

**TERMS OF REFERENCE*****(Energy subsidies in Latin America and the Caribbean)***

**Country:** Argentina, Bolivia, Dominican Republic, Ecuador, Honduras, Mexico, and Suriname.

RG-T4531-**P001**

RG-T4531

[Web link to approved document]

**1. Background and Justification**

*The Knowledge Team of VPS leads the identification and development of groundbreaking analytical work and research products using robust theoretical and empirical tools to inform policy design and decision making in infrastructure, energy, climate change and fiscal affairs among others.*

*The countries of the region have adopted the Paris Agreement with its objective of keeping the global average temperature above 2°C with respect to pre-industrial levels and continuing efforts to limit this temperature to 1.5°C. Decarbonization in Latin America and the Caribbean implies reduction of fossil fuels consumption. However, energy subsidies is a strong barrier to reduce fossil fuels consumption in the region.*

*It is common practice for national governments in most countries to offer subsidies, while some countries impose taxes on these fuels. Evidence shows that there are opportunities to modify energy prices with several benefits, including lower fiscal costs, improved targeting of social spending, and decarbonization. Price changes must, however, be accompanied by a careful implementation strategy that includes, among other things, compensation measures, especially for the poorest.*

*Within this context, VPS aims to develop new knowledge products and technical assistance programs for LAC countries to identify the fiscal impact of energy subsidies in LAC and identify policy instruments to reduce them. The support seeks updating information on the magnitude of subsidies, taxes, and pricing structures focused on fossil fuels in the region and analyze the feasibility of increasing prices or modifying pricing structures to contribute to decarbonization. The knowledge products produced will inform, guide, and offer a menu of policy recommendations to policymakers.*

## **2. Objectives**

*The primary objective of this consultancy is to conduct detailed case studies on the socio-economic impacts of existing subsidy schemes in distinct contexts. This initiative aims to provide an in-depth analysis of how these schemes affect various socio-economic factors, including income distribution, employment, and economic sustainability.*

## **3. Scope of Services**

### *3.1 Literature Reviews*

- *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*

### *3.2 Analytical Reports*

- *Perform econometric and statistical analyses to interpret data, identifying trends and patterns that inform policy decisions.*

### *3.3 Insightful Visualizations*

- *Analyze a diverse set of structured and unstructured data to derive meaningful insights, communicating findings through advanced visualization techniques and other means to facilitate understanding.*

### *3.4 Policy Implication Documents*

- *Synthesize and translate research findings into clear policy implications and best practices, supporting data-driven decision-making and policy formulation.*

### *3.5 Project Management Support*

- *Provide operational management assistance for research and data projects, supervise the implementation of knowledge projects, follow up on ongoing initiatives, and perform quality control on all deliverables.*

### *3.6 Adaptive Support*

- *Engage in additional activities as necessary to adapt to evolving project needs and ensure the comprehensive achievement of project goals.*

## **4. Key Activities**

*4.1 Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*

*4.2 Perform econometric and statistical analyses.*

*4.3 Analyze information from a diverse set of structured and unstructured data to derive meaningful insights and communicate findings using visualization and other means.*

*4.4 Synthesize and translate research into implications for policy and best practices to promote data-driven decision making.*

*4.5 Provide operational management assistance to research and data projects, supervise knowledge project implementation, follow up, and perform quality control on deliverables.*

*4.6 Other activities as deemed necessary.*

## 5. Expected Outcome and Deliverables

### 5.1 Literature Review Compilation

A synthesized document of literature reviews that provides a background context, identifies research gaps, and connects the project's findings with existing knowledge.

### 5.2 Data analysis

#### 5.2.1 Methodological Guidelines

- A set of methodological notes that outline the research framework, techniques, and standards to be followed throughout the project to ensure robust and reliable outcomes.

#### 5.2.2 Statistical Analysis Documents

- Documents presenting the results of econometric and statistical analyses, including regression outputs, model summaries, and interpretations of the data.

### 5.3 Research and Policy Implication Report

- A report that translates research findings into actionable policy implications and best practices, designed to aid in decision-making processes.

