

ASSIGNMENT TERMS OF REFERENCE

Support for Upstream Engagement and Pipeline Development on Climate Change Adaptation AA-011745-001

This Assignment will be awarded in relation to Lot 1 (Environment) of the Framework Agreement to Support EIB Advisory Services (EIBAS) Activities Inside and Outside EU-27 (TA20210614 R0 FWA)

Acronyms

ADAPT	EIB Climate Adaptation Investment Advisory Platform
AS	EIB Advisory Services Department
CBR	EIB Climate Bank Roadmap
CF	Cohesion Fund
CPCM	EIB Consultant Procurement and Contract Management Division
CRVA	Climate Risk and Vulnerability Assessment
DFI	Development Finance Institutions
EC	European Commission
EIB or the Bank	European Investment Bank
EIAH	European Investment Advisory Hub
ERDF	European Regional Development Fund
EU	European Union
JASPERS	Joint Assistance to Support Projects in European Regions
JTM	Just Transition Mechanism
NAP	National Adaptation Plan
NAS	National Adaptation Strategy
NECP	National Energy and Climate Plan
NPB	National Promotional Bank
MDB	Multilateral Development Bank
OPS	EIB Operations Directorate
PIC	Project Investment Cost
PJ	EIB Projects Directorate
RRF	Recovery and Resilience Facility
ToR	Terms of Reference

I. BACKGROUND INFORMATION

1.1. The European Investment Bank

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L-2950, Luxembourg

The EIB is the financing institution of the European Union (EU). Created by the Treaty of Rome, its shareholders are the Member States of the EU, and its Board of Governors is composed of the finance ministers of these states. The EIB enjoys its own legal personality and financial autonomy within the EU system.

The mission of the EIB is to contribute, by financing sound investment, to the policy objectives of the EU, as laid down in its statutes and in decisions of the European Council.

The EIB contributes towards the integration, balanced development, and economic and social cohesion of the Member States of the EU. To this end, it raises on the markets substantial volumes of funds that it directs on the most favourable terms towards financing capital projects according with the objectives of the EU. Outside the EU, the EIB implements the financial components of agreements concluded under European development aid and cooperation policies.

More background information about the EIB can be found on the website www.eib.org.

1.2. EIB Advisory Services

The EIB offers a large range of advisory services that embrace all stages of the project cycle and beyond, to make investment projects happen inside and outside the European Union.

Advisory activities constitute the third pillar of the Lending, Blending, Advising strategy pursued by the EIB Group. Through this advisory function, the EIB Group supports the European Commission, Member States and public authorities, private enterprises and financial intermediaries in pursuit of the overarching goals – to accelerate the green and digital transition and promote social and economic cohesion.

1.3. Mandate

The InvestEU Programme builds on the successful model of the Investment Plan for Europe (the Juncker Plan) that mobilised more than EUR 500 billion in the period 2015-2020 and included advisory support through the European Investment Advisory Hub (EIAH). The programme consists of three building blocks: the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal (see more information here: https://investeu.europa.eu/index_en).

Building on the success of the EIAH, the InvestEU Advisory Hub acts as the single entry point for project beneficiaries and intermediaries seeking advisory support, capacity building, and technical assistance related to centrally managed EU investment funds. The InvestEU Advisory Hub complements the InvestEU Fund by supporting the identification, preparation and development of investment projects across the European Union. Together with the InvestEU Portal – the EU's online matchmaking tool – the aim is to strengthen Europe's investment and business environment.

Managed by the European Commission and financed by the EU budget, the InvestEU Advisory Hub connects project beneficiaries and intermediaries with advisory partners to help projects reach the financing stage. The EIB is the main implementing partner of the European Commission of the InvestEU programme. More background information about the role EIB as an InvestEU implementation partner can be found on the website <https://www.eib.org/en/products/mandates-partnerships/investeu/index.htm>.

1.4. Background on the Project/Assignment

The EIB is one of the world's main financiers of climate action and environmental sustainability. The **Climate Bank Roadmap** (CBR) 2021-2025¹, published in December 2020, outlines our goals for climate finance that support the European Green Deal and help make Europe carbon-neutral by 2050. The three key elements of the CBR are:

- The EIB Group will support €1 trillion of investments in climate action and environmental sustainability in the critical decade from 2021 to 2030;
- The EIB will gradually increase the share of its financing dedicated to climate action and environmental sustainability to exceed 50% of its operations by 2025;
- The EIB Group will align all its financing activities with the principles and goals of the Paris agreement by the end of 2020.

Following on the commitments of the CBR, the EIB published its first **Climate Adaptation Plan** in October 2021². Its main objectives are to strengthen investment and technical support to protect

¹ <https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap>

² <https://www.eib.org/en/publications/the-eib-climate-adaptation-plan>

projects from the impact of more extreme weather and increase climate resilience of existing and new infrastructure.. The EIB aims to step up adaptation financing to support the European Union Adaptation Strategy for smarter, more systemic and faster adaptation, both across Europe and globally. Examples of key adaptation investment areas for EIB include:

- Coping with water scarcity and flooding;
- Strengthening the climate resilience of food systems, forest and ecosystems;
- Building resilience in cities and regions;
- Protecting infrastructure for energy and transport;
- Supporting education and public research on climate change;
- Responding to climate induced effects on health and well-being;
- Boosting innovative solutions for climate resilience.

As part of the Climate Adaptation Plan, EIB also launched the Climate Adaptation Investment Advisory Platform (ADAPT)³ to provide technical and financial advice to clients inside the EU.

Whilst large unmet investment needs for developing climate change adaptation operations are reported, financing adaptation projects presents a number of challenges ranging from the lack of bankable projects to their low prioritisation amongst competing investments needs by country authorities or the difficulty to identify adaptation components or operations.

More specifically, key issues encountered from an operational perspective in the origination of adaptation operations relate to the specificities inherent to the nature of climate adaptation projects. Adaptation operations generally follow the logic of public goods whereby investments would provide important benefits to society however very few economic actors are willing to pay for them. Moreover, the benefits associated with adaptation operations may only materialise in the distant future especially generally in the form of cost avoidance instead of revenue generating projects. This impacts on their bankability and the decisions from economic actors to invest unless they have been directly confronted with the consequences and losses caused by extreme climate events. In addition, operations contributing to adaptation take a longer time to mature and generally require technical assistance support for their origination. Other relevant investment barriers include⁴, but are not limited to:

- Market failures and information asymmetries;
- Uncertainty of revenue streams;
- Exposure to unfamiliar risks;
- Gap between national/regional adaptation plans and their translation into a pipeline of bankable projects;
- Public or private sector promoter capacity constraints in identifying climate risks and integrating them into project designs;
- Fiscal/financial constraints of project promoters and lack of co-financing sources.

