

Terms of Reference
The Political Economy of Energy Transition in Southeast Europe
Study 2020-2021

Relevant Context

Advanced technology currently exists that would enable the world, including regions like Southeast Europe (SEE), to become more energy-efficient and save money and resources in the process. While prices for renewable energy continue to fall, the subsidisation of fossil fuels proves to be an expensive project financially, environmentally, and socially. This reality, along with the ongoing global climate crisis, leads to the conclusion that it is both economically beneficial and morally imperative for the entire world to commit to a radical energy transition as soon as possible, not least because of detrimental external effects such as air pollution.

If countries cooperate, the region as a whole enjoys excellent opportunities for phasing in renewable energies. European integration could be a relevant political vehicle, including through the Energy Community and its initiatives. The Regional Co-operation Council (RCC) has announced increased efforts to bolster regional cooperation on integrating environment and climate policies into other policy areas, such as energy, and to encourage broader use of alternative energy sources. Green Energy Agenda for the Western Balkans is also in the making. The EU-internal debate around a European Green Deal is likely to influence this discussion. Countries also must submit their nationally determined contributions (NDC) under the Paris Agreement by 2020 and every 5 years after that. Finally, reform opportunities in the course of creating policies and structures in response to the Covid-19 pandemic may become relevant to the shaping of an inclusive energy transition in SEE as well.

An energy transition to low-carbon fuels would make sense in terms of tackling the climate crisis and of safeguarding the health of citizens. The EU is likely to align its conditionalisation of support to the region with objectives under the European Green Deal. There would also be positive macroeconomic effects and economic development, especially in rural areas, which would curb migration to cities.

In Southeast Europe, however, new fleets of coal-fired power plants are being planned. Although insight into the growing need for an energy transition is spreading in the region, there is also a lack of interest and reluctance or resistance to making the political and economic changes necessary for this shift to take place. For instance, studies such as E3G's on Romania and Bulgaria's energy scene conclude that a majority of domestic political and economic factors oppose a low-carbon transition.

Objectives of the study

The Friedrich-Ebert-Stiftung Regional Dialogue Southeast Europe (FES SOE) recognises regional challenges and is committed to advancing a socio-ecological transformation, democratic consolidation, social and economic justice and peace in the SEE region. It is, therefore, opening a call for applicants/consortia interested in collaborating with us on the “The Political Economy of Energy Transition in SEE” study.

Practically all current (technical) studies on the subject conclude that an energy transition in Southeast Europe would be feasible and desirable. At the same time, they fail to analyse why it is not being implemented. The primary objective of this study will be to explore and eventually communicate the causes for the inaction and determent by decision-makers, private interests, and other structures from supporting an energy transition in Southeast Europe. A secondary objective is to identify political avenues (not technical details) and platforms that would be able to circumvent or overcome opposing factors and be likely to receive popular and/or political support for an energy transition in Southeast Europe. In essence: What would need to happen for an energy transition to take place?

Note the normative and indeed political character of this project: As a political organisation, the FES is not only interested in “solving a puzzle”. While putting hypotheses (c.f. below) to the test, the FES also looks for data to substantiate a distinct line of argumentation.

Definitions

For the purposes of this study, “the political economy” is understood as the interaction of political and economic processes within a society, more specifically the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time. “Energy transition” is meant to refer to both phasing-out non-renewable fuels and phasing-in renewable sources of energy.

Hypotheses

The FES SOE assumes that the region is not yet transitioning to renewable energies due to the following factors:

- path dependencies related to ‘sunk costs’ in the coal infrastructure;
- limited knowledge of decision-makers;
- a lack of political will to co-operate and realise regional synergies;
- a lack of transparency, corruption, and dependence on “energy oligarchs”.

Applicants are asked to evaluate and suggest any changes to these hypotheses in their project proposals.

Target Groups

The target groups for communicating the findings are as follows, in order of priority:

- (Investigative) journalists on the national and regional levels;
- National and regional influencers on social media;
- The general public on the national and regional levels;
- Local opinion-leaders in their communities (journalists, educators, trade-unionists, entrepreneurs, politicians, activists, religious leaders);
- Decision-makers in national and municipal governments as well as in regional institutions (Energy Community Secretariat, Regional Cooperation Council);
- European party families;
- Political parties on the national level;
- Trade unions on the national level;
- Chambers of commerce on the national level;
- The expert community on the national, regional and international levels;
- The international community on the national and regional levels.

Applicants are asked to discuss and suggest any changes to these target groups in their project proposals.

Project details and contents of the proposal

The selected applicant will be responsible for preparing and conducting the research and producing written outputs, which fulfil the specified purpose and objectives with the provided definitions in mind. It is of paramount importance that the language and length of the written outputs be tailored to the target groups. Applicants are asked to specify the language and citation style they intend to use as well as propose suitable formats for written outputs. Proposals must further include a proposed structure for all written outputs specifying the length of each chapter/part (in number of words).

The research should examine context-specific situations and draw connections comparing and contrasting processes between different locations to provide an overall analysis of the political economy of energy transition in SEE as a whole. The hypotheses should be tested by analysing five country cases selected in such a way that they allow for a certain generalisation of findings for the whole region. While there should be a focus on the political economy of a coal phase-out, it is possible to include analysis of the political economies of phasing in renewable or phasing out other non-renewable fuels. In the application, the selection of cases proposed, as well as their relation to one another, must be justified.