## 6. Project Schedule and Milestones

The consultancy considers four (5) stages over six (6) 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. Literature review	One month after signing the contract
2. Data collection and analysis	Three months after signing the contract
3. First draft report	Four months after signing the contract
4. Final report This deliverable will also include revising the technical note considering the peer reviewers' suggestions.	Six months 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 hand 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 Yeppez-Garcia, Rigoberto Ariel, 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 Yeppez-Garcia, Rigoberto Ariel (VPS/VPS) Team Leader ariely@iadb.org; Reyes-Tagle, Gerardo (IFD/FMM) gerardor@iadb.org; Balza Angulo, Lenin Humberto (INE/ENE) leninb@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:*

<b>Payment Schedule</b>	
<b><i>Deliverable</i></b>	<b>%</b>
1. Deliverable 1	20%
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#### **11. Background and Justification**

*Energy constitutes a high-consumption commodity globally and a widely used policy instrument by many governments around the world. Due to its importance in household spending, it is a basic consumer good and in constant demand by families. On average, families in Latin America and the Caribbean spend 8 percent on acquiring energy such as electricity, propane gas, natural gas, gasoline, or kerosene, to name a few (Jimenez Mori & Yépez-García, 2020). The significance of energy in household consumption makes them vulnerable to significant variations in prices or a reduction in the availability of these resources to meet family needs. This is largely one of the reasons why the price of energy often becomes a policy instrument in government decisions. Fuel prices influence the overall behavior of inflation and the acceptance and popularity of governments.*

*Given the relevance of fuel and energy prices, they are often intervened through subsidies to prevent them from significantly affecting household expenses. However, subsidies are also a policy instrument with a significant impact on government spending and a major contributor to fiscal deficits. It is estimated that in 2022 the impact of energy subsidies globally was equivalent to 1.3 percent of global GDP and particularly in Latin America and the Caribbean, it was equivalent to 0.7 percent of the region's GDP (Black et al., 2023).*

#### **12. Objectives**

#### **13. Scope of Services**

##### *3.7 Literature Reviews*

- *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*

##### *3.8 Analytical Reports*

- *Perform econometric and statistical analyses to interpret data, identifying trends and patterns that inform policy decisions.*

##### *3.9 Insightful Visualizations*

- *Analyze a diverse set of structured and unstructured data to derive meaningful insights, communicating findings through advanced visualization techniques and other means to facilitate understanding.*
- 3.10 *Policy Implication Documents*
- *Synthesize and translate research findings into clear policy implications and best practices, supporting data-driven decision-making and policy formulation.*
- 3.11 *Project Management Support*
- *Provide operational management assistance for research and data projects, supervise the implementation of knowledge projects, follow up on ongoing initiatives, and perform quality control on all deliverables.*
- 3.12 *Adaptive Support*
- *Engage in additional activities as necessary to adapt to evolving project needs and ensure the comprehensive achievement of project goals.*

#### **14. Key Activities**

- 4.7 *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*
- 4.8 *Perform econometric and statistical analyses.*
- 4.9 *Analyze information from a diverse set of structured and unstructured data to derive meaningful insights and communicate findings using visualization and other means.*
- 4.10 *Synthesize and translate research into implications for policy and best practices to promote data-driven decision making.*
- 4.11 *Provide operational management assistance to research and data projects, supervise knowledge project implementation, and follow up, and perform quality control on deliverables.*
- 4.12 *Other activities as deemed necessary.*

#### **15. Expected Outcome and Deliverables**

##### **5.1 Literature Review Compilation**

*A synthesized document of literature reviews that provides a background context, identifies research gaps, and connects the project's findings with existing knowledge.*

##### **5.2 Data analysis**

###### **5.2.1 Methodological Guidelines**

- *A set of methodological notes that outline the research framework, techniques, and standards to be followed throughout the project to ensure robust and reliable outcomes.*

###### **5.2.2 Statistical Analysis Documents**

- Documents presenting the results of econometric and statistical analyses, including regression outputs, model summaries, and interpretations of the data.

### 5.3 Research and Policy Implication Report

- A report that translates research findings into actionable policy implications and best practices, designed to aid in decision-making processes.

