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TERM OF REFERENCE (ToR) FOR THE RECRUITMENT OF INDIVIDUAL CONTRACTOR (IC)

Services/Work Description: Development of Carbon Markets Framework and digital manual for Namibia's engagement in carbon markets under the Paris Agreement.

Post Title: International Consultant-Senior Carbon Markets Specialist

Duty Station: Home Based

Duration: 110 working days within a period of 8 months.

Expected Start Date: First Week in July 2022

1. Background

Namibia's updated Nationally Determined Contribution (NDC) reflects its continued adherence to the goals of the Paris Agreement, which is to keep the rise in global average temperature well below 2°C 2 above pre-industrial levels. Namibia is committed to combating climate change and accelerating the transition to a climate-resilient, low-carbon sustainable mode of development. In line with this commitment, Namibia's Updated NDC, contains bold targets to raise its mitigation ambition from 89% committed in its Intended Nationally Determined Contributions (INDC) in 2015 to 91%. Namibia commits to reduce its Greenhouse Gas (GHG) emissions conditionally by 14% (under limited domestic and international support) and towards 77% (with substantial international support) in 2030 compared to the Business as Usual (BAU) levels, corresponding to a total reduction of 21.996 MtCO₂e.

The Paris Agreement recognizes that some countries may choose to pursue voluntary cooperation in the implementation of their NDCs to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity. Article 6 of the Paris Agreement establishes three cooperative approaches for the post-2020 climate market participating countries, these are market instruments on Internationally Transferred Mitigation Outcomes (ITMOs)- Article 6.2¹, the Sustainable Development Mechanism (SDM)- Article 6.4² and the non-market mechanism- Article 6.8³. With a well-coordinated approach, Carbon Markets can be a catalyst for achieving the NDC goals and provide investment opportunities for businesses. However, the implementation of carbon market will require Namibia to have robust policies, regulations, procedures and appropriate institutional arrangements in place. The Updated NDC anticipates adopting carbon market strategies to enhance implementation to achieve the targets, raise ambition across the board, and mobilize adaptation finance.

With support from the Japanese government, UNDP Namibia is implementing a project titled "Nationally Determined Contributions (NDCs) to achieve net-zero emissions and climate-resilient development, in response

¹ Article 6.2 is a market instrument to allow two or more countries to cooperate to invest in programmes to generate mitigation and sustainable development outcomes for the mutual benefits of achieving their NDCs. The rule to govern, the means to generate mitigation outcomes, authorization, monitoring and reporting is up to the cooperating countries

² Article 6.4 is expected to be similar to the Clean Development Mechanism of the Kyoto Protocol. It establishes a mechanism for trading GHG emission reductions between countries under the supervision of the Conference of Parties – the decision-making body of the UN Framework Convention on Climate Change

³ Article 6.8 recognizes non-market approaches to promote mitigation and adaptation. It introduces cooperation through finance, technology transfer, and capacity building, where no trading of emission reductions is involved.

to the climate emergency". The project has three components namely: (i) Design of Key Building Blocks for a National Emissions Trading Scheme (ETS); (ii) Technical capacity building to enhance the institutional capacity of Ministry of Environment, Forestry and Tourism (MEFT) and relevant institutions, including the private sector (iii) Enabling investment climate and operationalization planning for market mechanism in Namibia.

It is in respect of the above, that UNDP is seeking to engage an international consulting team to work together with a national consultant recruited by UNDP, MEFT and multi-stakeholders to:

- (i) Assess Namibia's readiness to engage in carbon markets, including the technical capacity and needs of national institutions;
- (ii) Recommend a detailed carbon market framework to set out the policy foundation essentials to give carbon market transaction actors the clarity and certainty on their rights and obligations.
- (iii) Develop a digital manual to operationalize the carbon market framework and regulate the development and implementation of mitigation activities
- (iv) Develop training manuals and conduct three training of trainers' workshop in design and implementation of carbon market instruments
- (v) Assess the capacity and potential/feasibility/viability for an inclusive Emission Trading Scheme in Namibia
- (vi) Develop two policy briefs (targeting both policy makers and the private sector) articulating policy gaps, opportunities and recommendations to enhance national policies and implementation of Carbon Markets in Namibia
- (vii) Map best practices and lessons on what works in carbon trading from other developing countries and Japan through SSC as well as global lessons from other ETS