The Bank's contribution to adaptation represented on average around 6% of climate action over the past 5 years amounting to around EUR 1.5 bn per year. With the development of its first Adaptation Plan in 2021, the Bank committed to substantially increasing its support to adaptation by setting a target for adaptation financing of 15% of total lending to climate action by 2025. To help achieve that, the Bank seeks to engage more proactively upstream in pipeline building to identify adaptation operations it could support through funding and/or related advisory assignments. As a first step, a mapping has been developed by the Bank's services identifying and detailing key investment areas that offer potential for financing adaptation operations. It covers a wide range of sectors from coastal protection and resilient cities, energy and transport networks to innovation and technologies.

³ <https://advisory.eib.org/about/adapt.htm>

⁴ See also the EIB investment Report 2022/2023: https://www.eib.org/attachments/lucalli/20220211_economic_investment_report_2022_2023_en.pdf

The EU policy context for climate change adaptation is building upon the new EU Strategy on Adaptation to Climate Change and the European Climate Law, both adopted in 2021, as well as the EU Green Deal, adopted in 2019, and national adaptation policies. The 2021 adaptation strategy sets out how the EU can adapt to the unavoidable impacts of climate change and become climate resilient by 2050⁵. Article 5 of the European Climate Law⁶ requires Member States to enhance their adaptive capacity, strengthen their resilience and adopt national adaptation strategies and plans that are based on robust and science-based climate change and vulnerability analyses. The Commission published new guidelines to assist Member States in updating and improving their national adaptation strategies in July 2023⁷, which, for example, recommends introducing binding adaptation goals or including an estimate of both public and private investment requirements in the adaptation strategies in order to ensure consistency with the NECPs.

All EU Member States have adopted either a National Adaptation Strategy (NAS) or a National Adaptation Plan (NAP), however most countries still rely on rather soft policies without legally binding commitments and on voluntary cooperation, reflecting each countries national circumstances in terms of governance and institutional frameworks⁸. However, more and more Member States are using national climate laws to have more stringent legal instruments available to enforce their adaptation objectives and strategies. Local authorities are also at the forefront of climate adaptation, more than 4,500 local authorities are signatories to the EU Covenant of Mayors for Climate & Energy⁹ with an adaptation commitment and more than 300 local and regional authorities have signed the Charter of the EU Mission for Adaptation to Climate Change¹⁰.

At EU level, the EU Mission Adaptation to Climate Change aims at supporting at least 150 European regions and communities towards climate resilience¹¹. Several large-scale research and innovation projects are funded under the Adaptation Missions through Horizon call for proposals, such as for example Regions4Climate (coordinated by Teknologian Tutkimuskeskus VTT)¹², RESIST (coordinated by SINTEF)¹³, or Pathways2Resilience (coordinated by EIT Climate-KIC)¹⁴. EIB is in regular exchange with DG CLIMA who is coordinating the Adaptation Mission in order to identify synergies and projects for which EIB could provide financing and/or advisory support.

In terms of (grant) funding, there is a wide variety of EU funding instruments available for climate adaptation, such as the LIFE programme, Horizon Europe Cohesion Fund, European Regional Development Fund, Recovery and Resilience Facility (RRF) and Just Transition Mechanism (JTM). For example, at least 37% of the RRF funds should be allocated to green transition measures and 30% under the Multiannual Financial Framework 2021-2027 should support the climate objectives. In order to achieve these targets, climate proofing of infrastructure investments is foreseen for many EU funding instruments, especially the InvestEU Programme, ERDF, CF and RFF.. For example, the Common Provisions Regulation (CPR) which governs 8 EU funds, including the ERDF, CF and the Just Transition Fund (JTF), requires climate proofing of investments in infrastructure which have an expected lifespan of at least 5 years. Direct financing operations (for projects with total project costs

⁵ https://climate.ec.europa.eu/eu-action/adaptation-climate-change/eu-adaptation-strategy_en

⁶ https://climate.ec.europa.eu/eu-action/european-green-deal/european-climate-law_en

⁷ https://climate.ec.europa.eu/news-your-voice/news/building-climate-resilient-future-2023-07-26_en

⁸ <https://www.eea.europa.eu/publications/advancing-towards-climate-resilience-in-europe>

⁹ <https://eu-mayors.ec.europa.eu/en/home> and <https://discomap.eea.europa.eu/climatechange/?page=How-prepared-are-we%3F>

¹⁰ https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/adaptation-climate-change_en

¹¹ https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/eu-missions-horizon-europe/adaptation-climate-change_en

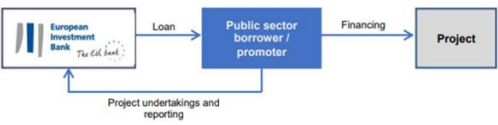
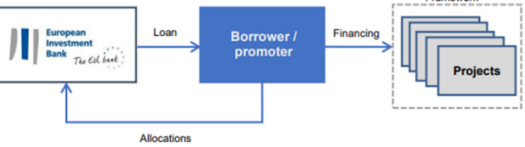
¹² <https://regions4climate.eu/>

¹³ <https://resist-project.eu/>

¹⁴ <https://www.pathways2resilience.eu/>

of more than EUR 10m) benefitting from a guarantee from the InvestEU Fund (including financing operations from the EIB) are required to perform a sustainability proofing¹⁵.