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## 19. Supervision and Reporting

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*Given the relevance of fuel and energy prices, they are often intervened through subsidies to prevent them from significantly affecting household expenses. However, subsidies are also a policy instrument with a significant impact on government spending and a major contributor to fiscal deficits. It is estimated that in 2022 the impact of energy subsidies globally was equivalent to 1.3 percent of global GDP and particularly in Latin America and the Caribbean, it was equivalent to 0.7 percent of the region's GDP (Black et al., 2023).*

**22. Objectives****23. Scope of Services****3.13 Literature Reviews**

- *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*

**3.14 Analytical Reports**

- *Perform econometric and statistical analyses to interpret data, identifying trends and patterns that inform policy decisions.*

**3.15 Insightful Visualizations**

- *Analyze a diverse set of structured and unstructured data to derive meaningful insights, communicating findings through advanced visualization techniques and other means to facilitate understanding.*
- 3.16 *Policy Implication Documents*
- *Synthesize and translate research findings into clear policy implications and best practices, supporting data-driven decision-making and policy formulation.*
- 3.17 *Project Management Support*
- *Provide operational management assistance for research and data projects, supervise the implementation of knowledge projects, follow up on ongoing initiatives, and perform quality control on all deliverables.*
- 3.18 *Adaptive Support*
- *Engage in additional activities as necessary to adapt to evolving project needs and ensure the comprehensive achievement of project goals.*

## **24. Key Activities**

- 4.13 *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*
- 4.14 *Perform econometric and statistical analyses.*
- 4.15 *Analyze information from a diverse set of structured and unstructured data to derive meaningful insights and communicate findings using visualization and other means.*
- 4.16 *Synthesize and translate research into implications for policy and best practices to promote data-driven decision making.*
- 4.17 *Provide operational management assistance to research and data projects, supervise knowledge project implementation, and follow up, and perform quality control on deliverables.*
- 4.18 *Other activities as deemed necessary.*

## **25. Expected Outcome and Deliverables**

### **5.1 Literature Review Compilation**

*A synthesized document of literature reviews that provides a background context, identifies research gaps, and connects the project's findings with existing knowledge.*

### **5.2 Data analysis**

#### **5.2.1 Methodological Guidelines**

- *A set of methodological notes that outline the research framework, techniques, and standards to be followed throughout the project to ensure robust and reliable outcomes.*

#### **5.2.2 Statistical Analysis Documents**

- Documents presenting the results of econometric and statistical analyses, including regression outputs, model summaries, and interpretations of the data.

### 5.3 Research and Policy Implication Report

- A report that translates research findings into actionable policy implications and best practices, designed to aid in decision-making processes.

## 26. Project Schedule and Milestones

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### **31. Background and Justification**

*The Knowledge Team of VPS leads the identification and development of groundbreaking analytical work and research products using robust theoretical and empirical tools to inform policy design and decision making in infrastructure, energy, climate change and fiscal affairs among others.*

*The countries of the region have adopted the Paris Agreement with its objective of keeping the global average temperature above 2°C with respect to pre-industrial levels and continuing efforts to limit this temperature to 1.5°C. Decarbonization in Latin America and the Caribbean implies reduction of fossil fuels consumption. However, energy subsidies is a strong barrier to reduce fossil fuels consumption in the region.*

*It is common practice for national governments in most countries to offer subsidies, while some countries impose taxes on these fuels. Evidence shows that there are opportunities to modify energy prices with several benefits, including lower fiscal costs, improved targeting of social spending, and decarbonization. Price changes must, however, be accompanied by a careful implementation strategy that includes, among other things, compensation measures, especially for the poorest.*

*Within this context, VPS aims to develop new knowledge products and technical assistance programs for LAC countries to identify the fiscal impact of energy subsidies in LAC and identify policy instruments to reduce them. The support seeks updating information on the magnitude of subsidies, taxes, and pricing structures focused on fossil fuels in the region and analyze the feasibility of increasing prices or modifying pricing structures to contribute to decarbonization. The knowledge products produced will inform, guide, and offer a menu of policy recommendations to policymakers.*

### **32. Objectives**

*The primary objective of this consultancy is to analyze and develop comprehensive knowledge products that assess the impact of reductions in energy subsidies on the expenditure patterns of consumer quintiles. This initiative seeks to provide detailed insights into how these subsidy reductions affect different income groups, focusing particularly on their ability to maintain energy affordability.*

### **33. Scope of Services**

- 3.19 *Literature Reviews*
  - *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*
- 3.20 *Analytical Reports*
  - *Perform econometric and statistical analyses to interpret data, identifying trends and patterns that inform policy decisions.*
- 3.21 *Insightful Visualizations*
  - *Analyze a diverse set of structured and unstructured data to derive meaningful insights, communicating findings through advanced visualization techniques and other means to facilitate understanding.*
- 3.22 *Policy Implication Documents*
  - *Synthesize and translate research findings into clear policy implications and best practices, supporting data-driven decision-making and policy formulation.*
- 3.23 *Project Management Support*
  - *Provide operational management assistance for research and data projects, supervise the implementation of knowledge projects, follow up on ongoing initiatives, and perform quality control on all deliverables.*
- 3.24 *Adaptive Support*
  - *Engage in additional activities as necessary to adapt to evolving project needs and ensure the comprehensive achievement of project goals.*

