

# TERMS OF REFERENCE

Project Title: Needs and Readiness Assessment for Implementing Article 6 in Pakistan

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# Background

## 1) GGGI's Mission and Approach

The Global Green Growth Institute (GGGI) was established as an intergovernmental organization with the objective of promoting sustainable development of developing and emerging countries including the least developed countries. GGGI is dedicated to supporting the creation and diffusion of the model of economic growth known as “green growth”. The green growth model integrates economic growth, environmental sustainability, poverty reduction and social inclusion.

## 2) Project Background and Objectives

This Request for Proposals (RFP) is part of the activities in the Islamic Republic of Pakistan under the “Supporting Preparedness for Article 6 Cooperation” or SPAR6C Program, funded by the German Federal Ministry of Economic Affairs and Climate Action (BMWK) through the International Climate Initiative (IKI). The 5-year (2022-2027) program provides technical support to Colombia, Pakistan, Thailand, Zambia to kick-start the implementation of Article 6 activities. GGGI is the consortium lead of SPAR6C and the national partner of SPAR6C in Pakistan is the Ministry of Climate Change (MoCC).

The overall objective of SPAR6C is to facilitate readiness of countries to participate in cooperative approaches under Article 6 of the Paris Agreement by engaging the private sector and working closely with governments. This program will enable the development of the international carbon market created by Article 6, leading to cost-efficient, flexible, high integrity carbon markets with positive, transformational sustainability impacts.

The program consists of six work packages, of which four are country driven and two are centrally managed. In the first four, in-country implementation will focus on three areas of work: 1) Medium and Long-term emissions planning, 2) Governance frameworks and readiness to transact, and 3) design of pilot mitigation activities. Capacity building and training activities will be conducted as needed to ensure stakeholders are prepared in each area. In the remaining two work packages, best practice tools and approaches to implement cooperative mechanisms will be developed, underpinned by a High Ambition Community of Practice (HA-CoP). The HA-COP is a knowledge exchange and mutual learning platform that will convene experts and practitioners inside and outside of program countries to explore challenges and opportunities associated with the common objective of raising ambition through carbon market participation.

The IKI-SPAR6C program aims to work closely with national government and private sector stakeholders, as well as local experts and research institutions, to improve national readiness for Article 6 participation. Local firms bidding for this RFP will report to the Ministry of Climate Change, Pakistan to avoid duplication with existing initiatives and promote stakeholder coordination working on the topic. Implementation of consortium activities under Work Package IV: Pakistan will be led by the UN Environment Program Copenhagen Climate Center, UNEP-CCC. Local firms bidding for this RFP will work closely with UNEP-CCC and supporting partners GFA Consulting GmbH.

# Activities and Scope of Work

## 1) Activities for the Overall Project

The SPAR6C project has four activities in Pakistan during 2022-2027 as part of Work Package IV:

- A1. Needs and readiness assessment
- A2. Medium and long-term low emission planning
- A3. Governance framework implementation
- A4. Pilot transactions

The objective of this call is to find a national service provider which can provide technical support for the SPAR6C program's kickstart in Pakistan. The support is linked to the initial phase of A1 and A3 in the list above.

## 2) Scope of Work

### 1. Complete readiness and needs assessment.

The SPAR6C program aims to enable the country to be well-prepared for Article 6 participation through a country-driven approach and will tailor its support over the 5 years of implementation to the needs of government and other national stakeholders. The Service Provider shall support the international team in the development of a national readiness and needs assessment by collecting information and carrying out surveys and consultations with relevant stakeholders. The stakeholders include but not limited to: 1) the federal government agencies and provincial government agencies that may be involved in the evaluation, authorization, and facilitation of Article 6 mitigation actions; 2) major banks or financial institutions which may contribute to financing the Article 6 mitigation projects/programs; 3) business associations of mitigation sectors and businesses which have developed CDM projects/PoAs or voluntary carbon market projects; 4) relevant NGOs and academic institutions active in climate change mitigation in Pakistan. The information to be collected for readiness and needs assessment includes but is not limited to: 1) various stakeholders' knowledge about Article 6 and their capacity to evaluate, develop, and implement Article 6 activities; 2) the barriers various stakeholders face in Article 6 activity participation. This assessment will be made with a questionnaire developed in consultation with the international expert team. Interviews will be conducted by the Service Provider with relevant stakeholders. The interviews should be combined with introductory presentations on Article 6, SPAR6C, Pakistan's NDC, and the readiness and needs assessment work. The main deliverable of this activity includes:

- A report describing the process and results of the questionnaire surveys and stakeholder consultations. The report shall include evaluation of various stakeholders' knowledge about Article 6 and their capacity to evaluate, develop, and implement Article 6 activities and the barriers the stakeholders face in Article 6 activity participation, the barriers they face, and ideas on options to address the capacity/knowledge needs and various barriers.
- A needs and readiness assessment report based on an outline template provided by the SPAR6C international expert team. The Service Provider will author parts of the report based on the survey and interview/consultations and help review and revise the parts prepared by the international team.

### 2. Facilitate a Readiness and Needs Assessment Validation Workshop for stakeholders

The SPAR6C program will organize a validation workshop to seek stakeholders' feedback to the findings and recommendations of the Readiness and Needs Assessment. The Service Provider is expected to participate in the validation workshop to present findings of the Readiness and Needs Assessment, collect feedbacks, and help revise and finalize the Readiness and Needs Assessment Report.

### 3. Assess government stakeholders' views on Article 6 Governance Framework

A precondition of carbon trading under the Article 6 Paris Rulebook is national authorization. The SPAR6C program will provide technical support to the Government of Pakistan for establishing procedures, processes and institutional arrangements to identify, validate, manage, and supervise Article 6 transactions. To do that the Service Provider shall collect views from government stakeholders on potential authorizing bodies and legal, institutional and other requirements associated with undertaking transactions and MRV in Pakistan.

## Deliverables, Payment Schedule and Reporting Arrangements

### 1) Deliverables. The Service Provider shall complete the following deliverables:

- a. Inception report – a report to be delivered within 2 weeks of contract signature. The report should provide a basic contextual background on carbon market activities in Pakistan, an indicative list of key stakeholders to be involved in the project, a brief description of the team involved in the project and a detailed workplan for the contract duration. The inception report should demonstrate a clear understanding of the expectations for the assignment and be agreed upon by the leading partner, UNEP CCC, to be considered complete.
- b. Readiness and needs assessment report – the readiness assessment and needs report will examine the readiness of the Government of Pakistan and private sector stakeholders to engage in Article 6 transactions. The report will consider NDC and MRV robustness, governance readiness (including legal, institutional and technical), and sectoral potential and opportunities for developing mitigation activities, as well as making recommendations to improve overall readiness by the project end. The report will also capture the detailed technical assistance and capacity building needs of different stakeholders identified. The Service Provider shall work closely with the international team to develop the methodology and table of contents for the readiness assessment report. Some parts of this report shall be developed by the international team based on desk review.
- c. Workshop-related deliverables, including PPT documents of the presentations given by the Service Provider during the workshop and a report on the feedbacks and suggestions collected during the workshop.
- d. Governance framework roadmap report – A report that outlines a broad range of government stakeholder views on Article 6 Governance Framework. This report will use the consultations and analysis conducted to develop recommendations for key action points the Ministry of Climate Change and other key institutions should take to elaborate the governance framework for Pakistan to authorize transactions as per the Paris Agreement's Article 6 Rulebook.

### 2) Payment Schedule

This project is expected to be completed by 30 June 2023 with a tentative timetable as follows:

Activity	Deliverables	Submission Date	Payment Milestone
Assignment Preparation	a. Inception Report	31 January (or 2 weeks after contract signing)	15%
Readiness and Needs assessment	b. Report on stakeholder survey and consultations c. Readiness assessment report	First Draft 28 February 2023 Final draft 15 May 2023	35%

Validation workshop contributions	d. Presentations during the workshop e. Summary of feedbacks and suggestions collected during the workshop	Within 7 days after the workshop	15%
Article 6 Governance Framework Roadmap	f. Governance Framework Roadmap report	First Draft 28 February 2023 Final draft 1 June 2023	35%

This timetable is subject to change depending on the negotiated timing as proposed in the inception report delivered by the Service Provider.

### 3) Reporting Arrangements

All reports and outputs must be in English, in accordance with GGGI's formatting requirements, and submitted in hard copy and electronic formats along with complete sets of raw data, research materials, and interview notes.