The main purpose of this Assignment is to support the identification of an adaptation project pipeline that can potentially be financed and/or supported with technical assistance from the EIB. In principle, investment projects can be co-financed by different sources, including, but not limited to EIB loans and EU funds. However, the priority of this Assignment is to identify a project pipeline with a strong contribution to climate adaptation. In this respect it is worth mentioning that EIB financing operations can contribute to different objectives to a varying degree, depending on the nature of the underlying investment project or programme. The climate adaptation component in financing operations is determined by EIB during the appraisal process in line with the Joint MDB Methodology for Tracking Climate Change Adaptation Finance¹⁶. In line with the Bank's Adaptation Plan, the EIB can finance up to 75% of the project investment costs (PICs) for operations with at least 50% of their activities dedicated to adaptation. Thanks to its AAA rating, EIB can provide long maturities and attractive interest rates with a wide variety of products. The minimum project cost amount for EIB to engage in a direct financing operation is EUR 25 million. In terms of financing products, EIB offers different product for public or private sector actors, for example¹⁷:

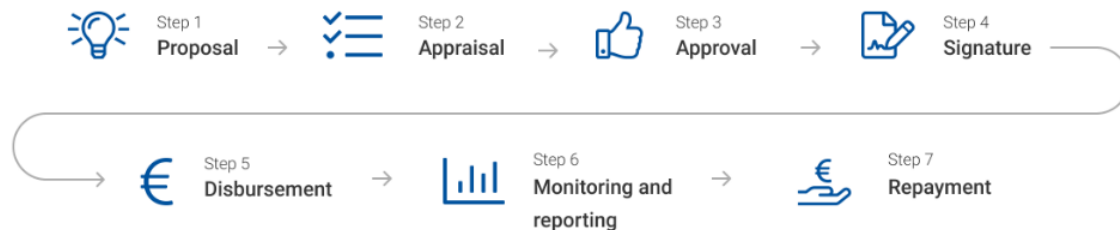
EIB Financing Product	Description
<p>Investment Loan</p> 	<p>Public or private sector loans enable the EIB to finance a single large investment project (or investment programme) promoted by a public sector administration or entity as well as private sector company. Typical counterparties include sovereign states, regional or local authorities, governmental bodies, public administrations, public sector companies or private sector companies.</p> <p>The EIB typically covers up to 50% of a project's total cost with EIB loans starting at EUR 25m. In the context of adaptation projects, the above-mentioned derogation applies to the PICs financing.</p>
<p>Framework Loan</p>  <p>Structural Programme Loan</p>	<p>A framework loan can be used to finance smaller sub-projects within a pre-defined investment programme. These sub-projects can be implemented over a period of 3 to 5 years. A framework loan is a single source of long-term financing that is flexible enough to handle changes in the investment programme over time.</p> <p>Framework loans provided to EU member states or regions co-financing Operational Programmes to support EU Cohesion Policy are called Structural Programme Loans.</p>

¹⁵ Based on the technical guidance on sustainability proofing for the InvestEU Fund: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C:2021:280:TOC>

	<p>The EIB covers up to 50% of the programme's costs, which usually start from EUR 100m. If the programme also benefits from EU Funds, EIB and EU finance cannot exceed 70% of the total project investment costs (with exceptions). In the context of adaptation projects, the above-mentioned derogation applies to the PICs financing.</p>
<p>Intermediated Loans</p>	<p>Intermediated loans are provided to financial intermediaries (such as commercial banks, leasing companies, national promotional banks) which subsequently on-lend to final beneficiaries. Therefore, these loans are also called Multiple Beneficiary Intermediated Loans (MBILs). The most common type of final beneficiaries supported are SMEs and MidCaps, but also regional or local authorities can be supported.</p> <p>The underlying framework of objectives and eligibilities can cover a range of sectors, to be agreed between EIB and the financial intermediary upfront.</p>
<p>Project Finance</p>	<p>Project finance enables the EIB to finance infrastructure projects relying either exclusively or mainly on the cash flows generated by the project to repay the loan.</p> <p>The borrower is typically a special purpose vehicle or project company. Sponsors or promoters may be one or a consortium of private-sector companies or, in case of a Public-Private Partnership (PPP), including public sector entities as grantors of a time limited concession.</p> <p>Considering the higher transaction costs that need to be covered, indicatively loans for project finance transactions start at EUR 40m.</p>

The EIB is a policy-driven and project-oriented bank. In order to qualify for EIB financing, an operation must meet one of its primary public policy goals, not constitute an excluded activity and provide for additionality¹⁸. The EIB exclusion list defines the types of projects the EIB does not finance¹⁹. Specifically, the EIB climate action and environmental sustainability eligibility criteria are regularly reviewed and updated, taking into account the evolving EU Taxonomy framework and the joint work on climate finance tracking with other MDBs²⁰.

A project financed by EIB typically goes through seven major stages: proposal, appraisal, approval, signature, disbursement, monitoring and repayment, see below:



The project appraisal (due-diligence) is a systematic and comprehensive review of the financial, risk, economic, social, environmental, climate aspects, as well as a technical assessment, and a review of procurement aspects, and the promoter's organisation and capacity. More information about which criteria EIB considers in assessing the quality of a project can be found in the economic appraisal of projects section here: <https://www.eib.org/en/projects/cycle/index.htm>²¹.

Please note that under this Assignment the Service Provider is **not** expected to support EIB in the formal appraisal process of adaptation projects. This Assignment only covers support in pipeline development and first screening of project ideas/proposal (based on preliminary assessments conducted from publicly available information, expert knowledge of adaptation projects and associated sectors specificities and information provided by the promoter and/or publicly available).

II. OBJECTIVES AND PURPOSE

The overall objective of this assignment (the "Assignment") is for a Consultant (hereafter, the "Service Provider") to support the EIB in proactively building a robust pipeline of adaptation projects in different sectors across selected EU countries. The aim is to identify at least 15 (and up to 25) concrete adaptation project proposals suitable for EIB financial and advisory support. This shall be achieved by an iterative market assessment process, identifying and filtering project ideas or related advisory assignments in close coordination with EIB.

In addition, the Assignment has the additional goals:

1. Refining the operational approaches and tools for the strategic identification and origination of adaptation operations to be financed by the Bank including, if relevant, different types of engagement modalities with existing and/or potential new counterpart.
2. Performing a desk review of publicly available climate change adaptation plans and policies of other MDBs (such as ADB, AfDB, EBRD, IDB, World Bank, etc.) or other Development Finance Institutions²² identifying their origination strategies and developing a proposal (including operational approaches and tools) for how these could be adapted to the EIB business model to originate climate adaptation projects and to engage with potential clients²³.
3. Identification of at least 15 (and up to 25) adaptation investment projects and related advisory assignments. Performing desk review of key adaptation documentation²⁴ at national, regional and local level in selected EU member states (at least 15 and up to 25)

²² For example members of the International Development Finance Club (IDFC) or the European Development Finance Institutions (EDFI).

²³ This review should not focus on technical screening or appraisal methodologies, but rather on tools that facilitate business development, outreach and the identification of promising projects and counterparts in the climate adaptation space.

