

REQUEST FOR EXPRESSIONS OF INTEREST **CONSULTING SERVICES**

Selection # as assigned by e-Tool: RG-T4163-P001
Selection Method: Fully Competitive Selection
Country: Regional
Sector: Fiscal policy and management (IFD/FMM)
Funding – TC #: ATN/FC-19927-RG
Project #: RG-T4163
TC name: Mainstreaming climate change into fiscal policy and management
Link to TC document: <https://www.iadb.org/en/project/RG-T4163>

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: **June 30, 2022, 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 objective of this consultancy to improve climate action governance in LAC countries by supporting a full integration of the ministry of finance in inter-ministerial climate action. Specifically, the consultancy will develop a diagnostic and methodology and tools to assess (including through self-assessment) climate action governance in LAC countries and to articulate proposals and action plans to fully integrate ministries of finance, economy, and planning in inter-ministerial climate action.

The consulting services ("the Services") include:

- (i) Reviewing good practices in climate governance and intersectoral coordination, with emphasis on the specific role and faculties of ministries of finance, economy, and planning.
- (ii) Developing a methodology and tools for the self-assessment (or independent assessment) of the institutional arrangements for climate action in LAC countries with specific focus on the role of ministries of finance, economy, and planning.
- (iii) Developing a methodology and practical tools for the articulation and implementation of context-specific action plans that individual LAC countries can apply to improve climate change governance and the role of ministries of finance, economy, and planning in inter-

- ministerial coordination.
- (iv) Supporting the application of the methodology and tools in a minimum of two pilot studies in representative LAC countries.
 - (v) Implementing the methodology and tools in individual LAC, when requested by LAC countries supported by IDB's program on Mainstreaming climate change into fiscal policy and management.

Activities (i) to (iv) will be grouped in an initial assignment while activities under (v) will be part of follow up assignments, as requested by LAC countries. Such follow up assignment will be tendered separately. It is anticipated that activities (i) to (iii) will be completed within 9 months of inception of the projects, while activity (iv) will be completed by month seventeen from the inception of the project. Additional information about the anticipated project activities is provided in the attached draft of the TORs.

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 and in the draft summary 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.

Inter-American Development Bank

Division: IFD/FMM

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Annexes: Draft Terms of Reference

TERMS OF REFERENCE

Development of methodology and tools to assess and improve climate action governance in LAC countries and to support the full integration of the ministry of finance in inter-ministerial climate action.

REGIONAL

RG-T4163; ATN/FC-19927-RG

[Web link to approved document](#)

Mainstreaming climate change into fiscal policies and management

1. Background and Justification

The IDB's Fiscal Management Division (IFD/FMM), in collaboration with the Climate Change Division (CSD/CCS), is supporting finance ministries in LAC countries in their effort to integrate climate action in fiscal policy and management.

The adoption of the 2030 Agenda for Sustainable Development and the Paris Agreement (PA) established an unprecedented commitment to transform the current economic and social models into sustainable, resilient, and net-zero carbon emissions models. With the adoption of the PA countries committed to limit the increase in global average temperature to a level below 2°C pre-industrial temperature and pursue efforts to limit the increase to 1.5°C. These commitments are reflected in National Determined Contributions (NDCs) and Long Term Decarbonization Strategies (LTSSs) in which individual countries establish their own decarbonization and climate resilience objectives. Achieving the PA goals requires that all countries invest significant resources in climate resilience and achieve net-zero emissions economies by the 2050s. Such transformations are technically possible and economically viable but require substantial changes in investment and expenditure patterns, in the public as well the private sector.

The Ministries of Finance of Latin America and the Caribbean (LAC) have a critical role in mobilizing the economic resources (public and private) needed to implement decarbonization and climate resilience strategies and thus achieve the objectives of the Paris Agreement. This requires implementing strategies and measures to incorporate the climate dimension in all the activities of the ministries of finance. It also requires an active role of ministries of finance in inter-ministerial activities to help develop actionable climate strategies and to lead and coordinate the activities of line ministries.

Finance ministries across LAC, with the support of IDB, have been increasingly engaging in the climate agenda. They have started to assess the pressures that physical climate change and

decarbonization may bring on fiscal balances and are developing fiscal policies and systems to mainstream climate change. Several countries in the region have adhered to the Helsinki Principles that establish the key areas of intervention of the Ministries of Finance within the framework of the PA. While important progress has been made, especially in some countries, substantial gaps still exist in most LAC countries.

IDB is supporting the ministries of finance of the LAC region in their effort to better assess existing gaps, identify needs and opportunities, and articulate and implement solutions to further integrate climate action in fiscal policy and management.

One area of work supports improvements in climate change governance, coordination and institutional capacity. More specifically, this area aims at improving the effectiveness and efficiency of ministry of finance, economy and planning as leaders, co-leaders or participants in inter-ministerial climate action.

