

Invest
International

Terms of Reference

Advisory Assignments



Table of Content

Definitions	3
Background information	6
Scope of Works.....	7
Nature of Consulting Services.....	7
Lots in the Framework Agreement	9
DRIVE eligible countries.....	12

Definitions

Beneficiary government	The government agency, ministry or department in the Beneficiary country that is requesting D2B or DRIVE (or both) funding from IIPP in relation to the underlying project. Beneficiary government may also include a contracting authority, being the agency or department mandated by the Government to procure a Project (which is not necessarily the signatory of the Works contract).
Combination countries	A growing group of countries where Dutch expertise in both trade and development cooperation can make a positive contribution. In these 14 'combination countries' (also referred to as 'combi countries'), IIP approach will combine trade and development cooperation activities, focusing in particular on sustainability and digitalisation.
Concession Agreement	Concession Agreement or CA is a generic term for a contract within the context of a PPP. A Concession is only one of the possible options for a PPP arrangement: however, in the context of the Framework and procurement of infrastructure, it is used for describing the PPP-type of contractual arrangement between an Authority and an SPV (also referred to as Concessionaire), by opposition to a contractual arrangement for traditional procurement, often based on a FIDIC model.
Contracting Authority	The party that requests and receives the Works and defines the technical specifications and minimum performance standards. In the context of the Framework, the Employer is the governmental agency duly authorised to procure the Project and sign a contract on behalf of its government. Also referred to as Competent Authority.
D2B	Develop2Build, a development program of the Ministry of Foreign Affairs of the Netherlands executed by IIPP on behalf of the MoFA to fund studies and consultancy necessary for Project preparation prior to procurement of works.
DFI	Development Finance Institution. In this TOR, DFI is used in the context of a national development agency or bank (e.g., FMO, KfW, AFD, IFU, etc.), by opposition to Multilateral Development Banks (MDB), also referred to as IFI or International Financing Institution.
DRIVE	Development Related Infrastructure Investment Vehicle, a grant funding program of the Ministry of Foreign Affairs of the Netherlands executed by IIPP on behalf of the MoFA to provide government-to-government grant funding for public infrastructure projects which can be combined with Technical Assistance (TA) supporting project implementation.
EC	Engagement Committee. The EC is an internal body of Invest International which has authority to direct departments and teams to allocate time, resources and staff to a particular Project which may be of interest for Invest International. An approval of the EC to proceed is not a commitment to provide grant funding to a Project, which is subject to its own due-diligence procedure leading to an approval by the subsequent Investment Committee (IC).
ESIA	Environmental and Social Impact Assessment.

FIDIC	<i>Fédération Internationale des Ingénieurs-Conseils</i> is the professional organisation formulating international standards for construction technology and consulting engineering. It produces the contractual models and templates referred to as FIDIC contracts.
Financing	All the internal and external financial resources made available for the project.
FS	Feasibility Study.
Framework	The Framework Agreement for Consulting Services for Public Infrastructure procured by IIPP for the Services.
Funding	Source of inflow consumed in a Project to offset its costs, such as revenue or government contributions in grants and subsidies. Funding does not need to be repaid overtime.
GA	Grant Arrangement. A GA is a contractual engagement of IIPP for committing any DRIVE (or D2B) funds. A GA can only be entered with a public, governmental counterpart (i.e., the Beneficiary government).
IC	Investment Committee. The IC is an internal body of Invest International. The IC gives approval for committing the various funding instruments managed by Invest International B.V. (including the D2B and DRIVE programs), on basis of which an entity of Invest International B.V. can enter a committed engagement. In the case of DRIVE (or D2B), such contractual engagement is in the form of a GA and can only be entered with a Governmental counterpart (i.e., the Beneficiary government).
IESG	Impact, Environmental and Social Governance.
IIPP	Invest International Public Programmes B.V., a division of Invest International in charge of managing and deploying the D2B program of the MoFA.
IM	Investment Manager (from IIPP).
KYC	Know Your Customer. KYC (within the context of the banking sector) is an internal procedure to verify the identity, suitability, and risks involved with maintaining a business relationship with a customer, suppliers, or contractual partner.
Lot	A part of the Framework tendered together with other parts to create a panel of Contractors. A Lot is based on different requirements and Consortia can differ between Lots.
MDB	Multilateral Development Bank.
MoFA	Ministry of Foreign Affairs of the Kingdom of the Netherlands.
M&E	Monitoring & Evaluation (in relation to impact and outcome).
MOFTDC	Minister of Foreign Trade and Development Cooperation of the Kingdom of the Netherlands, a Minister without portfolio of the Dutch Government under the MoFA of the Kingdom of the Netherlands. MOFTDC is mandating Invest International to manage and implement the D2B and DRIVE grant programs.

