

Recommendations in Drafting ToRs for Pre-Feasibility and Feasibility Studies

Full Description

Annex 3 of the [Annex for IRI Guide](#): Drafting TOR of Pre-Feasibility/Feasibility Study with CVC

In order for Project Owners to practically operationalize CVC, engaging a qualified expert and clearly specifying CVC assessment in the scope of work for the feasibility study are key steps. This section provides recommendations on suggested clauses on a CVC-related scope of work and expert qualifications to include in the TOR.

Scope of Work

Table below provides some suggested clauses to add CVC assessment in the scope of work of the TOR for a feasibility study based on the six steps of project level assessment discussed in the Guidelines.

Table 6: Suggested clauses to add CVC assessment in the TOR

| Topic | Suggested Clauses to Include in the Scope of Work |
|--|---|
| Identifying potential CVC for projects | <ul style="list-style-type: none">• Analyse and identify the potential for CVC in the project based on a comprehensive review of project characteristics, stakeholder mapping and international experience• Assess demand for CVC considering factors such as market trends, customer preferences, and industry dynamics.• Analyse how the CVC activities will contribute to and strengthen the core services |
| Readiness of enabling environment for CVC | <ul style="list-style-type: none">• Review readiness of policy, legal and institution to implement identified CVC for the project.• If gaps are identified, provide recommendation on how to address those gaps in order to implement CVC. |
| Technical assessment of potential CVC | <ul style="list-style-type: none">• Assess technical, legal, political, environmental and social feasibility of CVC opportunities , including cost of implementing CVC and any additional cost for core services resulting from the CVC• Review and adjust technical design to add CVC in the project design by considering both commercial services and supporting facilities |

Assessing commercial feasibility of CVC

- Identify additional revenue streams that can be generated through commercial activities, and risks associated with those revenues
- Conduct market sounding to gather feedback from local community, potential investors and financial institutions on the commercial potential of CVC, proposed project structure and risk allocation.

Planning for implementation

- Assess the capacity of the Project Owners to implement CVC and identify any technical support required for successful implementation, including any changes to the project, financial/commercial structuring and regulatory complexity

Managing risks

- Identify risks associated with CVC and propose measures to mitigate those risks

Personnel and Expert Requirements

In addition to the scope of work, the TOR should include requirements for experts with experience in analysing and implementing commercial activities, for example:

- A commercial specialist with relevant experience in carrying out commercial activities.
- A real estate specialist with relevant experience in assessing demand and key commercial structures in the real estate sector.
- A financial specialist with relevant experience in developing business models and commercial structures, commercial contract terms and analysing financial and commercial feasibility of commercial opportunities.

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