



Invitation to Tender

**Mobilising green finance to
improve the natural environment:
evidence review**

Project code: **INS229**

via Open Procedure

November 2023

1. Introduction

- 1.1 The Office for Environmental Protection (OEP) is a new public body. We protect and improve the environment by holding government and other public bodies to account. We were legally created in November 2021, under the Environment Act 2021.
- 1.2 Our work covers England and Northern Ireland. We also cover reserved matters across the UK (a matter on which only UK Parliament in Westminster can make legislation).
- 1.3 We are an independent non-departmental public body, sponsored by the Department for Environment, Food and Rural Affairs (Defra) in England and the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland, who oversee our use of public money. However, we pursue our objectives and implement our functions independently and impartially, separately from government. Our judgements are our own, formed independently.
- 1.4 In this document, we set out an evidence review project that we want to commission to help us understand the themes and issues relevant to the government's goals for mobilising green finance. We describe how tenderers may tender to undertake this work.
- 1.5 For guidance, this tendering opportunity has a budget in the range of £40-60k (NB. all values include VAT):

£10- £25k	£20k- £35k	£35k- £50k	£40k- £60k	£60k- £100k	£90k- £140k	£125k- £200k	£175k- £250k	£200k- £350k	£300k- £500k	Over £500k
			X							

2. Timetable

The target timetable for this process is as follows:

- **Deadline for receipt of questions relating to this ITT.** **27 November 2023**
- **Deadline for receipt of tender submissions** **8 December 2023**
- **Notification of the OEP's decision** **15 December 2023**
- **Commencement of work** **Week commencing 18 December 2023**
- **Interim output – readout of stakeholder interviews** **31 January 2024**
- **Draft report – the key findings from evidence assessment and stakeholder interviews** **28 February 2024**
- **Final report - the key findings from evidence assessment and stakeholder interviews** **22 March 2024**

We reserve the right to change the timetable if deemed necessary.

3. Objectives of the OEP in context

- 3.1 We recognise the successful delivery of government environmental goals will require a significant uplift in the levels of both public and private investment, and involve the mobilisation of private finance, more broadly, in supporting these goals. We plan to monitor and hold HM government to account in realising their plans for mobilising green finance, as outlined in the recently published Green Finance Strategy and Nature Markets Framework.
- 3.2 This foundational project should help us to develop our understanding of themes and issues relevant to green finance. Our focus is how green finance can best be mobilised at scale and pace to support the delivery of the government's Environmental Improvement Plan (EIP).
- 3.3 Specifically, we're interested in the mobilisation of private finance through supporting efforts to integrate environmental factors into core decision making and markets (e.g. environmental disclosure, creating nature markets). We're also interested in where the private investment flows are going (e.g. sector, activity, environmental outcome).
- 3.4 Our remit is to assess progress across all 10 goal areas of the Environmental Improvement Plan (EIP). Within the broad scope of the EIP, we are currently most focused on improving nature at sea and on land, specifically targets relating to halting the decline in biodiversity (species abundance) by 2030 and reversing this decline by 2042, and water quality, specifically achieving good ecological status, and reducing diffuse agricultural pollution.

4. Background

- 4.1 The OEP has a statutory duty to monitor the progress of the government in improving the natural environment, in accordance with the government's latest Environmental Improvement Plan (EIP). The EIP23 includes 10 broad environmental goal areas. Each goal contains long-term and interim targets, and a list of delivery actions describing how government plans to achieve these.
- 4.2 Meeting these goals will require a significant uplift in the level of investment, which the government expects to come from a combination of public and private sources. Quantifying what investment is currently directed to deliver on environmental goals, and the additional investment needed to achieve its environmental goals (e.g. the 'finance gap'), are both challenging tasks, and dependent on many factors and assumptions. However, recent analysis by the Green Finance Institute indicates that the scale of the finance gap for nature related goals is in the region of £44-£97bn over the next 10 years.
- 4.3 Green finance does not have a commonly agreed definition, but it generally involves mobilising and directing private finance towards supporting the protection, recovery and sustainable use of the environment, including the net zero transition. Within the EIP23, green finance plans focus primarily on nature, with a newly announced commitment to mobilise '*at least £500 million of private finance per year into nature's recovery in England by 2027, rising to more than £1 billion per year by 2030*'.

