

The Government of Balochistan (GoB), through the Balochistan Public Private Partnership Authority and the Forest & Wildlife Department, appreciates the detailed review and thoughtful comments provided in respect of the RFP and Draft Concession Agreement for the ARR Project. The observations are noted and are valued as part of a constructive engagement process with prospective bidders. At the same time, it is important to clarify the underlying design philosophy of the Project, which has been developed following extensive internal deliberations, benchmarking against international practices, and careful consideration of the unique characteristics of large-scale nature-based carbon initiatives.

The Project has been intentionally structured as a private-sector-led, market-driven concession, wherein the primary risks—technical, biological, commercial, and carbon market-related—are allocated to the Concessionaire. This allocation is not inadvertent but reflects a deliberate policy choice to encourage participation from experienced and capable entities that are well-positioned to manage such risks. In recognition of this risk allocation, the Government has adopted a pragmatic approach to revenue sharing, setting a nominal floor that appropriately reflects the risk-return balance inherent in the Project. The commercial upside, therefore, remains largely with the Concessionaire, subject to its ability to successfully design, implement, and monetize the Project.

In relation to the revenue model, it is clarified that the Project does not contemplate any form of sovereign-backed revenue support, including minimum revenue guarantees, availability payments, or similar mechanisms. The revenue framework is fully linked to the generation and monetization of carbon credits, and bidders are expected to rely on their own expertise, market access, and commercial judgment in structuring viable business models. This approach is consistent, inculcating innovation and efficiency while ensuring that public resources are not exposed to contingent financial liabilities.

With respect to financing, the Project is designed on the expectation of full private investment, primarily through equity. The Government does not intend to provide guarantees or credit support mechanisms. While bidders are not restricted from arranging debt financing, any such arrangements would need to be undertaken on their own account and risk. In this context, the Concession Agreement has been structured accordingly and does not provide for conventional project finance security frameworks such as mortgage rights over project assets. This is aligned with the broader objective of maintaining a non-recourse-to-government structure and limiting sovereign exposure.

The concerns raised regarding termination payments are acknowledged. The current framework provides the structural basis for termination provisions, while allowing flexibility for detailed financial parameters to be discussed and agreed during the negotiation phase with the Preferred Bidder. This approach is intended to ensure that termination arrangements are fair, context-specific, and aligned with the final project structure, while remaining consistent with the overarching principle of risk allocation.



Similarly, the KPI framework has been left to be finalized during the negotiation stage to allow alignment with the specific methodologies and implementation strategies proposed by the successful bidder. This flexibility is intended to ensure that performance metrics are both realistic and appropriately calibrated to ecological and operational conditions, while preserving the integrity of a performance-based regime.

Regarding the technical evaluation criteria and scoring matrix, the Government has carefully considered the comments provided. However, the existing framework reflects a conscious policy decision to place greater emphasis on demonstrated experience in afforestation, reforestation, and revegetation projects. Given the scale, duration, and ecological complexity of the Project, prior ARR experience is considered a critical determinant of successful implementation. Accordingly, the scoring matrix has been designed to prioritize entities with proven capabilities in this domain, and it is not proposed to revise this approach.

It is also noted that the Project operates within a dynamic and evolving carbon market environment. While the contractual framework acknowledges certain market and regulatory risks, the commercial responsibility for navigating these risks rests with the Concessionaire. Participants are expected to bring the necessary technical, financial, and market expertise to manage these uncertainties effectively over the life of the concession.

The Government of Balochistan acknowledges the submission of the initial set of comments and appreciates the detailed and structured review undertaken by the consortium. It is also noted, as stated in the submission itself, that these comments represent a preliminary review and that further observations may follow as the evaluation progresses. In this regard, the Government welcomes continued engagement and reiterates its openness to receiving and considering additional inputs during the course of the process. Importantly, the Government also takes note of the observation in the report that the Draft Concession Agreement (DCA), in its present form, reflects a legally viable and conceptually sound PPP structure. This acknowledgment is significant, as it affirms that the foundational architecture of the Project is aligned with established PPP principles.

At the same time, it is important to emphasize that the current stage of the process is a competitive bidding stage, where the RFP and DCA are intended to provide a structured framework for bid preparation rather than a fully negotiated, final-form concession agreement. Consistent with standard PPP procurement practice, certain elements—particularly those relating to commercial fine-tuning, performance metrics, and specific financial constructs—are designed to be discussed and finalized during the post-bid negotiation phase with the Preferred Bidder. Accordingly, aspects such as termination payment formulations, KPI calibration, and other detailed operational or financial parameters may be refined at that stage to ensure alignment with the selected bidder's technical approach and financial model, while remaining within the overall policy and risk allocation framework of the Project.



In this context, the observations raised in the comments are understood as part of a normal iterative process inherent in complex PPP transactions, particularly for projects of this nature involving long tenors and evolving carbon market dynamics. However, it is reiterated that the core contours of the Project—namely, its market-driven structure, allocation of primary risks to the Concessionaire, absence of sovereign guarantees, and emphasis on experienced ARR operators—are deliberate and will remain unchanged. The flexibility provided at the negotiation stage is intended to address implementation-level details rather than to fundamentally alter the risk-return structure or policy objectives underpinning the Project.

In conclusion, while the Government remains open to providing clarifications and engaging constructively with bidders, the fundamental contours of the Project—including its risk allocation, revenue model, financing philosophy, and evaluation framework—are the result of deliberate policy choices and are intended to remain intact. The Project is positioned as a high-impact, long-term opportunity suited to experienced participants capable of undertaking a commercially driven ARR initiative with a clear understanding of the associated risks and rewards.



