

Government of the People's Republic of Bangladesh
 Ministry of Finance, Finance Division
 Treasury and Debt Management Wing, PPP Unit

Viability Gap Financing (VGF) Proposal Form

| | | |
|--|--|--|
| 1. GENERAL INFORMATION | | |
| 1.1 Project Name (Full Title): | | |
| 1.2 Project Name (Short Title): | 1.3 Sector: | 1.4 Project Type (e.g. Roads, Bridge, and Port etc.): |
| 1.5 Ministry/Division: | 1.6 Implementing Agency (IA): | 1.7 Project Location: |
| 1.8 Signing Authority of the PPP contract: | | 1.9 Date of obtaining In-principle approval of the Cabinet Committee on Economic Affairs (CCEA): |
| 1.10 Objectives of the project: | | |
| 1.11 Brief description of the project : | | |
| 1.12 Estimated capital cost with break-ups under major heads of expenditure. Also indicate the basis of cost estimation: | | |
| 1.13 Project Implementation Schedule: | | |
| 1.14 Phasing of Investment: | | |
| 1.15 PPP contract term (indicative) a. Construction period b. Operation period | | |
| 1.16 Estimated economic life of the project: | | |
| 1.17 Project cost recovery method: (Please tick the appropriate one) <input type="checkbox"/> User-pays (Tariff) <input type="checkbox"/> Government-pays (Availability Payment) <input type="checkbox"/> Mixed Revenue | | |
| 1.18 Who will fix the tariff/ user charges? (Please tick the appropriate one) <input type="checkbox"/> Government <input type="checkbox"/> Private Company <input type="checkbox"/> Government and Private Company | | |
| 1.19 Proposed PPP Model: | | |
| 2. APPLICABILITY CRITERION (Rule-4 of the VGF Rules, 2018 ¹) | | |
| 2.1 | Route/Mode of PPP Delivery: (Please tick the appropriate box/boxes) <input type="checkbox"/> Solicited route <input type="checkbox"/> Unsolicited route <input type="checkbox"/> National Priority Project route <input type="checkbox"/> Government to Government (G2G) Partnership route | |

| 3. ELIGIBILITY AND PROPORTIONALITY (Rule-5 of the VGF Rules, 2018 ¹) | |
|--|---|
| 3.1 | Will the project be implemented i.e. developed, financed, constructed, maintained and/or operated for the project term by the Project Company under the PPP Act? (Please tick the appropriate one) Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 3.2 | Has detailed feasibility study been done for the project? (Please tick the appropriate one) Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please mention/attach the major findings and recommendations of the detailed feasibility study: |
| 3.3 | Has the Economic Rate of Return (ERR) been calculated through the detailed feasibility study? (Please tick the appropriate one) Yes <input type="checkbox"/> No <input type="checkbox"/> (If yes, please attach the relevant section of the detailed feasibility study) |
| 3.4 | a. The Economic Rate of Return (ERR) of the PPP Project: |
| | b. Does the project meet the ERR threshold level as specified by the PPP Unit, Finance Division? Yes <input type="checkbox"/> No <input type="checkbox"/> |
| | c. If the response to 3.4(b) is no, please mention whether the provision of VGF maximize the Value for Money (VFM)? Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 3.5 | Will the project provide a public service against payment of a predetermined tariff or user charges? Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 3.6 | Total estimated amount of VGF required: a. Capital grant b. Annuity c. Capital grant and annuity Please complete a, b or c as applicable |
| | a. VGF in the form of capital grant:% of the total estimated capital cost |
| | b. VGF in the form of annuity:% of the total estimated project cost |
| | c. VGF in the form of capital grant and annuity:% of the total estimated project cost |
| 3.7 | The amount of VGF shall be: (please tick) <input type="checkbox"/> Set by the Government <input type="checkbox"/> Set by the preferred bidder's offer |
| 3.8 | Please mention/attach a detailed annual break-up of the VGF disbursement amount required over the contract period. |
| 4. APPROVAL PROCESS (Rule-8 of the VGF Rules, 2018 ¹) | |
| 4.1 | Has the requirement of VGF been identified through detailed feasibility study? Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 4.2 | Can the user charge/ tariff (where applicable) be reasonably increased to reduce the viability gap or enhance project viability? Yes <input type="checkbox"/> No <input type="checkbox"/> If no, please furnish the certificate as per Form-A as stipulated in Rule-8(2)(a) of the VGF Rules, 2018 ¹ . |
| 4.3 | Can the project term be increased for reducing the viability gap or enhancing project viability? Yes <input type="checkbox"/> No <input type="checkbox"/> If no, please furnish the certificate as per Form-B as stipulated in Rule-8(2)(b) of the VGF Rules, 2018 ¹ |