²⁴ An important information source at EU level is the Climate ADAPT website: [Home — Climate-ADAPT \(europa.eu\)](https://climate-adapt.europa.eu)

including the national and sub-national climate change adaptation policies, plans, sectoral assessments, regulatory requirements for adaptation proofing of investments in regulated industries, or any relevant documentation to pre-identify, against the internal mapping of the Bank's sectors/focus areas on adaptation, the following:

- potential adaptation investments reflecting countries priorities and/or
- projects in regulated industries triggered by regulatory requirements for adaptation proofing of investments
- related advisory assignments necessary to originate operations contributing to adaptation.

This desk review is expected to result in the identification of potential counterparts and investments projects that may be suitable for EIB financing along with potential advisory assignments. The projects to be identified can include:

- Transformational projects²⁵, i.e. dedicated adaptation investment projects. These projects that can help countries move towards more resilient development pathways. They address the underlying cause of climate vulnerability and enable people, business and ecosystems to adapt.
 - More standard projects (including infrastructure projects but not only), for which adaptation constitutes an important large component (at least 20%).
 - Advisory assignment to bring potential projects to a more advanced stage.
4. Discussing the findings of the documentation desk reviews with key services including as relevant sectoral experts, advisory services and front-line geographical and thematic teams under the guidance of the Operations Advisory and Climate Office teams
 5. Coordinating the identification of the borrowers and promoters together with project's scope of up to 15 (with a minimum of 10) adaptation financing operations with relevant services in the Bank, including advisory assignments when needed. Ideally the projects or related advisory assignments identified should be geographically diversified.
 6. Developing an origination/engagement strategy, including practical guidance and off-the-shelf marketing material to support loan officers in the origination of adaptation projects, tailored to the specific sectors and different types of counterparts.

Project counterparties (i.e. project promoters or borrowers) could include local, regional or national authorities, municipalities, public-sector entities (such as, for example, water or energy utilities), corporates or state agencies in sectors with high adaptation potential such as food systems and agriculture, water, energy, rail and telecommunications infrastructure, buildings and urban environment, health, education, research development and innovation, disaster risk preparedness and management, etc in line with the sectoral mapping of adaptation activities developed by the Bank.

All projects financed by the EIB need to be in line with its public policy goals and must be economically, financially, technically and environmentally sound. To be eligible for EIB financing, a counterparty must have legal personality, a sufficient creditworthiness, the authority to borrow and, above all, the capacity and expertise to implement the investment project. Depending on the governance structures of countries, a same project could require both a project promoter in charge of implementing the operation identified together with a project borrower that would be the administrative legal entity signatory of the finance contract or agreement.

Eligible counterparts for the EIB include public sector entities, private sector entities and/or financial institutions, such as:

²⁵ As described in the IPCC Sixth Assessment Report Climate Change 2022: Impacts, Adaptation and Vulnerability, see here: <https://www.ipcc.ch/report/ar6/wg2/>

- Public sector entities: Sovereign states; National agencies, departments, institutions, and ministries; Regional and local authorities; Public utility companies.
- Private sector entities: Large corporates or groups; Mid-caps; Special Purpose Vehicles for project finance (including PPPs and Concessions). Small and medium-sized enterprises (SMEs) can only be financed indirectly by local financial institutions supported by the EIB Group through intermediated loans (credit lines) and risk-sharing arrangements.
- Financial institutions: Commercial banks; Leasing companies; National promotional banks or institutions.

III. ASSUMPTIONS AND RISKS

Assumptions

- Timely start of advisory services shortly after appointment.
- EIB Services will be available to engage on a proactive and flexible manner with the Service Provider.
- EIB's adaptation target and prioritisation of those projects with high adaptation contribution, the incremental cost methodological approach used by the Bank for tracking climate adaptation finance in individual operations will be available for the Consultant to consider.
- EIB's financing modalities and eligibility requirements will be available for the Consultant to consider

Risks

- Adaptation financing operations are more complex and may require more time and efforts to identify and originate compared to more standard type of operations.
- National, regional or local adaptation plans may not include any concrete investment plans and pipeline of projects.
- Project promoters and borrowers find it difficult to analyse and understand physical climate risks and to articulate their investment and advisory needs related to adaptation.
- Consensus would need to be reached amongst EIB services requiring a potential extensive internal consultation process.
- EIB front line teams (loan officer) may only have limited knowledge about the topic of climate adaptation and national/regional adaptation policy objectives.

IV. SPECIFIC SERVICES, TASKS TO BE PERFORMED AND TECHNICAL DELIVERABLES TO BE PRODUCED

4.1. Tasks to be performed

Inception Phase

A three-week inception phase is foreseen for this Assignment. During this period the following activities shall be carried out by the Service Provider:

- Familiarization with the objectives of this advisory assignment and the operating modalities of the Bank and establishment of contacts with key services under the guidance of Advisory Services and the Climate Office teams.
- Detailed review of the EIB Adaptation Plan.
- Review of key EIB operational documents related to financing and advisory products, project cycle and eligibility criteria and EIB approach to accounting for climate adaptation finance in

operations. As for the EIB approach to climate finance tracking a separate technical meeting will be conducted with adaptation experts.

- Performing a desk review of publicly available climate change adaptation plans and policies of other MDBs (such as ADB, AfDB, EBRD, IDB, World Bank, etc.) or other Development Finance Institutions²⁶ identifying their origination strategies and developing a proposal (including operational approaches and tools) for how these could be adapted to the EIB business model to originate climate adaptation projects and to engage with potential clients²⁷.
- Organisation of a one-day physical inception workshop between EIB and the Service Provider in Luxembourg, during which i) the initial findings, ii) the approach and iii) the workplan for the delivery of the services will be presented and discussed. During the inception workshop the Service Provider is also expected to present initial ideas and options for identifying adaptation investment projects which can be financed by the Bank.

Deliverable– Inception Study:

- **Description:** The results and findings of the inception phase (including the results of the inception workshop) shall be documented in an Inception Study.

Implementation Phase

The implementation phase comprises the performance of the following interrelated Tasks:

Task 1 – Screening of relevant national/regional/sectoral adaptation documents (in at least 15 EU member states and up to 20) and relevant EIB advisory assignments

Task 1 pertains to the screening of countries' national, regional and local adaptation documentation as well as the screening of relevant completed and ongoing advisory assignments related to adaptation. This screening can include National Adaptation Plans, regional plans, cities' adaptation strategies to sectoral strategies, relevant regulatory requirements or any other relevant documentation (including reports and studies from EU adaptation dedicated repositories such as Climate-ADAPT and from specialised agencies such as the European Environment Agency). The screening of relevant EIB advisory assignments related to adaptation shall be conducted by a combination of desk review of relevant reports (provided by EIB) and/or interviews with selected experts from PJ, JASPERS and Advisory Services. The objective of identifying sizeable adaptation investments (with a minimum investment cost of around 20/30 m EUR in either individual or multiple aggregated interventions), which the Bank could finance in line with its requirements. For less mature investment proposals, advisory support needed to bring potential projects to "ready to be financed" stage should be identified. At the beginning of Task 1, a meeting will be organised with relevant EIB representatives to discuss and agree on the approach of the screening exercise.