Response to the Comments/Queries raised is provided below:

Comments on Instructions to Bidders			
Ref	Clause / Section	Issue Identified	Government Response
1	Consortium Agreement vs Joint Bidding Agreement	Overlapping definitions	The intent is to ensure binding consortium commitment at bid stage. Bidders may submit a unified document provided it satisfies the requirements in substance.
2	Bid Validity Period	Defined as 180 days but inconsistencies elsewhere	Bid Validity Period is 180 days
3	SPV Definition	Missing cross-reference	SPV is defined as follows: "Special Purpose Vehicle" or "SPV" means a company incorporated in Pakistan by the Preferred Bidder or Consortium solely for the purpose of implementing the Project, which upon execution of the Concession Agreement shall act as the Concessionaire and be responsible for the design, development, financing, operation, maintenance, and transfer of the Project in accordance with this Agreement, and which shall have no business other than the Project and shall undertake all financing, including any debt, at its own risk and without recourse to the Government or the Implementing Agency."
4	Local SPV Requirement	Restricts structuring flexibility	The requirement of a locally incorporated SPV is a deliberate policy decision to ensure regulatory oversight and enforceability. No change is proposed.
5-6	Bid Security	270 vs 360 days inconsistency	This is 180 days + 90 days. So in total, 270 days.
7	Financial Bid Form	120-day validity	

21	Joint liability	Unlimited exposure	This applies only at pre-award stage and is standard practice. No change required.
22	Bid forfeiture	Ambiguity in "final version"	The clause is consistent with procurement discipline; no change proposed.
23	POA template	Wrong department referenced	A standard template is provided which can be altered as per the requirements, subject to materially meeting the requirements of the RFP.
24	Drafting inconsistencies	Multiple cross-reference errors	Have been responded to.

AR

		conflicts with 180 days	
8	Stamp Duty	Defined but unused	This fee is applicable after execution of the Agreement and will be borne by the concessionaire; no change required at this stage.
9	Authority discretion	Can cancel without reason	This provision is standard under procurement frameworks and remains subject to applicable law. No amendment required.
10	Consortium lock-in	No flexibility in shareholding	The restriction is intentional to preserve bid integrity. No change is proposed.
11	Financial criteria	Liquidity only for Lead Member	The current structure reflects risk allocation and leadership accountability. No change proposed.
12	Eligible Countries	Undefined	This carries the standard definition as per the applicable laws, as applicable from time to time
13	Use of bidder ideas	No IP protection	Standard procurement provision. No change proposed.
14	Technical scoring	Overweight ARR experience	The scoring matrix reflects deliberate policy emphasis on ARR execution capability. No revision is proposed.
15	Plantable area	Overstated vs actual (~34k vs ~20k ha)	Bidders are expected to undertake independent due diligence post contract execution. No revision to baseline is proposed.
16	Schedule J	Missing	Site assessment is provided in the detailed technical report.
17	Liquidity scoring	No scale beyond PKR 500m	The threshold reflects minimum qualification intent; no further granularity is required.
18	Complaint mechanism	Conflicts with "final decision" clause	The framework remains as per PPP Rules; no change required.
19	Amendments	No clarity on validity extension	After bid opening, Bidder/Consortium will be required to extend the security expiry date, if required.
20	Validity references	Multiple inconsistencies	

Comments on DCA			
Ref	Clause	Issue	Government Response
1	Parties	IA vs Co-IA roles unclear	The structure reflects institutional roles; operational clarity can be addressed during negotiation stage. Further, details have been clearly provided in the DCA with respect to role of each agency in the pertinent sections.
2	Abandonment	Doesn't include Relief Events	The current drafting is sufficient; interpretative alignment can be addressed at negotiation stage if required.
3	Adverse Carbon Event	Subjective definition	Intentional flexibility is retained given evolving markets; detailed thresholds may be discussed at negotiation stage.
4	Ancillary Activities	No enabling rights	These are enabling provisions; operational structuring is the responsibility of the Concessionaire.
5	Applicable Standards	Conflicts with hierarchy clause	The hierarchy reflects flexibility required for evolving standards; no change proposed.
6	Revenue definitions	Carbon vs Non-carbon mismatch	The revenue framework is intentionally carbon-centric; no structural change proposed.
7	Change in Law	Excludes gazetted laws	This is a deliberate risk allocation; foreseeable risks remain with the Concessionaire.
8	Concession Assets	Excludes carbon credits	This is intentional to preserve commercial rights of Concessionaire.
9	Concession Period	No end reference	Structurally adequate when read with other clauses; no change required.
10	Designated Account	Defined but unused	May be refined during Negotiation/finalization stage; not material at this stage.
11	Delay Payment Rate	Blank	To be finalized at negotiation stage.
12	Encumbrance	Conflicts with financing provisions	The restriction is intentional to reflect equity-led model; no change proposed.

13	Escrow / Revenues	"Revenue" undefined	Detailed structuring may be addressed during negotiation stage.
14	Excess Amount	Unused	Can be refined at negotiation stage; not material to bidding stage/process.
15	Force Majeure Costs	Linked to financial model	
16	IA Financial Instruments	Undefined	
17	Managed Areas	No obligations	
18	Indemnification threshold	Blank	
19	Monitoring Cycle	Missing clause reference	
20	Vacant possession	Unrealistic (no trees)	
21	Security Event	No compensation clarity	
22	Priority of clauses	Overlapping mechanisms	
23	Concession extension	Linked to undefined KPIs	
24	Financial Instrument CP	Undefined	The concept is indicative; detailed structuring may be finalized post-bid.
25	MoCC endorsement	Risk unclear	This is an inherent regulatory risk and remains with the Concessionaire.
26	Commencement delay	Cost recovery unclear	Relief mechanisms exist; detailed calibration may be addressed at negotiation stage. However, it is clarified that the IA will not bear any cost against relief event. The maximum relief could be time extension.
27	Pre-commencement termination	Only EIA costs recoverable	This reflects deliberate risk allocation; no expansion proposed.

28	Lease	Not fully aligned	Will be aligned at execution stage.
29	Site conditions	Strong IA representation	The clause provides adequate protection; no change required. No cost compensation will be provided for any relief event by the GoB. Only time extension may be considered subject to strict procedural formalities.
30	Encroachment	"Best effort" approach is weak	This will be on 'best-effort' basis as the GoB will fully facilitate the project however certain hard realities may be beyond (easy) control. Utilities require investment which is parked on the concessionaire however if any possibility is available, GOB will assist on best effort basis
31	Utilities relocation	Weak obligation	
32	Restoration clause	Cost vs responsibility mismatch	No change at this stage. GoB will not bear the cost.
33	Independent Engineer	Weak governance	Operational details can be refined at negotiation stage.
34	Auditor replacement	No fallback	
35	Carbon standards	Stringent timeline rule	Details can be refined at the negotiation stage. Cost compensation against relief events shall not be provided and the risk remains parked on the concessionaire. However, time extension against relief may be considered subject to strict procedural formalities.
36	Registration rejection	Full risk on concessionaire	
37	Marketing agent	No transparency	
38	Encumbrance restriction	Not fully integrated	The Project does not contemplate traditional project finance structures; no change proposed.
39	Financing / Security / Direct Agreement	Not addressed	
40	Relief Event Notice and Application	Provision inclusion	Details to be refined at the negotiation stage.