- 4.4 The government's green finance strategy 'Mobilising green investments' and the supplementary 'Nature Markets Framework' emphasise the role of market-based mechanisms in driving private investments. The schemes referenced in the government's framework for scaling up nature markets include voluntary carbon markets: The UK Woodland Carbon Code, UK Peatland Code, and nature-driven compliance markets: Biodiversity Net Gain (BNG), nutrient credits (e.g. Nutrient Neutrality), Marine Net Gain, and catchment level water quality and flood risk markets. These markets are emerging, particularly the nature-driven compliance markets with BNG currently not operational, and Marine Net Gain still in early design stage. Future Environmental Land Management schemes (ELMs) pose a potentially significant opportunity to mobilise green finance at scale, but policy is still being developed.
- 4.5 There are a complex range of investment models and mechanisms needed to achieve its environmental goals, including green bonds, sustainability linked loans, and impact investing. The interdependencies between these investment models and the government's nature markets framework are not transparent to all stakeholders.
- 4.6 Sustainability related disclosure standards, such as those developed by the International Financial Reporting Standards (IFRS) International Sustainability Standards Board (ISSB), may also facilitate greater private financial flows through making firms disclose on environmental issues. Voluntary disclosure frameworks may also encourage greater private financial flows. For instance, the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and additional guidance could support firms to identify, assess, manage and disclose their nature-related dependencies, impacts, risks, and opportunities. Mandatory or voluntary disclosure of environmental issues through corporate reporting could also make firms more accountable for their environmental impacts.
- 4.7 To grow nature markets, quality multi-level governance systems will be essential. Diverse stakeholders will need to work together in developing investment standards, measuring and verifying activities, reporting of progress, and administering the registry and exchange of nature units/credits. There must also be effective engagement across value chains (from investors to project owners who are delivering nature friendly actions).
- 4.8 A methodology for tracking investment flows into the government's environmental goals, and progress against the headline green finance target, have not been provided. The government has stated that it is committed to monitoring annual private finance flows into nature's recovery, however work is still ongoing to scope existing methodologies and evaluate available data sources. This makes it challenging to establish a baseline, and it is unclear whether major spending commitments included in the EIP count towards target delivery. For example, for upgrading sewer overflows ('£56 billion of capital investment over 25 years to tackle storm sewage discharge'). This investment will be funded privately by water companies, and indirectly supports nature recovery.

5. Requirements and services

Project inception

- 5.1 Attend an in-person project inception meeting to confirm the scope of the review and delivery approach. Agree ways of working and project governance, including potentially working with a project steering group.
- 5.2 Produce minutes setting out the key outcomes, conclusions and action points within three working days.

Stakeholder interviews

- 5.3 Hold stakeholder interviews with key green finance experts, including potentially those appointed to the OEP's College of Experts, to help scope the rapid evidence assessment. This should help to refine and prioritise areas of enquiry (see para 6.3) and uncover relevant evidence sources. It could help to inform understanding of these issues, including expert perspectives on the HM Government strategy for green finance, and our role in holding government to account in this area.

Rapid evidence assessment

- 5.4 Conduct a rapid evidence review to develop a broad understanding of the issues and themes relevant to green finance and mobilising private investment into nature recovery.
- 5.5 The priorities and specific appraisal should be reviewed following the stakeholder interviews. However, our key objectives and areas of current interest are:

A. Understanding the strategies and systems for mobilising green finance:

- The strategies and mechanisms for mobilising green finance. This would include establishing the key actors and stakeholders involved in mobilising green finance, including government and other financial regulators (e.g. Bank of England and the FCA).
- The differing sources of investment (public grants and subsidies, green bonds, impact investing, sustainability linked loans etc), how these relate to the government's strategy for mobilising green finance, and their potential in terms of relative quantity of investment into nature.
- The key actors and stakeholders participating in nature markets, their respective roles (e.g. in establishing and regulating nature markets, developing investment standards, measuring and verifying activities, reporting of progress, and administering exchange of nature units/credits).
- The role of disclosure in mobilising private finance to support environmental goals. Including the work of the Taskforce on Nature-related Financial Disclosures (TNFD), and learnings to date of the Taskforce on Climate-related Financial Disclosures (TCFD). Also the role of the UK's planned green taxonomy, and learning from developments internationally (e.g. the EU Taxonomy).

B. Critical appraisal of key strengths, weaknesses, gaps and risks:

- The strengths and weaknesses of the government green finance strategy, and its overall adequacy considering the current pipeline for projects, the readiness to scale up, and the requisite scale of investment for realising environmental goals (e.g. the finance gap) and specific apex targets.
- The critical dependencies and key risks to scaling green finance through market-based mechanisms (e.g. barriers related to market entry, governance, monitoring of investments, and verifying environmental outcomes) based upon practical experience and learning from emerging developments both domestically and internationally.
- The key challenges and risks in terms of designing market-based mechanisms to deliver additional environmental benefits, such as avoiding double funding of environmental actions, and to ensure firms are not just enabled to offset or compensate for damage to nature.
- The OEP's potential role in monitoring and scrutinising green finance considering existing actors and stakeholders and systemic gaps and risks
- The key definitions and methodologies for measuring and monitoring green finance. Including how these compare internationally, and the maturity of data for tracking where private investment flows are going (e.g. sectors, activities, and environmental outcomes).

