PRIORITY ACTIONS PROGRAMME REGIONAL ACTIVITY CENTRE

SPLIT, KRAJ SV. IVANA 11

# INVITATION TO TENDER

PROCUREMENT SUBJECT: Tenderer to provide a Study on risks in investing in low-elevation coastal zones in the framework of the GEF MedProgramme SCCF project

SIMPLE PROCUREMENT

Reference number 10/GEF/2023

Split, December 2023

**1. GENERAL INFORMATION**

**1.1. Client information:**

**Nam**e: Priority Actions Programme Regional Activity Centre – PAP/RAC – UNEP/MAP (hereinafter: the Client)

**Registered office - address**: 21000 Split, Kraj Sv. Ivana 11

**Telephone number**: +385 (21) 340470

**Website**: [www.paprac.org](http://www.paprac.org)

1. **Contact person:** Questions concerning the tender contents and format can be sent to the person in charge of communicating with Tenderers, Daria Povh Škugor, e-mail: daria.povh@paprac.org
2. **Procurement type:** Simple procurement
3. **Estimated duration:** The expected contract duration is four months.
4. **Estimated procurement value:** Procurement value is estimated at USD 19,200 without VAT.

**2. INFORMATION ON THE PROCUREMENT SUBJECT MATTER**

**2.1. Introduction**

Adopted in January 2008 by the Contracting Parties (CPs) to the Barcelona Convention, the **Mediterranean ICZM Protocol** is the first supra-state legal instrument aimed specifically at coastal zone management. The protocol requires Mediterranean countries to prepare National ICZM Strategies and Coastal Plans and programmes. The role of the stakeholders in the preparation of the strategies and plans is considered to be of key importance. The level of stakeholder participation and engagement largely determines the document's quality, but it is even more essential for the success of the implementation. The planning stage is considered to be essential for science-policy-community interaction. When these partnerships are established during the planning process, and if partnerships are formalised, there is the chance that policymakers may count on community and scientists support during inevitable management challenges. Therefore, developing partnerships is one of the essential objectives for all those leading or providing support during the planning process.

The Mediterranean Sea Programme (MedProgramme): “Enhancing Environmental Security” is a five-year (2020–2025) Global Environment Facility (GEF) funded multi-focal area initiative active in four GEF focal areas: International Waters, Chemicals and Waste, Biodiversity, and Climate Change Adaptation (SCCF). UNEP is one of the implementing agencies, and PAP/RAC is one of the executing partners.

GEF MedProgramme SCCF project aims to enhance the capacities of countries in the Mediterranean region to adapt to climate change with a view to influencing wider development processes in the region. The beneficiary countries of the SCCF project are Albania, Algeria, Libya, Montenegro, Morocco and Tunisia. This activity is targeted towards investors in the developments in the low-elevation coastal zones and in coastal setback zones, with the aim to raise awareness on the risks of the rising sea level and extreme weather events. This action is a part of the GEF MedProgramme, SCCF; Output 1.4.7. Coastal setback and the financing sector.

This procurement is fully funded by the UNEP budget, GEF MedProgramme SCCF, based on Project Cooperation Agreement PCA/2021/Ecosystems Division/4272 between UNEP and PAP/RAC. This procurement is carried out in accordance with Article 29 of the Public procurement law.

**2.2. Description of the procurement subject matter**

The task will consist of the following:

1. Develop a study on risks for banks and other investors in funding developments in the low-elevation coastal zones (LECZ).
2. Prepare two policy briefs for two target groups (risk managers in banks; and private investors in real estate).
3. Participate in at least one training workshop to present the study.

In more detail:

A draft annotated outline of the study is presented in the Annex 4. The tenderer is invited to respond to this draft with the updated proposal. Finally, upon contract signature, the Tenderer can still amend the outline in consultation with PAP/RAC. PAP/RAC will assist in identifying case studies and collecting the data.

**2.3. Deliverables and deadlines**

The deliverables and tentative deadlines related to the activities/tasks defined in 2.2 are as follows:

|  |  |
| --- | --- |
| **Deliverables** | **Deadlines** |
| 1. Study on risks for banks and other investors in funding developments in the LECZ. | 31 March 2024 |
| 1. Two policy briefs | 15 April 2024 |
| 1. Presentations for the training workshop | 15 April 2024 |

The above-listed deliverables shall be written in English in an electronic form (Word for Windows).

