

Annex 2. Terms of Reference for Assessment of Country's Readiness and International Experience for Carbon Trade Exchange Design

A. Task

1. This project's objective is to provide the Ministry of Finance a comprehensive understanding of the country's existing relevant legal, institutional framework and infrastructure conditions and the gaps to be fulfilled for the establishment and operation of the CTX. Lessons learnt from developed CTX models in other countries, particularly countries having similar starting points and conditions as Vietnam, shall be analysed to recommend an appropriate institutional and technical solution roadmap for Vietnam.
2. The following activities and deliverables shall be provided in the project.

Task 1: Inception Report and Project WorkPlan. The consultant prepares a detailed inception report detailing the project plans, ensuring the expectations of ETP are aligned with the understanding of the project from the consultant. The inception report should contain, as a minimum:

- a. Introduction and project background
- b. Scope of Services
- c. Methodology and Workplan, including approach, methodology and project gantt chart
- d. A detailed approach as to how each deliverable will be met and what each submission will contain
- e. Mapping of key stakeholders including outreach and communications plan
- f. A donor coordination strategy
- g. Project management inclusive of organisational chart detailing key personnel, their roles and responsibilities, as well as their locations (strong in country team and project management is expected)
- h. Risks, mitigations and assumptions
- i. Monitoring and Evaluation Framework, presented in the form of the ETP Results Based Monitoring Framework (RBMF)

Task 2: Inception Workshop: the consultant organises an inception workshop to introduce project background, scope of services and proposed work plan to relevant donors and stakeholders for coordination.

Task 3: Review of international experiences and assessment of the legal, institutional and infrastructure requirements for establishment and operation of the CTX. The Consultant will identify criteria for selection of the case-studies of experiences in other countries on the establishment and operation of CTX for the emission trading scheme. The selected countries might have a similar country context with Vietnam or are the successful examples of operating CTX in the world. For each selected country, a detailed review of the operating model of the CTX with legal, institutional and infrastructure requirements will be provided.

Task 4: Review of the national context and assessment of existing relevant regulations, institutions and infrastructure for establishment and operation of the CTX. The Consultant will review and assess the relevance of the current legal framework, institutional set-up and infrastructure in relation to the establishment of the CTX. This includes the review and assessment on the current operation of the Vietnamese stock-exchange and the requirements for the future domestic carbon market.

Task 5: Analysis of legal, institutional and infrastructure gaps for establishment and operation of CTX in Vietnam and recommended solutions based on international experience and the country's context. The analysis will provide the government of Vietnam a comprehensive view of the legal, institutional and infrastructure gaps to be filled for establishment of CTX in Vietnam and the recommended solutions based on relevant and applicable international experience.

Task 6: Stakeholder engagement and consultation.

A wide range of stakeholders shall be engaged and consulted on the findings and recommendations of this assignment, including relevant governmental authorities, international development agencies, exchange and financial institutions, potential market makers and players and relevant key stakeholders.

The Consultant will collaborate with ETP and MOF to organise a Stakeholder Consultation Workshop to collect comments and feedback from relevant stakeholders on the findings of the legal, institutional and infrastructure gaps and the recommended model for the establishment of the CTX in Vietnam. The content of the Workshop and the list of participants should be discussed and agreed with ETP and MOF before organisation of the event.

Task 7: Plan for a carbon market master class for government officials to learn and exchange governance knowledge and experience of CTX. Based on the analysis of the existing conditions, the international experience, the Consultant will closely work with MOF to identify the needs for training/educating and exchanging practical experience on legal, institutional and infrastructure for establishment and operation of CTX with similar countries. Then the Consultant

will design a master class on carbon tax for government officials of relevant ministries (MOF, MONRE). This master class design will include, at least:

- List of participants and justifications for the list.
- Training contents
- Training location: abroad, in-country or hybrid
- Duration
- Expected achievements and
- Estimated cost.

Task 8: Final report and final workshop.