This task involves the preparation of a Task 1 report consisting of the following components:

Component 1.1 – Long List Screening:

- **Description:** A report presenting the initial longlist of 25 counterparties potentially including countries (in view of sovereign borrowing for countries of small size), regions (or any relevant local authorities) and public or private sector promoters to be considered for further analyses for the development of project proposals or advisory support in adaptation.
- **Number of pages:** The report should include a one-pager for each longlisted counterpart presenting the rationale for their respective selection, the sector(s) or sub-sector(s) of intervention foreseen, and the preliminary type of projects or advisory support envisaged.

²⁶ For example members of the International Development Finance Club (IDFC) or the European Development Finance Institutions (EDFI).

²⁷ This review should not focus on technical screening or appraisal methodologies, but rather on tools that facilitate business development, outreach and the identification of promising projects and counterparts in the climate adaptation space.

Before the finalisation of the longlist, a workshop will be organised with EIB to discuss the merits of each identified counterpart along with the potential underlying project or advisory support proposals potentially re-identified.

Component 1.2 – Sectoral marketing materials:

- **Description:** Marketing materials building upon the sectoral mapping of adaptation operations and/or activities per sector developed by the EIB should be produced when relevant. Depending on sector specificities (i.e. electricity networks, rails, telecoms or water utilities), dedicated marketing material should be developed in the form of a MS Powerpoint presentation (or compatible format) to facilitate the engagement of geographical or thematic loan officers with counterparts to identify adaptation projects and/or related advisory assignments. The sector-based slides should not duplicate the already existing sectoral mapping developed by EIB.

Timeline for the Task 1 Deliverable: The report should be delivered within three (3) months after the starting date of the assignment.

Task 2 – Support in Pipeline Development and Outreach

Task 2 will build upon and further complement the work undertaken under Task 1 to further identify and screen in close coordination with the Operations Advisory and Climate Office teams, advisory and sector experts as well as geographical and thematic loan officer teams, potential adaptation investment projects or related advisory assignments to generate the long list of funding and advisory assignments, including a minimum of 10 tangible and sufficiently mature financing opportunities. All proposals need to be in line with local, national and regional priorities as spelt out in their respective reference documentation.

For each retained project, key project components contributing to adaptation should be identified to optimize the design and facilitate where needed the financial structuring of adaptation operations. If an advisory assignment is foreseen, its scope and associated activities should be presented along with key information on the subsequent operation(s) envisaged.

Before confirming a project or an advisory assignment proposal as a retained one, the project management team will consult with the EIB originating teams to have given their in-principle agreement to further pursue upstream or direct engagement with the relevant counterparts on the pre-identified adaptation operations and related advisory assignments. It is not possible that the Service Provider has any client interactions without the participation of EIB. However, the Service Provider can, in coordination with EIB, identify relevant external stakeholders or associations for stakeholder interviews.

This task involves the preparation of a Task 2 report consisting of the following components:

Component 2.1 – Pipeline of Projects

- **Description:** A report presenting the shortlist of up to 15 potential project or related advisory assignment proposals with a minimum of 10 retained projects in priority regions or cities with public sector or corporate counterparts operating inside EU that meet the following conditions:
 - active in the adaptation sphere confirmed by the elaboration and implementation of known adaptation projects, or alternatively projects with a large adaptation component or related advisory assignments leading to tangible adaptation operations,
 - willingness and capacity to borrow from the Bank in 2024 (or in a near future)

- or alternatively to actively work with the Bank on an advisory assignment aiming at ultimately developing with the Bank's services one or several projects contributing to adaptation.

For each retained project,

- key project components contributing to adaptation should be identified to optimize the design and facilitate where needed the financial structuring of adaptation operations or advisory assignments,
 - the relevant counterpart able to borrow from the Bank together with, when different, the project promoter in charge of implementing the project should be identified taking into account the governance structure and decision-making bodies of the respective countries,
 - an engagement strategy and off-the-shelf marketing material for EIB loan officers to support their upstream engagement dialogue with the relevant counterparts and to convince counterpart decision-maker to develop with the Bank the adaptation project under consideration should be developed when requested by the frontline teams.
- The report will build upon the one-pager elaborated for each initially longlisted counterpart under the deliverable 1. The "pipeline of projects" report will present more granular information detailing over a two-pager note for each project proposal or advisory assignment shortlisted:
 - its rationale for selected them amongst the longlisted ones,
 - the sector(s) and sub-sector(s) of intervention,
 - the estimated size of the project or alternatively the activities foreseen under the advisory assignment,
 - the outcomes of the discussions with the front-line originating teams on the proposal and
 - the confirmation of their endorsement for further pursuing efforts in project origination or advisory support on the basis of the project proposals to be elaborated under deliverable 5.
 - Number of pages: The report should be composed of two-pager for each of the shortlisted projects and/or advisory assignments retained.

A series of at least 5 validation workshops (virtual and/or hybrid) would be organised to discuss the merits of each shortlisted projects and/or advisory assignments. Potential projects and/or advisory assignments selected for the shortlist will be presented and discussed continuously between the Service Provider and EIB. Participants: Service Provider, task team leaders in AS and the Climate Office, other representatives of the AS and the Climate Office with experience in origination and/or developing and implementing advisory assignments as well as selected loan officers from OPS.

Component 2.2 - Project proposals

- **Description:** Each of the project shortlisted including advisory assignments should be presented in a project proposal document. Up to 15 with a minimum of 10 of project proposals including where needed advisory assignment should be developed respectively presenting the outcomes of documentation desk review and discussions with EIB experts and relevant services including:
 - detailed features at project components level of pre-identified operations contributing to adaptation that are ready to be financed;

alternatively detailed features at project components level of pre-identified operations contributing to adaptation that require upstream advisory support to reach a “ready to be financed” stage; or any other type of upstream advisory support;

- the identification of
 - the decision-making bodies if the potential counterpart is a public entity,
 - the counterpart that would take on the operation and borrow from the bank and the entity that would serve as “implementing agency” if the project promoter is different from the borrower.
- confirmation of in-principle buy-in from originating teams to pursue the origination of pre-identified operations,
- technical preliminary assessments from in-house sectoral or adaptation experts on the adaptation relevance of the identified operations or advisory assignments (project level component),
- views of advisory experts in particular on the eligibilities of the assignments under the ADAPT platform for EU operations,
- estimated financing requirements,
- course of action proposed depending on the readiness of the operations identified as part of an engagement strategy.

