BELLA II
Building the Europe Link to
Latin America and the Caribbean

Terms of Reference for the Provision of Consultancy Services for the Design of the Methodology to Be Used for the Evaluation of Investment or Procurement Opportunities in the Context of the BELLA II Project

Background and Context

Over the course of its twenty years of existence, together with the national networks comprising its membership, RedCLARA has contributed to the construction and deployment of a powerful digital platform to support the work of universities and research centres across the region. The individuals and institutions who both individually and collectively have contributed to this effort strongly believe in the *primus inter pares* role of education, science, and innovation in sustaining and promoting the economic and social development of our countries. Multiple accomplishments have been achieved over the years, such as the successful implementation of more than a dozen major projects supported by various institutions and organizations such as the European Commission, the Inter-American Development Bank, ECLAC, and the OAS, as well as the creation and support of organizations that now independently but significantly complement the role of RedCLARA, such as SCALAC, La Referencia, and LACNET.

Nevertheless, despite the significance of these achievements, the most important one has been the ability to establish and maintain enduring cooperation among the majority of countries in the region. With a great diversity of conditions and resources, these countries have managed to forge a common agenda and a governance model that have served as the foundation and support for their work.

In recent years, we have significantly expanded our infrastructure with very strong support from the European Commission for the BELLA project. With BELLA we have reached a very important milestone, guaranteeing a direct high-capacity connection through the EllaLink cable that directly connects Europe to Latin America. It should be noted that the significance of this connectivity is not the infrastructure itself, but what this infrastructure represents in terms of the willingness and openness to cooperation between both continents. The digital divide that concerns us so deeply is not only an infrastructure gap, but also primarily a knowledge gap.

This knowledge is essential to mobilize creativity and innovation in all areas of society. In this sense, RedCLARA is expanding its scope, aspiring to play a central role in leveraging digital transformation technologies to address and find solutions to some of the problems and major challenges we face today.

BELLA II is the project currently being implemented by RedCLARA with the support and co-financing of the Directorate of International Alliances of the European Union (DG-INTPA). The general objective of the BELLA II project is ***to strengthen and expand the Latin American and Caribbean digital ecosystem, facilitating relationships and sharing among Latin American, Caribbean, and European companies, research centres, educational institutions, and academic networks, to contribute to the achievement of the region's strategic goals, with a focus on strengthening education, science, technology, and innovation.***

Its specific goals are:

1. To design, build, and operate digital infrastructure capable of guaranteeing the proper connectivity of Peru, Costa Rica, Guatemala, El Salvador, and Honduras with the rest of the BELLA infrastructure, particularly with the submarine cable connecting Europe with Latin America since 2021. Depending on a feasibility analysis, community priorities, and the availability of economic resources, the project also considers the possibility of its expansion to some of the following countries: Caribbean nations, Mexico, Belize, Bolivia, Paraguay, and Uruguay.
2. To increase the adoption and use of digital transformation technologies to develop digital research and education solutions.
3. To intensify cooperative relations with European digital education and research ecosystems to promote the exchange of knowledge, access to best practices, and the creation of the dialogue spaces necessary for the design, formulation, and execution of innovative research and education projects.
4. To collaborate with European Union initiatives, particularly with the EU-LAC Digital Alliance, to develop capabilities in the application of digital transformation technologies to foster innovation in the public and private sectors.

In this context, BELLA II must undertake a series of procurement and investment processes to maximize the use of available resources in accordance with the methods and procedures accepted by the European Union.

Objectives of the Consultancy

To achieve its connectivity objectives, the BELLA II project has devised a funding and investment model based primarily on the creation of consortia to channel and consolidate the contributions of multiple stakeholders interested in the development and expansion of the BELLA and RedCLARA infrastructure. The project also seeks to promote the development of new infrastructure to help bridge the digital divide. To do so, it is necessary to conduct a comprehensive analysis of investment prospects and opportunities. Investment opportunities must be evaluated considering the achievement of the project's connectivity objectives, maximizing economic impacts, and optimizing or reducing variables such as costs and risks. Consequently, RedCLARA and the BELLA II project are seeking support to:

1. Determine the information that proponents of investment or capacity acquisition projects must provide so they can be evaluated based on the perspective above.