3. The project deliverables are listed in the below:

- a. Inception Report
 - b. Analysis report of international experience for carbon market (CTX) development and operation.
 - c. Analysis of the country's conditions and gaps with recommendations for policy development.
 - d. Stakeholder and consultation workshops.
 - e. Design of a carbon master class for government officials to learn and exchange governance knowledge and experience of CTX
4. All of the project deliverables must be submitted in publishable English and the accepted deliverables shall be translated into the national language of the country, with catchy powerpoint presentations in both languages. All deliverables will receive comments from stakeholders and will be revised accordingly to reflect the comments and suggestions.

B. Timeline for the Project

5. The project will require 6 months, which is divided into the following stages and deliverables:

Table 1: Proposed Timeline of the Project's activities and Key Milestones

Activities	1	2	3	4	5	6
Milestone 1						
Task 1: Inception Report and Project WorkPlan.						
Task 2: Inception Workshop						
Milestone 2						
Task 3: Stakeholder mapping and engagement plan to approach and engage the targeted groups.						

Task 4: Survey and consultation workshop activities on existing institutional and infrastructure conditions of Vietnam and the gaps to be filled for the establishment of the CTX.						
Task 5: Analysis of institutional and infrastructure gaps for establishment of CTX in Vietnam and recommended solutions based on international experience and the country's context.						
Milestone 3						
Task 6: Stakeholder engagement and consultation.						
Task 7: Plan for a carbon market master class for government officials to learn and exchange governance knowledge and experience of CTX.						
Task 8: Final report and final workshop.						

C. Reporting and Schedule of Payments

The Service Provider/Supplier is expected to submit an invoice to the ETP/UNOPS for each of these 4 payments. Payments will then be made within 30 days of the receipt of each invoice.

No	Milestones and deliverable	Payment %	Target date
1	Inception Report (approved version) Deliverable: Task 1: Inception Report which includes detailed Project WorkPlan, methodology and the Results-based monitoring Framework Task 2: Inception Workshop	30%	2 months after acceptance of deliverable
2	Milestone 2 Report includes: Task 3: Stakeholder mapping and engagement plan to approach and engage the targeted groups. Task 4: Survey and consultation workshop activities on existing institutional and infrastructure conditions	30%	2 months after acceptance of deliverable

	of Vietnam and the gaps to be filled for the establishment of the CTX. Task 5: Analysis of institutional and infrastructure gaps for establishment of CTX in Vietnam and recommended solutions based on international experience and the country's context.		
3	Final Report(approved version) Task 6: Stakeholder engagement and consultation. Task 7: Plan for a carbon market master class for government officials to learn and exchange governance knowledge and experience of CTX. Task 8: Final report and final workshop.	40%	2 months after acceptance of deliverable

D. Implementation Arrangements

- The procurement method of Request for Proposals (RFP) will be employed. This RFP will be published on the UN Global Marketplace website (UNGM) for 21 days, upon which an evaluation panel, including the required expertise, will review and select the related bids. After internal approval by the UNOPS contracts committee, this process will result in a contract for services to the selected bidder.
- The TA will require the services of an experienced consultant team with strong international experience in the design and operation of carbon trade exchange, especially with proven successful records of providing the carbon pricing instruments and ETS simulation training combined with robust local expertise and knowledge of the roadmap and strategies of the domestic carbon market and carbon pricing instruments in Vietnam, experienced in providing training on GHG emission inventory and emission reductions for enterprises, experience in defining the scope and participation scale of its national carbon market and participating in training on ETS and simulations is preferred. In addition, the expertise in energy efficiency, energy sector development, opportunities, and challenges to accelerate the development of carbon finance in Vietnam, combined with a strong background in Vietnam's low-carbon policies and a strong network with enterprises and governmental authorities, is expected.

E. Performance management

8. The Service Provider/Supplier will submit deliverables to the ETP's point of contact indicated in the contract. The ETP 's point of contact is responsible for monitoring overall performance. Performance management will comprise regular progress reports, presentation of summaries from Phase 1, 2 and 3 of this project, and final reporting and presentation. The Contract Manager, and day to day focal point for the assignment, is the Head of M&E.
9. ETP will oversee a simple and short annual evaluation of the contract which will be based on participant feedback and short surveys related to the provision of consultancy services.
15. The Results of the Project are monitored through the following Framework in the following table. All reports will update the achievement of the indicators.