- 5.6 Produce a report, summarising the key findings from evidence assessment and stakeholder interviews. Highlight implications of the findings for the OEP, including the key evidence gaps, and priorities for further investigation. The OEP welcomes and encourages the publication of suitable material by the contractor in a peer reviewed journal and will consider additional resourcing to do this. Any raw data collected for the project will be retained by the OEP.

Project and team management

- 5.7 Use appropriate project management techniques to ensure that all activities are undertaken on time, on budget and to a high standard of quality; manage budget and risks robustly; and resolve issues promptly.
- 5.8 If any services or elements of the delivery are subcontracted:
- Agree each subcontractor with us in advance.
 - Manage the subcontractor's activity and performance as if they were part of your own team.
- 5.9 Provide a single point of contact of appropriate seniority with whom we will liaise on all day-to-day matters throughout the duration of the contract.
- 5.10 Maintain an oversight of all work and propose opportunities for improved coordination and efficiency where possible to reduce overall costs and improve value for money.
- 5.11 Provide regular progress reporting and attend project progress meetings as required. Every one or two weeks is proposed.

6. Tendering procedure

Tender submissions

- 6.1 The process the OEP uses to select its suppliers is a competitive one. You should keep your tender focussed on the specific requirements and objectives of the work, and we recommend that you also consider the assessment criteria.

- 6.2 **Tenders will only be accepted by email attachment to procurement@theoep.org.uk**

In the email subject line state:

INS299 Green Finance Procurement

Tenders submitted by any other route, including postal, will not be accepted.

- 6.3 To constitute a compliant tender it is essential that all required information and documentation is fully completed, in the correct format, and your tender is received in our email inbox by the deadline date and time. It is your responsibility to ensure your tender arrives with us before the deadline date and time. We will not accept any tenders that arrive late.

Ensure you allow sufficient time before the deadline to submit your tender and for it to reach us.

- 6.4 Details not provided or not fully completed may constitute an admission of unsuitability/inability to fulfil requirements and may result in the tender being rejected at the OEP's absolute discretion.
- 6.5 Your tender and all accompanying documents are to be in English.

- 6.6 All tenders will be treated on a confidential basis by the OEP and its advisers, subject to the provisions of the Freedom of Information Act 2000 and the Environmental Information Regulations.
- 6.7 All tenders must remain valid for a minimum period of 90 days following the deadline for receipt.
- 6.8 Information in this ITT is offered in good faith for the guidance of interested parties, but no warranty or representation is given as to the accuracy or completeness of any of it. The OEP and its advisors shall not be liable for any error, misstatement or omission. No aspect of this procedure shall constitute a contract or part of a contract. Tenderers participate in this process on the strict understanding that the procedure may be altered or that the OEP may not proceed for any reason. The OEP reserves the right not to follow up this ITT in any way and in particular not to enter into any contractual arrangement with any of the tenderers. The OEP does not bind itself to enter into negotiations or proceed with or accept any tender. Any decision to tender is at the sole discretion of the tenderer and the OEP excludes all liability in respect of any tendering costs incurred.
- 6.9 To be considered for assessment, suppliers must have sufficient and suitable insurance covers in place at the time of tendering or must include (as part of the tender submission) a commitment to take out such cover in the event of being appointed.
- 6.10 We reserve the right to reject tenders from suppliers where there are circumstances which in our reasonable opinion could impact upon the Supplier's ability to deliver the services required. Such circumstances could include:
- A financial report or other financial information about a tenderer suggesting it is at risk of insolvency;
 - A tenderer is subject to relevant legal proceedings;
 - A tenderer has a conflict of interest for which there is no feasible remedy.
- We would initially seek to clarify the circumstances with the tenderer.
- 6.11 We reserve the right to reject any tender if any information provided is found to be false, misleading, incomplete or inaccurate.

Enquiries about this ITT

- 6.12 If you wish to submit questions relating to this ITT please do so by email to procurement@theoep.org.uk

In the email subject line state:

INS299 Green Finance Query

Questions submitted in any other way will not receive a response.

- 6.13 Responses and the nature of the questions will be shared with all tenderers (unless we decide there is a specific reason not to) without disclosing the name of the tenderer who raised the question.