2. Objectives of the assignment

The overall objective of the assignment is to support the development of a carbon market framework in Namibia. The specific objective will be to assess Namibia's readiness for carbon market, identify the technical and institutional capacity needs and gaps and recommend a detailed carbon market framework, develop a digital manual and policy measures required to set up such a system for the implementation of carbon market instruments. The carbon market framework will set out the policy foundation essentials to give carbon market transaction actors clarity and certainty on their rights and obligations. The carbon market framework is expected to focus on Policy and regulatory Framework, Institutional/Governance structure, Tools/Pricing and Knowledge Management/Capacity Building. The framework is expected to specifically address the following as well:

- Ensuring the alignment between NDC and mitigation activities to generate Mitigation Outcome (MOs) for carbon trade
- overall governance and institutional structure
- Ensuring environmental integrity in transacting MOs
- Maximizing sustainable development benefits,
- Eligibility criteria for potential mitigation activities
- Clarity on the utility of MOs
- pricing and share of proceeds utilization
- linkages with voluntary markets, crediting schemes, Article 6.2. 6.4 and CORSIA
- Standard and methodologies
- Carbon Market infrastructure – both hard and software
- Authorization, corresponding adjustment and reporting
- Capacity development and awareness support

3. Scope of work

The Team of international and national consultants will support the MEFT in developing an inclusive carbon market framework for Namibia's engagement under the Paris Agreement. While the carbon market framework will focus on addressing broad policy areas for participating in carbon markets, the manual will define issues such as (a) institutional arrangement for carbon market project implementation; (b) mitigation activity development

cycle; (c) approval procedures for carbon project registration and Article 6 credit issuances and transfers; (d) service fees, charges and payments; (e) criteria for methods and participating auditing entities, (f) standards and complaint redress. In addition, the consultant will work closely with a team of national experts led by the MEFT and UNDP, who will provide technical support to the consulting team.

4. Specific tasks

In consultation with the national team of experts, MEFT and UNDP, the international consulting Team is expected to:

- a. Undertake comprehensive literature review on carbon pricing policy, the state of the existing carbon markets, NDCs and the interlinkages with the emerging post-2020 climate market. The consultant must also refer to the related national documents and reports to understand the policy implications of carbon market
- b. Conduct capacity gaps and needs assessment for Internationally Transferrable Mitigation Outcomes (ITMO) transfer readiness to identify countries' readiness and capacity building needs to develop and operationalize carbon market projects, track results and process the corresponding adjustments. It is expected that the contractor will apply the World Bank MAPP-ITR modules 'Party Readiness' and 'Article 6 implementation' to review if a country has set-up a robust institutional framework and infrastructure to effectively implement carbon projects and will thereby determine the 'party's readiness'.
- c. Formulate the support needs to fill the capacity gaps and ensure a smooth implementation of carbon projects in Namibia.
- d. Recommend a detailed carbon market framework to set out the policy foundation essentials to give carbon market transaction actors the clarity and certainty on their rights and obligations. The carbon markets framework is expected to settle key policy questions regarding the (i) relationship between NDC and mitigation activities to generate Mitigation Outcome (MOs) for carbon trade, (ii) ensuring environmental integrity in transacting MOs, (iii) maximizing sustainable development benefits, (iv) eligibility criteria for potential mitigation activities, (v) clarity on the utility of MOs, (vi) pricing and share of proceeds utilization, (vii) overall governance structure (viii) linkages with voluntary markets, crediting schemes, Article 6.2., 6.4 and CORSIA, (ix) standard and methodologies, (x) authorization, corresponding adjustment and reporting capacity development and awareness support
- e. Develop a digital manual to operationalize the carbon market framework and provide guidelines for the development and implementation of mitigation activities. The manual must address the following critical elements: (a) institutional arrangement for carbon project implementation; (b) mitigation activity development cycle; (c) approval procedures for carbon trading project registration and MO issuances and transfers; (d) service fees, charges and payments; (e) criteria for methods and participating auditing entities, (f) standards and complaint redress and any other element the stakeholders and consultant find appropriate.
- f. Prepare policy briefs articulating policy gaps, opportunities and recommendations to enhance national policies and implementation of Carbon Markets in Namibia.
- g. Develop the capacity building and training module/manual for the carbon market framework in Namibia including training manuals for the trainers
- h. Assess the capacity and potential/feasibility/viability for an Emission Trading Scheme in Namibia and recommend what needs to be in place for its successful implementation.
- i. Map best practices and lessons on what works in carbon trading from other developing countries and Japan through SSC as well as global lessons from other ETS
- j. Conduct two training of trainer's workshop in design and implementation of carbon market instruments. Additionally, the international consultant will be expected, with support from the technical team and national consultants to make presentations at stakeholder workshops for validation of the framework and the manual with the associated templates.