**3. ELIGIBILITY OF ECONOMIC OPERATORS (SELECTION CRITERIA)**

**3.1. Technical and professional capacity**

**The Tenderer shall prove it has the following qualifications:**

* Recognised degree in one of the following fields: university degree in the field of environmental economics or related sciences;
* Minimum of 10 years of experience in working on projects relevant to the Tender.
* Written and oral fluency in English.

**For the purposes of establishing the grounds set out in item 3.1. of the Invitation to Tender, the Tenderer shall submit the following in his Tender:**

1. *The Tenderer’s* ***curriculum vitae (CV),*** *clearly highlighting,**among others,* ***the required technical and professional qualifications.***

**4. INFORMATION ON THE TENDER**

**4.1. Tender contents and format**

The Tender proposal should contain the following elements:

1. **Tender sheet** signed andfilled in according to this Invitation to Tender (Annex 1);
2. **Curriculum vitae** of the Tenderer,proving required technical and professional capacity;
3. **List of projects verifying expertise (see Chapter 5) of the Tenderer**(Annex 2);
4. **Cost statement** signed andfilled in according to this Invitation to Tender (Annex 3).
5. **Revised annotated outline of the Study** (Annex 4)

**4.2. Tender format and submission**

Tender offers need to be drafted according to the requirements laid out in the Invitation to Tender.

Offers shall be sent electronically to the following e-mail addresses: [paprac@paprac.org](mailto:paprac@paprac.org) and [daria.povh@paprac.org](mailto:daria.povh@paprac.org) with “Consultancy Study on risks in investing in LECZ” as the e-mail subject.

**4.3. Date, time and place of tender submission**

Tender offers must be received **by December 12th 2023, 1 pm CET.**

All offers received after the bid opening deadline will be marked as late and excluded from the procedure.

* 1. **The Tenderer may amend or withdraw his Tender before the Tender submission deadline.** The amended Tender shall be submitted in the same manner as the original and clearly marked as amended. The Tenderer may withdraw his Tender by submitting a written statement before the Tender submission deadline. The written statement shall be submitted in the same manner as the original Tender and clearly marked as a statement of Tender withdrawal. Alternative Tenders are not permitted.

**4.5. Tender currency:** US dollars (USD).

The Contractor shall express the price in USD, and the payment will be made in USD. However, payment can be made in other currency using the exchange rate of conversion of the Client’s bank ([OTP bank](https://www.otpbanka.hr/)), valid on the date of the payment.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by PAP/RAC after it has received the Proposal.

* 1. **Language and script:** The Tender shall be drafted in English language, using the Latin script.
  2. **Period of validity:** 15 days from the tender submission deadline.
  3. **Price setting method**

The Tender price shall be expressed in USD and written in numbers. The tender price cannot be altered.

The tender price consists of pre-VAT price, VAT and total price.

- **Pre-VAT** price includes all costs related to the performance of the services. For natural persons, it includes all relevant taxes and contributions in accordance with Croatian legislation.

- **VAT** needs to be indicated.

* Tenderers **registered in Croatia** express VAT: 0% if they are not in the VAT system and 25% if they are in the VAT system.
* Tenderers **outside Croatia** (natural persons and companies, in or out of the VAT system) do not express VAT but indicate “reverse charge” (see also Annex 3).

-**Total price** is the sum of pre-VAT price and VAT.

When evaluating the tenders, the Client will take into account the total price.

Transport fees (airplane ticket) and accommodation expenses related to the Proposal (if any) are not included and will be covered by the Client as an additional expense.

**5. AWARD CRITERIA**

The Tender will be awarded according to the **most economically advantageous tender (MEAT) criteria**.

The following table sets out the criteria, units of measure, labels and their relative importance. They will be applied to Tenderers who satisfy technical and professional capacity criteria set in ch 3.1.The MEAT award criteria are the following:

* expertise of the Tenderer (Annex 2); and
* proposed price (Annex 3);

Determining the MEAT according to the above criteria for selecting the MEAT will be done as follows: after the Client has determined the score value by individual criteria for each Tenderer, the points awarded to Tenderer according to each of the criteria will be summed in order to obtain the total number of points for each Tenderer. The most favourable Tenderer will be the one who has earned the highest total score according to all the above criteria.