At our discretion, questions/requests for clarification on any element of this ITT or the procurement process submitted after the deadline stated in paragraph 2 will not be responded to.

Tender assessment and award of contract

- 6.14 All tenders will be assessed against the assessment criteria set out in section 8 of this ITT.
- 6.15 All tenderers will receive written notification of our decision.
- 6.16 Any contract entered into as a result of this procurement process shall be in accordance with the OEP's standard contract terms available at www.theoep.org.uk/suppliers. We will not negotiate on these terms or accept any additional terms so by submitting a tender you are accepting that our standard contract terms will apply to any contract awarded to you
- 6.17 Following award we will issue to the successful tenderer a contract. Once signed by both parties we will issue a purchase order to instruct the commencement of the work. The successful tenderer shall not undertake any work on this contract unless and until instructed by the purchase order.
- 6.18 We reserve the right to extend the contract to include additional work within or closely related to the original scope. If additional work is required the specification and price will be agreed between us and the Supplier, the work will then be contracted by us issuing a variation to the contract and/or a variation to the purchase order or a separate purchase order(s) prior to that work commencing.
- 6.19 We also reserve the right to direct award further contracts to the successful tenderer (the Supplier) for additional services related to the subject of this project.
- 6.20 Tenderers taking part in this process acknowledge and accept that we may publish contract information about the winning tender (including the contract value and the name and contact details of the winning tenderer) on the OEP website and any mandatory registers (e.g. Contracts Finder and Find a Tender Service as applicable) or elsewhere, as required of Contracting Authorities by legislation, government, our funders, or in line with recognised industry good practice.

7. Please provide the following in your tender

- 7.1 Your tender shall comprise the following elements:
- A written proposal
 - Quotation
 - Supporting documents:
 - Quality management policy
 - Tenderer information and declaration
- Details about each of these are given in the sections below.
- 7.2 Ensure that you provide ALL of the information and documents requested.
- Documents must be separate not as a single combined document.
 - Provide your *Tender Quotation* in Microsoft Excel format and all other documents in PDF format.

- You are not required to submit any other information than that requested. Any information that is not specifically requested will be disregarded.

Written proposal

- 7.3 Your written proposal should be limited to no more than **15** x A4 sides at minimum 10pt font (excl. cover page, index, executive summary and appendices). You should keep your responses focussed on the requirements and specific objectives, and we recommend you also consider the assessment criteria below.
- 7.4 The assessment panel may not assess beyond the stated maximum number of sides, so if your submission exceeds that number, this may result in your tender being deemed non-compliant.
- 7.5 Do not provide information by linking to websites or external sources as the assessors will not refer to these.
- 7.6 Include the following in your written proposal:
- (1) Briefly describe your organisation.** You may wish to highlight relevant services you provide and outline how you are differentiated from other organisations.
 - (2) Demonstrate your understanding of the project,** what we are trying to achieve and why.
 - (3) Describe the project team that would manage and deliver the work.**
 - Identify your proposed key personnel and provide a short pen portrait for each.
As an appendix provide concise professional CVs. Do not include personal information (e.g. contact details, age, nationality etc).
 - Demonstrate their relevant experience and expertise, supported by examples of previous similar work they have undertaken. Where you cite examples, it would be useful to include comment on how you would translate your experience of these to our project.
 - (4) Explain your approach for delivering the work.** Separately address:
 - Your approach for undertaking each of the areas of study:
 - A: Stakeholder interviews
 - B. Rapid Evidence Assessment
 - The outputs you would deliver.
 - (5) Explain your approach for project management.** Include:
 - Ensuring delivery on time and to budget.
 - Quality management.
 - Risk management.
 - Team and subcontractor management.
 - (6) A project schedule of work,** showing tasks and timescales.

- (7) **Identify any conflicts of interest** which might arise if you were selected to undertake the work and, if such a conflict were to arise, an indication of how this conflict would be addressed. This is particularly important for this project considering that certain research organisations have been used by government in the work areas being assessed.

7.7 Do not state your quotation or day rates in your written proposal.

Quotation & rates schedule

7.8 You must provide your pricing by completing the template *Tender Quotation*

Tenders not using this template or which have reformatted or modified the template may be deemed non-compliant and may not be assessed. However, you may add additional lines to the tables if there are insufficient for your number of tasks or roles being proposed.

7.9 All price values must be stated **both exclusive and inclusive of VAT**, and the applicable VAT amount shown.

7.10 Provide your **quotation** by completing the template worksheet *Quotation*.

- Enter a full breakdown of your fixed price quotation showing your price for each activity/task and deliverable. This should include mobilisation and project management. If expenses (travel etc) are not included in your task costs then include an estimate as a separate cost item.

