

Guidelines for Drafting the Terms of Reference for Sole-Source USTDA Grant Proposals

The Terms of Reference provide a detailed description of the tasks that a U.S. company will be required to undertake, including the objectives, activities, deliverables, and other requirements. The Terms of Reference are included in the Grant Agreement and the Contract to detail the requirements of the work that must be performed and completed under the USTDA-funded grant, culminating in a Final Report.

The Terms of Reference typically includes the following, at a minimum:

Objective:

This section should clearly explain how the proposed feasibility study or technical assistance relates to the project.

Tasks:

1. Kick-Off Meeting and Information Gathering

This task should include the initial kick-off meeting between the U.S. company and the Overseas Project Sponsor to discuss the task completion schedule, work plan, and approach to the performing the Terms of Reference. This task should include the collection of background information, documents, and other relevant materials.

2. Technical Analysis

This task should summarize the work required to develop and implement the technical aspects of the project, such as the following:

- Data collection;
- Technology review and selection;
- Project site preparation;
- Conceptual design and costs; and
- Modeling and forecasting.

The technical analysis should be tailored to fit the needs of the project.

3. Economic Analysis

This task should describe all analyses that are needed to determine the economic viability and sustainability of the project. This typically includes a cash flow analysis, cost-benefit analysis, life cycle cost analysis, market assessment, raw material availability, supply agreements, off-take agreements, and an assessment of the alternative approaches for achieving the project objectives.

4. Financial Analysis

This task should discuss the financial requirements to implement the project, which typically include determining the availability of equity and debt financing, the level of interest from potential financing entities, and the potential for the Export-Import Bank of the United States and Overseas Private Investment Corporation to play a role in project implementation. This task should make recommendations on financial structuring and should provide an outline of a plan to bring the project to implementation/financial close.

5. Preliminary Environmental Impact Assessment

This task should discuss the project's environmental impact, as well as the project's environmental compliance, with reference to local requirements and those of multilateral development banks (such as the World Bank). This task typically includes language requiring the U.S. company to identify the potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment in anticipation of the project moving forward to the implementation stage.

6. Regulatory Review

This task should examine the legal and regulatory issues that would need to be addressed ahead of project implementation. This task typically includes language requiring the U.S. company to identify the potential regulatory barriers to project implementation and how they can be addressed.

7. Development Impact Assessment

This task should discuss the economic development impact that the project would have if implemented. This task typically includes language requiring the U.S. company to identify the areas of development impact (such as infrastructure, job creation, job training, technology transfer, productivity improvement, and market-oriented reform), how the development impact can be measured, and the anticipated benchmarks and timelines for achieving the development impact measures.

8. U.S. Sources of Supply

This task should identify U.S. sources of supply for all goods and services required to implement the project. This task typically includes language requiring the U.S. company to include detailed information about the prospective U.S. exporters, potential goods and services, and how U.S. exporters could participate in project implementation.

9. Implementation Plan

This task should outline a plan and anticipated timeline for full implementation of the project following the conclusion of the feasibility study or technical assistance. Depending on the type of project, this task can include the preparation of tender documents or training.

10. Final Report

This task should direct the U.S. company to prepare a substantive and comprehensive final report of all work performed under the Terms of Reference. The Final Report should be organized according to the above tasks and should include all deliverables and documents that have been provided to the Overseas Project Sponsor.