At that, the MEAT is equal to the highest total score resulting from the ranking of the Tenders; the total maximum number of points is 100.00 with the total points being calculated in two decimal places. In case that two or more Tenders achieve equal number of points, the one received earlier will be chosen. As a proof, data will be used on the order in which tenders have been received.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Criteria** | **Criteria label** | **Description and measuring unit** | **Methodology** | **Number of points** | **Maximum** |
| Price | P | The Tender price, i.e. the financial Tender amount in USD, including VAT, if applicable | C = (lowest bid price/bid price being evaluated) x 30 | 30 | 30 |
| Expertise | E | Number of projects/assessments related to economic aspects of ICZM in which the tenderer was involved as the expert/coordinator | 1 -2 | 5 | 30 |
| 3-4 | 10 |
| 5 - 6 | 20 |
| 7 or more | 30 |
| C | Number of projects/assessments related to economic aspects of climate change in which the tenderer was involved as the expert/coordinator | 1 -2 | 10 | 40 |
| 3 - 4 | 20 |
| 5 - 6 | 30 |
| 7 or more | 40 |

Selection of the most economically advantageous Tenders (MEAT) will determine the basis for evaluating the criteria for each individual Tender according to the delivery of the requested Tenderer's documentation, in the appropriate form: **MEAT = P + E + C**.

**For the purposes of establishing the grounds set out in item 5. of the Invitation to Tender the Tenderer shall submit the following in his/her Tender:**

1. ***List of projects verifying the expertise of the Tenderer*** (Annex 2)*; and*
2. ***Cost statement*** *(Annex 3)*.

**6. DUE DATE, CONTRACT AND TERMS OF PAYMENT**

The Contract will be made in US dollars currency.

If the selected contractor is a resident of the Republic of Croatia, payments shall be made in EUR currency, using the exchange rate of conversion of the OTP Bank d.o.o. valid on the date of payment.

All legal persons (in or our VAT system) and natural persons who are in VAT system are required to issue invoice/s.

The Client shall make payment/s to the selected Tenderer upon the submission of the deliverable/s and its validation by PAP/RAC.

The Client shall make the payment to the selected Tenderer in two instalments i.e.:

* 70% upon submission and clearance by PAP/RAC of the deliverables 1 and 2.
* 30% upon submission and clearance by PAP/RAC of deliverable 3.

An advance payment by the Client is not permitted.

# Annex 1

# Tender sheet

**Tender date**:

**Contracting Authority**: Priority Actions Programme Regional Activity Centre (PAP/RAC), Kraj Sv. Ivana 11, 21000 Split, Croatia

**Subject of procurement**: Tenderer to provide a Study on risks in investing in LECZ (GEF MedProgramme SCCF)

**Tenderer information :**

|  |  |
| --- | --- |
| **Tenderer’s name and registered seat** |  |
| **PIN[[1]](#footnote-1)** |  |
| **Bank name** |  |
| **IBAN** |  |
| **SWIFT** |  |
| **The economic operator is VAT registered (select)** | YES NO |
| **Name, family name and position of a person / persons authorised to sign the public procurement contract** |  |
| **Name and title of the contact person:** |  |
| **Mail address :** |  |
| **E-mail address :** |  |
| **Telephone number :** |  |

**Tender price :**

|  |  |
| --- | --- |
| **Total pre-VAT price in USD** |  |
| **VAT amount (25%)[[2]](#footnote-2)** |  |
| **Total price with VAT in USD** |  |

**Bid validity date:** (at least 15 days after the bid submission deadline)

**For Tenderer:**

# Annex 2

# Practical experience verifying expertise of the Tenderer

Relevant experience of the tenderer- expert (*Name and Surname*) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, related to the economic aspects of the ICZM in which the Tender was involved as a key expert/coordinator:

|  |  |  |  |
| --- | --- | --- | --- |
| No[[3]](#footnote-3). | Experience (name of the project or other type of engagement) | Role of the expert | Year |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| 4. |  |  |  |
| 5. |  |  |  |
| 6. |  |  |  |
| 7. |  |  |  |

Relevant experience of the tenderer- expert (*Name and Surname*) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, related to the economic aspects of climate change in which the Tender was involved as a key expert/coordinator:

|  |  |  |  |
| --- | --- | --- | --- |
| No[[4]](#footnote-4). | Experience (name of the project or other type of engagement) | Role of the expert | Year |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| 4. |  |  |  |
| 5. |  |  |  |
| 6. |  |  |  |
| 7. |  |  |  |

In\_\_\_\_\_\_, \_\_\_\_\_\_\_ 2023.