Each project proposal should be presented in a separate document of maximum 5 pages (excluding Annexes).

Component 2.3 – Marketing material on retained projects:

- **Description:** Marketing material specific to the retained operation should be developed when requested by front line teams in the form of a MS Powerpoint (or compatible format) presentation to facilitate the engagement of geographical or thematic loan officers with the counterparts on the identified projects and/or advisory assignments.

Timeline for the Task 2 Deliverable: The final Task 2 report should be delivered eight (8) months after the starting date of the assignment. A draft version of the report should be delivered four (4) months after the starting date.

Task 3 – Recommendations on Operational Tools

Based on the results of the Inception phase and the performance of Task 1 and Task 2, the Service Provider is expected to provide recommendations to EIB on the refinement of operational approaches together with tools for the Bank services to be in a position to better identify adaptation projects and engage with promising counterparts.

Deliverables 3.1: Options for engagement strategies including operational tools

- **Description:** the recommendations shall be structured around the following themes and shall include the drafting of the following documents:
 - Operational tools for pipeline development
 - Simplified non-technical screening checklist/questionnaire that can facilitate for loan officers the identification and origination of adaptation investment projects;
 - Design on a concise brochure/presentation on EIB financing and advisory products which can be used for initial contacts with project promoters;
 - Upstream dialogue with project promoters and stakeholders

- Recommendations on promising EU-level or national adaptation programmes which offer entry points for EIB financing or advisory
- AA concept proposal presenting options for engagement strategies for the organisation of i) scoping missions with potential public or private sector promoters on adaptation key or niche markets sharing similar thematic and/or geographic features or a multidimensional one approach that would be relevant for Bank's pipeline building exercise as well as ii) knowledge-sharing or outreach roundtables.
- Advisory products
 - Recommendations on the scope of services of standardised adaptation advisory products that can be offered to different client types (for example rapid CRVAs, standardised advisory offer to public authorities after climate-induced natural disasters, dedicated adaptation advisory product that can be offered to cities, economic/financial project development for Nature-based solutions, etc.). In particular, recommendations on suitable advisory tools for an early stage client engagement (such as, for example, rapid diagnostics) are expected to be identified by the Service Provider.

Timeline: the above-mentioned deliverables should be submitted (9) nine months after the starting date of the assignment

A validation workshop should be organised to present to the AS and CO teams the operational tools proposed, recommendation and approached developed to support upstream engagement, pipeline developed and a tailored advisory offer as described under deliverable 3.1.

Participants: Service Provider, task team leaders in AS and the Climate Office, other representatives of the AS and the Climate Office with experience in origination and/or developing and implementing advisory assignments as well as selected loan officers from OPS.

4.2. Technical Deliverables to be produced

In relation to the above referred tasks, The Service Provider shall produce the following technical deliverables:

Related task	Name of the deliverable(s)	Content	Due date of submission
Inception phase	Inception study	The results and findings of the inception phase (including the results of the inception workshop)	Within one (1) months from the start of the Assignment
Task 1	Task 1 report	Report summarising the outcomes of the screening of relevant national/regional/sectoral adaptation documents and relevant EIB advisory assignments. The deliverable shall consist of the following components: <ul style="list-style-type: none"> - Long list screening report; - Sectoral marketing materials; - Minutes of meetings of workshop(s). 	Within three (3) months from the start of the Assignment

Task 2	Task 2 report	Report summarising the outcomes of the support on pipeline development and outreach. The deliverable shall consist of the following components: <ul style="list-style-type: none"> - Project pipeline report; - Project proposals report; - Marketing materials on retained projects; - Minutes of meetings of the workshop(s). 	Within eight (8) months from the start of the Assignment
Task 3	Task 3 report	Report summarising the recommendations on operational tools. The deliverable shall consist of the following components: <ul style="list-style-type: none"> - Report on options for engagement strategies including operational tools; - Minutes of meetings of the workshop(s). 	Within nine (9) months from the start of the Assignment

See section 7 below for further information regarding the submission and approval process of the technical deliverables.

V. START DATE AND PERIOD OF IMPLEMENTATION, LOCATION, LOGISTICS.

5.1. Start date & period of implementation

The Contract shall enter into force on the date of confirmation of receipt of the appointment letter by the Service Provider (the “Effective Date”).

The intended start date is April 2024 (the “Start Date”) and the period of implementation of the Assignment will be 12 months from this date. All tasks to be performed under the Contract will have to be completed within the period of implementation of the Assignment. All technical deliverables and administrative reports to be produced under the Contract will have to be submitted by the Service Provider and approved by the EIB within period of implementation of the Assignment.

The Services shall be provided from the “Start Date” until the earliest of the written approval by the Bank of the Completion Report as the latter is described in section 8.2. below, which shall not be unreasonably withheld by the Bank or the expiry of 18 months from the Start Date (the “End Date”), save where the Contract is terminated in accordance with Appendix C. The performance of the Services shall not commence before the Start Date.

Should the necessity to perform additional services which were not included in these Assignment Terms of Reference and which would have become necessary to the completion of the Assignment arise, the EIB reserves the right to amend the contract and to extend the scope of the services and/or the duration of the contract in accordance with the terms and conditions of the Framework Agreement and of these Assignment terms of reference

5.2. Location

The Services will be performed from the Service Provider’s own professional premises.

Key and non-key experts mobilised under the Assignment will have to be available for phone conversations and video-conferences.

In their Technical Proposal, tenderers shall anticipate that the key experts will be required to undertake up to 5 business trips to the EIB in Luxembourg. In addition, up to 3 missions inside the European Union could be required as part of Task 2 (only one of the key experts per mission).

Expenses related to mentioned missions inside the European Union (with exception to Luxembourg), will be reimbursed according to the conditions set in section 9.3.

5.3. Logistics (Office accommodation and administrative support facilities to be provided to the Service Provider's experts mobilised under the Assignment)

The Service Provider

The Service Provider must ensure that experts are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities.