### **34. Key Activities**

- 4.19 *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*
- 4.20 *Perform econometric and statistical analyses.*
- 4.21 *Analyze information from a diverse set of structured and unstructured data to derive meaningful insights and communicate findings using visualization and other means.*
- 4.22 *Synthesize and translate research into implications for policy and best practices to promote data-driven decision making.*
- 4.23 *Provide operational management assistance to research and data projects, supervise knowledge project implementation, follow up, and perform quality control on deliverables.*
- 4.24 *Other activities as deemed necessary.*

### **35. Expected Outcome and Deliverables**

#### ***5.1 Literature Review Compilation***

*A synthesized document of literature reviews that provides a background context, identifies research gaps, and connects the project's findings with existing knowledge.*

## 5.2 Data analysis

### 5.2.1 Methodological Guidelines

- A set of methodological notes that outline the research framework, techniques, and standards to be followed throughout the project to ensure robust and reliable outcomes.

### 5.2.2 Statistical Analysis Documents

- Documents presenting the results of econometric and statistical analyses, including regression outputs, model summaries, and interpretations of the data.

## 5.3 Research and Policy Implication Report

- A report that translates research findings into actionable policy implications and best practices, designed to aid in decision-making processes.

## 36. Project Schedule and Milestones

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Selection process # RG-T4531

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#### **42. Objectives**

*The primary objective of this consultancy is to gather and synthesize best practices in the design and implementation of subsidy schemes across various sectors. This initiative aims to identify effective subsidy structures that are economically efficient, environmentally sustainable, and socially equitable.*

#### **43. Scope of Services**

##### *3.25 Literature Reviews*

- *Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*

##### *3.26 Analytical Reports*

- *Perform econometric and statistical analyses to interpret data, identifying trends and patterns that inform policy decisions.*

##### *3.27 Insightful Visualizations*

- *Analyze a diverse set of structured and unstructured data to derive meaningful insights, communicating findings through advanced visualization techniques and other means to facilitate understanding.*

##### *3.28 Policy Implication Documents*

- *Synthesize and translate research findings into clear policy implications and best practices, supporting data-driven decision-making and policy formulation.*

##### *3.29 Project Management Support*

- *Provide operational management assistance for research and data projects, supervise the implementation of knowledge projects, follow up on ongoing initiatives, and perform quality control on all deliverables.*

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- *Engage in additional activities as necessary to adapt to evolving project needs and ensure the comprehensive achievement of project goals.*

#### **44. Key Activities**

*4.25 Prepare thorough literature reviews to contextualize the research within the existing body of knowledge, highlighting gaps and areas for further exploration.*

*4.26 Perform econometric and statistical analyses.*

*4.27 Analyze information from a diverse set of structured and unstructured data to derive meaningful insights and communicate findings using visualization and other means.*

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*4.30 Other activities as deemed necessary.*

#### **45. Expected Outcome and Deliverables**

### **5.1 Literature Review Compilation**

*A synthesized document of literature reviews that provides a background context, identifies research gaps, and connects the project's findings with existing knowledge.*

### **5.2 Data analysis**

#### **5.2.1 Methodological Guidelines**

- *A set of methodological notes that outline the research framework, techniques, and standards to be followed throughout the project to ensure robust and reliable outcomes.*

#### **5.2.2 Statistical Analysis Documents**

- *Documents presenting the results of econometric and statistical analyses, including regression outputs, model summaries, and interpretations of the data.*

### **5.3 Research and Policy Implication Report**

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**49. Supervision and Reporting**

*The Consultant will report on all aspects related to this assignment to Yeppez-Garcia, Rigoberto Ariel (VPS/VPS) Team Leader [ariely@iadb.org](mailto:ariely@iadb.org); Reyes-Tagle, Gerardo (IFD/FMM) [gerardor@iadb.org](mailto:gerardor@iadb.org); Balza Angulo, Lenin Humberto (INE/ENE) [leninb@iadb.org](mailto:leninb@iadb.org).*

