

# TERMS OF REFERENCE (ToR)

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**Consultant – Lead Author: DPG Sustainability and Business Models Knowledge Product**

## 1. Background

This consultancy is co-financed by the Inter-American Development Bank (IDB), the Organisation for Economic Cooperation and Development (OECD), the Digital Public Goods Alliance (DPGA), and the Red de Innovación Local (RIL). It focuses on supporting the analysis of DPG/OSS business models and sustainability within the GovTech Connect project.

GovTech Connect is a regional initiative led by Red de Innovación Local (RIL) and IDB Lab, aimed at strengthening GovTech ecosystems and accelerating the adoption of innovative digital solutions by local governments in Argentina, Brazil, Chile, and Uruguay. Component 3 of the initiative, supported by IDB's Open-Source Program Office, Code for Development, focuses on the promotion of Open-Source Digital Solutions. The project supports the adoption and scalability of Open Source Software (OSS) and Digital Public Goods (DPGs) by local governments through GovTechs, as strategic enablers of digital public infrastructure (DPI).

The DPGA is a multi-stakeholder initiative with a mission to accelerate the attainment of the Sustainable Development Goals (SDGs) in low- and middle-income countries by facilitating the discovery, development, use of and investment in digital public goods.

The Organisation for Economic Cooperation and Development (OECD) is launching a new work stream on inclusive digital transformation in low and middle-income countries, led by its Development Cooperation Directorate. This consultancy will support the development of a forthcoming report that targets, among others, the members of the OECD Development Assistance Committee (DAC) to help inform decision-making related to digital public goods.

## 2. Objective of the Consultancy

The objective of this consultancy is to lead the analytical development and drafting of a knowledge product that identifies and compares sustainable business model configurations for Digital Public Goods (DPGs) <sup>1</sup>used in digital public infrastructure (DPI), with a focus on aligning incentives across ecosystem actors and under different DPG maturity and country conditions.

The publication aims to support governments and funders in making informed decisions regarding the adoption, funding, and governance of DPGs, while providing practical guidance to

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<sup>1</sup> In this context, a configuration refers to the specific alignment of Actors (who participates), Value Creation (who builds/deployes), Value Capture (how it is funded), and Governance (who sets the rules). It represents the "socio-economic blueprint" that allows a DPG to be sustainably integrated into a national digital ecosystem.

DPG stewards, GovTech firms, and systems integrators on how to structure sustainable engagement models.

### **3. Scope of Work**

The consultant will be responsible for delivering the knowledge product, in line with the objective of the consultancy, including the following:

- Analyze current business and sustainability models underpinning priority DPGs for DPI.
- Examine how GovTech firms and systems integrators incorporate DPG implementation into viable service models.
- Identify how incentives, funding, and governance arrangements affect sustainability and risks.
- Develop practical frameworks for governments and funders.
- Provide evidence-based recommendations grounded in comparative analysis and case studies.

### **4. Key Analytical Questions**

The knowledge product will address the following key questions:

- What business and sustainability models currently support the development, implementation, and maintenance of priority DPGs?
- How is value created, captured, and distributed among DPG stewards, GovTech firms, systems integrators, governments, and funders?
- Which business model configurations are effective at different stages of the DPG lifecycle, and under what country conditions do they succeed or fail?
- How can funders and governments support the development of mature and competitive GovTech and systems integrator ecosystems?
- What practical guidance is needed for decision-makers to support sustainable DPG ecosystems and make informed choices?

### **5. Methodology**

The consultant will implement the following methodology:

- Conduct a structured overview of approximately 20 priority DPGs used in digital public infrastructure, analysing:
  - maturity and lifecycle stage
  - governance and stewardship arrangements
  - funding and sustainability models
  - role of GovTech firms and systems integrators

- Analyse how DPGs are integrated into GovTech and systems integrator business models, including:
  - implementation, operation, and support models
  - revenue generation mechanisms
  - incentives for contribution and sustainability
- Examine how responsibilities, costs, and value are distributed across ecosystem actors, with particular attention to the balance between “makers” and “takers”.
- Undertake 2–3 in-depth country case studies comparing different DPG–systems integrator configurations.
- Synthesize findings into practical frameworks, tools, and recommendations.

## 6. Deliverables

The consultant will deliver the following outputs:

1. **Inception Report**
  - Detailed work plan
  - Refined analytical framework
  - Methodology and structure of the publication
2. **Analytical Outputs**
  - Structured analysis of priority Digital Public Goods (DPGs), including governance, funding, lifecycle stage, and ecosystem roles
  - Initial drafts of country case studies
3. **First Draft Knowledge Product**
  - Full draft of the publication, including all core sections
4. **Revised Draft**
  - Updated version incorporating feedback from RIL, IDB, OECD, and DPGA
5. **Final Knowledge Product**

The final publication will include:

  - A structured overview of how DPGs and GovTech firms/systems integrators interact in practice
  - Comparative analysis of business and sustainability models across different contexts
  - Country case studies illustrating different DPG–systems integrator configurations
  - Practical and accessible guidance for governments, funders, DPG stewards, and implementers
  - Recommendations on sustainable business model configurations and ecosystem development

The timeline for each deliverable will be agreed upon between the parties at the beginning of the consultancy and may be adjusted as needed.

