

## Invitation to Quote

### **Landscaping review and analysis of key international assessments of the economic impacts of climate change mitigation policies.**

#### **Introduction**

[ClimateXChange](#) wishes to commission a landscaping review and analysis of key international / global assessments available on the economic costs and benefits of climate change mitigation policies. This information will be used to support the continuing development of climate change policy and of the new Scottish Climate Change Bill.

#### **Background**

On 30 June 2017, the Scottish Government launched a [public consultation](#) on a new Climate Change Bill, which will amend the existing Climate Change (Scotland) Act 2009. Proposals include raising the ambition of Scotland's 2050 target to at least a 90% reduction in emissions from baseline levels.

Ambition to tackle climate change is at the heart of the Scottish Government's aim to create a growing, sustainable and inclusive economy. Since the Climate Change (Scotland) Act 2009 was introduced there has been good progress in reducing greenhouse gas emissions in Scotland. There has also been increasing recognition that reducing emissions can provide wide economic and social benefits, such as new jobs, improved air quality, and positive health outcomes.

To ensure Scotland's targets remain credible and evidence-based, and given the Scottish Government's intention to bring forward a new Climate Change Bill, in October 2016 the Scottish Government requested advice from the UK Committee on Climate Change (CCC) on the appropriate level of targets, their form and measurement, and flexibility to update them.

The CCC considered the latest climate science, the implications of the Paris Agreement and the feasibility and cost of long-term emission reductions in Scotland, together with their experience of the Climate Change (Scotland) Act 2009. The Committee also took note of the responses it received to its call for evidence and to the testimony it heard during its evidence session in Scotland, and to the wider interaction it has with Scottish stakeholders.

In March 2017 the Committee published their advice. It can be read at <https://www.theccc.org.uk/wp-content/uploads/2017/03/Advice-to-Scottish-Government-on-Scottish-Climate-Change-Bill-Committee-on-Climate-Change-March-2017.pdf>

To support continuing policy development in this area, and the forthcoming Bill process, the Scottish Government requires a meta-review and synthesis of key international assessments of the costs and benefits of climate change action. The review and synthesis will cover relevant literature that assesses the economic costs and benefits of climate change mitigation action. We anticipate that the issues addressed in the literature, which the meta-review will take into consideration, will include: projected costs and benefits at varying scales; the timescales over which these economic impacts may emerge; and, the degree of uncertainty reflected in estimates. The review and synthesis will also give consideration to the applicability of this literature to the specific circumstances of European countries, and where possible Scotland.

ClimateXChange is commissioning this review and synthesis on behalf of the Scottish Government to understand what the findings have been in key literature produced since the 2006 Stern Review regarding the economics of climate change. Given the budget and time available for this review, ClimateXChange anticipates that the focus will be on international studies/assessments and significant national- and regional-level studies/assessments (but see below for details of how tenderers should approach this). The review will also provide a critical commentary on findings from the literature. Taken together, the review and commentary will provide knowledge that can be used as a basis for continuing policy development and to support the development of the new Climate Change Bill.

## Research objectives

The objectives of this review and synthesis are:

1. To review and synthesise the key international / global literature on the economic impacts of climate change and climate change mitigation action that has been published since the [Stern Review on the Economics of Climate Change, 2006](#). As well as literature relating to costs and benefits at the global level, national- and regional-specific assessments, which may contain learnings for Scotland, will also be included.
2. To determine whether there has been divergence in approaches and methods to assess the economic impacts of climate change and climate mitigation action since the Stern Review was published, and what the impact of any heterogeneity in approaches has been on the conclusions being drawn in the literature. This will include reflecting on the balance in the literature between assessments that account for the (avoided) damage from climate change, and assessments that focus exclusively on the direct costs and benefits of mitigation actions.
3. To provide a critical commentary on the conclusions in the literature on the costs and benefits of reducing emissions consistent with current global/national targets, including any findings relating to the more ambitious reduction targets that have emerged in recent

years. This will also include any literature relating to the costs and benefits of aiming for a 1.5°C temperature rise limit vs. 2°C.

4. To provide commentary on the extent to which the literature reviewed addresses the relative costs and benefits of particular types of climate change mitigation policies, and any conclusions that may be drawn.
  - To give consideration to the applicability of the literature reviewed to the specific circumstances of European countries, and where possible Scotland.

## Methodology

ClimateXChange acknowledges that a review of all literature on the economic costs and benefits of climate change would be a significant undertaking and well beyond the scope of this project. Therefore, we have suggested a focus on key international / global studies, and where relevant, national and regional assessments. Tenderers may wish to propose other ways of narrowing down the focus to ensure the project is manageable within the resource available. **Tenderers are invited to put forward proposals on how to best meet the research objectives listed above**, including how they will narrow down the scope commensurate with the time and budget available for the project.

A full explanation of your chosen approach, including any limitations, should be provided.

