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TERMS OF REFERENCE

FOR INDIVIDUAL CONTRACT

POST TITLE:	Mitigation and Carbon Tax Consultant
AGENCY/PROJECT NAME:	Strengthening the Governance of Climate Finance to Enhance Gender Equality', UNDP Bangkok Regional Hub
COUNTRY OF ASSIGNMENT:	Bangkok based with anticipated mission travel

A. Project Title

Strengthening the Governance of Climate Finance to Enhance Gender Equality

B. Project Description

UNDP's Bangkok Regional Hub (BRH) supports countries and UNDP Country Offices in the Asia-Pacific region on various development issues, including the regional programme on Strengthening the governance of climate change finance.

In Asia and the Pacific, UNDP is increasingly being requested to provide governance related services that support governments in articulating their response to climate change. These services include strengthening government's institutional and administrative frameworks to be able to deliver integrated climate policy and programming within a range of sectors; strengthening government's planning and budgeting processes to be able to account transparently for climate related services and climate finance; strengthening parliament and civil society's roles in holding governments to account for their response to climate change and supporting sector ministries and local governments in integrating climate related services into their programming. There is also an increasing urgency to ensure that the needs, priorities, and interests of all people, including women, the poor, youth, and minorities and others who are particularly vulnerable to climate change impacts are taken into account and that these people participate in the governance of a climate change response: in all stages of policy formulation, programme implementation and processes of accountability that determine a response to climate change.

To respond to the growing demands, UNDP Bangkok Regional Hub (BRH) has established a multi-disciplinary team to deliver services which can support governments to develop comprehensive approaches to govern the challenge of climate change in ways that support their overall development. Following the endorsement of SDGs and the outcome of UNFCCC CoP21 in Paris in 2015 and 2016 respectively, the global and Asia-Pacific region is moving towards inclusive participation from all stakeholders within the new global development goals. Building on the successes of the initial 3-year regional project titled "Strengthening the Governance of Climate Finance to benefit the poor and vulnerable", a second phase of the programme has now been initiated titled '**Strengthening the Governance of Climate Finance to Enhance Gender Equality**'. The main objective of the 5-year second phase of the programme, which ends in June 2022, is to ensure that more budget resources are

allocated to address climate change and also promote gender equality in Asia Pacific. Phase 2 aims to strengthen the national and local planning and budgeting processes to enable public investments to deliver sustainable development goals in an integrated manner, focusing on enhancing gender equality whilst tackling climate change. The regional project operates in seven countries – Bangladesh, Cambodia, Indonesia, and Thailand and three countries in the Pacific.

Moving forward a Climate Finance Network will be established which will support select countries across Asia Pacific in fostering knowledge management across the region and provide support to the countries in implementation of climate finance reforms around six workstreams. One of the six workstream is tax and innovative finance. The programme implementation will also mean an expansion in number of countries that are to be supported.

The consultant will render support to the programme on **mitigation and taxation component**. The consultant will be expected to provide effective technical assistance to the country offices in implementation of the programme, this will require close engagement with the country offices including travel. The consultant will also share experiences with other teams at the Bangkok Regional Hub building on shared best practice and in strengthening the mitigation component in the project.

The Mitigation and Carbon Tax Consultant will be part of a multidisciplinary Governance of Climate Change Finance team for Asia-Pacific reporting to the Governance and Public Finance Specialist who in turn reports to SDG Finance Advisor in the Bangkok Regional Hub.

Context Mitigation Component of Regional Project

The programme, as part of its support to Ministries of Finance to integrate climate change into public financial management, seeks to enhance the focus on mitigation working at the national level and also through line ministries that can contribute the most to climate mitigation.

There is emerging interest in carbon pricing in a number of countries in the Asia-Pacific as a measure to enhance mitigation actions and domestic resource mobilisation and the programme aims to respond by exploring the range of carbon pricing mechanisms which can be instrumental in reducing carbon emissions. Carbon pricing mechanisms include carbon taxes, emissions trading schemes, carbon offset mechanisms, results-based climate finance and internal carbon prices set by state owned or private organizations.

The Programme will support country governments in assessing the feasibility of introducing various carbon pricing mechanisms with an initial emphasis on carbon tax schemes that are gender and socially responsive.