(Full name of the applicant or legal representative)

(Signature of the applicant or legal representative)

# Annex 3

# Cost statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Technical description and cost statement for the*** ***Tenderer to provide a Study on risks in investing in LECZ (GEF MedProgramme SCCF)*** | | | | | |
| No. | Deliverable description | Unit | Approx. Amount | Unit price in USD (without VAT) | Total USD (without VAT) |
| 1. | Study on risks for banks and other investors in funding developments in the LECZ | Expert days |  |  |  |
| 2. | Two policy briefs | Expert days |  |  |  |
| 3. | Presentation for the training workshop | Expert days |  |  |  |
| ***Total pre-VAT price in USD*** [[5]](#footnote-5) | | | | |  |
| ***VAT amount (25%)*** | | | | |  |
| ***Total price with VAT in USD*** | | | | |  |

In\_\_\_\_\_\_, \_\_\_\_\_\_\_ 2023.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Full name of the applicant or legal representative)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature of the applicant or legal representative)

# Annex 4

**Title option:** Rising seas - rising risks for investors along the coast. What should banks and other investors in real estate on the coast know?

**Objectives of the publication:**

* To raise awareness of the risks related to the developments in coastal zones;
* To influence future bank and other investor decisions related to development in low-elevation coastal zones (LECZ) of the Mediterranean to cease support for developments in the LECZ and in the coastal setback zone;
* to invite the banking sector to include ICZM Protocol principles in the propositions for coastal development projects so to support adaptation and mitigation and to ensure avoiding maladaptation;
* To inform the banking sector about the ICZM Protocol for the Mediterranean and relevant PAP/RAC publications.

**Language of the publication:** The target audience for this publication is the banking sector and private investors in the Mediterranean countries (particularly targeting the south and east of the Mediterranean basin). The writing style needs to be clear and straightforward. Avoid unnecessary complex terminology. Be precise to avoid unnecessary ambiguity. Supplement the text with charts, graphs, tables and images to illustrate key points.

**Executive summary/ Summary for investors:** Include an executive summary at the beginning of the publication. Summary versions for several target groups (Policy briefs) are to be prepared separately, in a maximum length of 8 pages (illustrations included), aimed to be displayed, printed and disseminated individually, summarising and referring to/announcing the publication The target groups may be defined as risk managers in the banks, banking policymakers, private investors in the real estate along the coast, mayors and local planning departments, etc.

