Request for Expressions of Interest

Department issuing the request: AFRICAN NATURAL RESOURCES CENTRE

Position: LOW-CARBON DEVELOPMENT PATHWAYS: OPPORTUNITIES AND RISKS FOR AFRICA’S EXTRACTIVE SECTORS

Place of assignment: Home based & Abidjan

Duration of the assignment: 6 months

Tentative Date of commencement: 30 March 2020

Deadline for applications: 5 March 2020

Applications to be submitted to Maali Harrathi (M.HARRATHI@AFDB.ORG),

With Copy to: A.TCHOUKASINGHE@AFDB.ORG

PS: Application e-mail must include the name of the Consultant Position that you are applying for. Any questions and requests for clarifications may be sent to A.TCHOUKASINGHE@AFDB.ORG
TERMS OF REFERENCE

1. Introduction

The African Natural Resources Centre (ECNR) is a non-lending entity of the African Development Bank (AfDB). The AfDB established the Centre to support Regional Member Countries (RMCs) to maximize development outcomes derived from their natural resources. The scope of the centre combines renewable (water, forestry, land and fisheries) and non-renewable resources (oil, gas and minerals).

The Centre’s desired outcomes are better stewardship of African natural resources through good governance, containment of adverse social and environmental impacts, enhancement of linkages with domestic economies and equitable resources access. To achieve this, the Centre advises the Bank’s RMCs on selected aspects of natural resource management, to enable them to extract greater social and economic value from the development of natural assets. The long-term objective of the Centre is to enhance RMCs capacity to improve development outcomes from the sustainable use of renewable and non-renewable resources. This requires deepening knowledge of natural resource management for RMCs and Bank lending operations through analytics and policy support in order to create an enabling environment for sustainable development.

2. Rationale

The African Natural Resources Centre (ECNR) Strategy for 2015-2020 is anchored on the Bank’s Ten Year Strategy (TYS), which places emphasis on the natural resource sectors to promote the twin objectives of inclusive growth and transition to green growth. Consistent with the Bank’s High 5s agenda, the Centre’s Strategy is based on two core pillars: integrated natural resource development and good governance of natural resources. In order to maximise its contribution to the High 5s, ECNR generates knowledge products on key policy issues in natural resource management for the Bank’s RMCs, to support its advocacy and advisory services, peer learning and knowledge exchange.

The Strategic Vision of the AfDB’s Climate Change Action Plan (CCAP2) is to contribute to the achievement of low-carbon and climate-resilient development in Africa. CCAP2 is designed to incorporate and build on the Bank’s Ten-Year Strategy (TYS) and its High 5s, the Paris Climate Agreement on climate change, and the lessons learnt in implementing the Bank’s earlier Climate Change Action Plan (CCAP1). The interventions supported under CCAP2 aim to bring economic prosperity to African communities through sustainable natural resource use. This is important, given the fundamental challenge posed by climate change for the continent’s resource-based development.

In the context of the Bank’s sustainable development and climate agenda described above, the Centre has developed a programme of work on low-carbon development pathways (LCDP) for the natural resources sectors. While it is now common knowledge that climate change is having a significant impact on Africa’s natural assets, the collective understanding of the implications of climate change for the natural resource sectors remains limited. Overall, few programmatic interventions address climate vulnerabilities in the continent’s natural resource sectors. Ultimately, it is important to adopt a holistic, integrated approach to the analysis of low-carbon development pathways for Africa’s natural resource sector. The LCDP programme aims to provide evidence-based policymaking to drive low-carbon transitions in the continent’s renewable and non-renewable natural resource sectors. In this context, the Centre is commissioning a study on “Low-Carbon Development Pathways: Opportunities and Risks for Africa’s Extractive Sectors.”
3. Background and focus of the study

Africa’s natural resource sectors face a significant challenge from growing climate change. For the non-renewables or extractive sector, the prospect of stranding (of carbon assets) leaves countries with a structural and economic risk due to decarbonisation and the transition to clean energy. However, there are incipient opportunities for African countries to create new industries and markets in this low-carbon transition. They can do so by focusing on increased production of minerals that serve as critical inputs in the manufacture of low-carbon technologies (or ‘strategic minerals’). New technologies today offer an opportunity to minimise the carbon footprint of extractive industries through carbon capture and sequestration, emissions control, and operations that are more efficient.

Under the Paris Climate Accord, African countries have committed to lower greenhouse gas emissions and pursue economic decarbonisation through nationally determined contributions. The Sustainable Development Goals (SDGs) also call for concerted climate action and low-carbon transition through the transformation of natural resource production, supply chains and consumption. On the African continent, Agenda 2063, the Africa Mining Vision (AMV) and the Africa Continental Free Trade Area (AfCFTA) have collectively set out a roadmap for resource-based transformation and regional economic integration. It is important to holistically examine the risks and opportunities posed by climate change for Africa’s renewable and non-renewable natural resources. The analysis will identify the policy options and strategies for African countries to mitigate and adapt to the climate risks facing the extractive sectors.

3.1 Scope
The study will be split into two major parts, as follows:

Part I: the extractive (non-renewable) natural resource sector
(a) An analysis of the risks of stranded assets and resources in Africa’s extractive sector under relevant climate scenarios, and policy options for mitigating these risks (i.e. oil, natural gas and minerals). The analysis should identify specific climate risks such as the scale and scope of asset stranding, the applicable resource/asset classes and African countries facing a high risk of stranding.
(b) An analysis of low-carbon economic opportunities for Africa’s extractive sector.

