

REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T3490-P009

Selection Method: Simplified Competitive Selection

Country: Uruguay

Sector: INE/ENE

Funding – TC #: RG-T3490 y RG-T4078

Project #: RG-T3490

TC name: Latin America and The Caribbean Energy Information and Innovation Platform

Description of Services: Survey on energy consumption in low-income sectors to obtain information for the analysis of subsidies for both Liquefied Petroleum Gas (LPG) and Electricity

Link to TC document: [Web link to approved public document]

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 (<http://beo-procurement.iadb.org/home>) by September 7th, 5:00 P.M. (Washington D.C. Time).

To access the IDB Portal, the firms must generate a registration account, including **all** the data requested by the Portal. In the event that any of the information requested is not included, the firm will not be able to participate in this or any other Bank-executed selection process for operational work. If the firm has been previously registered, please validate that you have **all** the firm's information updated and complete before submitting an expression of interest.

The consulting services ("the Services") include 1. Definition of the universe and the sample, 2. Definition of the survey form, 3. Data Gathering, 4. Delivery of a database, 5. A report that summarizes the main results and 6. A PowerPoint presentation that synthesizes the main results (the description of each of these activities is detailed in the TORs, as well as the delivery deadlines). These activities are expected to be carried out in an estimated time of 3 months with an estimated budget of USD 20,000.

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-2765-4. 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 above 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.

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: Karla Arias kariasmarin@iadb.org, IDB Energy Consultant; or michellecar@iadb.org Michelle Hallack IDB Energy Specialist.

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ANNEX 1: TERMS OF REFERENCE

Survey on energy consumption in low-income sectors to obtain information for the analysis of subsidies for both Liquefied Petroleum Gas (LPG) and Electricity

Country: Uruguay

RG-T3490-P009

TC-R3490

Targeting energy subsidies in LAC: best practices protecting the affordability of vulnerable groups in the context of energy transition

1. Background and Justification

- Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean. It provides loans, grants, guarantees, policy advice and technical assistance to the public and private sectors of its borrowing countries.
- The Energy Division (ENE) specializes in conceptualizing, preparing, and executing financing and technical support operations for the Latin America and the Caribbean (LAC) energy sector in various areas, including electricity, oil & gas, and petrochemicals, energy efficiency and institutional strengthening, among others. Core activities in generating technical value-added include in-house development and implementation of research projects to back its long-term interventions and to provide inputs for public policy decision-

making.

- The 28th of September, 2020 IDB launched the Energy Hub platform (<https://hubenergia.org/es>) for public use. Since then the Energy Hub seeks to provide quality, updated, and relevant information that serves as input for stakeholders to make informed decisions. In accordance with this year's IDB ENE Knowledge Agenda's objectives which aim to contribute to improving Sustainable Infrastructure Services in LAC. It has been considered relevant to deepen the understanding of the functioning of the LPG and electricity subsidy targeting programs in LAC and generate relevant data that can contribute to improving subsidy targeting programs in the region.
- Latin American countries have different energy subsidy policies designed to benefit households and productive sectors. For example, in the case of Uruguay Liquefied Petroleum Gas (LPG) or Supergas is an energy source widely used by the population, mainly for cooking and heating. The price of LPG or Supergas has historically been subsidized in the country. Although this subsidy has not been explicit, it has operated as a cross-subsidy among the different energy products sold by ANCAP, which implies that it is "financed" with these products, mainly diesel and gasoline.
- In recent years, the authorities began to express the need to gradually eliminate this subsidy and focus it on lower-income sectors. With this objective in February 2018 began to implement an explicit subsidy focused on a group of the population identified as the most vulnerable, defined as households composed of at least one beneficiary of:

- The Uruguay Social Card (TUS) issued by the Ministry of Social Development (MIDES)
- Assistance for the Elderly (MIDES)
- Family Allowances of the Equity Plan (AFAM-PE)
- BPS family allowances in the first income bracket.