Applicants are further asked to propose a methodology they seem suitable for the research part of the project and substantiate their proposal. Some elements that could be taken into consideration:

- Desk review and/or existing research relevant to the purpose and objectives of this study; analysis of discourses on / discursive changes around the energy transition;
- Structured in-depth interviews with decision-makers, experts, and investigative journalists (focusing, for instance, on the factors leading to recent pro-coal decisions);
- Online surveys and focus group discussions (to better understand, for example, public opinion (forming) around the energy transition);
- Participatory research methodologies (investigative journalists being a core target group);
- To map the actors, their interests and resources, the Political Economy Analysis and Political Economy Mapping Methodology methodologies could be applied;
- Current events relating to the energy transition of SEE within and beyond the region should be continuously monitored and incorporated;
- Use of visuals (photographs, infographics, graphs outlining empirical evidence collected, creative elements, etc.) to help draw conclusions;
- Coalition-building among organisations, institutions, and other stakeholders concerned with the topic of the political economy of the energy transition.

As the communication of the research results is of paramount importance, a communication campaign involving all stakeholders will follow and a separate call targeted at communication agencies will be issued later this summer. Cases for the research however should be selected with their potential for external communications in mind.

The FES SOE is expecting a project timeframe of 6 months from awarding the contract until the publication of the written outputs. The communication of early results and findings etc. will start as early as October 2020 and before the roll-out of a larger campaign, i.e. when all the written outputs are available.

In their project plans, applicants are expected to define project milestones of the research bearing in mind said communication campaign.

The research should throughout its duration build and track valuable connections with stakeholders, individuals and entities concerned with the topic of the political economy of the energy transition in SEE on the local, national, regional and international levels that can be tapped into for communicational and operational purposes at a later stage. The particular emphasis here is on (networks of) investigative journalists as well as other influencers in the field, whom the FES SOE would like to include in both the research and later communications phases of the project.

The following are some guiding questions that could be applied to each case studied as well as the region as a whole. These are meant merely to illustrate the FES SOE's understanding of the research design and should be adapted and improved upon by the applicants.

- Why is an energy transition not being carried out in SEE, and what are the principal reasons behind this inaction and/or resistance?
- What can be learned from certain critical events such as recent pro-coal political decisions? Are there any patterns beyond specific cases and their contexts? In how far does existing infrastructure (and infrastructure currently being invested in) predetermine choices not to transition to low-carbon fuels?
- Who are the relevant actors of the energy transition? What are their resources and interests, and how are they connected to the broader political and economic trends of the region?
- What is the public opinion on the topic? How is it formed, does it fluctuate, and how does it shape energy policy and the possibility of an energy transition in the region?
- (Why) is there a lack of political will to co-operate and realise regional synergies?
- What is the interaction among national discourses, governmental initiatives, and regulatory frameworks around the energy transition on the one side and regional/international ones on the other?
- What would need to happen for an energy transition to take place in SEE?

Eligibility of the applicants

Individuals, companies, NGOs, and/or consortiums wishing to submit their bids are expected to document the following for any researchers and/or specialists involved:

- An advanced degree in law, economics, business or other fields related to the tasks and objective of the study;
- A minimum of 5 years of relevant experience delivering consultancy projects in energy, environmental or climate matters, with international organizations and think tanks;
- A solid understanding of energy and climate landscape in the SEE region, in particular, WB;
- Proven critical and analytical skills;
- Experience in writing clear and concise reports and other deliverables;
- Ability to engage with different stakeholders across SEE;
- Strong presentation skills proving competency in conveying the objective of the study;
- Excellent command of English, and a SEE language(s), knowledge of German being an asset.

Structure of the proposal

All proposals should consist of a technical and financial offer.

Technical offer must include:

- A Project plan including the research milestones and consideration of communication timeline, (no longer than 500 words excluding references and sources)
- A Concept note demonstrating the applicant's understanding of the project and specifying the project design and/or suggesting any improvements where applicable (no longer than 2,500 words).
- CV(s) of expert(s);
- A list of active weblinks to some selected published work by the experts and one sentence of context information per link;
- Other (e.g. added value to the study, environmental, sustainable components, etc.);

- In the case of companies/consortiums, in addition to the above:
 - o Profile with a description of most relevant past work, emphasizing key takeaways from previous projects;
 - o Registration excerpts;
 - o Financial audit reports for the past two years.

Financial offer must:

- Be broken into installments reflecting e.g. proposed study's milestones;
- Be expressed in EUR specifying VAT, if applicable.

Submission of applications

Applications should be sent in English, by 28 July to: selma.sehovic@fes-soe.org and info@fes-soe.org with reference to the "*The Political Economy of Energy Transition in Southeast Europe Study 2020-2021.*" The accompanying documents should be referenced with names indicated under the technical and financial offer.

Evaluation Criteria

The study will be awarded to the highest qualified bidder. Applications are evaluated based on the following criteria:

Technical Offer:

- Project understanding and plausibility of the project plan (10 points);
- Innovative suggestions improving the project design (35 points);
- Professional capacities: the strength of CVs, past reports, reference list of experience in similar or related projects (20 points);
- Other added value to the project (5 points).

Financial Offer carries 30 points.

Maximum score: Technical + Financial Offer = 100 points.

Notification

Applicants will be notified of the outcome within 30 days of the last day for the submission of applications.

Please address any questions or needs for clarification regarding these Terms of Reference to: info@fes-soe.org