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**Terms of Reference (ToRs)**

**Scoping commercial opportunities for Green Finance in Mexico.**

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## SUMMARY OF REQUIREMENT

1. The Foreign and Commonwealth Office or FCO (the Authority), seeks to appoint one Service Supplier for the implementation of the Cross Whitehall Prosperity Fund **non-Official Development Assistance (non-ODA)** project in Mexico entitled “Scoping Commercial Opportunities for Green Finance in Mexico”. The Service Supplier (the Supplier) will deliver **one scoping report outlining the leading areas of Green Finance in Mexico that represent commercial opportunities for UK companies, including a preliminary list profiling those companies that are actively or planning on participating in the sector internationally.** We expect that the delivery of the analysis will foster Mexico’s Green Finance agenda, as well as identify commercial opportunities for UK companies.

## INTRODUCTION

1. In 2015, the UK government’s **Strategic Defence and Security Review** announced a £1.3billion cross-government **Prosperity Fund (PF)** to run over five years (2016/17 to 2020/21). Its primary purpose is to promote the economic reform and development needed for growth in partner countries through Official Development Assistance (ODA) funds. It will contribute towards meeting the new Sustainable Development Goals (SDGs). The Prosperity Fund’s *secondary* objective is to open up opportunities for which business, including UK businesses, can compete. The UK government is looking to identify and support programmes that meet both the fund’s primary and secondary objectives.
2. The Prosperity Fund includes a component of non-ODA (Official Development Assistance) funding worth £33 million from 2016 to 2022. Ministers have agreed that the Fund’s non-ODA spend should be used alongside Prosperity Fund ODA programmes and in support of the government’s post-EU exit trade policy ambition. Ministers have further agreed that any activity must be strategic and impactful, provide value for money, and complement the Department for International Trade and wider government policies[[1]](#footnote-1).
3. The objective of the ODA-funded Financial Services programme in Mexico, which this non-ODA project complements, focuses on increasing the depth, coverage and efficiency of financial services in order to promote sustainable growth and development. The programme will expand, and open the financial sector in Mexico in order to increase productivity, support a reduction in poverty and promote long-term social and economic development. One of the programme’s objectives is to promote a better flow and more efficient channelling of resources towards social, infrastructure, and environmental projects. This project uses non-ODA funding to leverage commercial opportunities from these activities.
4. The service aims to support the development and implementation of innovative financial mechanisms that are needed to finance Mexico’s transition to a low carbon economy in line with the country’s Nationally Determined Contribution and the UN’s Sustainable Development Goals, in areas where the UK is best placed to provide expertise and services. According to the World Economic Forum[[2]](#footnote-2) in order to cover the needs of energy, water, urban development and transport, emerging countries will require a cumulative investment of USD$18tn over the next 12 years. The current approach of investment as ‘business as usual’ will not be sustainable to maintain economic growth given the negative externalities (third party costs) of mainstream sources of energy. According to recent studies made by the University of California at Berkeley and Stanford[[3]](#footnote-3), the accumulated cost of climate change could reduce global GDP by 20% by 2100 if not addressed. For Mexico, these estimations show that, if Mexico does not address climate change this century, its GDP per capita would be 73% less compared to a counterfactual scenario without the negative effects of climate change. Therefore, working with Mexican government and non-state actors is key to support in the development of Green programmes, including through the creation of innovative Green Finance instruments.
5. Please see attachment 6: ITT Context of the Prosperity Fund and Financial Services in Mexico for additional context of the Prosperity Fund and the Financial Services sector in Mexico.

## OBJECTIVE

1. The Authority seeks to implement a Cross Whitehall Prosperity Fund non-ODA project for delivery during FY 18-19 in Mexico entitled “Scoping Commercial Opportunities for Green Finance in Mexico”. As part of the Invitation To Tender (ITT) Process, this Terms of Reference (TOR) has been developed to seek responses to the Authority’s requirements.
2. The Supplier will need to deliver **one scoping report outlining the leading areas of Green Finance in Mexico that represent commercial opportunities for UK companies, including a preliminary list profiling those UK companies that are actively or planning on participating in the sector internationally.** We expect that the delivery of the analysis will foster Mexico’s Green Finance agenda and contribute to an increase in UK trade and investment ties with Mexico in this sector.
3. In order to achieve this objective, the Supplier must focus its analysis on the identification of commercial opportunities for UK companies in Mexico in the area of Green Finance.