2. Objectives

The objective of this consultancy to improve climate action governance in LAC countries by supporting a full integration of the ministry of finance in inter-ministerial climate action.

Specifically, the consultancy will develop a diagnostic and methodology and tools to assess climate action governance in LAC countries and to articulate proposals and action plans to fully integrate ministries of finance, economy, and planning in inter-ministerial climate action.

The consultancy will also support pilot implementations of the methodology and tools. This pilot studies aside, the implementation of the methodology and tools in individual LAC countries is not covered by this consultancy. Such in country implementations may be included in follow up assignments, as requested by LAC countries supported by IDB's program on Mainstreaming climate change into fiscal policy and management.

3. Scope of service

This consultancy will deliver the objective through the development of a methodology and tools to assess (including through self-assessment) climate action governance in LAC countries and to articulate proposals and action plans to fully integrate ministries of finance, economy, and planning in inter-ministerial climate action.

Specifically his consultancy will: (i) review good practices in climate governance and intersectoral coordination, with emphasis on the specific role and faculties of ministries of finance, economy and planning (ii) develop a methodology and tools for the self-assessment (or independent assessment) of the institutional arrangements for climate action in LAC countries with specific focus on the role of ministries of finance, economy and planning (iii) develop a methodology and practical tools for the articulation and implementation of context-specific action plans that individual LAC countries can apply to improve climate change governance and the role of ministries of finance, economy and planning in inter-ministerial coordination.

4. Description of the activities:

The assignment entails:

- Reviewing literature on inter-organizational coordination, with emphasis on literature on inter-ministerial coordination and climate action coordination
- Through desk research and interviews with government employees and stakeholders, reviewing international experiences and institutional arrangements for climate governance (or other governance challenges with similar transversality issues), identifying good practices and key lessons regarding:
 - Legal and regulatory frameworks for climate governance and for climate action through fiscal policy and management and the institutional arrangements associated with those frameworks.
 - Key actors (formal and de-facto) for climate governance and climate action through fiscal policy and management.
 - Roles, faculties, responsibilities, and inter-ministerial coordination mechanism for climate action
 - Roles of the ministry of finance in inter-ministerial work and climate action
 - Ministries of finance internal organization for the climate action
 - Mechanisms used to develop climate strategy, implement climate action and assess and report on impacts.
 - Mechanism used to address non-climate issues affected by climate action (e.g. biodiversity, pollution, gender, social justice).
 - Mechanism and metrics used to assess effectiveness of coordination and impact.
 - Critical capabilities needed by ministries of finance to lead or participate effectively in climate action.
 - Key lessons from international experiences
 - Lessons for inter-ministerial coordination
 - Lessons for the internal operations of the ministry of finance

The work should document relevant decisions made under national governance arrangements analyzed on case studies selected and/or based on interviews. Countries should include LAC and non-regional. To assess climate governance and identify good practices and lesson, this activity should focus on actual practices, as implemented, including informal arrangements, as relevant. This activity may therefore focus on an in-depth assessment of a relatively limited number of case studies, rather than a more cursory assessment of a large sample of countries.

A mix of these two approaches could also be possible if appropriate. We anticipate interviews in a minimum of 7 countries where at least 4 in-depth (semi-structured) interviews are required for each detailed country assessment (with ministry of finance, ministry of environment, a sector ministry, and an independent actor such as a reputable NGO or think tank).

- Developing a methodology and tools to assess governance and capabilities for climate action in governments and ministries of finance in LAC countries. The methodology should be applicable and adaptable to all LAC countries and should guide users (governments, academia, or NGOs in LAC countries) with the identification of improvement opportunities. Among others, the methodology should enable users to:
 - Characterize climate governance in the country and describe roles and responsibilities of different ministries and other entities involved.
 - Describe and assess climate responsibilities, roles, capability and impacts of ministries of finance. This may include description and assessment of:
 - The climate function within the organization of the ministry of finance
 - Roles, responsibilities and reporting lines relevant for climate action within the ministry of finance
 - Capacity and tools available to the climate team within the ministry of finance and to ministries of finance employees at large
 - Perceived effectiveness of the ministry of finance in climate strategy elaboration and execution (as leader, collaborator, or member of inter-ministerial work)
 - Identification of gap, challenges and opportunities for improvement.

The methodology should be conducive to a (self)assessments of actual practices, as implemented, considering both formal and de facto rules, responsibilities, roles, responsibilities and capabilities.