**50. 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:*

<b>Payment Schedule</b>	
<b><i>Deliverable</i></b>	<b>%</b>
13. Deliverable 1	20%
14. Deliverable 2, 3	50%
15. Deliverable 4	30%
<b>TOTAL</b>	<b>100%</b>

## TERMS OF REFERENCE

### *(Energy subsidies in Latin America and the Caribbean)*

**Country:** Argentina, Bolivia, Dominican Republic, Ecuador, Honduras, Mexico, and Suriname.

**RG-T4531-P001**

**RG-T4531**

[Enlace web con el documento aprobado]

### **Energy prices in Latin America and the Caribbean and their relationship with decarbonization**

#### **51. Background and Justification**

Energy constitutes a high-consumption commodity globally and a widely used policy instrument by many governments around the world. Due to its importance in household spending, it is a basic consumer good and in constant demand by families. On average, families in Latin America and the Caribbean spend 8 percent on acquiring energy such as electricity, propane gas, natural gas, gasoline, or kerosene, to name a few (Jimenez Mori & Yépez-García, 2020). The significance of energy in household consumption makes them vulnerable to significant variations in prices or a reduction in the availability of these resources to meet family needs. This is largely one of the reasons why the price of energy often becomes a policy instrument in government decisions. Fuel prices influence the overall behavior of inflation and the acceptance and popularity of governments.

Given the relevance of fuel and energy prices, they are often intervened through subsidies to prevent them from significantly affecting household expenses. However, subsidies are also a policy instrument with a significant impact on government spending and a major contributor to fiscal deficits. It is estimated that in 2022 the impact of energy subsidies globally was equivalent to 1.3 percent of global GDP and particularly in Latin America and the Caribbean, it was equivalent to 0.7 percent of the region's GDP (Black et al., 2023).

#### **52. Objectives**

This project aims to expand the knowledge about current carbon tax models, feebates, and emissions trading schemes, focusing on best practices. To do this, the study will answer the following question:

- What are the best practices regarding current carbon tax models, feebates, and emissions trading schemes?

#### **53. Scope of Services**

3.1. Product 1: Literature review

3.2. Product 2: Data collection and analysis

3.3. Product 3: Report about schemes and characteristics of current carbon tax models, feebates, and emissions trading schemes, focusing on best practices of a representative sample of countries in LAC in terms of information availability, including their subsidies, and social tariffs.

## **54. Key Activities**

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

### 4. 1. Literature review

Review of relevant and current literature on current carbon tax models, feebates, and emissions trading schemes, focusing on best practices

### 4.2. Information Gathering

The first activity to be developed for the preparation of this report will be the collection of information specifically on current carbon tax models, feebates, and emissions trading schemes, focusing on best practices of a representative sample of countries in LAC in terms of information availability, including their subsidies, and social tariffs. To build a database with the relevant variables for the analysis.

### 4.3. Review and analysis of information

Based on the information gathered, a review and analysis will be carried out prior to referencing the schemes and characteristics of current carbon tax models, feebates, and emissions trading schemes, focusing on best practices of a representative sample of countries in LAC in terms of information availability, including their subsidies, and social tariffs. If necessary, information will be exchanged or working meetings will be held with the focal points of the countries to clarify doubts or queries regarding the information provided.

### 4.4. Structuring the reporting agenda

Once the information gathered has been refined and reviewed, the report's agenda will be proposed, which will include at least the following sections:

- a) Description of current carbon tax models, feebates, and emissions trading schemes,
- b) Description of best practices of a representative sample of countries in LAC in terms of information availability, including their subsidies, and social tariffs.
- c) Conclusions and Recommendations

### 5. Preparation of the report

Based on the established agenda, the different sections of the document will be prepared for presentation and review prior to final acceptance by the IDB.

The activities listed above will lead to a better understanding of subsidy policies in the LAC region. This discussion will feed into a technical note with the results.

## **55. Expected Outcome and Deliverables**

(The candidate is expected to support the knowledge and analytical agenda of the sector in the following areas:

- 1. Provide support in designing, preparing, and delivering key research products, reports, and policy brief notes

2. Conduct research and help grow the knowledge agenda, including developing methodological notes.
3. Analyze information from diverse structured and unstructured data to derive meaningful insights and communicate findings using visualization and other means.
4. Prepare literature reviews.
5. Synthesize and translate research into implications for policy and best practices to promote data-driven decision-making.
6. Provide operational management assistance to research and data projects, supervise knowledge project implementation, and follow up, and perform quality control on deliverables.
7. Other activities as deemed necessary.