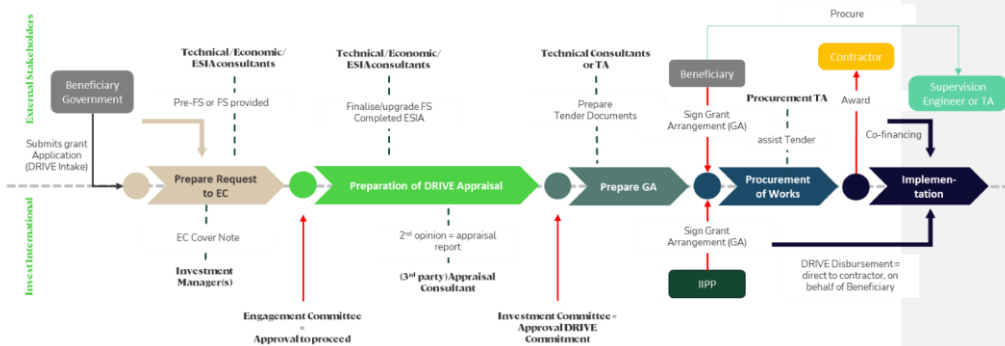
NbS	Nature-based Solutions. Sometimes referred to as “building with nature”. An NbS is a technical approach to building an infrastructure asset that is inspired by processes and functioning of Nature. An NbS is typically chosen for achieving greater resilience (to climate change) while yielding equal or higher societal, environmental, and economic benefits than traditional, “grey”-infrastructure solutions.
PPP	Public-private partnerships (PPPs) are a mechanism for government to procure and implement public infrastructure and/or services using the resources and expertise of the private sector.
Project	The broader infrastructure project prepared by a Beneficiary government (or a contractor in the case of a USP) for which a Call Off (Framework) Contract is necessary to realise or complete the required studies and plans.
PS	Part of IFC’s Sustainability Framework, the Performance Standards (PS) are directed towards clients, providing guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.
SCBA	Social Cost-Benefit Analysis, an economic appraisal of an infrastructure project. Also referred to as or Cost-Benefit Analysis or CBA.
Services	Consulting services and studies prepared by specialised consulting firms which are empanelled in the Framework and that can be procured by IIPP by mean of Request for Proposal, restricted to Contractors that have been included in the Framework’s panel.
TA	In addition to the donations that will be made within the framework of DRIVE, there is the possibility to use adjacent technical assistance (TA) for the benefit of the increasing the impact of projects, increasing the quality of projects or risk mitigation or project preparation. It is up to Invest to, in light of the requirements of DRIVE on, inter alia, implementation and supervision, to assess whether and when technical assistance to the beneficiary government can be deployed. Such technical assistance shall be borne by DRIVE budget. This can take place both inside and outside a grant arrangement.
ToC	Theory of Change.
ToR	Terms of Reference.
USP	Unsolicited Proposal. Project which is initiated by a private contractor or developer rather than by the Authority responsible for implementation. USP may be procured as PPPs or follow traditional procurement. It may be referred to as Privately Initiated Project in some legislations.
VGF	Viability Gap Funding.
Works	Works refer to the goods and services that are typically procured for the realisation of infrastructure projects, such as design, construction, commissioning, operations, or maintenance of public infrastructure assets. This Framework is not eligible for procuring Works.

Background information

The development of an infrastructure Project requires a wide range of particular expertise and advisory input, on basis of which organisations and governments can evaluate the relevance of the Project and the compliance with their requirements in terms of feasibility, sustainability, viability and compliance with environmental and social safeguards.