**The proposal of the annotated outline:**

1. **Introduction:** 
   1. State the purpose of the publication
   2. Introduce the increasing challenges of the changing climate (the latest extreme events and rising seas in particular) and the risks associated with the LECZ
   3. Briefly introduce the state of the coastal build-up along Mediterranean shores, emphasising the LECZ and the setback zone along the sea (100m)
   4. Briefly introduce the size of the real estate markets along Mediterranean shores and its current state
   5. Briefly introduce the significance of the issue, emphasising the importance of sound risk management
2. **Rising seas and stormy waves**
   1. Global: Changing climate – latest data: CO2 emissions, temperature, extreme events; actual global emission plans compared with the Paris agreement; projections for different scenarios based on AR6, current events: pandemics, wars, increase in the defence budget around the world, discouraging collaboration, de-prioritising climate action and pushing the world towards a scenario of a fragmented, divided world unable to reach common goals – consequences for the SLR
   2. Mediterranean - climate hot-spot, based on MedECC MAR1 report
   3. Major climate change impacts on the coastal zones: extreme events, compound flooding, increase in summer temperatures and droughts, sea level rise, not only as a threat but also as a threat multiplier[[6]](#footnote-6), coastal erosion
   4. Increase in summer temperature will make the Mediterranean coastal region less interesting as a tourist destination in the peak summer, while the season may expand. This may result in a situation in which we won’t need such large capacities since the season will be different and longer.
   5. Provide a ground for developing adaptation pathways – how to identify the tipping points (30, 50, 80, 100 years horizons). Use AR6 scenarios and the SROCC projections
3. **Current state of the coastal urbanisation along the Mediterranean shores**
4. Provide an overview of the current state of the coastal urbanisation along the Mediterranean shores, including:
   * natural (geographical, climate, oceanographic, etc. features – in particular, the fact of the small tides which influenced locating vacancies too close to the sea)
     + socio-economic features (drivers, pressures, impacts). Drivers (paying particular attention to LECZ) Littoralisation: past, present, and future trends (coastal tourism, real estate developments and its trade)
     + emphasise the sea as the major attraction for coastal tourism, including locating tourism facilities as close to the sea as possible. Refer to PAP/RAC publication on coastal zones.[[7]](#footnote-7)
     + Touch upon other coastal infrastructure developments (roads, airports, water & wastewater, energy networks) and others if significant
5. Refer to the PAP/RAC publications related to built-up[[8]](#footnote-8) and land cover change[[9]](#footnote-9),[[10]](#footnote-10). If possible, compare with the latest publicly available satellite data and indicate the size of the coastal urbanisation in the LECZ
6. **Case studies**
   1. Provide a few examples of coastal flooding or erosion in the Mediterranean with calculated losses (alternatively, use some other comparable cases, e.g. Xyinthia, Soulac-sur-Mer, Fairbourne, Maui Condo Kahana Sunset, Hemsby, Eastbourne UK, Abidjan, etc.)
   2. Analyse the financial and reputational impact on subjects and institutions involved
   3. Provide examples of the use of coastal vulnerability assessments considered by the banking and insurance sector
   4. Managed retreat – cases, forecasts – risks for investors
7. **Economic and social impacts**
   1. Introducing expected costs and damages (Peseta IV and UNDP Human Climate Horizons, etc.) including the idea of risk aversion
   2. Examples of cost-benefit analysis of developments in the LECZ
   3. Highlight the financial risks for banks and investors associated with potential damage, insurance costs, and long-term sustainability of such projects (direct and indirect negative impact on banks, including an increase in stranded assets/mortgages, uncertain residual values, depreciation, potential loss of reputation, effects on taxonomy, etc.)
   4. Consequences of using short-term horizons and optimistic scenarios - the need to take into consideration worse-case scenarios when developing coastal adaptation responses and to avoid maladaptation
8. **Legal and regulatory landscape**
   1. Summarize existing and evolving regulations related to coastal developments
   2. Potential legal liabilities for investors and banks in risky projects (Algarobicco, Andalusia, Menorca, etc.)
   3. Defining time horizons (identifying time scale and using adaptation pathways)
   4. Examples of regulatory solutions in the cases of Fairbourne, Xyinthia, etc.
   5. Examples of announced changes of legislation in maritime public domain delineation practices due to climate change (France, Spain, New Zealand, etc.)
9. **Better way** 
   1. Low-regret; no-regret
   2. ICZM, setback zones, retreat, NBS financing, coastal building codes… protection infrastructure financing
   3. Risk management
   4. Sustainable finance
   5. integration of long-term ESG criteria into business decisions to provide more equitable, sustainable and inclusive benefits to companies, communities and society, green/social bonds, sustainability-linked corporate loans, and green mortgages
10. **Recommendations** 
    1. Clearly articulate the publication’s main recommendation: for banks and investors to cease support for developments in LECZ
    2. Provide alternative investment strategies that align with sustainable coastal development, emphasising the importance of setback and contributing to adaptation
11. **Conclusion**
    1. Summarize key points and stress the urgency of adopting a more cautious approach to coastal developments
    2. Encourage a collaborative effort among banks, investors and regulatory bodies to promote responsible and sustainable coastal development
    3. Highlight the need for climate action

The above-presented outline is a draft proposal to which the tenderer is invited to respond with the revised version.[[11]](#footnote-11) Finally, upon contract signature, the Tenderer can amend the above-presented outlines in consultation with PAP/RAC.

1. Or national identification number according to the economic operator’s country of establishment, if applicable [↑](#footnote-ref-1)
2. Economic operators in Croatia that are not in VAT system put 0. Economic operators outside the Republic of Croatia (natural persons and companies) in or out of VAT system, in the place of VAT put note “reverse charge” [↑](#footnote-ref-2)
3. Add rows, if necessary [↑](#footnote-ref-3)
4. Add rows, if necessary [↑](#footnote-ref-4)
5. Economic operators registered in Croatia that are not in the VAT system and economic operators registered outside the Republic of Croatia do not fill the column [↑](#footnote-ref-5)
6. In February 2023, the U.N. Secretary-General stressed the urgency to respond to “Sea-level Rise: Implications for International Peace & Security”, where ‘sea-level rise is not only a threat itself. It is a threat multiplier’. [↑](#footnote-ref-6)
7. Protecting Coastal Zones in the Mediterranean. An Economic and Regulatory Analysis” (PAP/RAC, 2007) [↑](#footnote-ref-7)
8. “Evolution of built-up area in coastal zones of Mediterranean countries between 1975-2015” (PAP/RAC, 2017) [↑](#footnote-ref-8)
9. “Contribution to the 2023 Med QSR for the cluster on Coast and Hydrography„ (UNEP/MAP PAP/RAC, 2023) [↑](#footnote-ref-9)
10. “Upgraded LCC indicator 25 proposal” (PAP/RAC, 2022) [↑](#footnote-ref-10)
11. In November 2023. UNEP published Principles for Responsible Banking: Guidance for banks. The tenderer is invited to consider aligning the language, style and the approach with the recently published UNEP Guide. [↑](#footnote-ref-11)