## 7. Expected outcomes

The knowledge product is expected to contribute to:

- A shared understanding among governments, DPG stewards, and systems integrators of how DPGs are implemented, maintained, and sustained in practice
- More informed funding and procurement approaches by governments and international funders when supporting DPG-based systems
- Stronger alignment and collaboration between DPG stewards and systems integrators, supporting more sustainable engagement models
- Improved decision-making by governments and funders regarding the adoption, scaling, and sustainability of Digital Public Goods.

## 8. Duration and Modality

Duration: Up to 4 months, subject to agreement between the parties.

Modality: Individual consultancy (deliverables-based).

Reporting: The consultant will report to RIL and coordinate with IDB, OECD, and DPGA.

## 9. Required Qualifications and Experience

### Academic Background

- Master's degree (or higher) in public policy, economics, development studies, technology, or related fields.

### Professional Experience

- At least 7 years of relevant experience in:
  - digital transformation
  - GovTech ecosystems
  - open-source / Digital Public Goods
  - public sector innovation
- Proven experience in:
  - leading analytical reports or policy publications
  - multi-country or international projects
  - working with governments and/or international organizations

### Technical Knowledge

- Strong understanding of:
  - Digital Public Goods and open-source ecosystems

- GovTech firms and systems integrators
- Business models and sustainability in digital public infrastructure
- public procurement and funding mechanisms (desirable)

## **Skills**

- Excellent analytical and writing skills in English
- Ability to translate complex technical concepts into policy-relevant insights
- Strong coordination and stakeholder engagement skills

## **10. Coordination and Governance**

The consultant will work under the coordination of RIL and in close collaboration with:

- IDB Lab / IDB Group
- OECD
- Digital Public Goods Alliance (DPGA)

Regular coordination meetings and feedback processes will be established throughout the consultancy.

## **11. Application Process**

Interested candidates should submit the following documents in a single email to [govtechconnect@redinnovacionlocal.org](mailto:govtechconnect@redinnovacionlocal.org), indicating in the subject line:

**“Lead Author – DPG Sustainability and Business Models Knowledge Product”:**

- Motivation letter
- Updated Curriculum Vitae (CV)
- List of relevant previous experiences, including a brief description of each, particularly those related to this project and involving multi-actor initiatives (governments, startups, civil society, academia, and technical communities), as well as regional or multi-country work
- Signed copy of these Terms of Reference, including the proposed total fee for the entire consultancy in US dollars (USD).

**Application deadline:** Friday, April 28, 2026 (inclusive).

Only shortlisted candidates will be contacted for interviews.

## **ANNEX A - Technical project description: DPG Sustainability and Business Models**

### **Background**

Digital Public Goods (DPGs) have emerged as critical elements for countries seeking to advance inclusive digital transformation, including the development of digital public infrastructure. Their open, interoperable, and transparent nature offers governments clear advantages—from lowering total cost of ownership and avoiding vendor lock-in, to strengthening local innovation ecosystems and aligning with public interest outcomes.

Despite their growing importance, many DPGs face persistent sustainability challenges. These challenges are rarely technical. Instead, they stem from misaligned funding models of distinct funders, short-term project financing, procurement practices poorly adapted to open-source solutions, insufficient investment in long-term maintenance, and weak mechanisms for shared stewardship. Just like other open source developers, DPGs too face a “freerider” problem, where benefits and costs between those who contribute to and maintain the shared infrastructure (“makers”) and those who primarily extract value through use and service provision (“takers”) are misaligned. At the same time a recurring challenge across DPGs used in digital public infrastructure is not only the sustainability of the core software, but the immaturity of the surrounding systems integrator and GovTech ecosystem. Many DPGs scale in adoption before a competitive, skilled, and financially viable market of implementers has emerged, creating risks of dependency, lock-in, and long-term fragility.

For many governments, the quality of a DPG depends largely on the systems integrators and GovTech companies who implement and run it (due to lack of human capital). Sustainable DPGs require not only mature software, but also a mature ecosystem of systems integrators whose incentives evolve as the DPG becomes critical public infrastructure. Yet, as the primary implementers and contributors to DPGs, GovTechs and systems integrators (SIs) also often face long and uncertain sales cycles, high perceived risk from government counterparts, and limited financing mechanisms to fund pilots that validate their technologies in real-world settings. This disconnect between supply and demand constrains the adoption of innovation in the public sector, slows the maturation of the GovTech ecosystem, and reduces opportunities to digitally transform public management. A healthy market of systems integrators does not appear automatically and must be deliberately supported.