**56. Project Schedule and Milestones**

The consultancy considers four (4) stages over six (6) 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. Literature review of carbon tax mechanisms	One month after signing the contract
2. Data collection and analysis	Three months after signing the contract
3. First draft report	Four months after signing the contract
4. Final report  This deliverable will also include revising the technical note considering the peer reviewers' suggestions.	Six months after signing the contract

**57. 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 hand over in Excel format.

**58. Acceptance Criteria**

Prior to the handing over of the Products to the IDB, they must have the written approval of Yopez-Garcia, Rigoberto Ariel, 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.

**59. Supervision and Reporting**

The Consultant will report on all aspects related to this assignment to Yepez-Garcia, Rigoberto Ariel (VPS/VPS) Team Leader [ariely@iadb.org](mailto:ariely@iadb.org); Reyes-Tagle, Gerardo (IFD/FMM) [gerardor@iadb.org](mailto:gerardor@iadb.org); Balza Angulo, Lenin Humberto (INE/ENE) [leninb@iadb.org](mailto:leninb@iadb.org).

**60. 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:

<b>Payment Schedule</b>	
<b>Deliverable</b>	<b>%</b>
Deliverable 1	20%
Deliverable 2, 3	50%
Deliverable 4	30%
<b>TOTAL</b>	<b>100%</b>



## TERMS OF REFERENCE

### *(Energy subsidies in Latin America and the Caribbean)*

**Country:** Argentina, Bolivia, Dominican Republic, Ecuador, Honduras, Mexico, and Suriname.

RG-T4531-**P001**

RG-T4531

[Enlace web con el documento aprobado]

### **Energy prices in Latin America and the Caribbean and their relationship with decarbonization**

#### **61. Background and Justification**

Energy constitutes a high-consumption commodity globally and a widely used policy instrument by many governments around the world. Due to its importance in household spending, it is a basic consumer good and in constant demand by families. On average, families in Latin America and the Caribbean spend 8 percent on acquiring energy such as electricity, propane gas, natural gas, gasoline, or kerosene, to name a few (Jimenez Mori & Yépez-García, 2020). The significance of energy in household consumption makes them vulnerable to significant variations in prices or a reduction in the availability of these resources to meet family needs. This is largely one of the reasons why the price of energy often becomes a policy instrument in government decisions. Fuel prices influence the overall behavior of inflation and the acceptance and popularity of governments.

Given the relevance of fuel and energy prices, they are often intervened through subsidies to prevent them from significantly affecting household expenses. However, subsidies are also a policy instrument with a significant impact on government spending and a major contributor to fiscal deficits. It is estimated that in 2022, the impact of energy subsidies globally was equivalent to 1.3 percent of global GDP, and particularly in Latin America and the Caribbean, it was equivalent to 0.7 percent of the region's GDP (Black et al., 2023).

#### **62. Objectives**

This project aims to implement capacity-building and knowledge-sharing activities that are critical for effectively managing the energy transition in the region. To do this, this contract focuses on organizing a series of workshops and seminars aimed at sharing best practices and enhancing skills related to innovative fiscal policies for sustainable mining and phase-out strategies for oil and gas countries.

#### **63. Scope of Services**

##### **63.1. Product 1: Detailed Workshop Agenda**

- A complete schedule including topics to be covered, speakers, allocated time for each session, and breaks.

##### **3.2 Product 2: Workshop Materials**

- PowerPoint presentations or other formats to be used during the sessions.
- Printed materials such as brochures, study guides, or manuals for participants.

- Welcome kits for participants that include writing materials, agendas, and other necessary supplies.

### 3.3 Product 3: Communication and Technology Platform:

- Technical support for managing video conferencing tools if the workshop is virtual.
- Audio and video equipment for in-person workshops.

### 3.4 Product 4: Participation Report:

- Attendance lists and participation records.
- Demographic information of the participants for outreach and diversity analysis.

### 3.5 Product 5: Workshop Evaluations:

- Evaluation tools to collect feedback from participants on the effectiveness of the workshop.
- Analysis and report of evaluation results to improve future workshops.

### 3.6 Product 6: Final Workshop Report:

- An executive summary of the workshop including achieved objectives, topics covered, and key conclusions.
- Details of sessions, including summaries of discussions and any recommended future actions or agreements.
- Copies of all presentations and materials distributed.