41	Mitigation as CP	Revision requested	Reflects good industry practice. Further details to be considered during the negotiation stage.
42	Performance Damages	Insert clear definition	These do refer to the liquidated damages in a larger context and will be finalized in the negotiation stage.
43	Deemed Relief Order	Review request	Details to be refined at the negotiation stage.
44	Revenue Mechanism & Revenue Sharing	Clarity required	The escrow agreement draft shall be developed after the contract execution. The waterfall arrangement shall be adequately captured in the said agreement.
45	Revenue Account Control	Review Escrow Arrangement	This is part of the operational plan which shall come with extensive expenditure module. Such details shall be finalized at that stage.
46	Defined Terms	Schedule to be inserted	The suggestion is impractical at this stage as the financial bid shall determine the investments and expenditures. Such actions will be discussed in due stages.
47	First IA Instrument	Provide clarity	The details can be discussed at the negotiation stage promptly.
48	Insurances	Clarity required	The relevance can be optimized at the negotiation stage for clarity, as applicable.
49	FME	Insertion of details	The said suggestion can be included as FME event during the negotiation stage. Mapping and capturing all the possible events in the matrix is not possible at any point in time therefore such changes can be considered and included during the negotiation stage
50	EoD	Clarity required	Can be considered during the negotiation stage.
51	Termination Payments	Populate details	This shall be finalized at the negotiation stage considering the bid financial model.
52	Termination Payments		

MA

53	Termination Payments		
54	Termination Payments		
55	FME Termination		
56	Asset Transfer	Clarity Required	The agreement provides a degree of detail on this point as the asset and the SPC shall be technically transferred to the GoB at the end of the concession. But the point may be further discussed during the negotiation for clarity.
57	Assignment & security	Clarity towards the project financing	The project is designed in a particular manner as stated above. Therefore, such situation may be discussed during the negotiation period however the transaction structure at this point in time does not support the case.
58	Dispute Resolution	Amendment Request	The project design endeavor to resolve disputes in the local courts with proposed domestic jurisdiction. No changes proposed at this stage. In case of international bidder, further consideration may be given at the negotiation stage
59	Key Performance Indicator	Provide the framework	The project shall be operated by the concessionaire and as such requires consideration of the operational modalities. Mutual input to develop the framework, preferably at the negotiation stage.
60	Termination Payments	Populate details	This shall be finalized at the negotiation stage considering the bid financial model
61	Schedule K	Renumber Schedules	This is a DCA and such anomalies can be addressed adequately at the negotiation stage.

Bidder Queries:

#	REFERENCE AND KEY TEXT	COMMENT/QUERY
1	<p>Glossary – “Consortium Agreement”: “An agreement between the members of the Consortium... intent to form a joint venture SPV...” AND Glossary – “Joint Bidding Agreement”: “...agreement between the members of the Consortium... intent to form a joint venture SPV...”</p>	<p>The definitions are materially overlapping but not identical in drafting precision. “Consortium Agreement” refers to “an agreement between the members of the Consortium, conveying, inter alia, the intent to form a joint venture SPV... In terms of Section 4.17 of this Request for Proposal.” “Joint Bidding Agreement” refers to “an agreement between the members of the Consortium, conveying, inter alia, the intent to form a joint venture SPV...” without reference to Section 4.17. However, Section 3.1.1(b) requires submission of both a “binding Joint Bidding Agreement” and a “legally binding and enforceable Consortium Agreement.” The RFP does not clarify whether these are distinct documents or interchangeable expressions. Clarification/Amendment Request: The RFP should expressly confirm whether one unified consortium document satisfies both definitions. If separate documents are required, their respective legal purposes and mandatory contents must be clearly delineated.</p>
2	<p>Glossary – “Bid Validity Period”: “The period of 180 days starting from the opening of the Technical Bids.”</p>	<p>The Bid Validity Period is expressly defined as 180 days from the opening of the Technical Bids. As a defined term in the Glossary, it operates as the controlling reference for all provisions relating to the duration for which the Bid remains binding. Any clause addressing Bid Security validity or extension must be strictly consistent with this 180-day definition. Deviations from this defined period in other sections create internal inconsistency and procedural ambiguity.</p>
3	<p>Glossary – “SPV”: “Has the meaning given to the term in Section 1.6.6.”</p>	<p>The RFP defines “SPV” by reference to Section 1.6.6; however, no such Section 1.6.6 appears in the RFP as issued. This results in a</p>



		<p>definitional gap in respect of a core structuring concept central to bid compliance, project implementation, and concession execution. Clarification/Amendment Request: The Procuring Agencies should: a. confirm the correct cross-reference intended for the definition of "SPV," or alternatively insert a standalone definition within the Glossary; and b. ensure that the definition is applied consistently across Volume I, Volume II and the Draft Concession Agreement, so that the legal identity, role and obligations of the SPV are unambiguous at both bid stage and post-award.</p>
4	<p>Section 1.9.2: The Preferred Bidder shall procure incorporation of an SPV "that shall be a locally registered company incorporated in accordance with the laws of Pakistan," which shall act as the Concessionaire and enter into the PPP Agreement.</p>	<p>The RFP mandates incorporation of a locally registered SPV in Pakistan. While consistent with conventional PPP structuring, the Project is inherently dependent on international carbon markets, cross-border credit sales, and foreign participation. A strictly local SPV requirement may constrain structuring flexibility, including market access, pricing optimization, investor participation, and financing through offshore or credit-enhanced structures, thereby adversely affecting project bankability. Clarification/Amendment Request: The Procuring Agencies should permit SPV structuring flexibility, including foreign or hybrid SPV structures (subject to Applicable Laws). Such flexibility would enhance marketability, pricing, and investor participation, and may improve realized revenues and Government revenue share outcomes while preserving enforceability of the concession framework.</p>
5	<p>Section 1.8(k): "Bid Security... valid for Ninety (90) days plus One Hundred Eighty (180) days beyond the original</p>	<p>Section 1.8(k) contains an internal mathematical inconsistency. If the Bid Validity Period is 180 days (as defined in the Glossary), then "90 days plus 180 days beyond the original</p>