2. Support the design of a resource allocation model for the projects that are submitted, considering the following restrictions (the list is not exhaustive):

   a) The allocation of resources must meet the minimum connectivity objectives of the BELLA II project (closing a ring through Peru, Costa Rica, Guatemala, El Salvador, and Honduras) maximizing the overall connectivity capacity and its duration, which should not be less than 15 years, including both Capex and Opex.

   b) The allocation of resources must prioritize proposals that produce or generate new infrastructure and have a significant direct impact on closing the digital divide.

   c) The allocation of resources minimizes risks to RedCLARA.

   d) The allocation of resources maximizes the use of the funding possibilities afforded by the Global Gateway.

   e) The allocation of resources maximizes return on investment.

   f) The allocation of resources contributes to the connectivity of countries classified as priority 3.

   g) The allocation of resources considers the projects' environmental impact.

3. The resource allocation model will be used to guide the negotiation process with bidders or potential investors. The consultant's support will be required during the process of negotiating with project promoters.

4. Support RedCLARA during its negotiations with project promoters.

5. In item 2 above, the variables are listed in their order of priority.

Scope and Methodology of the Consultancy

1. To conduct a review of best practices in the evaluation of investment projects in the telecommunications sector, including the guidelines of multilateral banks.
2. Together with RedCLARA, to design and apply a plan of structured interviews to discuss potential alternatives with the various interested parties (the European Union, multilateral banks, telecommunications companies, governments, and other relevant actors) the variables to be considered and potential decision-making mechanisms.
3. Based on the interviews and the review of best practices, to propose a set of alternatives for evaluating the investment projects.
4. Based on item 3 above, to identify the information required for a comprehensive evaluation.
5. To propose a model for allocating resources to an investment portfolio that meets the parameters described above.
6. To support RedCLARA in the application of the methodology throughout the evaluation process.
7. To support the due diligence processes required for both projects and investors.
8. To produce the final reports required to support the decisions that are made.

Deliverables

1. A report on the best evaluation and recommendation practices as determined by the consultant.
2. Production of the interview scripts required to conduct the semi-structured interviews.
3. A report for each interview and a report consolidating the results, main conclusions, and recommendations.
4. A report with three proposed evaluation models.
5. Reports of the results of the due diligence processes.
6. A final report to support investment processes.

Timeline and Duration

The consultancy must be carried out within a maximum of 6 months. Consultancy deliverables must be submitted according to the following timeline (calendar days from the start):

- Report on best practices (30 days)
- Definition of the information required from each project (30 days)
- Scripts for semi-structured interviews (45 days)
- Definition of the list of interested parties to be interviewed (45 days)
- Conducting semi-structured interviews (60 days)
- Reports for each interview and a report with the consolidated results (70 days)
- Report with three proposed models for evaluation and resource allocation (90 days).

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- Report of the results of the due diligence processes (90 days).
- Support in the dialogue and project negotiation processes (throughout the duration of the contract).
- Final report to support the investments to be made (180 days).

Required Experience

Evaluation of investment projects for the deployment of telecommunications infrastructure.

Reporting and Communication

The consultant will work directly with the BELLA II project manager.

Evaluation Criteria

The following criteria will be considered:

Cost of the consultancy (weighted at 50%)

Consultant's verifiable experience in similar projects (weighted at 25%)

Quality and detail of the proposal (weighted at 25%)

Submission of Proposals

Proposals must be submitted via email before midnight (GMT-4), 5 May 2024.

Send your proposal to BELLAII.Consultorias@redclara.net. Please include the following text in the email subject line: TdR-BELLAII-A002.

The consultancy will be assigned, and a reply will be sent no later than 13 May 2024.