Your proposed methodology will be expected to at least include:

1. A meta-review of existing global / international assessments, as well as grey literature, produced by organisations such as, but not limited to:
  - IPCC
  - OECD
  - IEA/IRENA (for example the recent report: [https://www.energiewende2017.com/wp-content/uploads/2017/03/Perspectives-for-the-Energy-Transition\\_WEB.pdf](https://www.energiewende2017.com/wp-content/uploads/2017/03/Perspectives-for-the-Energy-Transition_WEB.pdf))
  - New Climate Economy (for example the 2014 report: <http://newclimateeconomy.report/2014/>)
  - Cambridge Econometrics
2. An approach to providing critical commentary on the robustness of the different approaches and methods included in the literature review and the implications of any heterogeneity of methods.
3. An approach to providing commentary on the relevance of the assessments included in the literature review to Scotland and European countries more generally.

## Outputs

This project is commissioned on behalf of the Scottish Government and presentation of the results should be in a form suitable for use by policy specialists. The report will also be made available to the public through the [ClimateXChange](#) website.

The output will be a detailed and fully referenced report, written in plain English and following the ClimateXChange style guide, which presents findings against the headings agreed with the project steering group. The report should consist of an executive summary of no more than three pages presenting overall findings from the review and a narrative report. Technical detail should be contained in an annex.

## Project Management

A small steering group will be established to support delivery of the project and will include representatives from the Scottish Government's Office of the Chief Economic Advisor, Decarbonisation Division, members of the ClimateXChange Directorate and Secretariat, the Committee on Climate Change and the appointed project team. The lead contact for ClimateXChange will be Ciara O'Connor, who will liaise regularly with the Principal Investigator.

**Note** – regular update calls to be scheduled fortnightly between the principal investigator and the CXC project manager (Ciara O'Connor) to discuss progress, address any issues, escalating to steering group for consideration where necessary.

## Project Timetable

Milestone	Completed by (2016)
Project kick-off meeting, to agree <ul style="list-style-type: none"> <li>• Overall approach</li> <li>• Resolution of any outstanding questions/ exceptions</li> <li>• Agree suite of criteria against which technologies will be reviewed</li> <li>• Roles of steering group members in supporting the contractor</li> </ul>	Early August 2017
Submission of draft report	October 2017
Steering group meeting (incl. presentation of findings), and comments on draft	October 2017
Submission of final report	November 2017

### Submission of proposals

Please submit a single proposal document containing: a methodological proposal; CVs for the proposed team; applicable day rates, the number of person-days' work proposed and a total budget that includes VAT; a timeline and/or workplan for the project, including milestones and final deliverables; evidence of relevant research and report-writing experience; and, a demonstration of your approach to risk management for the project.

We welcome consortium proposals.

### Award Criteria

Proposals will be judged on the basis of the following award criteria.

Price		20%
Quality		80%
	1. State the team members' names and their role in the team for this project.	Not scored
	2. Understanding of the research specification and the policy context. <ul style="list-style-type: none"> <li>The proposal should include an introduction that demonstrates a clear understanding of the research requirements, including an understanding of the policy environment and the supporting role of this research; the need for this research; the research aim; and how the proposal will address this aim.</li> </ul>	15
	3. Methodology for reviewing and synthesising literature published since the 2006 Stern Review. <ul style="list-style-type: none"> <li>Outline the approach the proposed team will take to identifying relevant texts.</li> <li>Provide evidence of the proposed research team's expertise in reviewing literature of this sort.</li> <li>Describe the methodological approach proposed.</li> </ul>	25
	4. Methodology for analysing and providing commentary on the conclusions in the literature on the economics of climate change. <ul style="list-style-type: none"> <li>Demonstrate the proposed team's research experience climate change economics and assessing the impacts of climate mitigation policies.</li> <li>Present the methodological approach to be adopted by the proposed team.</li> </ul>	25
	5. Communication and reporting <ul style="list-style-type: none"> <li>Demonstrate the proposed team's capability and experience of writing reports for a non-technical audience.</li> <li>Present proposed quality control arrangements for the project deliverables.</li> </ul>	10
	6. Risk <ul style="list-style-type: none"> <li>Present a risk assessment matrix detailing any risks identified in</li> </ul>	5

	relation to the delivery of this project, and proposed mitigation measures to minimise their likelihood and impact, focused particularly on risk to completion on time.	
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### Submitting a proposal

Please send your proposal in a single document that responds to the award criteria above.

Proposals need to be submitted to [lee.callaghan@ed.ac.uk](mailto:lee.callaghan@ed.ac.uk) and cc'd to [Ciara.o'connor@ed.ac.uk](mailto:Ciara.o'connor@ed.ac.uk) for evaluation **by noon on 27 July 2017**. We aim to notify the successful bidder by 2 August 2017 in order for work to commence ASAP in August 2017. Please contact Ciara O'Connor on [Ciara.o'connor@ed.ac.uk](mailto:Ciara.o'connor@ed.ac.uk) /0131 6514645 if you would like clarification of any of the above.

Proposals must not exceed £40,000 including VAT. ClimateXChange would welcome proposals for less than this amount.

You should highlight any potential conflicts of interest in your proposal. For queries about what may constitute a potential conflict of interest, please contact [Ciara.o'connor@ed.ac.uk](mailto:Ciara.o'connor@ed.ac.uk).

CXC Secretariat  
 3 July 2017