Sustainable adoption of DPGs depends thus not on individual actors alone, but on the alignment of incentives, roles, and funding across the entire ecosystem—DPG stewards, GovTechs and SIs, governments, and international funders. Bringing these communities together can therefore generate mutual benefits: expanding implementation capacity for DPGs, reducing software development and maintenance costs for GovTechs and SIs, and better supporting governments

and funders that face structural barriers to adopting open-source solutions<sup>2</sup>. *How can a governance structure (a configuration a repeatable pattern of how a DPG ecosystem is financed, governed, and commercialised across actors) in this ecosystem be designed in a way so that the costs (e.g. time to maintain and contribute, adaptation community management) do not outweigh the benefits (e.g better service delivery, efficiency, time to market)?*

## **Objective**

The purpose of this publication is to identify and compare sustainable business model configurations for DPGs used in digital public infrastructure, with a focus on aligning incentives across ecosystem actors and under different DPG maturity and country conditions.

The publication aims to support governments and funders in making informed decisions about the adoption, funding, and governance of DPGs, while providing practical guidance to DPG stewards, GovTech firms, and systems integrators on how to structure sustainable engagement models.

The analysis adopts a systemic perspective on the DPG ecosystem, while taking DPG stewards and systems integrators (including GovTech firms) as the primary unit of analysis, as these actors are central to implementation, contribution, and long-term sustainability. While procurement modalities and the role of funders are examined as enabling and constraining conditions, they are considered through the lens of how they shape incentives and behaviours of DPG stewards and systems integrators.

Main target audiences:

- Technical experts and decision-makers in international funding organisations, especially in OECD Development Assistance Committee members' countries' development, the Inter-American Development Bank Group and foreign ministries and agencies.
- Decision-makers and technical experts from government institutions in low and middle-income countries that work on building blocks of digital public infrastructure.
- DPG stewards seeking to expand the adoption of their solutions and build robust implementation ecosystems around them
- GovTech companies and systems integrators (SIs) that design, implement, and maintain digital solutions in partnership with governments.

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<sup>2</sup> These barriers include limited technical capacity, procurement practices that are not adapted to Open Source Software (OSS), low interoperability between systems, and an institutional culture that is still nascent in its understanding and strategic use of open-source technologies

Secondary target audiences are researchers and development practitioners working on DPGs and DPI.

Specific Objectives:

- Analyse current business and sustainability models underpinning priority DPGs for DPI.
- Examine how GovTech firms and systems integrators are incorporating/can incorporate DPG adaptation, implementation, and maintenance into viable service models.
- Identify how incentives, funding, and governance arrangements affect long-term sustainability, openness, and lock-in risks.
- Develop practical frameworks to guide funders and governments in supporting DPGs across different lifecycle stages.
- Provide evidence-based recommendations, grounded in comparative analysis and country case studies.

Main Questions:

- What exists today? What business and sustainability models currently support the development, implementation, and maintenance of priority DPGs for digital public infrastructure?
- How is value created and distributed? How is value created, captured, and redistributed among DPG stewards, GovTechs/SIs, governments, and funders—and how balanced are current models between makers and takers? What works, when, and why? Which business model configurations are effective at different stages of the DPG lifecycle, and under what country and institutional conditions do they succeed or fail? How can funders and governments deliberately support the emergence of mature, competitive SI/GovTech ecosystems around DPGs as they scale into critical infrastructure?
- What should decision-makers do differently? What practical guidance, tools, and evidence do governments and funders need to support sustainable DPG ecosystems and make informed choices between DPGs and proprietary solutions?

Methodology:

- Conduct a structured overview of around 20 priority Digital Public Goods (DPGs) used for digital public infrastructure, covering their current maturity, governance and

stewardship arrangements, lifecycle stage, funding and sustainability models, and the role of GovTech firms and systems integrators (SIs) in implementation and maintenance.

- Analyse how DPGs are integrated / can be integrated into GovTech and SI business models, including how these actors adapt, implement, operate, and support DPG-based systems for governments, how they generate revenue, and how current funding and procurement models affect their incentives to contribute back to core DPG development.
- Examine how responsibilities, costs, and value are distributed across the DPG ecosystem, with particular attention to the balance between actors who build and maintain DPGs (“makers”) and those who primarily use them to deliver services (“takers”), across different stages of the DPG lifecycle.
- Undertake three in-depth country case studies comparing different DPG–SI business model arrangements in practice, highlighting success factors, trade-offs, and common challenges.
- Synthesize findings into practical recommendations and tools, including guidance for governments and funders, a template for DPG–SI engagement, and a framework for aligning funding instruments with different stages of the DPG lifecycle.

#### Outputs/Outcomes:

- A short overview of how DPGs and systems integrators/GovTechs work together today.
- Practical examples from a small number of country cases.
- Simple guidance for governments, funders, DPG stewards, and systems integrators /GovTechs.
- Recommendation for business models for DPG stewards, and systems integrators /GovTechs.

#### Desirable outcomes

- A shared understanding among governments, DPG stewards, and systems integrators of how DPGs are implemented, maintained, and sustained in practice.
- Better-informed funding and procurement approaches by funders and governments when supporting DPG-based systems.

- Clearer expectations and stronger working relationships between DPG stewards and systems integrators, supporting more sustainable engagement.