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. The regional project, **Strengthening the Governance of Climate Change Finance**, provides support to seven countries – Bangladesh, Cambodia, Indonesia, and Thailand and three countries in the Pacific.

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 relate 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, project implementation and processes of accountability that determine a response to climate change.

NDCs have further encouraged governments to take low emissions development strategy (LEDS) to a higher level for which governments need to go beyond projects and initiate economy wide projects to implement LEDS policies through national systems. However, implementation of NDCs by the governments to reduce carbon emissions requires cost effective means to reduce emissions and

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1 With travel restrictions, the consultant is expected to deliver the works virtually with stable internet access and time available for online meetings in different time zones.
technological improvements. The NDC targets has thus made the countries interested in exploring carbon pricing as a mechanism to achieve the NDC targets. The need to explore carbon pricing as an instrument to check mitigation is also reflected in Coalition of Finance Minister Principle 3 which stipulates ‘Working towards measures that result in effective carbon pricing’.

Because of the COVID-19 pandemic there has been a significant negative impact on the economic growth, mobility and jeopardized the functioning of government and other institutions. Most of the countries have come up with fiscal stimulus packages. Because of the urgency of the situation, the fiscal stimulus packages were announced in a short span of time and thus there is a likelihood of these being carbon intensive. There is a strong call for building back better and greener. This provides an opportunity for the project to support countries on a greener rebuilding and recovery strategy.

To respond to the growing demands, UNDP Bangkok Regional Hub (BRH) has established a multidisciplinary 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. ‘Strengthening the Governance of Climate Finance to Enhance Gender Equality’ is a Bangkok-based regional project that aims to ensure that more budget resources are allocated to address climate change and also promote gender equality in Asia Pacific. It also 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.

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 provides support to the countries in implementation of climate finance reforms around six workstreams. One of the six workstream is tax and innovative finance. The project implementation will also mean an expansion in number of countries that are to be supported.

The consultant will render support to the project on Mitigation and Carbon Pricing component. The consultant will be expected to provide effective technical assistance to the country offices in implementation of the project, 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 Pricing 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 project, 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 project 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 Project 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 taxes\(^2\). Similarly, Tax Inspectors Without Borders\(^3\) is a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Project (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.\(^4\)

C. Scope of Work

The consultant will be engaged for a period of 1 year and shall be home based with travel to the region, as the Covid situation permits. He/She will be responsible for delivering products relevant to the mitigation component of the project. The products a listed as below:

1. The strategy papers for selected countries for pursuance of low emission pathway that contribute to the achievement Nationally Determined Contributions (NDC) and effective pursuance follow the Low Emission Development Strategy (LEDS). Building on the work that different countries have initiated around mitigation and carbon pricing- including feasible design of carbon pricing mechanisms and piloting and testing of schemes. The strategy papers will be produced, ensuring sustainable design, considering political feasibility and public support without compromising environment effectiveness or sound tax policy principle. The key elements of the strategy papers should cover:
   a. The development and management of key relationships with relevant national institutions that champion relevant tax regime or other reform processes.
   b. Advisory support to the governments on alignment of their financial management and revenue systems to achieve the NDCs.

\(^2\) UNDP et. al. (2018) Opportunities For Carbon Pricing in Viet Nam

\(^3\) http://www.tiwb.org/

\(^4\) 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
c. Exploration of different options for governments to mainstream mitigation in the government systems.
d. The guidance on the support required at the sector ministries in helping mainstream climate change into the development plans and budget submissions.
e. The 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 in selected countries.

2. **Support research on policy choices on mitigation actions** - this will include but not limit to liaise and provide guidance to the firm carrying out regional research and development of policy options on 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 provide technical oversight and quality assurance for the think tank’s work including:
   - literature reviews of key documents to identify knowledge gaps to support countries for alignment of tax regime with climate change mitigation.
   - Identifying best global and regional practices around Carbon pricing and carbon tax
   - 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.
   - Any other relevant background reviews, studies, analysis and publications produced.

3. **Identify options for alignment of tax systems to mitigation actions:** Based on the research and mapping for carbon tax, the consultant will:
   - Help the UNDP country offices in shaping and positioning on the support to the government around climate pricing.
   - 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.
     - Develop technical papers to support to countries for alignment of tax regime with Climate Change Mitigation Strategies
     - 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);
     - Analysis of risk and opportunities for the carbon tax (taxation base, objects of taxation and tax rate).
     - Identify complementary measures to ensure that the impact of the tax is redistributive and fair
     - Development of a roadmap of next steps and recommendations on how to integrate carbon pricing in the fiscal package.
     - Design of carbon pricing instruments that is redistributive and fair, whilst helping to reduce GHG emissions - Rate, Structure, Target group, reporting and monitoring system, accountability systems.

4. **Methodology on Integrating Climate Change in Planning and Budgeting for mitigation related sectoral ministries:**

   The expert will help in the development of methodology for integration of climate change in planning and budgeting for mitigation related ministries for example the Ministry of Energy, Ministry of Petroleum, Ministry of Transport etc. Building on project experience to mainstream climate change in
the planning system the consultant will propose options to ensure that the energy, infrastructure and other projects have adequate provisions for emission controls and mitigation. In consultation with the country offices help in identification of relevant ministries that can be piloted for integrating gender and climate change in development projects or/ and medium term budgets. The consultant will undertake this assignment in collaboration with Public Finance Specialist and the project focal points in the country offices. The ultimate objective is development of Key Performance Indicators for the relevant line ministries that contribute to NDCs and LEDS.

5. **Design and conduct regional and country 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.