## METHODOLOGY

1. Interested parties are asked to tender an outline methodology of how they would deliver the above mentioned services, both on a theoretical and practical basis. That may include, but is not limited to: desk and field research, stakeholder consultations in Mexico and the UK, and draft reports, etc.
2. The methodology should be accompanied by a detailed budget for the cost of proposed activities and the CVs of the team members that would conduct the work. UK organisations may wish to consider including local experts in their proposed teams, and vice versa.
3. The Supplier must take into account previous work carried out by the British Embassy and collaborate with different teams within the British Embassy in Mexico City. Additionally, the Supplier is expected to engage with other stakeholders in Mexico and the UK, including other relevant embassies to identify commercial opportunities and ensure that there is no overlapping or duplication of work (e.g. DIT’s Financial Services Organisation, the City of London’s Green Finance Initiative, and other relevant institutions). The Authority may also request the presence of the Supplier at relevant events, as well as a sensible revision of the project’s scope as a result of related work conducted by the Embassy.
4. As mentioned above, the Supplier will be expected to engage with other UK Government departments, notably DIT (Department of International Trade), BEIS (Department for Business, Energy and Industrial Strategy), HMT (HM Treasury), DFID (Department for International Development); as well as devolved administrations, where applicable, in Scotland, Wales and Northern Ireland, to determine complementarities to existing policies and initiatives.
5. In developing an implementation approach for the activity the supplier must consider relevant actors, institutions, formal and informal norms and incentives that shape the financial sector in Mexico, to better understand the economic, commercial and political dynamics that affect the sector.

## OUTPUTS / DELIVERABLES

1. There is one specific output for this project:
2. One scoping report, in English and Spanish, outlining the leading areas of Green Finance in Mexico that represent commercial opportunities for UK companies, including a preliminary list profiling those companies that are actively or planning on participating in the sector internationally. The report should map out specific areas of UK strength and expertise, match them to Mexican opportunities and needs, identify UK companies with capabilities in these areas, and provide their profile and contact information. The report must include a well-designed, clear and concise one-page infographic summarising the main findings of the report, which may be publicly shared by the Authority.
3. The report shall be delivered in both English and Spanish. Expected tasks are outlined below.

## EXPECTED TASKS

1. The Supplier is expected to carry out the following tasks in the course of the work, but may also propose other innovative approaches to meet the requirements of the TORs within their bid:

Tasks for Output 1:

* 1. Strategic scoping and literature review of existing research (including that commissioned by other government departments) that highlights specific areas of UK strength and expertise in Green Finance, and how these match existing opportunities in Mexico.

1.2 Mapping and identification of UK companies with capabilities in these areas of expertise, and their existing links to the Mexican and Latin American market.

1.3 In line with HMG best practice, ensure a gender and inclusion sensitive approach while executing the research phase is carried out, ensuring that this approach is integrated throughout the written report.

1.4 Produce a 20 to 30-page report in English and Spanish that offers a comprehensive overview of key commercial opportunities for Green Finance in Mexico. The report should, include a one- page profile that includes key contact information of UK companies specialised in these strands — highlighting those that are already doing business internationally or are planning to do so in the near future.

1.5 Develop a well-designed, clear and concise one-page infographic summarising the main findings of the report, and incorporating relevant HMG branding, using the branding guidelines provided by the Authority (in English and Spanish).

* 1. Quality control of the report and its infographic to include spelling, grammar, formatting, colour, image resolution, graphics, readability, and any other necessary changes, in consultation with the Authority.
  2. Organise and implement an internal presentation of results to Embassy staff and relevant stakeholders.

## KEY DATES

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| 1. Output 1: One scoping report outlining the leading areas of Green Finance in Mexico that represent commercial opportunities for UK companies, including a preliminary list profiling those companies that are actively participating in the sector internationally. | Kick-off session with the Authority. | **w/c 19th November 2018** |
| Final draft deliverables to be delivered to the Authority | **w/c 25th February 2019\*** |
| Delivery of Final Report and presentation of results to the Authority. | **February, 2019\*** |
| \*Subject to previous agreement between the Authority and the Service Supplier, dates for delivering the output might change. | | |

1. The Contract will start as soon as possible in accordance with the procurement timeline as outlined in ATT1 Cover Letter and Instructions, and will end once the project has been completed within 16 weeks of commencement date.
2. The above timetable is indicative and the Authority reserves the right to vary it.

## REPORTING STRUCTURE, LOGISTICS AND OTHER ARRANGEMENTS

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1. The Supplier will report to the Authority’s Prosperity Fund Programme Team and will appoint a member of staff to liaise with the Authority on contract management issues.
2. A project kick-off workshop will be held with the Authority, which will be used to establish a shared understanding of the project goals and methodology and clarify key knowledge gaps. This should result in an updated work-plan (where required) within one week of this meeting being held. The approval of this updated work plan by the Authority will provide the basis for the commencement of the activities agreed in said work plan and their subsequent payment.
3. Starting in **December 2018**, the Service Supplier will issue monthly narrative and financial reports to the Authority’s Prosperity Fund Programme Team anytime during the **first five working days of the month**. It must be noted that the Authority will request expenditure evidence (invoices, signed pay slips, receipts, etc.) prior to releasing any payments.
4. When the service has been completed, the Service Supplier shall prepare and send a final report (the “Project Completion Report”) to the Authority within the period that the Authority requests, prior to the processing of final payment.
5. In terms of logistics, the Supplier will work independently in setting up the meetings with key stakeholders, arranging transport, agenda, programmes, etc. Where appropriate, the Authority may assist in accessing government agencies or other key senior stakeholders if this should prove necessary. The Authority reserves the right to attend all meetings and events relevant to this project, subject to the Authority’s staff availability. The Service Supplier must therefore inform the Authority of all events and meetings relevant to this project in a timely manner.
6. The Authority will also request the Supplier to set up monthly steering meetings with the Embassy, to report on the progress of the project.