Monitoring and Evaluation Framework

ETP Outcome	Project Output(s)	Indicator	Target	Data Source and Means of Verification
Impact: Contributions to meet the Paris Climate Goals expressed in Vietnam's Nationally Determined Contribution of 43.6% GHG reduction against BAU by 2030, JETP targets with peak emissions of 170MtCO₂e and 240MtCO₂e by 2030 and 2035 respectively and Energy Efficiency and energy saving of 7% against BAU by 2030. <ul style="list-style-type: none"> Disincentivize carbon production in Vietnam and support with the development of Vietnam's uptake of The Paris Agreement's Article 6 Establishment of a well functioning carbon market and carbon trade exchange, thus aligning the country's policy with its climate commitment and achieving NDC targets The Ministry of Finance is provided with a comprehensive of policy gaps analysis, recommendations and a roadmap to realise an enable legal framework for the carbon trade exchange operation and its effective and efficient financial management mechanism Legal framework for the carbon market management, operation and monitoring is in place by the end of 2025 and the market is ready for 2-year trial operation period. 				
Long-Term Outcome: Externality cost built into large pollution sources, forcing a change in BAU practices and thus resulting in a reduction GHGs				
ETP Pillar .1. Strengthened RE and EE policy enabling environment	Output 1: Legal gaps review and policy recommendations	Indicator 1: # recommendations for establishment of a carbon market and its operation and management	Target 1: 1 policy recommendation.	Project Documentation and MOF's adoption of roadmap.
ETP Pillar 4: Increased development of and accessibility to RE/EE knowledge	Output 2: CTX Policy recommendations workshop	Indicator 2: # of participants from ministries and relevant stakeholders Indicator 3: # of participants	Target 2: 70 Target 3: 20	Project Documentation, Attendee lists.

	Output 3: Carbon market master class design			
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F. Inputs provided by the ETP/UNOPS

- The ETP/UNOPS will hold a virtual inception briefing meeting with the service provider/supplier within two weeks after signing the contract to provide necessary background and discuss the scope of the project and the parameters to be assessed and analysed.
- The ETP/UNOPS via the Contract Manager and the larger M&E team will actively engage with the service provider/supplier and remain available for consultation throughout the period of engagement via virtual meetings.
- The ETP/UNOPS will offer its in-country and global networks to assist the service provider/supplier to access the right people and data for the exercise.

G. Qualification and Experience of the Service Provider

7. General requirements

The consultation team should demonstrate the capacity to execute the works and include all essential roles filled with personnel with relevant experience (Female experts are encouraged to apply). CVs of the personnel proposed should be used to verify this information.

The consultation team should (collectively) have the following skills and experience:

- Market-based environment policy instruments, CTX design and training, and policy and regulatory advisory in carbon market-based mechanisms.
- Providing policy analysis, institutions, regulations on GHG mitigations and carbon pricing, and impact assessment in Vietnam.
- Experience in providing trainings and capacity building activities to different groups of stakeholders (including enterprises and government policy-makers)

8. Requirements for the Consultant team leader

The lead individual should have the following qualification:

Education

- Master Degree or higher in Economic, Environment, Climate Change, Public Policy, or related fields is required.

Work Experience

- A minimum of 10 years of experience in policy development, preferable in climate change and GHG mitigations; experience in providing policy advice and technical support for formulating national policies and regulations on GHG mitigations, energy transition, energy efficiency and carbon pricing instruments.
- A strong record of working and policy advisory experience in climate change related issues, GHG mitigations and carbon market in Vietnam. Specific experience in technical support to develop and pilot carbon pricing instruments in Vietnam is preferred.
- Depth understanding of the carbon markets and business drivers behind corporate climate actions and initiatives in Vietnam context.
- Good understanding and previous successful involvement with, and good knowledge of, including but not limited to donors, government, private sector, financial institutions and civil society in Vietnam.
- Excellent report-writing and management skills.

9. Requirements for the project team

The project team members should have the following qualification:

- Extensive experience in policy and regulatory advisory in market-based mechanisms, carbon trade exchange, GHG mitigations, ETS set up and operation, energy efficiency and energy transition, or related fields.
- Successful track-records in review and assessment of legal, institutional aspects for design and establishment of ETS and CTX, and delivering related training courses for different groups of stakeholders.
- Experience in carbon pricing instruments design and operation, ETS Pilot Phase Implementation is preferred.
- Strong experience in national/sectoral energy and GHG emission reductions and stakeholders mapping & engagement, especially in industries in Vietnam.

