IDB Inter-American Development Bank

REQUEST FOR EXPRESSIONS OF INTEREST
CONSULTING SERVICES

Country: Regional
Project #: RG-T3463
Selection # RG-T3463-P002
Funding - TC #: ATN/FR-18131-RG
Division: Climate Change & Sustainability (CCS)
Selection Method: Simplified Competitive Selection (SCS)
Sector: Climate Change & Sustainable Development (CSD)
TC name: Country, Sector Low-Carbon and Resilient Development Analyses
Description of Services: Climate Change & Sustainability Consultancy for Country Analyses

Approved TC Document

The Inter-American Development Bank (IDB) is executing the above-mentioned operation. For this operation, the IDB intends to contract the consulting services described, in this Request for Expressions of Interest (ROEI). Expressions of Interest must be delivered using the IDB Portal for Bank Executed Operations (http://beo-procurement.iadb.org/home) by April 30th, 2021 at 5:00 p.m. EST (Washington D.C. time).

The consulting services ("the Services") include to produce sectoral transformation pathways that would allow Latin American and Caribbean countries to reach net-zero greenhouse gas emissions by around 2050 assessing the costs and development benefits associated with these transformations.

- Provide an overview of the current context regarding GHG emissions and their technological and socioeconomic drivers by sector and country or group of countries in the region.
- Project one or several scenarios of the future evolution of socioeconomic drivers of emissions, including but not necessarily limited to: growth of population, GDP per capita, demand for infrastructure services and food. This is not meant to provide a prediction of future emissions; but to serve as a baseline that allows to contrast transformational pathways. Simplicity in assumptions and general plausibility (technology-frozen, or current policies including NDCs) will be preferred over sophistication here.
- Produce scenarios of sectoral transformations that would allow satisfying growing demand for good and infrastructure services while reaching net-zero emissions around 2050, modeling technology and decarbonization pathways by sector and assessing key sensitivities and uncertainties.
- Estimate the cost and development benefits of implementing the sectoral transformations described in the point above. It is key to consider both financial and nonfinancial benefits, considering a broad definition of development benefits. Here too, the analysis will require assessing key sensitivities and uncertainties.
- Identify key opportunities and challenges regarding transition to net-zero emissions, highlighting sectoral transformations that are essential to decarbonize, those that increase risks of carbon lock-in, and those that are essential to maximize net development benefits of the transition.

An estimated timeframe for the performance of such services will be until the First Quarter of 2022 (13 months).

Eligible Consulting Firms (CF) will be selected in accordance with the procedures, set out in the IDB GN-2765-1: Policy for Selection, Contracting of CF for Bank-Executed Operational Work. All eligible CF as defined in the Policy may express interest, if the CF is presented in a Consortium, it will designate one of them as a Representative, the latter will be responsible for the communications, the registration in the IDB portal and for submitting the corresponding documents.

The IDB now invites eligible CF to indicate their interest, in providing the services described above, in the Draft Summary of the intended Terms of Reference (TOR) for the assignment. Interested CF must provide information, establishing that they are qualified to perform the Services (description of similar assignments, experience in similar

conditions, availability of appropriate skills among staff, etc.). Eligible CF may associate in a form of a Joint Venture or a Sub-Consultancy Agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the CF as the Representative.

Interested eligible CF may obtain further information during office hours, 09:00 a.m. to 05:00 p.m. EST (Washington D.C. time) by sending an email to: eduardoj@iadb.org.

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Division: Climate Change & Sustainability (CSD/CCS)
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Selection process #RG-T3463-P002

DRAF TERMS OF REFERENCE

Climate Change & Sustainability Consultancy for Country Analyses

Regional
RG-T3463
ATN/FR-18131-RG
Approved TC Document
Country and Sector Low-Carbon and Resilient Development Analyses

1. Background and Justification

1.1. The Paris Agreement sets the goal of holding the increase in global average temperature, to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C. Supporting this goal, the Special Report on Global Warming of 1.5°C by the Intergovernmental Panel on Climate Change (IPCC), which summarizes the current scientific understanding of climate change, highlights the grave consequences that a temperature rise above 1.5°C would entail, indicates that structural changes in many sectors of the economy, will be needed to avoid such a scenario.

1.2. To achieve structural changes required to avoid catastrophic climate change, the Paris Agreement entails ownership processes at country level, regarding low Green House Gas (GHG) Emissions development. Beyond the acknowledgment by all countries, to the long-term objectives of the Paris Agreement, key results of COP 21 include the communication of Nationally Determined Contributions (NDC) by the countries, their adherence to a review process, as well as the call on the Parties to formulate and communicate long-term (until 2050) low GHG Long-Term Strategies (LTS) by 2020 (Article 4.19).

