

REQUEST FOR EXPRESSIONS OF INTEREST **CONSULTING SERVICES**

Selection # as assigned by e-Tool: RG-T3271-P001

Selection Method: Full Competitive Selection (FCS)

Country: Regional

Sector: *Energy (Energy efficiency and renewable energy in end use)*

Funding – TC #: ATN/KK-17559-RG

Project #: RG-T3271

TC name: *PPP Models to Expand Renewable Energy, Electricity Access and Energy Efficiency*

Description of Services: *Consulting services for the use of PPP models in distributed generation and energy efficiency*

Link to TC document: <https://www.iadb.org/en/project/RG-T3271>

The Inter-American Development Bank (IDB) is executing the above-mentioned operation. For this operation, the IDB intends to contract consulting services described in this Request for Expressions of Interest. Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations (<https://beo-procurement.iadb.org/>) by February 15, 2021, 5:00 P.M. (Washington D.C. Time).

The consulting services (“the Services”) include:

The execution of products will support the implementation of PPPs models as a mechanism to finance and foster different of Distributed Generation (DG) and residential energy efficiency (EE) projects.

The consulting firm must develop a comprehensive review of the current regulatory, institutional, market and financial barriers and challenges, fiscal arrangements, and risk management that exist in the four target countries of the consultancy and base on lessons learned from relevant case studies.

The consulting firm must consider aspects such as: (i) electricity rates and their subsidies (if applicable), which is a relevant aspect to determine the profitability for consumers, utilities and governments of DG projects and the change of electrical appliances, (ii) structure of the electricity sector, in generation, transmission and distribution, depending on whether it is private, public or mixed, (iii) legal framework of PPPs at the national or subnational level, (iv) uses of electricity (and other energy carriers) in the target sectors, such as the residential sector, for example, the use of fuels for cooking food and heating water, (v) existing regulatory framework regarding DG and EE, (vi) local manufacturing of generation equipment and efficient household appliances, (viii) age of typical household appliances used in the countries.

The best alternatives to overcome the barriers and challenges identified must be proposed to facilitate the implementation of PPP models that can promote investments in different types of DG and residential EE projects in order to increase the share of renewable energy and energy efficiency in the target countries. Once the best alternatives have been identified, that is, the best regulatory and PPP models and appropriate financing schemes, the consulting firm must develop a general and robust technical guide that can be replicated to the other countries in the region. The guidelines and recommendations contained in this technical guide will be applied to the four target countries to obtain, as a result, at least one DG investment program, one EE investment program for the residential sector and at least two specific projects in each target country.

The consultancy is expected to start in the first quarter of 2021.

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: [Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work - GN-2765-1](#). All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described below in the [draft summary of the intended Terms of Reference](#) for the assignment. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms 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 firms as the representative.

This activity is under a technical cooperation financed by the Knowledge Partnership Korea Fund for Technology and Innovation (KPK).

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email to:

Inter-American Development Bank
División: *Energy (INE/ENE)*
Atención: *Marcelino Madrigal, Project Team Leader*

1300 New York Avenue, NW, Washington, DC 20577, EE.UU.

Tel: *+1 202 623-1286*

Fax: *+1 202 623-1286*

Email: mmadrigal@iadb.org

Sitio Web: www.iadb.org

Draft Summary of Terms of Reference (TOR)

Note: The full version of the TOR will be provided at the RFP stage

1. Background and Justification

Accelerating the transition to a renewable-energy-based and efficient energy sector represents a unique opportunity for LAC countries to meet climate change mitigation goals while fueling economic growth, creating new employment opportunities, and enhancing societal welfare. To achieve these goals, it is necessary to sustain important levels of investments that cannot be driven solely by public finances due to interactions with the fiscal space and the need to invest in other sectors, therefore it is necessary to recourse to the aid of the private sector. In this sense, Public Private Partnerships (PPPs) models or schemes might be an excellent alternative, and although they are not new in LAC countries', the specific challenges faced by some of the Bank's clients to raise the needed private capital requires specific models for the regional conditions. This calls for a comprehensive review of alternatives and appropriate recommendations on PPP models suitable for the electricity sector that could be used for fostering investments in the areas of distributed generation (DG) and residential energy efficiency (EE). Therefore, it is strategic that the Bank takes a stock of the experiences, challenges, and best models for PPP investment in these key areas of the electricity sector to advice energy and finance policymakers of the region on the alternatives to finance this kind of projects in a widespread scale.

2. Objectives

The general objective of this consultancy is to assess the impacts, benefits, and opportunities of using PPPs models to foster DG based in renewable energy and residential EE projects as a mean to accelerate the transition to efficient, secure, reliable and sustainable energy services for the LAC countries.

The specific objectives of this consultancy are: (i) to analyze and identify areas of improvement for the legal, regulatory and institutional, market, fiscal arrangements and risk management barriers and challenges that hinder the use of PPPs for renewable DG and residential EE projects in LAC, (ii) to identify legal and regulatory designs to support the successful deployment of various types of DG and residential EE projects through the presentation lessons learned from at least three case studies, (iii) to identify suitable financing schemes and potential areas of implementation of PPPs to strengthen or create a pipeline of various DG and residential EE projects in the target countries of the technical cooperation, (iv) to produce clear technical guidelines documents of the recommendations for the target countries that can be replicated to other countries in the region, and (v) to build institutional capacity in the target countries through two (2) training workshops to disseminate and achieve maximum exposure of the results.

3. Scope of Services

The products of this consultancy will support the implementation of PPPs models as a mechanism to finance and foster different types of DG (on-grid, off-grid, community, and others) and residential EE projects in the target countries at a national level.

The best alternatives to overcome the barriers and challenges identified must be proposed to facilitate the implementation of PPP models that can promote investments in different types of DG and residential EE projects in order to increase the share of renewable energy and EE in the target countries. Once the best alternatives have been identified, that is, the best regulatory and PPP models and appropriate financing schemes, the consulting firm must develop a general, robust technical guide that can be replicated to the other countries in the region. The guidelines and recommendations contained in this technical guide will be applied to the four target countries to obtain, as a result, at least one DG investment program, one EE investment program for the residential sector and at least two specific projects in each target country.

4. Key Activities

The consulting firm should perform all the activities needed to achieve the objectives including but not restricted to:

Activity 1. PPP market environment analysis in LAC target countries.

Activity 2. Lessons learned from case studies of PPPs programs applied to DG and residential EE.

Activity 3. Technical guide and potential areas of implementation of PPPs for renewable DG and residential EE in LAC.

Activity 4. Knowledge dissemination and capacity building through training workshops.