	<p>Bid Validity Period making it a total of Two Hundred Seventy (270) days..."</p>	<p>"Bid Validity Period" does not logically reconcile with a total of 270 days from the opening of Technical Bids. The drafting appears to combine multiple formulations without internal coherence. This inconsistency creates material compliance risk for bidders arranging bank guarantees, as an incorrect validity period may result in technical rejection. Clarification/Amendment Request: The RFP must reconcile this clause with Section 3.2.1 and the Glossary. A single, internally consistent Bid Security validity formula must be clearly stated.</p>
6	<p>Section 3.2.1: "Bid Security... shall remain valid for One Hundred Eighty (180) days beyond the Bid Validity Period."</p>	<p>Section 3.2.1 provides that the Bid Security must remain valid for 180 days beyond the 180-day Bid Validity Period, resulting in a total validity of 360 days from opening. This conflicts directly with Section 1.8(k)'s 270-day reference. The inconsistency is substantive and affects banking compliance and guarantee costs. Clarification/Amendment Request: The RFP should clearly state a single total validity period for the Bid Security (either 270 or 360 days) and harmonize Sections 1.8(k), 3.2.1, and the Glossary accordingly.</p>
7	<p>Form H-8 (Financial Bid Form) – 120-Day Validity Inconsistency</p>	<p>The Financial Bid Form (Form H-8 / F1) states that the Bid shall remain valid for 120 days from the Bid Submission Date. This conflicts with the Glossary definition of a 180-day Bid Validity Period and compounds the inconsistency between Sections 1.8(k) and 3.2.1 regarding Bid Security tenor. This discrepancy is material. The Bidder's signed Financial Proposal contains a binding declaration of validity. Inconsistent validity periods between the Glossary, procedural clauses and the Financial Bid Form expose the Bidder to technical non-compliance and potential rejection under Section 1.7.1 (strict adherence</p>

		requirement). Clarification/Amendment Request: The Authority should confirm the correct Bid Validity Period and issue a harmonized instruction ensuring alignment between the Glossary, procedural clauses and the Financial Bid Form.
8	Glossary – “Stamp Duty”	The RFP defines “Stamp Duty” in the Glossary; however, there is no corresponding operative provision allocating responsibility for payment of stamp duty or specifying the applicable instrument(s). In PPP transactions, stamp duty may arise on the PPP Agreement, land lease, financing documents, and security instruments. Absence of express allocation creates uncertainty as to which party bears such costs. Clarification/Amendment Request: Insert a clear provision specifying responsibility for stamp duty across all project documents, including the PPP Agreement, lease instruments, financing documents, and security creation.
9	Section 1.5.1(b): “The decision of the Procuring Agencies shall be final and binding.”	While such clauses are common in procurement frameworks, the absolute nature of “final and binding” decisions may create tension with statutory rights of review, complaint or judicial recourse available under applicable procurement laws and PPP Rules. Clarification/Amendment Request; Clarify that this provision is subject to applicable law, including statutory complaint and review mechanisms, to avoid any perceived exclusion of legal remedies.
10	Section 1.6.2 (Language): “All documents shall be in English...”	The requirement that all documents be in English is standard. However, supporting documents (e.g., incorporation certificates, financial statements, technical certifications) originating from foreign jurisdictions may be in other languages. Clarification/Amendment

		Request; Clarify whether certified translations are acceptable and specify requirements for notarization or legalization of foreign-language documents.
11	Annexure A – Financial Criteria: “Bidder/Consortium shall have average annual turnover of PKR 5bn... OR... Lead Member must have minimum cash... PKR 500m...”	Annexure A provides two alternative financial qualification routes: (i) Average annual turnover of PKR 5 billion (which appears capable of being satisfied at the Consortium level, unless otherwise restricted); OR (ii) Minimum liquidity of PKR 500 million, expressly linked to the Lead Member (including its shareholders). The drafting clearly distinguishes between “Bidder/Consortium” for turnover and “Lead Member including its shareholders” for liquidity. On a strict reading, liquidity is not aggregable across all Consortium Members unless they are shareholders of the Lead Member. Clarification/Amendment Request: Confirm whether liquidity may be satisfied collectively by all Consortium Members, or whether it must be satisfied exclusively by the Lead Member and its shareholders as currently drafted.
12	Annexure A – Item 8 (Eligible Countries): “Bidder... shall be incorporated in / have nationality of an Eligible Country.”	The RFP does not define “Eligible Country” within Volume I. There is no annexed schedule listing eligible jurisdictions, nor an express cross-reference to the PPP Act or BPPP Rules defining nationality-based eligibility restrictions. The absence of definition creates interpretive uncertainty, particularly in the context of foreign-incorporated Consortium Members or cross-border shareholding structures. Clarification/Amendment Request: Insert a definition of “Eligible Country” in the Glossary or cross-reference the applicable statutory provision governing nationality-based eligibility.

13	<p>Section 1.10.3 (Use of Bidder Ideas): “...reserves the right to proceed with all or any part of the Project, including the use of some or all of a Bidder’s ideas and concepts...”</p>	<p>Section 1,10.3 permits the Authority to use bidder ideas and concepts even if the bidding process is terminated. The clause does not expressly carve out proprietary intellectual property, trade secrets, or confidential methodologies beyond general confidentiality protections elsewhere in the RFP. While such provisions are common in competitive procurement, the absence of explicit proprietary carve-outs may expose innovative technical or structuring concepts submitted in the Technical Proposal. Clarification/Amendment Request: Consider inserting language clarifying that proprietary methodologies, trade secrets, or specifically marked confidential information shall not be used without the Bidder’s consent.</p>
14	<p>Annexure B – Technical Evaluation Criteria (Section 2 & Section 4)</p>	<p>Section 2 allocates 35 marks exclusively to prior award of ARR project(s) within the last five years, with 25 marks awarded for one ARR project of at least 10,000 acres and 10 additional marks for a second qualifying project. In effect, ARR award history constitutes the dominant component of technical scoring. Section 4, by contrast, allocates only 15 marks to broader carbon and climate development experience, including AFOLU implementation, non-AFOLU mitigation projects, agro-based industry exposure, and investment in nature-based carbon initiatives. This weighting may disproportionately favor bidders with prior ARR-specific awards and limit competition. Clarification/Amendment Request: Consider rebalancing scoring to more broadly recognize relevant carbon market and climate project experience beyond ARR-specific awards.</p>
15	<p>Annexure B – Section 3.1 (Equity Investment Commitment):</p>	<p>The scoring framework allocates marks for equity commitment; however, the methodology for evaluating quantum versus credibility of</p>