1.3. The development of locally owned LTS is critical to identify decarbonization pathways, set priorities, guide policy interventions, investments that are country appropriate, reflecting local realities and considering country specific risks and opportunities. LTS are a vital planning tool for countries, facilitate the work of Inter-American Development Bank (IDB) that supports them.

1.4. The design of LTS is made difficult by several challenges, the science is clear, the Paris Agreement gives a mandate, to directors of climate change in all countries. But citizens, the private sector are ultimately in the front line, to implement any climate plan, following regulations issued by ministries and backed by the ministries of planning and finance. While all these actors may be sympathetic to environmental goals, they tend to prioritize different goals, quality of life, their bottom line, development goals, public finances, respectively. Long-term strategies should thus be designed, in a way that can be understood by all stakeholders, identifying synergies between development and decarbonization.[1]

[1] See IDB the Benefits and Costs of Decarbonizing Costa Rica's Economy: Informing the Implementation of Costa Rica's National Decarbonization Plan under Uncertainty, 2020

1.5. A good understanding of the sectorial transformation pathways available to Latin America and The Caribbean Countries (LAC), their costs and benefits is currently lacking. While some countries have modeled, assessed decarbonization scenarios, including through programs such as IDB's Deep Decarbonization Pathways[2] several countries have not yet been able to undertake such an exercise.

2. Objectives

2.1. To produce sectoral transformation pathways that would allow Latin American and Caribbean countries to reach net-zero greenhouse gas emissions by around 2050 assessing the costs and development benefits associated with these transformations.

- Provide an overview of the current context regarding GHG emissions and their technological and socioeconomic drivers by sector and country or group of countries in the region.
- Project one or several scenarios of the future evolution of socioeconomic drivers of emissions, including but not necessarily limited to: growth of population, GDP per capita, demand for infrastructure services and food. This is not meant to provide a prediction of future emissions; but to serve as a baseline that allows to contrast transformational pathways. Simplicity in assumptions and general plausibility (technology-frozen, or current policies including NDCs) will be preferred over sophistication here.
- Produce scenarios of sectoral transformations that would allow satisfying growing demand for good and infrastructure services while reaching net-zero emissions around 2050, modeling technology and decarbonization pathways by sector and assessing key sensitivities and uncertainties.
- Estimate the cost and development benefits of implementing the sectoral transformations described in the point above. It is key to consider both financial and nonfinancial benefits, considering a broad definition of development benefits. Here too, the analysis will require assessing key sensitivities and uncertainties.
- Identify key opportunities and challenges regarding transition to net-zero emissions, highlighting sectoral transformations that are essential to decarbonize, those that increase risks of carbon lock-in, and those that are essential to maximize net development benefits of the transition.

3. Key Activities

3.1. Develop a work plan for the project outlining roles and responsibilities of project participants, describing the methods and tools proposed for the assignment and detailing the outputs, milestones and deliverables that will be produced. Product: Work plan with a description of the methods, tools and outputs proposed to develop and evaluate decarbonization pathways. The methods should specify what sectors will be modeled, and at what regional resolution.

3.2. Collect relevant sector and country data, working with regional stakeholders and IDB as needed and at the initiative of the consultant, populate analytical tools, apply tools to model scenarios, analyze results, and produce draft project outputs. The analyses will be based on publicly available data, studies and research from national and international sources, as well as papers published by the DDPLAC project participating country teams, when available. Primary research involving in-country experts and stakeholders is highly encouraged. Product: Draft analysis of decarbonization pathways (Word document including visualization of results).

3.3. Collect feedback on the draft project outputs from IDB, and other stakeholders as needed, and finalize draft project outputs on the decarbonization pathways for LAC. Product: Final analysis of decarbonization pathways for LAC. The analysis will:

- Include a narrative (Word and Power-point document) and quantitative backing (e.g., Excel and Dashboard/Tableau format). The documentation should include annexes describing methodology, key assumptions and data sources used. Alternative formats as proposed in the consultant's proposal may also be accepted, if agreed beforehand.
- Discuss baseline and decarbonization scenarios, transparently outlining key assumptions (technology frozen, or current policies including NDCs) and sensitivities. The analysis will include results for the region as a whole and broken down by sector, and for individual countries or group of countries.
- Highlight sectoral transformations that are essential for decarbonization, that pose risk of carbon lock-in, and that are key drivers of costs or development benefits outlining decarbonization pathways by sector and priorities for sectorial transformation. This is to allow the identification of key performance indicators by sector that could be targeted, by policy makers and private sector companies alike, to achieve a desired sectoral decarbonization pathway.

[2] See https://www.sciencedirect.com/science/article/pii/S2211467X20300638