(NB: Quotations using a payment model other than fixed price will not be accepted.)

7.11 Summarise your **proposed team** by completing the template worksheet *Personnel Involvement and Rates*.

- Enter the role titles and names of the individuals you are proposing for this project, and your estimate for the percentage of the total time each role/individual will be involved in delivering this project.
- This will assist the assessors with understanding how your project team is structured and the likely allocation of resources into the project.
- Your proposed team should be described in full in your written bid.
- Also enter your day rate for each person. We require this information for reference if we consider extending the contract to include additional related work. If your tender is successful the individuals and day rates you have submitted in the Rates Schedule will form part of the contract and will apply to any further quotation we request for a contract variation.

7.12 Provide an **invoicing schedule** by completing the template worksheet *Invoicing Schedule*.

- Propose what the payment milestones would be and when. These must be linked to defined deliverables (e.g. "Completion of X").
- We cannot accept invoice milestones defined by percentage split (e.g. 20%, 40%, 40%) unless the percentages are close to the value of the milestone deliverables.

- We cannot accept milestones that make payments up front (e.g. X% on contract signing) – milestones must be in arrears for deliverables successfully completed.
- Section 2 states that an interim milestone is required around 24 March – this must be one of the payment milestones as it is close to our financial year end.

Tenderer information and declaration

- 7.13 Use the *OEP Tenderer Information and Declaration* template.
- 7.14 Fully complete all sections of the template.
- 7.15 The declaration must be confirmed by a person in your organisation with appropriate and sufficient authority (e.g. a Director or Bid Manager).

Supporting documents

- 7.16 Provide your quality management policy. This will support your description (in your written proposal) of approaches you will use to ensure quality of deliverables.

8. Assessment criteria

- 8.1 We must be satisfied that each potential Supplier has the appropriate capabilities and resources available to undertake the work to our requirements and provide the necessary services.
- 8.2 Your tender will be assessed using the assessment criteria below. We may use information from any part of your tender when assessing any criterion.

Criteria • <i>Sub-criteria</i>	% weighting	Maximum possible score
Your understanding of the project, what we are trying to achieve and why	10%	70
Your project team that would manage and deliver the work	40%	280
• <i>An understanding of green finance definitions and measurement methodologies</i>	10%	70
• <i>Expertise in investment models and mechanisms for mobilising green finance</i>	20%	140
• <i>Experience in conducting stakeholder interviews and Rapid Evidence Assessments</i>	5%	35
• <i>Effective team structure and allocation of roles and responsibilities</i>	5%	35
Approach and methodology (including allocation of time and resources) that will most effectively deliver the objectives, requirements and value to the OEP	30%	210
• <i>Stakeholder interviews</i>	10%	70
• <i>Rapid Evidence Assessment – Part A</i>	10%	70
• <i>Rapid Evidence Assessment – Part B</i>	10%	70
Price	20%	140
	100%	700

8.3 Price will each be assessed relative to the lowest compliant tender using the formula:

Lowest compliant tender price / tender price x maximum score available.

All other criteria will be assessed by being marked in the range 0 – 7, with 0 being non-compliant and 7 being Excellent.

8.4 Scoring guide for assessment criteria

7: Excellent	The response demonstrates a complete understanding of the work requirements and meets them in full
6: Very good	The response is relevant and very good. It is well detailed, demonstrates a very good understanding of the work and provides robust details on how the requirements will be fulfilled.
5: Good	The response demonstrates a good understanding of the work and aligns well with the requirements and there are no concerns.
4: Acceptable	The response demonstrates an acceptable understanding of the work and aligns sufficiently with the requirements and although it may raise some queries, there are no notable concerns
3: Poor	The response is partially relevant but generally poor. It addresses some elements of the work requirements but contains insufficient detail or explanation to demonstrate how the requirements will be fulfilled. Tender may be rejected
2: Very poor	The response demonstrates very limited understanding of the work and/or has a very poor alignment with the requirements and/or raises strong concerns. Tender may be rejected
1: Unacceptable	The response fails to demonstrate any real understanding of the work and/or does not align with the requirements and/or raises very strong concerns. Tender may be rejected
0: Non-compliant	The response provides insufficient information such that it is not possible to make an assessment of the suppliers' understanding of the work or demonstration of meeting the requirements. Tender may be rejected

8.5 During assessment of tenders we may request further information or evidence from the tenderers, or from other sources, to support statements made or to conduct sufficient due diligence.