### 3.7 Product 7: Post-Workshop Support:

- Responses to follow-up questions from participants.
- Availability for additional discussions or clarifications required by participants after the event.

### 3.8 Product 8: Knowledge Product:

Development of a technical paper, article, or publication based on the outcomes and discussions of the workshop to be distributed among participants and more broadly, if agreed upon.

### 3.9 Product 9: Photos and Videos:

- Multimedia material documenting the event that can be used for promotional purposes or donor reports.

## 64. Key Activities

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

### 64.1. Detailed Workshop Agenda:

- Coordinate with speakers and stakeholders to finalize topics and session content.
- Schedule sessions, allocate time for each segment, and plan breaks.

**64.2. Workshop Materials:**

- Design and prepare PowerPoint presentations for each session.
- Produce printed materials like brochures, study guides, or manuals.
- Assemble welcome kits with necessary supplies for participants.

**64.3. Communication and Technology Platform:**

- Set up and test video conferencing tools, ensuring all participants can access the platform.
- Arrange and test audio and video equipment at the venue.

**64.4. Participation Report:**

- Compile attendance lists and keep accurate participation records.
- Collect and analyze demographic data for outreach and diversity reporting.

**64.5. Workshop Evaluations:**

- Develop and distribute evaluation tools to gather participant feedback.
- Analyze feedback and compile a report on the workshop's effectiveness.

**4.6. Final Workshop Report:**

- Draft an executive summary outlining the objectives, covered topics, and main conclusions.
- Detail session discussions and any actionable recommendations.
- Ensure all session materials are documented and included in the report.

**4.7. Post-Workshop Support:**

- Establish a communication channel for participants to submit follow-up questions.
- Provide ongoing support for any additional clarifications or discussions post-event.

**4.8. Knowledge Product:**

- Coordinate the development of a technical paper or publication summarizing the workshop's findings.
- Facilitate the review and editing process before distribution.

**4.9. Photos and Videos:**

- Arrange for professional photography and videography during the event.
- Edit and compile multimedia materials for promotional use and reporting.

**65. Expected Outcome and Deliverables**

(The candidate is expected to support the knowledge and analytical agenda of the sector in the following areas:

5.1. Provide support in designing, preparing, and delivering a Detailed Workshop Agenda:

5.2. Prepare Workshop Material

5.3. Provide support with the Communication and Technology Platform

5.4. Prepare Participation Report.

5.5. Prepare Workshop Evaluations.

5.6. Prepare Final Workshop Report.

5.7. Provide Post-Workshop Support.

5.8. Redact a Knowledge Product.

5.9. Provide Photos and Videos.

**66. Project Schedule and Milestones**

The consultancy considers nine (9) stages over six (12) 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. Provide support in designing, preparing, and delivering a Detailed Workshop Agenda	One month after signing the contract
2. Prepare Workshop Material	Three months after signing the contract
3. Provide support with the Communication and Technology Platform	Four months after signing the contract
4. Prepare Participation Report.	Six months after signing the contract
5. Prepare Workshop Evaluations.	Six months after signing the contract
6. Prepare Final Workshop Report.	Six months after signing the contract
7. Provide Post-Workshop Support.	Seven months after signing the contract
8. Redact a Knowledge Product.	Twelve months after signing the contract
9. Provide Photos and Videos.	Six months after signing the contract

**67. 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 report must be delivered in a Word editable document.

**68. Acceptance Criteria**

Prior to the handing over of the Products to the IDB, they must have the written approval of Yepez-Garcia, Rigoberto Ariel, 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.

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**69. Supervision and Reporting**

The Consultant will report on all aspects related to this assignment to Yepez-Garcia, Rigoberto Ariel (VPS/VPS) Team Leader [ariely@iadb.org](mailto:ariely@iadb.org); Reyes-Tagle, Gerardo (IFD/FMM) [gerardor@iadb.org](mailto:gerardor@iadb.org); Balza Angulo, Lenin Humberto (INE/ENE) [leninb@iadb.org](mailto:leninb@iadb.org).

**70. 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:

<b>Payment Schedule</b>	
<b>Deliverable</b>	<b>%</b>
Deliverable 1	20%
Deliverable 2, 3, 4, 5, 6 and 9	50%
Deliverable 7 and 8	30%
<b>TOTAL</b>	<b>100%</b>