While there have been a few academic studies at the regional level e.g the 'The Economy-wide Impact of a Uniform Carbon Tax in ASEAN' Ditya A. Nurdianto and Budy P. Resosudarmo, actual country based studies that have been done under the auspices of respective Ministries of Finance have been limited, also these studies do not delve deep into the redistributive angle and how carbon tax will fit within the wider fiscal policy context.

UNDP will partner with research entities/ think tanks for collaborative research with governments to provide policy options for carbon tax. It is important that the policy choice for a carbon pricing including carbon tax is driven by country requirements, the emission reduction targets, the overall climate and fiscal framework of the country and finally the potential impact of the policy on women, men, people with disability and other marginalized groups. If designed well, carbon pricing mechanism could help the private sector to realign its operations towards greener operations. Support will be provided to the selected countries to examine viability of carbon taxes which would look at the opportunity cost of the

carbon tax for the targeted countries. The aim is to provide evidence and policy advice to the governments of these countries to reduce carbon emissions through using the appropriate carbon pricing and tax structures.

UNDP globally has now a service offer around tax and innovative financing instruments, which provides expertise on sustainable and other SDG related taxes. In the country offices like Vietnam there exists expertise on working on carbon taxes¹. Similarly, Tax Inspectors Without Borders² is a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP) supporting countries in building tax audit capacity and also looks at the tax expenditures. The project will draw on this expertise as and when required, build on country level analysis that has been undertaken to date and ensure synergies/collaboration with related initiatives.³

C. Scope of Work

The consultant will be engaged for a period of 1 year and shall be based in Bangkok with some travel to the region. The consultant will be responsible within the team to plan for and manage the programme actions and workplan to mainstream mitigation considerations in the regional strengthening the governance of climate change finance programme for selected countries. This includes engaging with partners, providing specialised technical inputs as well as liaising with country governments and national institutions on relevant activities. Specifically, he/ she will support in managing and providing technical assistance on the following mitigation related activities:

1. **Overall management of mitigation component and liaise with the governments**, through country focal points from the group of countries during situation analysis on the existing mechanisms for carbon pricing and based on this determine the specific demands of countries with regards to feasible design of carbon pricing mechanisms, including piloting and testing of schemes. Key to ensuring a sustainable design is ensuring political feasibility and public support without compromising environmental effectiveness or sound tax policy principles. This will include providing:
 - a. Support the organisation of stakeholders' consultations and surveys to inform the design of Carbon tax as well as to build consensus on the priorities for the use of the proceeds, whilst helping to reduce GHG emissions and contributing to the adoption of low carbon technologies
 - b. Development and management of key relationships with relevant national institutions that champion relevant tax regime or other reform processes.
 - c. Explore different options for governments to mainstream mitigation in the government systems.
2. **Support research on policy choices on mitigation actions** - this will include but not limited to developing the terms of reference and managing the procurement process of the think tank/ service provider to be hired for research and development of policy options on mitigation actions including the opportunity cost of imposing carbon tax, potential areas of expending receipts from

¹ UNDP et. al. (2018) Opportunities For Carbon Pricing in Viet Nam

https://www.vn.undp.org/content/vietnam/en/home/library/environment_climate/opportunities-for-carbon-pricing-in-viet-nam.html

² <http://www.tiwb.org/>

³ See studies for Bangladesh, Indonesia, China, etc. E.g., see Shafiqul Alam (2019) Carbon Pricing to contribute to Greenhouse Gas mitigation efforts of Bangladesh: Design features and Rationale; World Bank (2018) Options for a carbon tax in Bangladesh; Sadiq Ahmed, Bazlul H. Khondker (2018) Towards a Carbon Tax in Bangladesh supported by Economic Dialogue on Green Growth (EDGG) & UK Aid

carbon tax to ensure equity and equality among different communities and groups and utilization of receipts on longer term emission controls.