		<p>commitment is not fully elaborated. It is unclear whether higher equity commitments proportionately increase scoring or whether a threshold-based approach applies.</p> <p>Clarification/Amendment Request: Define the scoring methodology for equity commitment, including thresholds and incremental scoring logic.</p>
16	<p>Annexure B – Section 3.2 (Cash & Funding Lines): “Cash... not less than PKR 500m will be awarded 5 marks.”</p>	<p>Section 3.2 allocates a maximum of 10 marks under this head, yet the clause specifies only that PKR 500 million earns 5 marks. No incremental scoring structure is provided for liquidity exceeding PKR 500 million. This creates an internal scoring ambiguity: either the maximum marks are incorrectly stated, or the incremental scoring logic is incomplete.</p> <p>Clarification/Amendment Request: Define the incremental scoring methodology above the PKR 500 million threshold or revise the maximum marks allocation for this head.</p>
17	<p>Section 7.4.1 (Complaint Redressal): “Any Bidder being aggrieved... may lodge a written complaint...”</p>	<p>Section 7.4.1 provides a complaint redressal mechanism consistent with PPP Rules. However, Section 1.5.1(b) states that decisions of the Procuring Agencies are “final and binding.” This creates interpretive tension between finality and availability of complaint mechanisms. Clarification/Amendment Request: Confirm the procedural scope and timelines for invoking complaint mechanism and clarify interaction with “final and binding” clause.</p>
18	<p>Section 1.7.3: “The Procuring Agencies may... modify any of the documents... by amendment... and may... extend the deadline...”</p>	<p>Section 1.7.3 permits unilateral modification of the RFP through addenda prior to the Bid Submission Date. While consistent with procurement practice, the clause does not clarify whether amendments affecting substantive terms automatically extend the Bid Validity Period or require extension of Bid</p>

		Security validity. Clarification/Amendment Request: Confirm whether issuance of addenda affecting substantive terms will automatically extend Bid Validity and whether Bid Security must be correspondingly extended.
19	Section 1.8(g): "The Bids shall be valid for the number of days as stated in this RFP from the date of opening of Technical Bids."	Section 1.8(g) ties Bid validity directly to the defined number of days from opening of Technical Bids, reinforcing the Glossary definition of 180 days. The reference to "number of days as stated in this RFP" underscores the necessity for internal consistency across Sections 1.8(k), 3.2.1, and the Financial Bid Form. Given the identified inconsistencies in Bid Security tenor calculations, this clause reinforces the need for harmonization of validity references. Clarification/Amendment Request: Ensure all clauses referencing Bid Validity and Bid Security use a single, consistent number of days.
20	Section 3.1.1(b): Requirement that Consortium Members enter into a Joint Bidding Agreement including provision that members shall be "jointly and severally liable" to the Procuring Agencies.	Section 3.1.1(b) mandates that the Joint Bidding Agreement include a provision confirming that all Consortium Members shall be jointly and severally liable to the Procuring Agencies for obligations arising at the bid stage and up to execution of the PPP Agreement. While joint and several liability at the pre-award stage is common in consortium-based procurement, this requirement should be considered carefully in the context of the Project's intended non-recourse/limited-recourse financing structure post-award.
21	Section 3.1.1(b): Joint and Several Liability (continued context)	While joint and several liability at the pre-award stage is common in consortium-based procurement, this requirement should be considered carefully in the context of the Project's intended non-recourse/limited-recourse financing structure post-award. If not

		clearly ring-fenced, such liability constructs may create residual sponsor exposure beyond financial close. Clarification/Amendment Request: Clarify that joint and several liability applies only up to execution of the PPP Agreement and does not extend into the operational phase post financial close.
22	Power of Attorney (Form requirement)	Execution of a power of attorney referring to an incorrect procuring authority creates technical non-compliance and enforceability risk. Clarification/Amendment Request: Confirm the correct nomenclature and issue a corrected template to avoid rejection on technical grounds.
23	Document Execution Formalities	The RFP requires submission of multiple executed forms and undertakings; however, it does not consistently specify notarization, attestation, or legalization requirements, particularly for foreign consortium members. This may create uncertainty at submission stage. Clarification/Amendment Request: Provide a consolidated execution matrix specifying which documents require notarization, apostille, or consular legalization.
24	Internal Cross-Reference and Structural Drafting Observations	The RFP contains certain internal drafting inconsistencies, including: • Cross-reference inconsistencies (e.g., section numbering variances); • Definition of "Stamp Duty" in Volume I without operational reference; • Inconsistencies in Bid Validity and Bid Security tenor provisions; • Glossary reference to "Schedule F" for Basic Eligibility Criteria, whereas Volume I uses Annexure A. These inconsistencies do not invalidate the RFP but indicate drafting oversight and may give rise to interpretative ambiguity. Clarification/Amendment Request: Conduct a harmonization review to eliminate cross-

		reference errors and ensure consistent terminology across Volume I.
25	Submission Requirements – Completeness Standard	The RFP requires strict adherence to submission requirements and completeness of documentation. However, it does not clearly distinguish between curable deficiencies and non-curable defects. Clarification/Amendment Request: Clarify whether minor deficiencies (e.g., missing signatures, formatting errors) may be rectified post-submission or will result in automatic disqualification.
26	Evaluation Discretion	The RFP confers broad discretion on the Procuring Agencies in evaluating bids, including interpretation of technical criteria and scoring. While discretion is inherent in procurement, absence of objective benchmarks may introduce subjectivity. Clarification/Amendment Request: Provide additional objective criteria or scoring guidance to enhance transparency and predictability of evaluation.
27	Clarification Process	The RFP provides for issuance of clarifications and addenda; however, it does not specify whether responses to bidder queries will be binding or form part of the RFP. Clarification/Amendment Request: Confirm that written clarifications issued by the Authority shall form part of the RFP and be binding on all parties.
28	Pre-Bid Meeting Outcomes	The RFP contemplates pre-bid meetings but does not specify whether minutes or outcomes of such meetings will be formally issued and binding. Clarification/Amendment Request: Confirm that minutes of pre-bid meetings and responses to queries will be documented and issued as formal addenda.