5. Duration and Deliverables of the consultancy

The duration of the assignment is 110 working days over 8 Months with the following milestones:

#	Deliverables	Timeline	Payments
1	An inception report should be prepared to detail the tasks understanding and show how each task will be met, proposed methods, sources of data and data collection procedures, a detailed work plan, and an implementation schedule.	Within one week from contract signing	10%
2	Report detailing the capacity gaps and support needs and defined technical assistance activities needed to address the capacity gaps.	Within 3 weeks after the submission of the inception report	10%
3	Feasibility assessment for an Emission Trading Scheme in Namibia and recommendations	Within 5 weeks after submission of the inception report	10%
4	Draft carbon market framework to set out the policy foundation essentials to give carbon market transaction actors the clarity and certainty on their rights and obligations. The carbon market framework is expected to settle key policy questions as provided for under section 1 of this TOR.	Within 9 weeks after the submission of the inception report	20%
5	Draft digital manual to operationalize the carbon market framework and guidelines for the development and implementation of mitigation activities.	Within 11 weeks after the submission of the inception report	10%
6	Final carbon market framework incorporating all comments and inputs from stakeholders	Within 14 weeks after the submission of the inception report	10%
7	Final digital manual to operationalize the carbon market framework incorporating all comments and inputs from stakeholders	Within 16 weeks after the submission of the inception report	10%
8	Report on best practices and lessons on what works in carbon trading from other developing countries and Japan through SSC as well as global lessons from other ETS	Within 15 weeks after the submission of the inception report	10%
9	Mission to participate in-person in the validation of the carbon market and digital manual framework (5 days).	Within 16-18 weeks after the submission of the inception report	-
10	Two Policy briefs one targeting policy makers and the other the private sector actors articulating policy gaps, opportunities and recommendations to enhance national policies and implementation of Carbon Markets in Namibia	Within 17 weeks after the submission of the inception report	5%

11	Training manuals on carbon markets, including Article 6 for public and private sector actors	Within 17 weeks after the submission of the inception report	5%
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6. Team Composition and Experience:

A. Team Leader, International Senior Carbon Markets Specialist

Master's degree in economics, environmental finance, business administration, environmental engineering, sciences or a related field.

Specific Experience:

- Knowledge of climate change mitigation in developing countries.
- At least 7 years of relevant professional experience in carbon finance and knowledge of the nexus carbon finance, Nationally Determined Contributions and the Paris Agreement.
- Demonstrated experience with the development of carbon finance projects in developing countries.
- Proven knowledge of Article 6 mechanisms, in particular Article 6.2 (at least 1 knowledge products/webinar/blog or similar).
- Proven ability to build Article 6 capacity in developing countries through training or workshops (including virtual workshops).
- Familiarity with international development issues, including understanding of technical and regulatory matters in the areas of climate change, Article 6.2 and sustainable development (demonstrate participation as speaker in international conferences or lead author in at least one of these thematic areas)

B. International Carbon Market Specialist

Master's degree in economics, environmental finance, business administration, environmental engineering or a related field.

Specific Experience:

- At least 5 years of relevant professional experience in carbon finance and knowledge of the nexus carbon finance, Nationally Determined Contributions and the Paris Agreement in the respective country;
- Demonstrated experience in working with governments in developing on environmental and/or climate policies;
- Familiarity with the Climate Change convention of UNFCCC and the Paris Agreement
- Familiarity with Article 6 and previous academic work on Article 6 (please share at least 2 reports on Article 6 that you have either authored or co-authored).
- Demonstrated experience in working in developing countries on carbon finance projects under the Kyoto Protocol, in particular experience with the Clean Development Mechanism.

Given the nature of the assignment the lead international Senior Carbon Markets Specialist is expected to be supported by one international Carbon Market Specialist who shall have similar skills and experience as that of the lead. The Lead Specialist is expected to work not more than 110 days and shall provide his/her professional fees according to the number of days. The other specialist shall not work for more than 100 days for purpose of budgeting.

The Team of International consultants shall also be supported by two national consultants for purpose of knowledge transfer and for physical engagement with national stakeholders and for collection of data and review

of national documents to serve as an input to the work of the Team of international consultants. The Team of international consultants shall not budget for the national consultants as separate process of engaging the national consultants are being done.