Technical support to the country offices on the local research. Indonesia, Thailand and Bangladesh are all conducting research locally as well. The scope of research varies in different countries but the broad scope is around low carbon economic growth, formulate a low carbon strategy for medium and small scale enterprises to push green jobs. Consultant will provide quality assurance and guidance to the research entities and the UNDP focal points.

### D. Expected Outputs and Deliverables

<table>
<thead>
<tr>
<th>NO.</th>
<th>Deliverables /Required Outputs</th>
<th>Target Due Date</th>
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| 1   | • Inception Report and workplan of this assignment  
     • Technical brief on proposal for carbon tax/ carbon pricing for two countries covered under the project based on the regional research  
     • Strategy papers for selected countries for pursuance of low emission pathway that contribute to the achievement Nationally Determined Contributions (NDC) and effective pursuance follow the Low Emission Development Strategy (LEDS).  
     • Recommendations on including climate change into the Key Performance Indicators for a mitigation related ministry at least one of the project countries | 15th July 2021 |
| 2   | • Policy recommendations to one select country on pursuance of carbon market and carbon options and possibly carbon tax in the context of Covid 19 situation  
     • Policy paper on alignment of taxation regime for low carbon growth  
     • Technical brief on proposal for carbon tax/ carbon pricing for two countries covered under the project based on the regional research | 30th September 2021 |
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<thead>
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| 3   | • Framework development and technical support to the country office on climate proofing of at least two mitigation projects on energy, infrastructure or other sector- ensuring provisions for emission controls and mitigation while integrating gender and social perspective.  
• Report on contribution to development of knowledge products at regional and country level  
• Analytical report of climate expenditures for mitigation related sectors in one select country for informing the subsequent budget submissions  
• Strategy for strengthening the offer on mitigation for the upcoming Climate Finance Network                                                                                                         | 17th December 2021 |

E. Institutional Arrangement

The Consultant will work under supervision of the SDG Finance and Policy Advisor along with Governance and Public Finance Management Specialist at UNDP BRH. Consultant will also work closely with the country focal points for the GCCF and will also stay connected with the Nature, Climate and Energy team based within the BRH.

F. Duration of the Work

The expected duration of this assignment is nine months with maximum of 150 working days. The proposed start date is 1st April 2021 and planned to be completed by 31st December 2021.

G. Duty Station

The assignment will be home based with the possibility of travel to Asia and Pacific. Travel plan will be aligned with UNDP Travel restriction.

H. Qualifications of the Successful Individual Contractor

Academic Qualification

• Advanced Degree (Master’s) in any of the following fields – economics, environmental economics, climate change, natural resource management, energy studies, public finance, and/or other relevant fields.

Professional Experience

• Minimum of five years of progressively responsible in providing advice to governments on mitigation and carbon pricing related issues;
• Minimum of three years of Research or/and applied experience working on carbon pricing, carbon tax; climate finance;
• At least three years experience in dealing with the technical underpinnings of mitigation and carbon pricing 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;
- At least three years of Advisory support/ experience of working with the Ministry of Finance or the Revenue authorities on taxation and public financial management issues
- Strong understanding of the government systems and private sector. 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 Project team and the Governance of Climate Change Finance team as per below percentages:

<table>
<thead>
<tr>
<th>No.</th>
<th>Deliverables /Required Outputs</th>
<th>Payment %</th>
<th>Target Due Date</th>
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<tbody>
<tr>
<td>1</td>
<td>• Inception Report and workplan</td>
<td>30%</td>
<td>15th July 2021</td>
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<tr>
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| 2   | • Policy recommendations to one select country on pursuance of carbon market and carbon options and possibly carbon tax in the context of Covid 19 situation  
• Policy paper on alignment of taxation regime for low carbon growth  
• Technical brief on proposal for carbon tax/ carbon pricing for two countries covered under the project based on the regional research                                                                                                                                                                                                                       | 30%       | 30th September 2021                                  |
| 3   | • Report on support to the country office on climate proofing of at least two mitigation projects on energy, infrastructure or other sector- ensuring provisions for emission controls and mitigation while integrating gender and social perspective.  
• Report on contribution to development of knowledge products at regional and country level  
• Analytical report of climate expenditures for mitigation related sectors in one select country for informing the subsequent budget submissions  
• Strategy for strengthening the mitigation component in Climate Finance Network                                                                                                                                                                                                                                                            | 40%       | 17th December 2021                                  |

**Travel related cost**

Air ticket costs will be reimbursed at actual cost but not exceeding the quotation from UNDP certified travel agency. 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 and 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.

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) **One page of proposed methodology** to complete this assignment

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

**Technical Evaluation (70%);**

- Professional Experience – 65 marks

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<thead>
<tr>
<th>Criteria Details</th>
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<tbody>
<tr>
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(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;

- At least three years of Advisory support/ experience of working with the Ministry of Finance or the Revenue authorities on taxation and public financial management issues

  10

- Strong understanding of the government systems and private sector. Work experience in international development/business, development finance, or inter-governmental or global or regional organizations is desirable;

  10

- **One page of proposed methodology to complete this assignment - 5 Marks**

Please note only those candidates who score minimum 70% of out above 70 marks (49 points) will be called for interview. The interview will be arranged to verified the technical background and experience which identified in the CV.

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

**Financial Evaluation (30%)**

Financial proposals from all technically qualified candidates will be scored out 30 marks based on the formula provided below. The maximum marks (30) will be assigned to the lowest financial proposal.

All other proposals will receive points according to the following formula:

- \( p = y \left( \frac{\mu}{z} \right) \) Where:
  - \( p \) = points for the financial proposal being evaluated;
  - \( y \) = maximum number of points for the financial proposal;
  - \( \mu \) = price of the lowest priced proposal;
  - \( z \) = price of the proposal being evaluated.

**L. Approval**

Approved by

Asad Maken
Governance and Public Finance Management Specialist