29	Confidentiality Provisions	The RFP includes general confidentiality obligations; however, it does not clearly address treatment of commercially sensitive information submitted by bidders. Clarification/Amendment Request: Clarify confidentiality protections, including treatment of proprietary information and limitations on disclosure.
30	Bid Rejection Rights	The Procuring Agencies reserve the right to reject any or all bids without assigning reasons. While standard in procurement, such clauses may affect bidder confidence. Clarification/Amendment Request: Consider clarifying circumstances under which bids may be rejected to enhance transparency.
31	Cost of Bidding	The RFP places all costs of bid preparation on the bidder. While standard, the Project's complexity and long-tenor nature imply significant bid costs. Clarification/Amendment Request: None (noted as standard commercial risk).
32	Currency and Payment Terms (Bid Stage)	The RFP does not explicitly state the currency for bid-related financial submissions or guarantees in all instances. Clarification/Amendment Request: Confirm currency requirements for Bid Security and financial submissions.
33	Consortium Changes	The RFP does not clearly specify whether changes in consortium composition are permitted after submission or at preferred bidder stage. Clarification/Amendment Request: Clarify conditions under which consortium changes may be allowed, including requirement for prior approval.
34	Lead Member Role	While the Lead Member concept is referenced, the RFP does not comprehensively define its rights, obligations, and authority vis-à-vis other



		consortium members. Clarification/Amendment Request: Provide clarity on Lead Member responsibilities and authority, including representation and binding commitments.
35	Technical Proposal Content Requirements	The RFP outlines technical submission requirements but does not uniformly specify level of detail required for each component. Clarification/Amendment Request: Provide detailed guidance on expected content and level of detail to avoid inconsistent submissions.
36	Financial Proposal Structure	The Financial Proposal format is prescribed; however, interaction between financial bid parameters and concession economics is not fully elaborated. Clarification/Amendment Request: Clarify evaluation methodology and linkage between financial bid and revenue-sharing or concession terms.
37	Scoring Transparency	While scoring categories are defined, the weighting and evaluation methodology within sub-components is not always transparent. Clarification/Amendment Request: Provide detailed scoring rubrics to enhance transparency and reduce subjectivity.
38	Disqualification Criteria	The RFP specifies disqualification grounds but does not clearly categorize them as mandatory or discretionary. Clarification/Amendment Request: Clearly distinguish between automatic disqualification criteria and discretionary evaluation factors.
39	Timelines and Extensions	The RFP provides timelines for submission and evaluation but allows discretionary extensions without clear parameters. Clarification/Amendment Request: Clarify circumstances under which timelines may be extended and how bidders will be notified.

12

40	Alignment Across Volumes	<p>The RFP comprises multiple volumes (Volume I, II, III), but cross-references between them are not always aligned. This may create interpretive inconsistencies between instructions, evaluation criteria, and concession terms.</p> <p>Clarification/Amendment Request: Conduct a full alignment review across all volumes to ensure consistency in definitions, obligations, and cross-references.</p>
41	<p>Article 14.2.4 (Mitigation as Condition Precedent): Relief not granted unless Concessionaire proves it “made all its efforts to avoid such Relief Event... and proved... according to Good Industry Practice.”</p>	<p>This provision makes mitigation a precondition to relief. The burden of proving avoidance of the Relief Event is conceptually problematic; many Relief Events (Political Events, Vacant Possession delays, Force Majeure) are inherently beyond Concessionaire control. Making avoidance proof a condition precedent creates undue evidentiary burden and litigation exposure. Clarification/Amendment Request: The clause should be revised to treat mitigation as a continuing obligation that may reduce the quantum of time or cost relief where failure to mitigate is established, rather than as a condition precedent to entitlement. This approach would align with international PPP standards and ensure proportional risk allocation.</p>
42	<p>Section 14.2.5 – “Performance Damages”</p>	<p>Section 14.2.5 references “Performance Damages”; however, the term is not defined in the definitions section nor elsewhere in the Agreement. The absence of a definition creates ambiguity as to whether Performance Damages refer to liquidated damages, contractual penalties, quantified KPI deductions, or another form of compensation.</p> <p>Clarification/Amendment Request: Insert a clear definition of “Performance Damages,” specifying calculation methodology, caps (if any), and relationship to other remedies.</p>

43	<p>Article 14.3.2 (Deemed Relief Order): If IE/IA fail to respond within 14 days except for "manifest arithmetic error," Relief Order deemed issued.</p>	<p>The provision introduces a deemed approval mechanism whereby, if the Independent Engineer and/or Implementing Agency fail to respond within fourteen (14) days, the Relief Order Proposal is deemed approved except in cases of "manifest arithmetic error." This mechanism is strongly concessionaire-favourable and promotes decisiveness through strict timelines. However, limiting objection grounds solely to "manifest arithmetic error" may be unduly narrow. The absence of broader substantive review grounds (e.g., manifest error in principle, evidentiary insufficiency, or non-compliance with contractual criteria) may result in unintended deemed entitlements without adequate technical or financial scrutiny. Clarification/Amendment Request: The review grounds should be expanded to include manifest error in principle or insufficiency of supporting evidence, while retaining strict response timelines to preserve procedural discipline. This would balance decisiveness with appropriate oversight and reduce the risk of unintended relief outcomes.</p>
44	<p>Article 16.1–16.3 (Revenue Mechanism & Revenue Sharing Certificate)</p>	<p>Revenue sharing is certified through a "Revenue Sharing Certificate." However, clarity is needed on (i) frequency of certification; (ii) verification standards; (iii) audit rights; and (iv) treatment of disputed amounts. Revenue share mechanics are core economic drivers and must be procedurally robust. Clarification/Amendment Request: Insert detailed waterfall procedure and audit mechanism cross-referenced to Escrow Agreement.</p>
45	<p>Article 16.6.2–16.6.3 (Revenue Account Control): "Revenue Account shall be controlled solely by the</p>	<p>The provision vests sole control of the Revenue Account in the Concessionaire and permits withdrawal of funds "for any purpose at any time." While operational flexibility is</p>