Infrastructure projects that are funded by the DRIVE grant instrument of the Dutch MOFTDC shall comply with a set of requirements in terms of technical feasibility, economic and financial viability, institutional sustainability, additionality, and environmental and social management in conformity with the IFC's Performance Standards (PS).

Project preparation studies available at the time the Beneficiary government applies for a grant funding, may require complementary studies to fulfil the requirements of the Contracting Authority's committees and, as case may be, partnering donors and financiers. For example, the Contracting Authority may require a new version of SCBA, the formulation of an additional technical solution that integrates a Nature Based Solution (NbS) or a project-specific cash flow model; such studies which would not require a complete restart of the pre-FS and FS phase but can be procured as a ring-fenced assignment to bridge the required information gap.



Note: the above procedure applies equally for traditional, FIDIC or other-based procurement, as well as PPP-based procurement, although the nature of input documentation and tender process for Works may differ per Project

Finally, in some cases the Contracting Authority may seek to obtain particular expertise to support the implementation of its strategic ambitions or address some operational resources constraints, for which the Contracting Authority may contract specialized Advisory Services at its own costs.

The Contracting Authority itself also requires high quality expertise to support its internal processes like reviewing studies as part of approval process and the appraisal of DRIVE projects, streamline its (limited) resources and access comprehensive guidance from specialists on new topics and innovative approach to public infrastructure delivery.

Scope of Works

Nature of Consulting Services

Specialised Advisory Services

IIPP intends to use consulting services from specialised consulting firms in multiple configurations. Example of assignments are (including but not limited to):

- support IPP in the screening and appraisal of projects;
- ad hoc assignments for completing or expanding studies prepared by a beneficiary government or another financier on a specific topic;
- providing a targeted technical assistance to a contracting authority for preparing a tender;
- assisting a tender procedure or advise on the evaluation and review of proposals; and
- general assistance in the monitoring of specific aspects of projects under implementation.

In general, services procured will be related to infrastructure development and funding/financing, whether it is in relation to a project being developed by a beneficiary or general specialised advisory to support IIPP process and operations.

Though the specialised consulting services have a wide variety of scopes, size, planning and cooperating partners and stakeholders, there are some common aspects:

- The assignments are mostly on the critical path of projects. Additional studies must be completed, or the tender must be ready before the project can enter the next step towards realization. This requires flexibility in terms of capacity and experience to quickly define an efficient approach to provide the necessary information in a short period of time. Flexibility is also needed in availability of staff;
- Depending on the situation there is either a lot of information available (e.g. studies already carried out) or just the opposite very little information available. The services include a rapid mastering of the information available and assessing its quality as well as completing efficiently it with relevant information and experience from other similar projects, local or regional sources or general expertise;
- Developing infrastructure projects towards implementation is an integrated process with many different aspects and disciplines interacting with each other. Though the specialised assignment focusses on one topic, it is important to keep the continuously keep interdependencies with other elements of the process in mind and reach out to project management or other cooperating partners when this is needed; and
- The project in which the assignment takes place mostly have complex stakeholder setting with different government agencies in the country, embassies, other financiers, NGOs, companies. The specialized consultancy services take place in this complex environment. Since the assignment often has a short duration, it is not possible (nor expected) that the consultant will fully integrate in this stakeholder environment, but it is of critical importance to work from experience with this this stakeholder environment, be sensitive for it and reach out to project management when some kind of interaction with stakeholders is needed.

Besides project-specific assignments, IIPP also uses consulting services for its own purpose, either for strategic guidance on a given topic, conducting research, or preparing internal guidelines. Most of the characteristics mentioned above also apply to this type of assignments (though sometimes a bit less pronounced because of the internal character of the assignment). An additional characteristic is:

- The specific assignments for IIPP itself always are an element of internal processes and/or strategies. A good understanding of these processes often play an important role in efficiently and effectively integrating the new elements into the processes and/or strategies.