- Strong quantitative skills and the ability to use data and metrics to inform decisions.
- Strong knowledge and experience in scenario-based planning and modeling regarding the impact of market-based instruments on the national economy and climate mitigation targets.
- Strong organizational skills. Track records in designing, developing and delivering training courses to increase carbon pricing literacy and build support for the policy among stakeholders including but not limited to local government authorities and the private sector.
- Advanced skills with the use of Google Drive, IT platforms, and technologies.

Considering the importance of close coordination with stakeholders in Vietnam, it is expected that the team proposed consists of consultant(s) who demonstrate very well the network and understanding of the local context in climate change, carbon market and energy transition in Vietnam.

The bidder should also assign a Contract Manager who would liaise on the non-technical part of the contract implementation, including coordination, liaising with key counterparts, liaising with UNOPS on the submission of invoices, and payment-related documents.

H. Evaluation Criteria

10. Eligibility and Formal Criteria

The criteria contained in the table below will be evaluated on Pass/Fail basis and checked during Preliminary Examination of the proposals.

Criteria	Documents to establish compliance with the criteria
1. Offeror is eligible as defined in Instructions to Offerors, Article 4	<ul style="list-style-type: none"> • Form A: Joint Venture Partner Information Form, all documents as required in the Form, in the event that the Proposal is submitted by a Joint Venture. • Form B: Proposal Submission Form
2. Completeness of the Proposal. All documents and technical documentation requested in Instructions to Offerors Article 10 have been provided and are complete	<ul style="list-style-type: none"> • All documentation as requested under Instructions to Offerors Article 10, Documents Comprising the Proposals

3. Offeror accepts UNOPS General Conditions of Contract as specified in Section IV	<ul style="list-style-type: none"> • Form B: Proposal Submission Form
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2.2 Qualification Criteria

The criteria contained in table below will be evaluated on Pass/Fail basis and checked during Qualification Evaluation of the proposals.

Criteria	Documents to establish compliance with the criteria
1. The company should have a minimum of 5+ years of continuous experience in delivering similar projects in the past with a track-record of success.	<ul style="list-style-type: none"> • Certification of incorporation of the Offeror • Form F: Performance Statement Form
2. Offeror must provide a minimum of two (2) customer references from which similar services have been successfully provided, within any of the last 5 years	<ul style="list-style-type: none"> • Form F: Performance Statement Form

11. Technical Criteria

Technical evaluation will be carried out to bids that pass the eligibility, formal and the qualification criteria, with requirements as follows:

- The maximum number of points that a bidder may obtain for the Technical proposal is 80. To be technically compliant, Bidders must obtain a minimum of 56 points
- Minimum pass score: 70% of maximum 80 points = 56 points

Technical proposal points allocation:

Section number/description		Points Obtainable
1	Offeror's qualification, capacity and expertise	25
2	Proposed Methodology, Approach and Implementation Plan	30
3	Key Personnel proposed and Sustainability Criteria	25
Total Technical Proposal Points		80

Section 1

Section 1: Offeror's qualification, capacity and expertise		Points	Sub-points
1.1	Brief description of the organization, including the year and country of incorporation, and types of activities undertaken, including relevance of specialized knowledge and experience on similar engagements done in the past. Bidders partnering up with a Vietnamese entity to provide for the strategic consultation, translations; as well as the communications expertise is considered a valuable asset. (Max 4 pages written text plus 1 Matrix)	20	
	Experience in projects of comparable size, type, complexity and technical specialty		10
	Experience in providing similar services, especially in Vietnam and demonstration of good network and experience in engaging with diversified stakeholders and organizing trainings for industries in Vietnam		5
	Understanding of local context, and partnering up with a Vietnamese entity to provide for the strategic consultation, translations; as well as the communications expertise		5
1.2	General organizational capability which is likely to affect implementation: management structure, and project management controls. (Max 4 pages written text)	5	
	1. Management structure, management controls, and extent to which any part would be subcontracted		3
	2. Financial Capacity/financial stability: Bidder should have minimum annual turnover of 150,000 USD in any of the past 2 years Liquidity / quick ratio should be minimum 1, in any of the past 2 years .		2