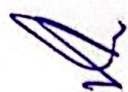
	<p>Concessionaire... may withdraw... for any purpose at any time..."</p>	<p>commercially understandable, this formulation materially weakens escrow discipline and may dilute the security of the Implementing Agency's revenue share. The unrestricted withdrawal language is difficult to reconcile with (i) the escrow framework contemplated under the Conditions Precedent, and (ii) the financing structure and security package typically required in project finance arrangements. In its current form, the clause may create uncertainty regarding revenue prioritization and payment sequencing. Clarification/Amendment Request: Restrict withdrawals to defined expenditure categories and revenue sharing obligations; align with Escrow Agreement and Financing Security Package.</p>
<p>46</p>	<p>Defined Terms; Implementing Agency Financial Instrument & Extended Instrument</p>	<p>The Concession Agreement contemplates the provision of a "First Implementing Agency Financial Instrument" and an "Extended Implementing Agency Financial Instrument" as part of the Project's payment security framework. These instruments appear intended to provide assurance in respect of revenue share and/or termination payment obligations. However, the operative provisions do not clearly define the commercial and procedural mechanics of these instruments. The Agreement does not specify the instrument amount, issuing entity and credit quality, validity and renewal requirements, draw triggers, replenishment obligations, or their express linkage to termination payment protection and revenue security. Given the Project's financing structure and the defined concept of "Financing Due," these instruments are likely central to bankability, yet remain insufficiently elaborated. Clarification/Amendment Request: The Agreement should (i) insert a dedicated schedule clearly defining the Financial</p>

		Instruments (amount, validity, draw events, replenishment mechanics, and relationship to termination payments and revenue share obligations), and (ii) correct all internal cross-references to ensure definitional and operative alignment.
47	Definition – “First Implementing Agency Financial Instrument” and “Extended Implementing Agency Financial Instrument”	The definitions refer to Article 16.7.3 and 16.7.4 (or similar sub-clauses). However, the Draft Concession Agreement does not contain Article 16.7 in the referenced structure. This constitutes a cross-reference inconsistency. Where financial instruments are central to termination protection and revenue security, cross-referencing errors undermine structural clarity and may affect enforceability. Clarification/Amendment Request: Correct internal article cross-references and confirm the operative clauses governing the Financial Instruments.
48	Article 19 (Insurances)	The insurance framework should operate coherently with the Force Majeure and uninsurability regimes. Where certain risks become uninsurable, partially insurable, or commercially unavailable in the market, the Concessionaire may face exposure beyond the originally contemplated risk profile. The operative insurance provisions do not clearly link such scenarios to the relief or Force Majeure framework. In the absence of express cross-referencing, escalation in insurance premiums, withdrawal of coverage, or market-wide unavailability may not automatically trigger relief, despite materially affecting Project viability. Clarification/Amendment Request: Uninsurability should be expressly cross-referenced into Article 14 (Relief) and/or Article 20 (Force Majeure), with defined entitlement to time extension and, where appropriate, cost compensation. This alignment

Handwritten signature or initials

		is necessary to ensure that insurance market risk is treated consistently within the broader risk allocation structure.
49	Article 20 – Force Majeure Event (Natural Events)	Article 20 includes standard natural disasters (earthquake, flood, etc.) within the Force Majeure definition. However, the definition does not expressly reference widespread pest infestation, species-specific disease outbreak, or large-scale ecological pathogen events affecting plantation viability. In a long-tenor afforestation concession, biological risks such as uncontrollable tree disease, invasive pest outbreaks, or ecosystem-level collapse may materially impair project performance and carbon credit generation. If not clearly captured within the Force Majeure framework, such events risk being classified as operational failure rather than uncontrollable natural events. Clarification/Amendment Request: Consider clarifying that widespread and uncontrollable biological events materially affecting plantation health, beyond reasonable mitigation measures, constitute Natural Force Majeure Events.
50	Article 20.1.1 (Force Majeure Events): Includes Political Events, Non-Political Events, Security Events, Environmental Abnormality.	The categorization is comprehensive and includes Security Events. However, the cost and compensation consequences vary depending on event classification. In parallel, the Agreement separately defines Change in Law (Foreign) and Administrator Event, which may overlap with the Force Majeure or Relief frameworks. Without explicit integration, there is a risk of inconsistent treatment or contradictory entitlement outcomes across Articles 14 and 20. Clarification/Amendment Request: The Agreement should confirm consistency between Force Majeure Events and Relief Events and expressly integrate Change in Law (Foreign) and Administrator Event into the appropriate relief pathway. Overlapping

		categories should be harmonized to avoid divergent or duplicative outcomes and ensure coherent risk allocation.
51	Article 21 (Events of Default – Concessionaire)	The Events of Default regime appropriately includes abandonment, insolvency, material breach, and performance failures. However, the definition of Abandonment and its interaction with Relief Events, Security Events, and Force Majeure requires careful alignment. Absent explicit clarification, there is a risk that performance suspension or demobilization during a subsisting Relief Event or Force Majeure could be mischaracterized as an Event of Default. This would be inconsistent with the contractual allocation of excusable performance risk. Clarification/Amendment Request: The Agreement should expressly confirm that no Concessionaire Event of Default shall arise during the subsistence of a Relief Event, Security Event, or Force Majeure Event to the extent performance is excused. This clarification is necessary to ensure internal consistency and avoid wrongful default classification.
52	Article 22 (Termination Payments) read with absence of express payment security provisions	While Article 22 outlines scenarios in which Termination Payments may become due from the Implementing Agency to the Concessionaire, the Draft Concession Agreement does not incorporate any dedicated security mechanism guaranteeing timely payment of such amounts. There is no express provision establishing a standby letter of credit, escrow-backed sovereign support mechanism, direct debit structure, or other credit enhancement arrangement securing the Implementing Agency’s payment obligations. In large-scale PPP projects requiring substantial private financing, security of Termination Payments is fundamental to lender confidence.