Review and Appraisal Services

In line with its internal process for investment evaluation and preparation of investment proposals necessary for its Investment Committee (IC) review and approval, IIPP shall also contract services for reviewing and appraisal of documents and studies produced by other parties and submitted to IIPP in connection with an application for grant funding (typically for DRIVE). These services assess the quality, consistency, completeness, and value of these documents before they are used for important steps and decision making in the entire project development and implementation/construction process.

These services for this appraisal process are procured for IIPP's internal use only (not on behalf of a Beneficiary government). The reviewing and appraisal services include the following (but not limited to):

- Review and appraise integration of different study components of a project (e.g. technical, financial/economic, ESG, procurement).
- Review and appraise consistency between different components/perspectives of a multi-disciplinary/integrated study or document.
- Identify gaps between different studies and documents that together provide the input for an appraisal or other important decision for a project.
- Provide an independent opinion on technical, commercial financial, economic or procurement topics which are addressed in a DRIVE appraisal document submitted to Invest International's Investment Committee (IC).

Lots in the Framework Agreement

The Framework Agreement is divided in 2 lots, as follows. Consortia can apply to one or more lots.

1: Sectorial Expertise and Financial & Economic Advisory, such as:

Scope ¹
<p>Financial appraisal of an infrastructure investment project, including:</p> <ul style="list-style-type: none"> • Performing a full cash flow analysis on the total infrastructure project, provided that sufficient data of sufficient quality are available. • Based on the CFA, summarising the main conclusions of a base case and sensitivity analyses, and present the Free Cash Flow of the Project (operations + investments only). • Assessing the project's viability; the main parameter is the difference between the Project Internal Rate of Return (IRR) and the hurdle rate (also threshold or cut-off rate) set for the project or used as a benchmark. A grant is only justified if the presented IRR is below the hurdle rate. • Providing key findings of the sensitivity analysis. • Providing a conclusion on the additionality assessment on non-commercial viability, no crowding out effect, no overfinancing and positive leverage. <p>Economic appraisal of an infrastructure project, including:</p> <ul style="list-style-type: none"> • Performing an evaluation on the economic viability, based on the total infrastructure project (OECD project definition). This is an incremental analysis, distinguishing the "with project" situation and the "without project" situation. • Summarizing the expected direct and indirect impacts of the project, both positive and negative, and both intended and unintended. This includes identifying the net-benefits, i.e. the ones that can be attributed to the project. • Summarizing the economic viability of the project (cost effectiveness), highlighting the eIRR, NPV, and main quantifiable economic costs and benefits (investments, externalities). • Summarizing the sensitivity analyses, including the key assumptions, and providing the respective eIRRs and NPVs in a sensitivity analysis. <p>Project definition & technical sustainability appraisal of an infrastructure investment project, including:</p> <ul style="list-style-type: none"> • Clearly identifying the components that are included in the DRIVE project in line with the OECD project definition (works, good, services, supervision, financing costs, O&M activities). • Assessing the technical adequacy of the infrastructure project to achieve its objectives. • Assessing whether a qualitative and quantitative operation & maintenance plan for the infrastructure is available, including a justification of all O&M costs and revenues, and a cash flow analysis for the lifetime of the project, which demonstrates the financial sustainability of the project (considering the investment costs). <p>Value for money appraisal of an infrastructure investment project, including:</p> <ul style="list-style-type: none"> • Summarizing why the proposed technology provides the most economical solution, both in general (broad terms and in terms of the specific cost items, referring to other solutions that were considered for the project.

¹ Based on sectors of focus of Invest International: [Sectors - Invest International](#)

- Summarizing the main findings and indicating whether the project can be considered economical (satisfactory) or too expensive (“unsatisfactory”).
- Indicating whether the items and overall investment can be considered appropriately priced and possible margins for increase / decrease of price(s). Highlighting which items may be considered too expensive and making suggestions for price adjustment or better justifications.

Technical review of feasibility studies, including:

- Reviewing the technical feasibility of the chosen solution, budget estimates, timelines, contracting methodology, O&M plan.
- Identifying major risks and recommending mitigation measures.

Financial and economic review of feasibility studies, including:

- Reviewing the soundness and completeness of the financial and commercial viability analysis.
- Reviewing the soundness and completeness of the economic cost benefit analysis.
- Identifying major risks and recommending mitigation measures.