The EIB

The EIB will provide the Service Provider, upon request, with all information relevant to the TA which is available to it and not covered by any confidentiality agreements and will fully cooperate with the Service Provider in order to achieve the best results.

No office, secretarial, communication or transport facilities are due to be provided by the EIB.

Beneficiary

The Beneficiary of this Assignment are public and private project promoters in Europe that are planning climate adaptation investment projects.

VI. CONTRACT MANAGEMENT

6.1. Responsible body and management structure.

The European Investment Bank, through the Consultant Procurement (CP) Unit of the Operations Resource Management Division within the Operations Directorate will act as Contracting Authority.

At the EIB, the Advisory Services Department (AS) jointly with the OPS Climate Office will be responsible for the management and the technical and administrative follow up of the contract. During the course of the Assignment, the Service Provider will report to the EIB Assignment Responsible persons appointed by EIB. The contact details of the EIB Assignment Responsible will be communicated to the Service Provider following the award of the Contract.

No Steering Committee or other coordination mechanism will be established for this project.

The Framework Manager of the Service Provider's Framework Management Team shall nevertheless remain the sole interlocutor of the EIB for tendering, contractual and financial aspects of the Assignment and he/she will be required to react within two working days to any communication made by the EIB. In particular, should the necessity to amend any of the following elements of the Contract:

- Duration of the period of implementation;
- Scope of services (e.g. modification of specific tasks, replacement of specific tasks with others etc);
- Amount payable to the Service Provider or budget redistribution (ventilation);
- Terms of Payment (payments schedule);
- Composition of the team of expert (i.e. replacement of key experts or mobilisation of non-key-experts);

arise, the Framework Manager of the Service Provider's Framework Management Team would be the interlocutor of the EIB's Assignment Responsible and CPCM.

The Technical Director of the Service Provider’s Framework Management Team will be expected to provide high-level guidance to the experts assigned to the Contract. He/she will sign off all outputs required under the Contract and will maintains the final responsibility for the quality control of the work carried out at the level of the Assignment, independent on whether he/she has carried out the quality checks himself/herself or this was done by any other staff of the consortium (if applicable).

VII. RESOURCE REQUIREMENTS

The Service Provider shall provide the adequate staff (in terms of expertise and time allocation) in order to complete efficiently all the activities required under the scope of the assignment and to finally achieve the specific and the overall objectives of his contract in terms of time, costs and quality.

All experts must be independent and free from conflicts of interest²⁸ in the responsibilities they take on.

7.1..Key experts

Key experts have a crucial role in implementing the contract. These Assignment Terms of Reference contain the required key experts’ profiles. The tenderer shall submit CVs and Statements of Exclusivity and Availability for the key experts mentioned below in their Technical Proposal.

Key Expert I: Project Manager/Team Leader (Category II) – indicatively 75 working days. The project manager will coordinate the work of the key and non-key experts and will act as primary focal point for the EIB.

Qualifications	At least a Bachelor’s Degree (or an academic equivalent) in in civil engineering, natural sciences, economics, finance, business administration, political science or an equivalent field (minimum requirement).
General professional experience	10 years’ experience in research and/or advisory services related to infrastructure, environment, climate or finance. (minimum requirement).
Specific professional experience	<p>Experience in managing consultancy projects as Team Leader, as demonstrated in 3 reference projects in the CV.</p> <p>5 years’ experience in advising national governments, International Financial Institutions or International Development Agencies on climate and environment (in fields related to policy advice, strategy development, capacity building, programme management, project preparation or pipeline development).</p> <p>Knowledge of the EU sustainable finance framework (such as the EU Taxonomy), the EU climate adaptation policy framework or the operating modalities of Multilateral Development Banks (MDBs) of indicatively 2 years will constitute an asset.</p> <p>Experience in conceptualising, organising and facilitating collaborative workshops (for example co-creation or design thinking workshops) will constitute an asset.</p>

²⁸ For instance, an expert cannot exercise impartially and objectively the tasks assigned to him/her under the Assignment for reasons involving family, emotional life, political or national affinity, economic interest.

Language and other Skills	Excellent knowledge English (minimum requirement). Knowledge of another European language will constitute an asset.
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Key Expert II: Climate Adaptation Expert (Category II) – indicatively 75 working days

Qualifications	At least a Bachelor's Degree (or an academic equivalent) in in civil engineering, natural sciences, economics, finance, business administration, political science or an equivalent field (minimum requirement).
General professional experience	10 years' experience in climate adaptation and resilience advisory (minimum requirement).
Specific professional experience	<p>5 years' experience in advising local, regional or national governments in Europe in the development and/or evaluation of climate adaptation strategies or climate adaptation investment projects/programmes.</p> <p>Experience in the preparation of market studies, surveys, research, or data analyses related to climate action and environmental sustainability, as demonstrated in at least 1 reference project in the CV.</p> <p>Technical expertise in project preparation or project implementation in at least 2 of the following sectors/themes: water management, transport and mobility, energy infrastructure, urban and regional development, health and education, Innovation and Disaster Risk Management, as demonstrated in at least 2 reference projects in the CV.</p> <p>Experience in supporting indicatively 2 private companies (corporates) or public utility companies in adapting to the physical risks of climate change will constitute an asset.</p>
Language and other Skills	Excellent knowledge English (minimum requirement). Knowledge of another European language will constitute an asset.

Kex Expert 3: Finance Expert (Category II) – indicatively 50 working days

Qualifications	At least a Bachelor's Degree (or an academic equivalent) in in economics, finance, business administration, or an equivalent field (minimum requirement).
General professional experience	10 years experience in banking, corporate finance, investment management or financial advisory (minimum requirement).
Specific professional experience	<p>5 years' experience in financial/economic analysis of investment projects.</p> <p>Experience in consultancy projects related to financial/economic aspects of climate action or environmental sustainability, as demonstrated in at least 2 reference projects in the CV.</p>

	<p>Experience in conducting indicatively 2 consultancy or research projects on climate adaptation (for example climate risk assessments, resilience strategies) will constitute an asset.</p> <p>Indicatively 2 years work experience or experience in advising Financial Institutions, in particular International Financial Institutions (IFIs), in climate strategies and operational tools will constitute an asset.</p>
Language and other Skills	Excellent knowledge English (minimum requirement). Knowledge of another European language will constitute an asset.

7.2. Non-key experts

If needed, the key experts can be supported by up to 2 non-key experts (indicatively up to 35 days) holding expertise and experience complementary to that of the key experts identified above.