7. Financial Proposal

The financial proposal shall include: The daily professional fees (in US Dollars) of the two international consultants; Logistical cost (accommodation, flight costs, travel insurance cost and communications). It is expected the international consultants shall travel three times during the assignment to Namibia and each travel shall last for a maximum of five days- This shall be considered in the financial proposal.

UNDP Shall sign contract with only the Lead consultant and the lead consultant shall be responsible and be the prime contact for purpose of this assignment.

8. Duty Station, Travel and Institutional Arrangement:

- Duty station: home based with 3 missions in Namibia
- The team of consultants will be given access to relevant information necessary for execution of the tasks under this assignment.
- The consultant will be responsible for providing her/his own working station (i.e., secretariat, laptop, internet, phone, scanner/printer, etc.) and must have access to reliable internet connection.
- The consultant is expected to be available for consultations and be in reliable email contact for a set number of hours that align with Government/UNDP business hours;
- The consultant will report to the UNDP Namibia Deputy Resident Representative and carry out his/her tasks under the overall guidance of the Head of Environment a UNDP Namibia and UNFCCC focal person in Namibia or and focal person at MEFT
- The consultant will report via email, virtual calls to the Task Managers (UNDP and MEFT); Payments will be made based on the agreed financial proposal (contract is based on daily fee) and released upon submission of a certificate of payment request, indicating deliverables achieved and days worked to be verified and cleared for payment by Deputy Resident Representative UNDP

9. Criteria for Selection of the Best Offer:

Only those candidates that meet the minimum level of education and relevant years of experience requirements will be considered for the technical evaluation.

The technical evaluation will be based on the following criteria with the corresponding points (out of a total of 70 points): The awarding of marks will be based on the overall assessment of both the lead and 1 additional expert.

Required skills and experience	Maximum Score/Mark (%)
Detail Methodology and approach to undertake the assignment	5%
Master degree in natural/engineering/sciences (energy or environmental management or natural resource management), geography and social sciences.	5%
At least 7 years of relevant professional experience in carbon finance and knowledge of the nexus carbon finance, Nationally Determined Contributions and the Paris Agreement;	5%

Familiarity with international development issues, including understanding of technical and regulatory matters in the areas of climate change, Article 6.2 and sustainable development (demonstrate participation as speaker in international conferences or lead author in at least one of these thematic areas)	5%
Demonstrated experience with the development of carbon finance projects in developing countries;	10%
Experience in undertaking Capacity Gas Assessment for Carbon market readiness in developing countries	10%
Proven knowledge of development of climate change related guidance manuals	10%
Proven ability to build Article 6 capacity in developing countries through training or workshops (including virtual workshops);	10%
Proven knowledge of Article 6 mechanisms in particular Article 6.2 (at least 1 knowledge products/webinar/blog or similar);	10%

Only candidates obtaining a minimum (70%, i.e. 49 points) on technical evaluation will be considered for the Financial Evaluation. Only those applications which are responsive and compliant will be evaluated. Offers will be evaluated according to the Combined Scoring method – where the educational background and experience on similar assignments will be weighted at 70% and the price proposal will weigh as 30% of the total scoring. The applicant receiving the Highest Combined Score that has also accepted UNDP's General Terms and Conditions will be awarded the contract.

Financial evaluation (maximum 30 points):

The following formula will be used to evaluate financial proposal:

$p = y (\mu/z)$, where

p = points for the financial proposal being evaluated

y = maximum number of points for the financial proposal

μ = price of the lowest priced proposal

z = price of the proposal being evaluated

10. Application process.

Interested and qualified candidates should submit their applications which should include the following:

1. Detailed Curriculum Vitae
2. Proposal for implementing the assignment - template provided
3. Offerors letter to UNDP- template provided

Applicants are instructed to submit their daily rate financial proposals in US Dollars using the financial proposal template provided (Offerors letter to UNDP)

The financial proposal should be all-inclusive and include a breakdown. The term 'all-inclusive' implies that all costs (professional fees, travel related expenses, communications, utilities, consumables, insurance, etc.) that could possibly be incurred by the Contractor are already factored into the financial proposal.

Note: The successful applicant will be required to complete a UNDP Personal History Form (P11) form prior to contracting.

Firms are not eligible for this consultancy assignment. Open to international individual consultants only.

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