Drafting a Terms of Reference, including:

- Defining the scope of works in line with the requirements of the DRIVE policy rules.
- Estimating the required budget needed for the assignment.
- Defining the qualification and evaluation criteria for the consultancy services.

Met opmerkingen [CS1]: Ik heb de bullets uit de DRIVE appraisal toegevoegd

Examples of project types

1. Drinking Water Supply: water demand, surface and groundwater resources management, raw water intake, water transport, drinking water treatment, distribution systems, connections, metering, and payment.
2. Urban water management (stormwater runoff, pluvial flooding, pollution, storage, drainage, Urban NBS). Wastewater collection (sanitation, sewerage systems) and treatment (wastewater treatment plants, natural treatment, treatment for reuse, remaining pollution).
3. Water resources management (quantity, quality, climate adaptation), flood protection (coastal and fluvial), coastal and riverbank erosion (Flooding and erosion risks, ‘soft’ and Nature Based Solutions, grey structures (dikes, groynes, revetment), monitoring and information systems.
4. Water transport (ports, special vessels, breakwaters, navigation channels) and grey water (management) structures (dams, bridges, weirs, sluices, pumping stations).
5. Agri-Food (public) infrastructure (value chain, logistics, cold storage, irrigation, information systems).
6. Renewable energy (public) infrastructure: PV systems, Wind energy infrastructure, Grid solutions, Charging infrastructure (vehicles, vessels).
7. Solid Waste: types of waste, collection, transport, sorting, recycling, processing (composting, waste to energy etc).

Assignments might need to be undertaken in French, including but not limited to collection and analysis of data and communication of findings and recommendations.

2: Procurement Advisory (applicable for PPP or non-PPP/FIDIC), such as:

Scope ² related to Public Infrastructure Projects
Assessment of a procurement plan.
Assessment of pre-qualification bidding documents.
Assessment of pre-qualification evaluation report.
Assessment of bidding documents / Assessment of ToR / BoQ .
Assessment of bid evaluation, recommendation for contract award and proposed contract.
Assessment of contract negotiations and contracts.
Executing a market conformity price check.

Examples of project types

1. Expertise in procurement and contracting analysis, review, and recommendations for infrastructure project procurement. Expertise should cover traditional (often FIDIC-based) and PPP procurement altogether, in the sector of focused identified in the Framework Agreement.
2. Expertise will be sought primarily to assist Investment Managers in the review and appraisal of project within the context of preparing investment proposals for Investment Committee (IC) of Invest International for DRIVE, DRIVE TA or D2B projects, for which an independent assessment or 3rd party expert opinion is required to support the IC decision to award grant funding.
3. Besides, specific expertise on a given topic or research can also be contracted under this assignment to provide IIPP with specialized expertise or analysis on an ad-hoc basis.

Assignments might need to be undertaken in French, including but not limited to collection and analysis of data and communication of findings and recommendations.

² Based on sectors of focus of Invest International: [Sectors - Invest International](#)

DRIVE eligible countries

Most of the advisory needed under this Framework Agreement will be executed for a Project in one of the eligible countries for DRIVE; however, advisory work might also take place in other countries.

Algeria	Ethiopia	Mali	South Africa**
Angola	Ghana*	Morocco**	South Sudan
Bangladesh*	India**	Moldova	Sudan
Benin	Indonesia*	Mozambique	Suriname
Burkina Faso	Iraq	Niger	Tanzania
Burundi	Ivory Coast*	Nigeria**	Tunisia
Chad	Jordan	Palestinian Territories	Uganda
Colombia*	Kenya**	Rwanda	Ukraine*
Democratic Republic Congo	Lebanon	Senegal*	Vietnam**
Egypt*	Libya	Somalia	Zimbabwe

Countries marked with *are combination countries

Countries marked with ** are focus countries

Invest International

Invest
International

Let's build the sustainable markets of tomorrow together.

Invest International
Malietoren | Bezuidenhoutseweg 12
594 AV The Hague
The Netherlands

procurement@investinternational.nl
info@investinternational.nl

+31(0)70 701 3251

investinternational.nl