	In case of a joint venture, annual turnover is calculated based on the total annual turnover of the JV members. In case of a joint-venture, at least one of the JV members should have 1 liquidity/quick ratio in any of the past 2 years.		
Total points for section		25	

Section 2

Section 2: Proposed Methodology, Approach and Implementation Plan		Points	Sub-points
2.1	Description of the Offeror's approach and methodology for meeting or exceeding the requirements of the Terms of Reference	20	
	<p>1. Description of the offeror's approach to:</p> <ul style="list-style-type: none"> - Review of international experiences and assessment of the legal, institutional and infrastructure requirements for establishment of the CTX - Review of the national context and assessment of existing relevant regulations, institutions and infrastructure for establishment of the CTX - Analysis of legal, institutional and infrastructure gaps for establishment of CTX in Vietnam and recommended solutions based on international experience and the country's context 		
	<p>2. Description of the Offeror's approach to:</p> <ul style="list-style-type: none"> - Stakeholder engagement and consultation - Plan for a carbon market master class for government officials to learn and exchange governance knowledge and experience of CTX. 		10

	3. Description of the offeror's approach to conduct the study tour and deliver a technical report summarizing results of the simulation and impact analysis		5
2.2	Quality Assurance	5	
	A plan outlining how the bidder intends to ensure oversight and quality assurance throughout the assignment. Quality Assurance plan should include discussion on risk-assessment and its mitigation plan.		5
2.3	Implementation Timeline	5	
	Bidder submits a detailed implementation timeline which includes detailed activities to be undertaken during this assignment, and is completed with gantt chart		5
Total points of the section		30	

Section 3 Key personnel proposed and Sustainability Criteria

Number	Description	Sub-points	Points (Total)
3.1 Qualifications of key personnel proposed	a) Project lead	6	20
	b) CTX legal expert	4	
	c) CTX institutional expert	2.5	
	d) ETS design expert	2.5	

	e) Capacity training expert(s)	3	
	f) Stakeholder engagement expert	2	
3.2 The bidder shall provide a response that demonstrates its commitment to support gender equality through its operations		5	5
Total points for section			25

Scoring Matrix for Key Personnel

Title	Minimum Qualification	Preferred experience	Marking	Max points
Team leader	<ul style="list-style-type: none"> - Master's Degree or higher education in Economics, Environment, Climate Change, Policy Development. - Knowledge of the energy and climate landscape, energy transition, political, economic and social situation and carbon pricing in Vietnam; - Computer literacy in Microsoft packages (MS Word, MS Excel, MS Access, MS 	<ul style="list-style-type: none"> - Minimum 10 year - experience in climate change policies, development policies, impact assessment, GHG emissions, GHG emission reductions for industrial sectors; - Professional experience in carbon pricing/market-based instruments in Vietnam and in data surveys, GHG emission is preferable. 	<p>Related Experience:</p> <ul style="list-style-type: none"> - More than 10 years: 5 points. - 9 – 10 years: 4 points. - 7 – 8 years: 2-3 points. - 4 – 6 years: 1 point. - Technical experience in carbon pricing in Viet Nam: 1 point 	6

	Power Point) is required.			
CTX legal expert	<ul style="list-style-type: none"> - Master's degree in laws, environment, policy sciences or related field. - Additional two years of similar experience with a Bachelor Degree is considered equivalent. 	10 years of experience in development of legal and regulatory documents on environment/ carbon market, particularly experience in ETS and CTX design recommendations.	<p>Related Experience:</p> <ul style="list-style-type: none"> - 10 and more than 10 years: 3 points. - 7 – 9 years: 2 – 2.5 points. - 4 – 6 years: 1 – 1.5 points. - Up to 3 years: 0.5 point 	4
CTX institutional expert	<ul style="list-style-type: none"> - Master's degree in development policies, energy, environmental sciences, or related fields. - Additional two years of similar experience with a Bachelor Degree is considered equivalent. 	<p>10 years of experience in development of legal and institutional frameworks, policies in climate change, GHG mitigation measures, experience in designing carbon pricing instruments.</p> <p>Experience in carbon market design in Viet Nam is preferable.</p>	<p>Related Experience:</p> <ul style="list-style-type: none"> - 10 and more than 10 years with experience in Vietnam: 2.5 points. - 7 – 9 years: 1.5 – 2 points. - 4 – 6 years: 1 point. - Up to 3 years: 0.5 point - Experience in carbon market design in Viet Nam: 0.5 	2.5
ETS Design Expert	<ul style="list-style-type: none"> - Master's degree in environment, environmental 	8 years of experience in development and	Related Experience:	2.5