The Service Provider's work progress will be monitored primarily through submission of deliverables. The UNEP CCC, as the international technical lead for the work in Pakistan, will provide templates/outlines for all the deliverables. Upon receiving the draft deliverables, the UNEP CCC will arrange national and international stakeholders and experts to review the draft deliverables and provide the review results to the Service Provider within one month of draft submission. The Service Providers shall address the reviewers' comments and suggestions timely. The final payments of each deliverable shall be made upon acceptance of the final version of the deliverables. The Service Provider's work shall be subject to the guidance and supervision by UNEP CCC, the Ministry of Climate Change, and the national technical focal point.

**Table 1. Roles and Responsibilities of Different Organizations**

Organization	Roles and Responsibilities
Ministry of Climate Change (MCC), Pakistan	Oversight, UNEP CCC shall share the draft ToR, the shortlisted candidate Service Providers with the MCC, the final draft of the deliverables to the MCC for review. The MCC help invite the participants to the Kickoff workshop
National Project Liaison	Technical supervisor to the Service Provider's work, review draft deliverables
GGGI	Contract management and payment
UNEP CCC	Technical lead, participating in Service Provider selection, drafting ToRs, reviewing and approving the deliverables, participant, overall coordination of the SPAR6C activities in Pakistan.

The Service Provider shall produce, a **monthly progress report** that includes: an overview of the local stakeholder meetings/engagements held, updates on relevant policy decisions made by the government related to the project, and any progress or challenges related to project implementation.

## Suggested Methodology

The Service Provider shall submit a technical proposal to demonstrate its understanding of the NDC implementation status in Pakistan and the potential role of Article 6 activities as well as the Service Provider's plan for carrying out the assignment, including timelines and the expert team composition and the roles and responsibilities of each team member. Please note that assignments may involve questionnaire surveys, interviews, or consultation meetings. UNEP CCC will provide technical support to the Service Provider in designing the questionnaires and survey questions. These activities may request travels inside Pakistan which should be accounted for in the financial proposal if required.

## Competence Requirements and Allocation

The Service Provider shall provide evidence in the form of leading experts' CVs and reference projects to show it meets the following qualification and experience requirements:

- Having general knowledge of international climate negotiations, NDCs, and the rulebook on Article 6 under the Paris Agreement;
- Being familiar with Pakistan's legislation, regulations, policies, and actions on climate change mitigation;
- Strong experiences in delivering technical support to the Pakistan government agencies and public institutions working on climate change mitigation in Pakistan, especially the Ministry of Climate Change;
- Experiences in working with international organizations in technical assistance projects on climate change mitigation in Pakistan.

Please note that all payments will be made solely to the local entity's bank account in Pakistan. In this regard, the bidders which are not located in Pakistan are not eligible to bid. Foreign firms can join a consortia as long as the local (Pakistan) entity is the lead.

## Environmental and Social Considerations

The Service Provider shall not have any record of breaking government laws and regulations, including those on the environment and social equity. Strong environmental and social performance is an asset. The Service Provider shall comply with national laws and regulations when carrying out activities under the SPAR6C program.

## Evaluation Criteria and Method

From the last time and date of submission of the Quotations to the time the Contract is awarded, if any Service Provider wishes to contact the GGGI on any matter related to its Proposal, it should do so via the GGGI e-Green Procurement Portal (<https://in-tendhost.co.uk/gggi>).

Tenders will not be opened by GGGI until after the deadline for submission of Proposals. The Technical Component will be opened at one opening event, soon after the submission date, be listed in an opening protocol, submitted to, and thereafter be evaluated by the Procurement Committee without unnecessary delay. The Procurement Committee, which has been appointed in accordance with GGGI's Procurement Rules, will first perform a Technical Evaluation. All tenders that have passed the Technical Evaluation with a score over 70 will thereafter be subject to a Financial

Evaluation, which includes a calculation of the total scoring for both the Technical and the Financial Evaluation, in accordance with the formula presented below. The Financial Component will not be opened until after the Technical Evaluation is finalized, and then by a corresponding procedure.