The non-key experts might collectively have the following expertise:

- Experience in technical or financial advisory related to climate adaptation, such as for example in the development of Climate Risk and Vulnerability Assessments or the economic and financial assessment of investment projects;
- Experience in organising workshops;
- Experience in conducting qualitative and/or quantitative research on climate adaptation.

Non-key experts will be of a category II or III.

CVs for non-key experts should not be submitted in the Proposal but the tenderer will have to demonstrate in their technical proposal that they have access to experts with the required professional profiles. However, short profiles of the proposed non-key experts can be presented in the technical proposal.

The mobilisation of all non-key experts under the Assignment is subject to prior approval by the EIB. Before mobilising any non-key expert, the Service Provider will have to submit a formal request to the EIB Assignment Responsible by e mail. The request will have to include, not only the CV of the proposed non-key expert, but also information on his/her role under the assignment and clarity on the task(s) the expert will be assigned to. The request will also specify whether the expert proposed belongs to the category of expert I, II or III. In no case shall a non-key expert be mobilised without a prior approval by the EIB Assignment Responsible.

Other aspects

In case of doubt on the professional profile received, the EIB may require evidence of the above skills.

If during the implementation of a Contract, the EIB judges the expert(s) unable to meet the level of quality required for preparing the written outputs such as reports, the Service Provider will provide, at no additional cost to the EIB, immediate additional support for these outputs to meet the appropriate standards. Should the EIB require the replacement of an expert for important reasons (i.e. for consistently failing to meet the requirements of the AtoR), the Service Provider will take the necessary steps to propose a replacement solution to the EIB at the shortest term possible.

VIII. TECHNICAL DELIVERABLES & ADMINISTRATIVE REPORTS

8.1. Technical Deliverables

See section 4.2 above.

8.2. Administrative Reports

In addition to the technical deliverables identified above the Service Provider shall provide the following administrative reports:

Name of report	Content	Due date of submission
Completion Report	See below	Not later than 12 months after the start of implementation

Completion Report (max. 5 pages) will contain the following:

A narrative section made of:

- a summary of the services performed during the Assignment with reference to the tasks/deliverables set out in the Assignment Terms of Reference
- a synthesis of all analysed projects presenting the main issues solved and the remaining aspects to be tackled
- lessons learned as regards the activities performed and recommendations for the MA and beneficiaries
- if any, a statement summarising the various difficulties encountered and an evaluation of the impact of the above-mentioned difficulties in terms of the project itself, total cost for the Assignment and deadlines

The Completion Report shall also include as annex:

- A copy of all deliverables/reports/documents/material produced during the Assignment.

8.3. Submission & approval of technical deliverables and administrative reports

The draft technical deliverables and administrative reports required in the Assignment ToR will be made available in electronic format. They will have to be provided in Microsoft Word compatible format, in a single file or with a series of files following a structure that makes it easy to print and generate hard copies, with all support files also attached). All produced spreadsheets have to be provided in Microsoft Excel compatible format, including all underlying formulas. Such formulas shall be unprotected and available to the EIB.

The EIB will have 15 working days to examine each report. Should the EIB request amendments, the Service Provider will be requested to re-submit the report within 5 working days following the request, completed and adequately amended.

8.4. Visibility requirements

The Service Provider shall endeavour to publicise any work undertaken and to highlight the participation of the European Union in the programme.

The Service provider shall indicate in all works that the technical assistance (TA) operation is funded from European Union through the InvestEU Advisory Hub.

To ensure the visibility of the mandate, the InvestEU Advisory Hub logo, the EC logo as well as the EIB logo should appear on the cover page of reports, presentations and other documents produced under the TA contract. THE INVESTEU ADVISORY HUB, EIB and THE EC LOGO MAY NOT BE USED FOR ANY OTHER PURPOSE.

The following disclaimer should also be included: "The authors take full responsibility for the contents of this report. The opinions expressed do not necessarily reflect the views of the European Investment Bank, the European Commission or of other European Union institutions and bodies".

The European Investment Bank and the European Commission have the right to use all data, reports and documents produced by Service Provider under the technical assistance operation, free of charge.

By signing this contract, the Service Provider agrees that the EIB can publish its information (name, address, nature, purpose and value of the contract) in its website in line with the Article 12.2 of Advisory Agreement.

IX. TYPE OF CONTRACT, BUDGET, REMUNERATION AND INVOICING

9.1. Type of Contract

The services are to be provided on a fixed price basis.

9.2. Budget

The maximum budget for the present assignment is **EUR 250,000**, out of which:

- The maximum amount for the performance of the services should not exceed 240,000 EUR; and
- the maximum provision for expenses eligible for reimbursement is 10,000 EUR.

9.3. Remuneration

For the performance of the Services, the Service Provider shall be remunerated on the basis of a fixed price exclusive of VAT (the Price).

For the missions inside the European Union (excluding to Luxembourg) mentioned in section 5.2. above, the Service Provider will have its expenses reimbursed as follow:

Expenses eligible for reimbursement

The EIB shall reimburse expenses incurred during business trips necessary to deliver the requested tasks outside the Service Provider's home office subject to prior authorisation by the EIB Assignment Responsible.

Upon submission of such relevant invoices received from the Service Provider, all authorised travel and accommodation expenses shall be refunded, provided that copies of all original invoices are submitted, including copies of all airplane boarding passes (where applicable). Before undertaking any business trip or undergoing any expense potentially eligible for reimbursement, the Service Provider shall address a request for expenses/travel authorisation to the EIB Assignment Responsible in charge. Such request shall provide a detailed budget estimate (see here-under for information the main categories of expenses eligible for reimbursement).

- Air	- Economy Class. Business class shall be authorized only where the air travel includes three or more hours of actual flight
- Rail	- Day: first class Night: single sleeper
- Hotel expenses	- Only room and breakfast charges of hotel approved by the Assignment Responsible
- Taxis	- Each journey to be itemized and supported by a receipt where possible (N.B. Reasonable

	use of taxis without prior agreement will be accepted).
- Other	- Eligibility of other expenses should be verified in advance.

The maximum amount payable to the Service Provider for expenses eligible for reimbursement is **EUR 10,000.00**.

9.4. Invoicing

The Service Provider shall issue invoices in accordance with the following payment schedule:

- 20% of the fixed price upon the acceptance of the Inception Study and Task 1 report.
- 50% of the fixed price upon the acceptance of the Task 2 report.
- 30% of the fixed price upon the acceptance of the Task 3 report and Completion report.