	<p>sciences, engineering or related field.</p> <p>- Additional two years of similar experience with a Bachelor Degree is considered equivalent.</p>	<p>management of GHG inventory and mitigation activities/projects .</p> <p>Professional experience in ETS/CTX design</p> <p>Experience in carbon market design in Viet Nam is preferable.</p>	<p>- 8 and more than 8 years: 2 points.</p> <p>- 4 – 7 years: 1- 1.5 points.</p> <p>- Up to 3 years: 0.5 points.</p> <p>- Experience in carbon market design in Viet Nam: 0.5</p>	
Capacity and training expert(s)	<p>- Master's degree in environment, environmental sciences or related field.</p> <p>- Additional two years of similar experience with a Bachelor Degree is considered equivalent.</p>	<p>5 years of experience, including carbon pricing/market-based instruments design, trainings and capacity building activities, particularly experience in ETS/CTX design</p>	<p>Related Experience:</p> <p>- 5 and more than 5 years: 2 points.</p> <p>- 3 – 4 years: 1.5 points.</p> <p>- 1 – 2 years: 0.5 points.</p> <p>- Experience with ETS/CTX design: 1</p>	3
Stakeholder engagement expert	<p>- Master's degree in communication, public relations, environmental management, environmental engineering or related field;</p> <p>- Additional two years of similar experience with a Bachelor Degree is considered equivalent.</p>	<p>5 years of experience from participation within multidisciplinary expert teams in at least 3 international projects in Viet Nam.</p> <p>Experience in public awareness and stakeholder consultation in GHG mitigation and carbon</p>	<p>Related Experience:</p> <p>- 5 and more than 5 years: 1.5 points.</p> <p>- 3 – 4 years: 1 point.</p> <p>- 1 – 2 years: 0.5 point.</p> <p>- Working experience in Viet Nam: 0.5 point</p>	2

		market instrument design in Viet Nam is preferred.		
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12. Financial Criteria (20 maximum points)

The financial part of those proposals that are found to be technically compliant will be evaluated as follows.

The maximum number of points that a bidder may obtain for the Financial Proposal is 20. The maximum number of points will be allocated to the lowest evaluated price bid. All other prices will receive points in reverse proportion according to the following formula:

Points for the Financial Proposal of a bid being evaluated =

$$\frac{[\text{Maximum number of points for the Financial Proposal}] \times \{\text{Lowest price}\}}{[\text{Price of proposal being evaluated}]}$$

Financial proposals will be evaluated following completion of the technical evaluation. The bidder with the lowest evaluated cost will be awarded (20) points. Financial proposals from other bidders will receive prorated points based on the relationship of the bidder's prices to that of the lowest evaluated cost.

13. Formula for computing points: Example

Points = (A/B) Financial Points
Bidder A's price is the lowest at \$20.00. Bidder A receives 20 points
Bidder B's price is \$40.00. Bidder B receives $(\$20.00/\$40.00) \times 20$ points = 10 points

The total score obtained in both Technical and Financial proposals will be the final score for the proposal, with 80% allocated to the Technical proposal and 20% to the Financial proposal. The proposal obtaining the overall highest score will be considered as the winning proposal. This proposal will be considered to be the most responsive to the needs of UNOPS in terms of value for money.

The selection of the preferred bidder will be based on a cumulative analysis, analysing all relevant costs, risks and benefits of each proposal throughout the whole life cycle of the services and in the context of the project as a whole. The lowest priced proposal will not necessarily be accepted.