In total, the number of households accessing this benefit is approximately 260 thousand. The benefit consisted of a 15% discount on refills of 13 kg carafes, with a maximum of 12 per year and no more than 3 per month per household. The same month that this targeted subsidy was implemented, the price of Supergas increased by 15% (in January of that year it had not had an increase), while gasoline and diesel in the first two months of that year increased by 5% and 10% respectively. Throughout 2018 and 2019, the price of Supergas was the one that registered the highest increase, being 24%, while gasoline was 20% and Gasoil 5%. However, the targeted subsidy had a very low adherence by households in the target population. In 2019, of the 263,664 households eligible for the 15% discount on LPG refills, 4,956 used this benefit, which represented 1.9% of the total number of eligible households. The average number of refills made in this modality was 2.9 per household. In 2020, 6,874 households made use of this benefit, representing 2.6% of those eligible, and the average number of refills made during the year was 3.7 per household.

In June 2022 the current government launched a pilot plan that consists of deepening the targeted subsidy, increasing to 50% the discount on the recharge price during the months of June to September inclusive. The benefit reaches the same target population defined in 2018 and the total number of recharges with discount is four (in the four months) with a maximum of two per month. The percentage of this population that is making use of the new benefit is close to 30%.

Therefore, although the number of households that adhered to the current plan increased with respect to the 15% discount, almost 70% of that segment of the population that could have access to this benefit does not use it. Again, a set of hypotheses can be outlined in this regard and it is still necessary to have more information on this population, to know the energy used by these households and their energy, economic and social characteristics in order to understand their particularities and thus be able to design and implement appropriate policies. Electricity is also subsidized for the first 3 of these groups of vulnerable households mentioned, through access to the social

voucher offered by UTE.

- Understanding the functioning of targeting programs and the degree of acceptance of these programs by the population are essential to support the IDB Energy Division Knowledge Agenda development and provide quality data for Energy Hub users.

2. Objectives

- Given the low level of adherence of the population to the program, the objective of this contract is to conduct a perception survey on energy consumption in low-income sectors with a focus on obtaining information to understand the reasons why the program was not so well accepted and to contribute to the analysis of the targeting of subsidies for both Liquefied Petroleum Gas (LPG) and Electricity.
- The specific objectives are to have information that firstly confirms the socioeconomic characteristics of the universe to be defined, and secondly collects information on the structure of energy consumption, electro or gas appliances, and devices used by these households in the different uses of energy: cooking, heating, lighting, etc. In the case of using LPG, it should be known what type of container they use and if they use micro cylinders.
- In addition, to know if they have made use of the LPG benefit (15% or 50%) and in case they have not used it (being qualified) to know the reasons why they did not use it and if they make use of the UTE social bonus.

3. Scope of Services

During the execution of the consultancy, the IDB will work jointly with the National Energy Directorate (DNE) of the Ministry of Industry, Energy and Mining (MIEM), and other institutions deemed appropriate by the counterparty, which will designate a technical follow-up team whose main functions will be to follow up on the stages of the consultancy, evaluate and approve each of the stages defined in this section. Support will be provided by the Ministry of Social Development (MIDES) and the Banco de Previsión Social (BPS).

Likewise, the counterpart team and the technical follow-up team will be the ones to discuss, evaluate and decide jointly with the consultant on the various difficulties that may be encountered during the execution of the work. These difficulties, whether methodological, information, or technical, among others, should be reported to the counterpart team with whom they will be discussed and the most appropriate solution will be sought in accordance with the objectives of the study.

The counterpart team of the DNE and follow-up reserves the right to request the meetings it considers necessary to control the work, and the documentation requested by the team must be presented at these meetings.

4. Key Activities

The polling company should perform all the activities required to achieve the objectives previously described, including but not restricted to:

1. Definition of the universe and sample

Define, together with the counterpart and the technical monitoring team, the group of households included in the study. The criteria for the selection of the sample must be agreed upon jointly with the counterpart and the

technical team. The sample will then be made by the company and must be nationally representative with an error of no more than 5% and communicated to the counterpart. The counterpart will provide the information required for the definition of the universe and sample. The estimated universe for this study will be approximately 400,000 households.

2. Definition of the survey form

The polling company must submit a questionnaire proposal, which will be reviewed and approved by the contracting unit and the counterpart.