		<p>The absence of an express payment security mechanism introduces sovereign payment risk and may materially affect bankability.</p> <p>Clarification/Amendment Request: Consider incorporating a defined and enforceable security mechanism securing Termination Payment obligations, such as a standby financial instrument, escrow structure, or other lender-acceptable sovereign support mechanism.</p>
53	Article 22 (Termination for Concessionaire Default)	<p>Termination consequences are expressly linked to SCHEDULE K (Termination Payment), which currently contains placeholders rather than populated formulas. In the absence of defined calculation methodologies, the financial exposure in a Concessionaire Default scenario cannot be assessed. This materially affects lender analysis and sponsor downside modelling. Given that termination payments are central to risk allocation and financing viability, unpopulated compensation formulas create structural incompleteness.</p> <p>Clarification/Amendment Request: Populate SCHEDULE K (Termination Payment) with explicit formulas and confirm treatment of Financing Due and Sponsor Invested Equity in Concessionaire Default scenarios.</p>
54	Article 22 (Termination for Implementing Agency Default)	<p>Termination for Implementing Agency Default should, as a matter of bankability, result in full debt coverage and equitable compensation of invested equity. However, SCHEDULE K (Termination Payment) currently contains placeholder references for termination amounts. Without populated compensation formulas, the termination protection framework remains incomplete. This constitutes a core bankability concern, particularly where financing commitments will depend on certainty of debt recovery. Clarification/Amendment Request:</p>

		SCHEDULE K (Termination Payment) should be completed to include a defined formula for Implementing Agency Default termination, covering Financing Due, Termination Equity (including defined IRR or return basis), and applicable breakage or hedging costs. Clear quantification is necessary to ensure enforceability and financing viability.
55	Article 22 (Force Majeure Termination)	Force Majeure termination compensation must be neutral and protect both parties. Without populated formulas, allocation of residual value risk remains uncertain. Clarification/Amendment Request: Insert defined formula and clarify whether insurance proceeds are netted before compensation.
56	Article 23 (Transfer of Assets at Expiry/Termination)	Concession Assets transfer to Implementing Agency at expiry. However, Carbon Credits are excluded from Concession Assets by definition. The Concession Agreement must ensure no conflict arises regarding credits issued but unsold at termination. Clarification/Amendment Request: The Agreement should expressly clarify the treatment of (i) issued but unsold Carbon Credits; (ii) credits pending issuance or verification; and (iii) Buffer Credits and associated registry positions. Clear allocation upon expiry or termination is necessary to ensure internal consistency between the definitional framework and the transfer regime.
57	Article 25 (Assignment & Security)	Article 25 contemplates financing, assignment, and security in favor of lenders, which is structurally appropriate for a project finance model. However, the Implementing Agency's obligations are framed in permissive terms ("may consent"), rather than as binding commitments. From a bankability perspective, lender rights to security and direct agreements must be contractually certain. Discretionary

		<p>consent language introduces financing risk and may materially affect credit approval.</p> <p>Clarification/Amendment Request: The provision should be revised to impose a mandatory obligation on the Implementing Agency to grant required consent and execute direct agreements, subject only to defined and objective conditions. A clear execution timeline should also be included to avoid procedural delay and preserve financing certainty.</p>
58	Article 26 (Dispute Resolution)	<p>Clarification/Amendment Request: We recommend revising the dispute resolution provisions so that disputes are resolved through international arbitration rather than arbitration under the local arbitration framework in Pakistan. As currently drafted, the clause provides for arbitration in Quetta under the applicable Pakistani arbitration law. While this approach may be suitable for purely domestic transactions, it may not be appropriate for a project intended to attract international investors, carbon market participants and potential foreign offtakers. Given the cross-border nature of voluntary carbon markets and the likelihood that project developers, credit buyers, financiers or technology providers may be foreign entities, it would be more appropriate to provide for arbitration under a recognized international arbitration framework. Adopting international arbitration would provide greater neutrality, procedural certainty and enforceability of awards under the New York Convention, thereby improving the bankability and overall attractiveness of the project to international participants. Accordingly, we suggest revising the clause to provide that disputes be referred to international arbitration administered by a recognized institution (for example, the Singapore International Arbitration Centre (SIAC), the</p>



		London Court of International Arbitration (LCIA), or the International Chamber of Commerce (ICC)), with the seat of arbitration outside Pakistan. This approach is commonly adopted in projects involving international investors and would provide a neutral and widely recognized dispute resolution mechanism while ensuring enforceability of arbitral awards in multiple jurisdictions.
59	Schedule – KEY PERFORMANCE INDICATORS (placeholder text)	KEY KPIs are stated to be “finalized during negotiation phase.” Conditioning extension and possibly performance compliance on unfinalized KPIs renders the CA incomplete. This is structurally risky and may invite post-award renegotiation disputes. Clarification/Amendment Request: The KPI framework should be fully finalized and annexed prior to execution. Alternatively, the Concession Agreement should provide an objective fallback formula or default performance standard to apply in the absence of finalized KPIs.
60	Schedule K – Termination Payment Amount placeholders	SCHEDULE K (Termination Payment) contains placeholders for all termination payment calculations. This prevents meaningful financial modelling and financing due diligence. Without defined formulas, the Agreement is not commercially complete. Clarification/Amendment Request: Populate SCHEDULE K (Termination Payment) with detailed formulas tied to Financing Due, Sponsor Invested Equity, and Change in Law Termination Amount. This is a pre-condition to bid viability assessment.
61	Schedule K – Termination Payment Amount; Schedule titled “KEY PERFORMANCE INDICATORS”	The Draft CA appears to contain duplication of the schedule designation “Schedule K,” one relating to Termination Payment Amount and another relating to Key Performance Indicators.

	<p>Duplicate schedule identifiers create cross-reference ambiguity, particularly in Articles 2.3 (extension), 14 (Relief), and 22 (Termination). This drafting defect may lead to interpretive disputes as to which Schedule K is being referenced in operative clauses. In long-tenor concession agreements, schedule hierarchy must be unambiguous.</p> <p>Clarification/Amendment Request: Renumber schedules to ensure unique identifiers and harmonize all internal references accordingly.</p>
--	--

APL
Director
BPPA
Powersports