- 3. Mapping and analysis of carbon pricing landscape** - Different types of incentives to drive mitigation actions need to be mapped including through carbon pricing mechanisms. The exercise will evaluate and compare the impact of taxes and other carbon pricing mechanisms (such as domestic and regional emissions trading schemes). This should also assess the implication of these instruments and mechanisms on the fiscus as well as on different group of society (genders, ages, and urban and rural populations) with a view to ensure equity and effectiveness. This mapping will be undertaken by a research/ think tank under the programme. The consultant will provide technical oversight and quality assurance for the think tank's work including:
 - a. literature reviews of key documents to identify knowledge gaps to support countries for alignment of tax regime with climate change mitigation.
 - b. Identifying best global and regional practices around Carbon pricing and carbon tax
 - c. Conducting country assessment including organizing stakeholders' consultations for the design of Carbon tax that is redistributive and fair, whilst helping to reduce GHG emissions and contribute to adoption of low carbon technologies.
 - d. Any other relevant background reviews, studies, analysis and publications produced.

- 4. Identify options for alignment of tax systems to mitigation actions:** Based on the research and mapping for carbon tax, the consultant will initiate discussions with the Country Revenue Authorities and Ministries of Finance to identify options for aligning tax system to mitigation efforts. This will include analysing the legal and regulatory frameworks, looking at the tax exemptions and the tax expenditures, and incentives for reduced emissions.
 - a. Develop technical papers to support to countries for alignment of tax regime with Climate Change Mitigation Strategies
 - b. Identify policy recommendations for the introduction of carbon pricing for selected sectors regarding the required institutional and regulatory provisions; and synergies/trade-offs with other related policies (e.g. feed-in tariffs for renewable energy or energy efficiency measures for sectors with high intensity GHG emissions);
 - c. Analysis of risk and opportunities for the carbon tax (taxation base, objects of taxation and tax rate).
 - d. Identify complementary measures to ensure that the impact of the tax is redistributive and fair
 - e. Development of a roadmap of next steps and recommendations on how to integrate carbon tax into the budget process.

- 5. Structuring and contributing to regional dialogues** on options and incentives for mitigation actions – The dialogues will be based on research on relevant mitigation actions including the opportunity cost of imposing carbon tax, potential areas of expending receipts from carbon tax to ensure equity and equality among different communities and groups and utilization of receipts on longer term emission controls. The consultant will be responsible to:
 - a. Support the research entity in holding these dialogues in country.
 - b. Develop policy briefs and recommendations for both country and regional dissemination
 - c. Contribute to development of knowledge products and support dissemination of the knowledge generated through assessment, consultations of stakeholders and summary of policy briefs including at annual Regional events.

D. Expected Outputs and Deliverables

No	Deliverables /Required Outputs	Target Due Date	Approvers
1.	Inception report and work plan	3 Apr 20	SDG Finance Policy Advisor and Governance and Climate Finance Specialist
2.	Regional Programme roadmap for driving the mainstreaming of mitigation in climate change finance	8 May 20	
3.	Report on recommendations for select countries on alignment of programme activities with country NDCs	12 June 20	
4.	Report on consultations with governments on mitigation and carbon pricing including reports from missions to selected countries	17 Jul 20	
5.	Terms of Reference for research entity for mapping of carbon pricing mechanisms	21 Aug 20	
6.	Policy Briefs on options for carbon tax/ carbon pricing	25 Sep 20	
7.	Report on contribution to development of knowledge products at regional and country level	30 Oct 20	
8.	Technical paper for select countries (to be identified) on alignment of tax regime with Climate Change Mitigation	4 Dec 20	
9.	Report on dialogue with stakeholders on carbon pricing	15 Jan 21	
10.	Work plan on mitigation for the year 2021	19 Feb 21	

E. Institutional Arrangement

The Consultant will work under supervision of the SDG Finance Policy Advisor and Governance and Climate Finance Specialist at UNDP Bangkok Regional Hub.

F. Duration of the Work

The expected duration of this assignment is one year with maximum of 120 working days. The proposed start date is 25th February 2020, and planned to be completed by 28th February 2021.

G. Duty Station

The assignment will be Bangkok based with anticipated mission travel. Frequent presence at UNDP Bangkok Regional Hub office for meetings and discussion if required.

