholder's agreement that has already been drafted. The Consultant shall carry out an assessment of the draft concession agreement and shareholder agreement as well as the main associated risks and potential impact on project attractiveness and provide adequate mitigation measures and relevant recommendations to maintain the project bankability.*
- 3.4.2. Task 4b – Comparative analysis of alternative structures:** *the Consultant, through the due diligence process and the consultations with the stakeholders, should provide a more in-depth understanding on the reasoning behind GoB proposed structure and conduct an analysis of potential alternative structures in terms of Government forms of participation in such project structures, to better inform the GoB decision making process. This comparative analysis of alternative structures shall include usual Port governance models such as the landlord model, and any other relevant schemes with Government or Port*

¹ PRA Handbook, PRA Action Plan Template, and PRA Excel Tool for RAG scoring

² GIF and World Bank will provide guidance and facilitate introductions, but Consultant will retain responsibility for ensuring necessary interviews are completed.

Authority involvement as a shareholder or not and provide the pros and cons of each model against a set of pre-established criteria to be agreed upon with the GIF, IDB and the Client. If relevant, enriching the analysis with potential benchmarks of similar projects with their key success vs. failure factors would be a plus. Based on the risk assessment of the proposed structure and the comparative analysis of the potential alternative schemes, the Consultant shall formulate key recommendations on the most optimal scheme to adopt for the project.

3.4.3. Task 4c – Climate considerations recommendations: *The consultant shall undertake a desktop assessment on climate considerations to be considered and addressed throughout a potential project structuring. The assessment should include potential climate mitigation (reductions in GHG emissions) and adaptation (reductions in climate risk/vulnerability related to the project) as well as recommendations for the structuring stage.*

3.5. Task 5 – Comments on PRA Tool: *given the tool is under ongoing review and development, the Consultant should provide feedback on the suitability, ease of use, and clarity of the PRA methodology, including any recommendations for improvement.*

4. Expected Outcome and Deliverables

4.1. *This contract would result in the successful development of the PRA (Tasks 1-3), the Strategic Advice to Support Project Delivery (Task 4), and the comments on PRA Tool (Task 5).*

4.2. *The Consultant is expected to provide the following deliverables throughout the engagement:*

N°	Deliverable	Corresponding Task (numeral 3 of this TOR)	Description
1	Inception Report	1	Report of first field visit including list of documents received; interviews completed; any initial findings
2	PRA Screening	1	Confirmation of whether PRA Stage 1 or Stage 2 will be applied
3	PRA RAG	2	The 'RAG' Output from the Excel PRA tool
4	PRA RAG Annotations	2	Description of PRA findings, explaining the scoring rationale for each sub-criterion
5	PRA Action Plan	3	An Action Plan, highlighting key areas where project development should focus
6	PRA Report	1-3	PRA Assessment presented in a standardized Report format as explained below.

7	Strategic Advice	4	Strategic report on project contractual structure risk assessment, comparative analysis of alternative structures, and climate considerations.
8	PRA Feedback	5	Feedback to GIF on the suitability, clarity, and usability of the PRA Methodology, Documentation and Tools

4.3. *The Task 1- 3 findings of the PRA Assessment will be presented in a standardized Report format (Deliverable 6). This will comprise of three sections:*

4.3.1. The ‘RAG’ Output from the Excel PRA tool;

4.3.2. Description of PRA findings, explaining the scoring rationale for each sub-criterion; and

4.3.3. An Action Plan, highlighting key areas for development.

4.4. *The first two sections will be completed in Excel and pasted into the Report template, while the third section will be completed in Word. The final Report will be a PPT document. See Form 3 of the “Templates for Completion” file for the pro-forma.*

4.5. *In order to generate the Excel outputs, the Consultant needs to input into the dark blue tabs (‘PRA Stage 1’ / ‘PRA Stage 2’) in the PRA Excel tabs. They should only input into the blue cells. The Excel workbook will then automatically generate the outputs.*

4.6. *Written deliverables and spreadsheets should be delivered in English.*

5. Project Schedule and Milestones

5.1. *The consultancy deliverables will be presented considering the following timing:*

N°	Deliverable	Corresponding Task (numeral 3 of this TOR)	Timing
1	Inception Report	1	Up to 7 calendar days from the start of the contract
2	PRA Screening	1	Up to 14 calendar days from the submission of project studies
3	PRA RAG	2	Up to 28 calendar days from the Deliverable 2 approval
4	PRA RAG Annotations	2	Up to 28 calendar days from the Deliverable 2 approval

5	PRA Action Plan	3	Up to 56 calendar days from the Deliverable 2 approval
6	PRA Report	1-3	Up to 56 calendar days from the Deliverable 2 approval
7	Strategic Advice	4	Up to 56 calendar days from the Deliverable 2 approval
8	PRA Feedback	5	Up to 56 calendar days from the Deliverable 2 approval

6. **Reporting Requirements**

6.1. *The reports shall be submitted in English.*

6.2. *The work should be completed according to timing specified in numeral 5, absent agreement between the Consultant, the IDB, and the GIF to extend the time available.*

6.3. *The Consultant will be expected to be present in Bridgetown at a number of stages during the proposed tasks to meet with clients and other relevant stakeholders, and, where relevant, deliver workshops. The indicative study plan is presented below:*

	Work	Presence in Bridgetown (Fieldwork, Meetings/Workshops, etc)
Week 1	✓	✓
Week 2	✓	
Week 3	✓	
Week 4	✓	
Week 5	✓	✓
Week 6	✓	
Week 7	✓	
Week 8	✓	
Week 9	✓	
Week 10	✓	✓

6.4. *We believe that presence in Week 1 and 10 would be hardly modified, but presence in Week 5 can be adjusted according to the consultancy needs.*

6.5. *The consultant firm shall perform the following presentations during contract execution:*

6.5.1. A brief kick-off presentation for BPI up to 7 calendar days from the start of the contract.

6.5.2. An executive presentation of the PRA Screening confirmation up to 5 calendar days from Deliverable 2 approval.

6.5.3. An executive final presentation of the consultancy up to 5 calendar days from the Deliverables 3-7 approval.

7. Acceptance Criteria

7.1. Each deliverable shall be sent for approval to Gastón Astesiano (gastona@iadb.org) and Ancor Suárez Alemán (ancors@iadb.org), copying Marcos Siqueira (msiqueira@iadb.org) and Miryam Banda (miryamb@iadb.org).

8. Other Requirements

8.1. None

9. Supervision and Reporting

9.1. Prior to IDB acceptance, the PPP unit will share the deliverables with the GIF and the BPI for comments or any instructions for changes.

9.2. Periodic meetings are expected. To define the periodicity and establish a fixed day and hour per period, please contact Miryam Banda (miryamb@iadb.org). The meetings will be subject to the BPI and PPP Unit – IDB availability.

10. Schedule of Payments

10.1. Payment terms will be based on deliverables approval. The Bank will not make any advance payment. The Bank wishes to receive the most competitive cost proposal for the services described herein.

Payment Schedule	
<i>Deliverable</i>	%
1. Deliverables 1 and 2 – Inception Report and PRA Screening	25%
2. Deliverable 3 to 7 – PRA RAG, PRA RAG Annotations, PRA Action Plan, PRA Report, and Strategic Advice	75%
TOTAL	100%