- Develop a methodology and tools to develop proposals and action plans on how to increase (a LAC) government's climate action by improving coordination between sectoral ministries and with sub-national governments or state-owned enterprises when relevant. Among others the methodology and tools should enable users (individual countries) to develop proposals and action plans for the improvement of:
 - climate governance at large:
 - organizational structure, clarifying roles, responsibilities, and processes, with specific attention on the role of ministry of finance,
 - the development of unified climate strategies and coherent sectoral strategies,
 - the coordination of activities between multiple ministries during implementation,
 - the evaluation of outcomes and effectiveness to achieve coordinated improvement,
 - the participation and effectiveness of the ministry of finance in climate action, to take full advantage of the enabling role it can play
 - the effectiveness and efficiency of ministries of finance as leaders, coordinators, and co-participants in climate action. Among others, the methodology and tools should enable users to:
 - clearly define roles and responsibilities within the ministry of finance,
 - design processes for effective climate action,
 - identify capacity needs and design appropriate training and capacity building activities,
 - articulate systems for monitoring reporting and evaluation of climate action

Along with the methodology, the tools produced by this activity may include, check lists, decision trees, templates for data collection, interview guides, training materials, and the like.

- Support the application of the methodologies and tools in a minimum of 2 pilot studies in representative LAC countries. The goal of this activity is to test and refine the methodology and accompanying materials prior to final publication. The pilot country will be selected, during the project, in conjunction with IDB's team.

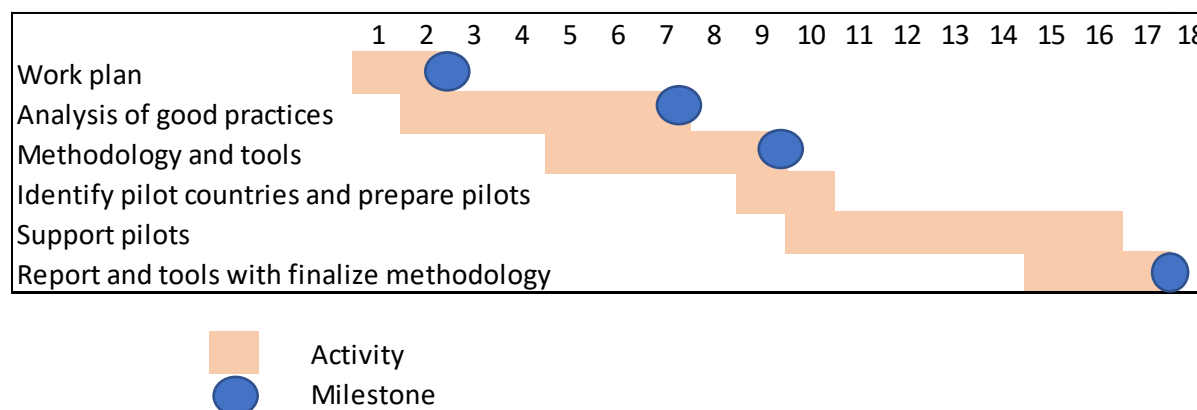
5. Expected Outcome and Deliverables

The main outcome of the consultancy consists in the final report with methodology and tools to assess climate action governance in LAC countries and guide the articulation of strategies to fully integrate the ministry of finance in inter-ministerial climate action. Specific consultancy deliverables are:

- Deliverable 1: Work program.
- Deliverable 2: Brief report with the international practices review.
- Deliverable 3: Draft methodology and accompanying tools (check lists, decision trees, templates for data collection, interview guides, training materials, and the like) ready for piloting.
- Deliverable 4: Final report, post-pilots, with completed final methodology and tools.

6. Timing

The envisioned schedule for the consultancy is depicted below, along with the project milestones, which are the completion of each of the deliverables described above:



7. Reporting requirements

Each of the project deliverables outlined above will be initially presented in an interactive workshop. Following this presentation and discussion, the consultant will finalize the final documents for delivery.

8. Acceptance criteria

Final reports should be provided in PDF and editable Word format.

Presentations developed for the interactive workshops will be made available in Power Point format, along with accompanying materials as relevant.

Final reports and presentations, as well as any material that may be shared during the implementation of the consultancy, can be shared via regular email.

9. Supervision and reporting

Responsible person (s): Marco Buttazzoni (mbuttazzoni@iadb.org), Senior Specialist (IFD/FMM) and Raúl Delgado, Sector Lead Specialist (CSD/CCS).

During the execution of the consultancy, we expect a close cooperations between the consulting team and IDB, with regular conversations about the information gathered and the progress made. We anticipate that during the first weeks of the assignment, regular calls will take place every two weeks, but the exact cadence of this interaction will be finalized during the discussion of the work plan and may be adjusted during project implementation as appropriate.

10. Payment schedule

Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

The payment schedule will be the following:

- 10% of the contract after the approval of Deliverable 1
- 30% of the contract after the approval of Deliverable 2
- 30% of the contract after the approval of Deliverable 3
- 30% of the contract after the approval of Deliverable 4