Part II: Systemic issues
(a) Based on the foregoing analysis, the opportunities and challenges for integrated natural resource management practices to support low-carbon transitions in the extractive sectors.
(b) The regional and global policy landscape: The analysis will consider the implications of global and regional policy agendas such as the Paris Climate Accord, Sustainable Development Goals, the Africa Mining Vision, the African Continental Free Trade Agreement, the African Union’s Agenda 2063, and other relevant frameworks, for the emergence of low-carbon development pathways in Africa’s extractive sectors.

The study will also focus on incentives to drive low-carbon transitions in Africa’s extractive sectors such as the use of carbon/green taxes and clean energy subsidies, and the strategies for Multilateral Development Banks and other development partners to finance low-carbon transitions in the extractive sectors.

The findings and policy recommendations of the study will contribute to the implementation of the Centre’s low-carbon development pathways (LCDP) programme, the African Development Bank’s Climate Change Action Plan, and nationally determined contributions (NDCs) of the Bank’s regional member countries. The study will also inform the implementation of broader regional and global policy frameworks on climate change and sustainable development as stated above. Ultimately, the study is intended to identify and quantify the climate risks associated with Africa’s extractive sectors, and to present policy recommendations for maximising low-carbon economic opportunities and mitigating these risks.
3.2 Output
The major output is a report on the risks and opportunities for low-carbon development pathways in the extractive sectors.

3.3 Outcome
The expected outcome of the research project is increased knowledge for the African Development Bank and its Regional Member Countries on the risks and opportunities posed by climate change and the low-carbon transition for the management of extractive (non-renewable) natural resources. This will inform natural resource planning, policies and investments in Africa.

4. Methodology and Approach

The study will conduct a rigorous, mixed method analysis of climate-related risks and opportunities for Africa’s extractive (non-renewable) natural resources sectors under various low-carbon scenarios, and provide relevant policy recommendations to address the identified risks and opportunities.

Quantitative analysis: This will be done firstly, through a macroeconometric analysis of stranded assets and resources in Africa’s extractive sector under competing climate scenarios. Plausible scenarios to be used for the modelling exercise include the Business as Usual (BAU) vs. 2 degree Celsius (2DS) Scenarios.

Qualitative analysis: The qualitative analysis will focus on primary and secondary data analysis. Firstly, primary data and information will be gathered through key informant interviews with relevant stakeholders in the extractive sector, including African policymakers, private sector and natural resource industry experts, academia, think tanks, civil society, and local communities.

Secondary data will be analysed through a desk review. For the desk review, the consultant will collect all relevant studies, materials, and statistics produced by relevant government agencies, development partners, civil society organisations and/or research institutions as a starting point to map the climate risks and opportunities associated with Africa’s extractive resources.

A pre-commencement meeting with the consultant will agree on the study’s methodology, scope and coverage of the analysis, reporting format and content, and format of the draft and final product.

5. Timeline

The timeline and required activities for the delivery of the research project are as follows:

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<thead>
<tr>
<th>Activity/sub-activity</th>
<th>Outputs/milestones</th>
<th>Timeline</th>
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<tbody>
<tr>
<td>1 Pre-commencement meeting with the Consultants</td>
<td>Agreed methodology, approach, work plan and report template</td>
<td>2 weeks after signature</td>
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<tr>
<td>2 Provide first draft of report for review by ECNR and partners</td>
<td>Draft report reviewed by the Centre, and a team of internal and external peer reviewers</td>
<td>18 weeks after signature</td>
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<td>3 Provide revised draft reports</td>
<td>Revised reports submitted and approved by the Centre</td>
<td>21 weeks after signature</td>
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<td>4 Consultant’s report consolidation</td>
<td>Final report</td>
<td>24 weeks after signature</td>
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6. Deliverable

The major deliverable from the consultancy is a study comprised of two parts:

*Part I: the extractive (non-renewable) natural resource sector*
(a) An analysis of the risks of stranded assets and resources in the non-renewable or extractive sector under various low-carbon scenarios, and policy options for mitigating these risks (i.e. oil, gas and minerals).
(b) An analysis of low-carbon economic opportunities for Africa’s extractive sector.
(c) Policy recommendations to the Bank and its Regional Member Countries for mitigating the identified risks.

*Part II: Systemic issues*
(a) The opportunities and challenges for integrated natural resource management practices to support low-carbon transitions in the extractive sectors.
(b) The regional and global policy landscape for the emergence of low-carbon development pathways in Africa’s extractive sectors.

7. Skills and Experience

The study will be carried out by a consultant/expert with the requisite knowledge and practical understanding of extractive (non-renewable) natural resources management. The required skills and experience of the expert are defined below:

**7.1 Consultant/Expert in Extractive (Non-Renewable) Resource Management**

The consultant should meet the following criteria:

- Minimum of a Masters’ degree in natural resources management, economics, public policy, international development, climate change or other relevant discipline or possession of relevant skills and experience. A Doctorate degree is an advantage.
- At least 10 years’ experience in research, policy analysis and/or technical advisory related to the extractive sector (oil, gas and mining).
- Demonstrated experience with quantitative analysis, including macroeconometric modelling and meta-data analysis, and familiarity with advanced modelling software (e.g. MATLAB, STATA, R, etc.).
- Demonstrated experience in conducting climate modelling and econometric forecasting.
- Experience of conducting empirical research in Africa.
- Experience with manipulating and cleaning large data-sets.
- Experience with multi-method research techniques, including key informant interviews, document analysis, and data triangulation from quantitative and qualitative sources.
- Professional experience gained in policy or academic institutions such as a university, research centre or think-tank. Experience in providing policy advice on climate change, natural resource management and sustainable development is an advantage.
- Excellent written and oral English or French, with a working knowledge of the other language.

8. Service conditions

AfDB conditions for retaining short-term consultants will apply.