| | |
|--|---|
| 4.4 | Are the total estimated capital cost and the total estimated project cost reasonable and based on the standards and specifications normally applicable to similar PPP Projects? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please furnish the certificate as per Form-C as stipulated in Rule-8(2)(c) of the VGF Rules, 2018 ¹ |
| 4.5 | Financial Internal Rate of Return (FIRR) , indicating various assumptions (Attach separate sheet if necessary) |
| 5. OTHERS | |
| 5.1 | Will the sponsoring Ministry/Division or the implementing agency provide any assistance in addition to the VGF? If yes, furnish details. |
| 5.2 | List the regulatory clearances required for the project. |
| 5.3 | Remarks, if any. |
| <p>The [Name of Project] has been submitted by the undersigned as duly authorized officer of the [Name of the Implementing Agency/Contracting Authority] for seeking in-principle approval for Viability Gap Financing under the “Rules for Viability Gap Financing for Public-Private Partnership Projects, 2018”.</p> <p>It is certified that the proposal complies with the provisions and eligibility criteria specified in the “Rules for Viability Gap Financing for Public-Private Partnership Projects, 2018” (S.R.O. No. 306-Law/2018).</p> <p>The above statements as well as the information contained in the enclosures are true to the best of my knowledge and belief.</p> <p>Date: _____</p> <p style="text-align: right;">Signature and Name of the Authorized signatory of the Implementing Agency/ Contracting Authority with official stamp</p> | |

Viability Gap Financing (VGF) Proposal Form shall be accompanied with the following documents:

1. Copy of the document related to in-principle approval of the Cabinet Committee on Economic Affairs
2. Project Summary
3. Detailed Feasibility Study Report
4. Financial Model, its assumption and analysis
5. Economic Model, its assumption and analysis
6. Relevant section of the detailed feasibility study, which shows ERR calculation.
7. Certificate Relating to Tariff or User Charge (Form-A)
8. Certificate relating to the Project Term (Form-B)
9. Certificate relating to Total Estimated Capital Cost and/or Total Estimated Project Cost (Form-C)
10. Draft VGF Agreement
11. Endorsement letter of the VGF proposal by the PPP Authority

Note: ¹ VGF Rules, 2018 means the Rules for Viability Gap Financing for Public-Private Partnership Projects, 2018, enacted on 17 October 2018.

Form-A

Certificate Relating to Tariff or User Charge

[see rule 8(2) (a)]

It is certified that:

- (a) The (name of Project) has been submitted by the undersigned as the duly authorized officer of (name of the Contracting Authority) for seeking Viability Gap Financing under the Rules for Viability Gap Financing for Public-Private Partnership Projects, 2018.
- (b) The undersigned hereby certifies that the proposal complies with the provisions and eligibility criteria specified in the aforesaid rules.
- (c) The Tariff or User Charge for the Project has been fixed under and in accordance with (country's law and rule/schedules along with relevant sections). A copy of the relevant Act and rules is attached.
- (d) The Tariff/User Charge as fixed for this Project is indicated below (attach separate sheet if necessary).
- (e) The aforesaid Tariff or User Charge cannot be fixed at a higher level for the reasons stated below.

Dated:

(Name and designation of Officer along with official stamp)

Form-B

Certificate relating to the Project Term

[see rule 8 (2)(b)]

It is certified that:

- (a) The (name of Project) has been submitted by the undersigned as the duly authorized officer of (name of the Contracting Authority) for seeking Viability Gap Financing under the Rules for Viability Gap Financing for Public-Private Partnership Projects, 2018.
- (b) The Project Term has been fixed keeping in view the considerations noted below:
- (c) The aforesaid Project Term cannot be increased for the reasons stated below:

Dated:

(Name and designation of Officer
along with official stamp)

Form-C

Certificate relating to Total Estimated Capital Cost and/or Total Estimated Project Cost

[see rule 8 (2)(c)]

It is certified that:

- a. The (name of Project) has been submitted by the undersigned as the duly authorized officer of (name of the Contracting Authority) for seeking Viability Gap Financing under the Rules for Viability Gap Financing for Public-Private Partnership Projects, 2018.

- b. Total Estimated Capital Cost and/or Total Estimated Project Cost is reasonable and has been fixed in accordance with the standards and specifications normally followed for similar Projects (attach separate sheet if any details are to be furnished).

- c. That the aforesaid Total Estimated Capital Cost and/or Total Estimated Project Cost cannot be reduced for reasons indicated below (attach separate sheet if necessary).

Dated: _____

(Name and designation of
Officer along with official stamp)