H. Qualifications of the Successful Individual Contractor

Academic Qualification

Advanced Degree (Master's) in any of the following fields - taxation and fiscal policy, environmental economics, climate change, natural resource management, energy studies, and/or other relevant fields.

Professional Experience

- Minimum of seven years of progressively responsible in providing advice to governments on mitigation and tax related issues;
- Research or/and applied experience working on carbon pricing and carbon tax;
- At least three years proven expertise in the technical underpinnings of taxation particularly the implications of interactions with other policies – in particular in the fiscal targets, economic fallouts of carbon taxation and impact on sectors particularly energy; transport and infrastructure
- At least five years of experience in advising developing countries (and/or economies in transition) on carbon free economies
- Good knowledge of policy developments and challenges in Asia and the Pacific region is an advantage;
- Work experience in international development/business, development finance, or inter-governmental or global or regional organizations is desirable;

Functional Competencies

- Full computer literacy in internet searching and Microsoft Office programmes i.e. MS-Word, MS-Excel and MS-Power Point. Website management experience is an asset

Language requirement

- Excellent oral and written communication and presentational skills. Spoken and written fluency required in English

I. Scope of Price Proposal and Schedule of Payments

Method of payment and Financial proposal

The method of payment is **output-based** scheme. Consultant must send a financial proposal based on **Lump Sum** amount excluding travel cost. The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee and other related cost (exclude travel cost) and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will be fixed output-based price regardless of extension of the herein specified duration. The payments shall be released upon submitting the required deliverables with satisfactory by or before the due dates agreed with the Nationally Determined Contributions Support Programme team and the Governance of Climate Change Finance team as per below percentages:

SL No.	Deliverables /Required Outputs	Percentage
1	Inception report and work plan	10
2	Regional Programme roadmap for driving the mainstreaming of mitigation in climate change finance	10
3	Report on recommendations for select countries on alignment of programme activities with country NDCs	10
4	Report on consultations with governments on mitigation and carbon pricing including reports from missions to selected countries	10
5	Terms of Reference for research entity for mapping of carbon pricing mechanisms	10
6	Policy Briefs on options for carbon tax/ carbon pricing	10
7	Report on contribution to development of knowledge products at regional and country level	10
8	Technical paper for select countries (to be identified) on alignment of tax regime with Climate Change Mitigation	10
9	Report on dialogue with stakeholders on carbon pricing	10
10	Work plan on mitigation for the year 2021	10

Travel related cost

Travel costs will be reimbursed at actual cost but not exceeding the quotation from UNDP certified travel agency with prior approval. The provided living allowance will not be exceeding UNDP DSA rates.

In general, UNDP shall not accept travel costs exceeding those of an economy, most direct, round-trip ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources.

In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the Individual Consultant, prior to travel and will be reimbursed.

J. Recommended Presentation of Offer

Interested individual consultants must submit the following to demonstrate their suitability for the assignment.

- a) Duly accomplished Letter of Confirmation of Interest and Availability using the template provided by UNDP;
- b) Personal CV indicating all experience from similar projects, as well as the contact details (email and telephone number) of the Candidate and at least three (3) professional references;

- c) Financial Proposal that indicates the all-inclusive fixed total contract price, supported by a breakdown of costs, as per template provided. If an Offeror is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the Offeror must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.
- d) **One page of proposed methodology to complete this assignment**

INCOMPLETE PROPOSALS MAY NOT BE CONSIDERED.

The short-listed candidates may be contacted and the successful candidate will be notified.

K. Criteria for Selection of the Best Offer

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as a) responsive/compliant/acceptable, and b) having the highest score out of set of weighted technical criteria (70%) and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment.

Stages of Selection process:

Preliminary Shortlisting on pass/fail basis

- Minimum Required Qualification
- Minimum number of relevant experiences (minimum overall 7 years)

Detailed Technical Evaluation (70%);

Part 1

- Higher Relevant Experience – 60 Marks
- One page of proposed methodology to complete this assignment - 10 Marks

Please note only those candidates who score minimum 70% marks of out above 70 marks will be called for interview.

Part 2

- Telephonic Interview – 30 Marks

Only candidates obtaining a minimum of 70 points (70% of the total technical points) would be considered for the Financial Evaluation (30%).