## MONITORING, REPORTING, EVALUATION AND LEARNING (MREL)

1. The Authority will require successful suppliers to engage constructively with contractor(s) appointed to deliver the Cross Whitehall Prosperity Fund Monitoring, Reporting, Evaluation and Learning (MREL) contract to ensure data flows and evaluations are captured effectively.
2. The Service Supplier shall provide a monthly monitoring report and a financial report starting from **December 2018**.
3. Strand Indicators will be gathered through MREL and will monitor the longer-term impact of the Strand against the Theory of Change, gathering data, which will demonstrate and evaluate the Strand’s impact.

## SKILLS AND COMPETENCES

1. The research expert(s) will have to demonstrate knowledge or capability in:
2. The ability to provide timely access to high quality, cost-effective professional and technical advisory and management services. Particular attention will be given to the ability of organisations to mobilise high quality, cost effective personnel relatively rapidly in response, and flex inputs to tailor delivery to multiple and often complex environments;
3. A demonstrable understanding of deepening of financial markets through providing advice on Green Finance instruments likely to attract additional commercial investment for development;
4. Strengthening and deepening financial markets in specialist areas such as Green Finance through policy advice, advocacy, consultation, product development and capacity building;
5. The ability to provide access to high quality, politically-aware, cost-effective professional assessment, project and high value overseas programme design skills including management, delivery and monitoring and evaluation expertise. Particular attention will be given to how individuals will be managed as teams e.g. including where various sector or thematic interests need to be incorporated into a single programme;
6. Ability to demonstrate strong management and reporting skills, high levels of customer engagement, responsiveness, accountability, service delivery and delivery of value for money, as well as effective mechanisms for all aspects of management (including both international and local staff) including dealing with poor performance;
7. Demonstrated ability to provide operational support services overseas including local procurement of accommodation, material and services; experience of recruiting and managing local staff (including interpreters) and ensuring that they, and any related equipment is safely operated, maintained and accounted for;
8. The ability to demonstrate appropriate cultural awareness, sensitivity and a partnership approach, adapting concepts and materials to local needs and audiences. This should include the ability to incorporate gender considerations throughout the design and delivery of the project;
9. Demonstrable experience of political and business sector stakeholder engagement, management and influence;
10. Ability to work in English and Spanish.

## DUTY OF CARE

1. The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this Contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
2. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this Contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.
3. Service Suppliers must deliver the contract on the basis of being fully responsible for Duty of Care:
4. They fully accept responsibility for Security and Duty of Care.
5. They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
6. They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

## TENDER’S PACKAGE

1. Tenders should include:
2. A two-page cover letter introducing the evaluators/organisation and how the skills and competencies described above are met, with concrete examples.
3. A 4- page outline of the proposed review process including:
   1. Proposed outline methodology (2 pages).
   2. A stakeholder engagement plan (1 page).
   3. Timeline / Project plan for the delivery of the project (1 page)
4. A one-page budget covering all major costs (See ATT5 Schedule of Prices and Rates):
5. Researcher fees.
6. Additional costs/expenses
7. A one-page project team/resource plan, accompanied by a 1-page organogram and a 1-page CV for each team member involved in the project.
8. A one- page risk management strategy.
9. A two-page summary of previous work, where you have conducted research, analysis, or reports in the relevant areas of work.

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1. Assessment

Evaluation Criteria for selection will be based on quality, technical and commercial supports as follow:

1. *Methodology and Project Management*
2. *Expertise*
3. *Risk Management*
4. *Project team / Resource Plan*
5. *Value for money*
6. Cost competitiveness in achieving the volume and quality of activities and outputs that will deliver the best results and outcomes anticipated, including activity costs and administrative fees. The successful bidder undertakes to make all reasonable efforts to ensure that all goods and Services purchased in support of this Contract are purchased at the best possible market price, in line with the Authority’s requirements.

For detailed information in this section see ATT 2 Information Required from Tenderers Evaluation Criteria

## BUDGET

1. The maximum budget for the service, covered under these Terms of Reference, will be no more than **£24,950.00**
2. The Service Supplier will propose the overall budget for this work, which must be inclusive of all applicable taxes (including VAT), overheads and any logistical costs including, but not limited to, travel, catering, venue, translation etc.. The Service Supplier is expected to show VfM and not reach the budget ceiling if costs can be lower.

**Monthly payments will be made in arrears from December 2018 upon receipt of the monthly financial and narrative reporting.** Final payment will be made after the final deliverables are approved by the Authority, and the Project Completion Report (template to be delivered by the Authority is delivered.

1. https://www.gov.uk/government/publications/cross-government-prosperity-fund-programme/cross-government-prosperity-fund-update [↑](#footnote-ref-1)
2. “Financing Green Growth in a Resource Constrained World”, World Economic Forum, 2012. [↑](#footnote-ref-2)
3. “Global Non linear effects of temperature on economic production*”*, Burke, M., Hsiang, S. & Miguel E., 2015 [↑](#footnote-ref-3)