3. Information gathering

The survey company will conduct the fieldwork and will have to define whether it will conduct telephone or on-site surveys. It could also carry out a mix or both.

4. Database

Development of a harmonized database with survey results.

5. Report

Preparation of a report summarizing the main results of the survey.

6. PowerPoint presentation

Preparation of a PowerPoint summarizing the main results of the survey.

5. Expected Outcome and Deliverables

The consultant should, at a minimum, provide the following services:

1. Work plan and schedule of activities and deliverables
2. A document that contains the definition of the universe and sample. It must include the criteria and methodology used for the definition
3. The questionnaire document includes the survey questions
4. A database harmonized database with survey results
5. A report summarizing the main results of the survey
6. Powerpoint presentation that summarizes the main results of the survey

6. Project Schedule and Milestones

The consultancy considers four (6) stages over three (3) months according to the following schedule. The work plan of the consultancy must include the intermediary dates on which will be the periodical meetings and revisions of the work performed.

Project Schedule	
Deliverable	Deadline
1. Work plan and schedule of activities and deliverables	One week after signing the contract
2. Definition of the universe and sample	Three weeks after signing the contract

3. The questionnaire document includes the survey questions	Four weeks after signing the contract
4. A database harmonized database with survey results	Ten weeks after signing the contract
5. A report summarizing the main results of the survey 6. Powerpoint presentation that summarizes the main results of the survey	Twelve weeks after signing the contract

7. Reporting Requirements

The products should be prepared in the official language of the country (Spanish), in an electronic file in an editable format compatible with MS Office and Adobe Reader. The calculation, graphs, tables, and any other documents produced for this Consultancy will be part of the products to which they correspond and must be handed over in Excel format.

8. Acceptance Criteria

Prior to the handing over of the Products to the IDB, they must have the written approval of Michelle Hallack, they will be processed in electronic media and any pertinent annex to the purpose of this Consultancy will be attached. The products will be approved in writing by the IDB.

The resulting material from this consultancy will be freely used by the IDB in publications, reports, presentations, the Energy Hub, and any other outlet the IDB wishes to produce. In particular, the database can be made open and publicly available.

9. Supervision and Reporting

The Consultant will report on all aspects related to this assignment to Michelle Hallack and Karla Arias, IDB Energy Specialist, and IDB Energy Consultant, both based in Washington, DC. michellecar@iadb.org, kariasmarin@iadb.org.

10. Schedule of Payments

The payments will be specified in the contract, using the concept of global sum (lump sum), and will be carried out in the function of the deliverables once received and approved by the satisfaction of the IDB in the following way:

Payment Schedule	
Deliverable	%
Deliverable 1	20%
Deliverable 2, 3	60%
Deliverable 4,5, 6	20%
TOTAL	100%

Consultancy characteristics

- Consultancy method and category: Simplified Competitive Selection
- Contract duration: Three month
- Place of duty: Firm's office.

- Division leader or coordinator: Michelle Hallack, Senior Energy Specialist, with the support of Karla Arias will be the ones responsible for the general coordination and the execution of this consultancy.

Our Culture: Working with us, you will be surrounded by a diverse group of experts in all types of development fields, including transportation, health, gender and diversity, communications, and more.

About us: At the Inter-American Development Bank, we are dedicated to improving lives. Since 1959, we have been an important source of long-term financing for economic, social, and institutional development in Latin America and the Caribbean. However, we do more than lend. We partner with our 48 member countries to provide cutting-edge research on relevant development issues to Latin America and the Caribbean, policy advice to inform their decisions, and technical assistance to improve project planning and execution. To do this, we need people who not only have the right skills but are also passionate about improving lives.

Payment and Conditions: The compensation will be determined according to the Bank's policies and procedures. Additionally, candidates must be citizens of one of the IDB member countries.

Consanguinity: In accordance with applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and second degree of affinity, including spouse) who work for the Bank as an officer or contractual of the supplemental contractual force, will not be eligible to provide services to the Bank.

Diversity: The Bank is committed to diversity and inclusion and equal opportunities for all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnicity, race, disability, sexual orientation, religion, and HIV / AIDS status. We encourage applying to women, people of African descent, and people of indigenous origin.