Scoring will be based on the following methodology:

- The final evaluation score is, therefore, a result of a combination of technical soundness and cost effectiveness of the quotations received.
- The total possible score for the Technical Component is maximum 100 points.
- 80 % of the score received in the technical evaluation will be added to the obtained financial score, which is maximum 20 points, and calculated as described below.

The maximum budget available for this Contract is USD 80,000, inclusive of any VAT, or other taxes or costs. Please note that we do not recommend this maximum amount as a 'target' for your Quotation as cost competitiveness is a factor in the final selection of service providers.

## 1) Evaluation of Technical Component

**Exclusive participation in a proposal: an individual expert or a firm can participate as a consortium partner or member in only one proposal; otherwise, all the proposals sharing the same expert/firm will be considered invalid.**

A Proposal will be rejected at this stage if it fails to respond to important aspects of the Terms of Reference, or to achieve a minimum technical score of 70. Detailed technical evaluation criteria and possible scores for each are as follows:

Major Criteria	Details & Sub-Criteria	Maximum Score
Skills and Experience of the firm and staff listed in the team	Team composition including strength and experience of proposed embedded advisor and other key staff	30
	Previous experiences of firm with relevant assignments in Pakistan	20
Project Implementation Approach	Methodology (how the Service Provider, if awarded the Contract, will carry out the activities; technical rigor of the methodology, demonstrating strong understanding of Article 6 and climate change governance in Pakistan)	30
	Workplan (feasibility of implementation and organization/presentation)	20
<b>Total Possible Technical Score</b>		<b>100</b>

## 2) Evaluation of Financial Component

The maximum score for the financial component is 20 points. The maximum score shall be allocated to the lowest priced Proposal. All other Proposals shall receive points in inverse proportion according to the following formula:

$$p = y * (x / z)$$

where:

- p = points for the financial Proposal being evaluated.
- y = maximum number of points for the financial Proposal.
- x = price of the lowest priced Proposal.
- z = price of the Proposal being evaluated.

### 3) Evaluation of Financial Soundness

The Service Provider must demonstrate that its financial resources, less its financial obligations for its current contract commitments, meet or exceed the subject contract of USD 48,000. Information will be verified from Annual Financial Statements and any other documents that verifies the availability of financial resources submitted by the Service Provider.

#### Special notes on financial Proposal Financial Proposal

##### Financial Compliance Check

Following things will be checked:

- a) The quantities and items are consistency with the technical Proposal
- b) Prices offered are fair and in line with current market or industry trends
- c) Reasonable to the GGGI
- d) Rates are balanced

Compare technical and finance offers line by line and item by item before submission.

##### Financial Soundness

Following will also be checked for financial soundness:

- a) Current Ratio = (Current assets/Current liabilities). The ideal current ratio is sometimes said to be 2 or minimum cash in hand as requested in ToR.
- b) Quick Ratio also referred as acid test, the quick ratio tests an organizations true liquidity by assuming that stock is not immediately saleable. Quick ratio = (Current assets) – (stock) /current liabilities. The ideal quick ratio is sometimes said to be 1.
- c) Historical performance of the firm from financial statements to ensure that firm is not facing insolvency during contract duration

If financial statements are in local languages, please submit all documents in English translation

##### Direct and Indirect Tax

Any liability of direct or indirect tax will remain with the consultant as per local /national applicable laws, for example if tax (direct or indirect) is applicable on payments from outside the country of the firm ( where firm is based) as per local laws , the consultant is liable to pay; or in case tax law in countries of assignment impose taxes on offshore services on foreign non-registered firms, the consultant is liable to pay their liabilities in accordance with national laws. It is a duty of the firm to conduct its own due diligence on tax liabilities before submission of proposals.

### 4) Evaluation of Technical and Financial components for total scoring

The score for the technical component is added to the score for the financial component to arrive at the total score for a Proposal. A proposal's total score can be a maximum of 100. The Proposal with the overall highest score after this is the best Proposal. The other Proposals will be ranked in descending numerical order based on the total score.

## Application documents

- Technical proposal:
  - Workplan (incl. elaborated activities, execution plan etc.)
  - Methodology (explaining how it is intended to address each of the tasks listed)



- Team composition (roles and responsibilities)
- Supporting documents:
  - CVs
  - Projects references/ related experiences.
- Financial proposal:
  - Breakdown budget.