

The Southeast Asian Energy Transition Partnership (ETP) is a multi-donor Forum that brings together government donors, philanthropies, and Southeast Asian governments to accelerate the energy transition in Southeast Asia.

Technical Support for Development and Impacts Assessment of Carbon Credit and Allowance Governance Mechanism in Vietnam



Terms of Reference | 27 February 2024

The Environmental Protection Law of Vietnam (2020) mandates the establishment of a domestic carbon market, encompassing the trading of greenhouse gas (GHG) emission allowances and carbon credits through an Emission Trading Scheme (ETS), along with participation in the global carbon market. Decree No. 06/2022/ND-CP further outlines Vietnam's plan to develop regulations governing the ETS and carbon credit management, initiating pilot trading from 2025 to 2027, and regulating integration into regional and international carbon markets from 2028 onwards.

This technical assistance aims at supporting the Ministry of Natural Resources and Environment (MONRE) to develop an effective mechanism to govern carbon credits and GHG emission allowance in Vietnam and to evaluate potential impacts of different governance options on the carbon market. An effective governance of carbon credits and GHG emission allowances is crucial for Vietnam to achieve its Nationally Determined Contributions (NDC) targets, aligning with the Paris Agreement and encouraging local investment in GHG emission reduction solutions.

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I. Introduction

1. The Southeast Asia Energy Transition Partnership (ETP) brings together governments and philanthropies to work with partner countries in the region. ETP supports the transition towards modern energy systems that can simultaneously ensure economic growth, energy security, and environmental sustainability. To contribute to the achievement of the UN's Sustainable Development Goals (SDGs) and the Paris Climate Agreement objectives, ETP works in Southeast Asia, with a focus on three priority countries, namely Indonesia, the Philippines, and Vietnam. ETP's strategy is built around four inter-related pillars of strategic engagement that are squarely aligned to address the barriers to energy transition. These are (i) policy alignment with climate commitments, (ii) de-risking energy efficiency and renewable energy investments, (iii) extending smart grids, and (iv) expanding knowledge and awareness building.

II. Summary

The technical assistance is developed based on the Memorandum of Understanding for cooperation between UNOPS/ETP and the Department of Climate Change (DCC), Ministry of Natural Resources and Environment (MONRE) of Vietnam on carbon market development in Vietnam. The intervention aims at analysing legal, technical and socio-economical aspects of potential options for the establishment of carbon credits and GHG emission allowances governance mechanisms in Vietnam and their potential impacts, which provide evidence-based references for the government of Vietnam to develop a national legal framework for effective management of carbon credits and GHG allowances in Vietnam.

III. Project Details

A. Rationale

3. Vietnam ratified the Paris Agreement on November 3, 2016, committing to reduce greenhouse gas (GHG) emissions. In 2022, Vietnam updated its targets, aiming for a 15.8% reduction in emissions without conditions and a 43.5% reduction with conditions by 2030 compared to a Business-As-Usual scenario. At the 26th Conference of Parties to the UNFCCC (COP 26), Vietnam affirmed its commitment to implementing strong GHG reduction measures, aiming for net-zero emissions by 2050 with both domestic efforts and international support, particularly from developed nations.
4. To meet the Paris Agreement and net-zero targets, Vietnam enacted the 2020 Law on Environmental Protection, outlining the organisation and development of the carbon market, including emission allowances and carbon credit trading through an Emission Trading Scheme (ETS). The Ministry of Natural Resources and Environment (MONRE) oversees the domestic and international carbon markets' operation. Decree No. 06/2022/ND-CP, issued on January 2, 2022, outlines the roadmap for developing and implementing the domestic carbon market, including

regulations for the ETS and carbon credits. Pilot trading of carbon credits will continue until 2027, with potential integration into regional and international markets regulated from 2028 onwards, with MONRE responsible for management and linking.

5. As of September 2023, Vietnam has an extensive participation in various carbon crediting mechanisms, boasting 274 projects registered under the Clean Development Mechanism (CDM), 41 under the Verified Carbon Standard (VCS), and 34 under the Gold Standard. Additionally, Vietnam has 448 renewable energy projects registered under the International Renewable Energy Certificates (I-REC) standard. Despite this, management of these carbon credits remains inadequate, potentially leading to imbalances, resource wastage, and discouragement of local investments in GHG emission reduction solutions.
6. Furthermore, although incentivizing international trading of carbon credits is crucial, overselling may jeopardise Vietnam's ability to meet its Nationally Determined Contributions (NDC) targets or lead to higher costs for emission reductions elsewhere in the economy. Therefore, conducting assessments of carbon credit potential and cost-benefit analyses under different scenarios is imperative. These studies will provide a science-based foundation for developing an optimal strategy for carbon credit management and international trading from Vietnam, ensuring alignment with national goals and fostering sustainable economic growth.
7. According to the Resource Mobilization Plan for Implementing the political declaration on establishing the Just Energy Transition Partnership (JETP), MONRE is tasked with leading and coordinating the formulation of mechanisms and policies on carbon credit markets, offsetting, and GHG reduction/storage. These efforts aim to attract foreign investment aligned with Vietnam's NDC targets. However, despite support from the Partnership for Market Readiness (PMR) provided by the World Bank to develop the domestic carbon market, there has been a notable absence of studies examining various options for ETS and carbon credit governance. This technical assistance aims to fill this gap to support Viet Nam to develop an effective legal framework for implementation of the ETS and carbon credit management, including international trading of carbon credits under bilateral and multilateral cooperation frameworks.

B. Impacts

8. The technical assistance will provide evidence-based recommendations and inputs for the government of Vietnam to formulate mechanisms for carbon credits and GHG allowance governance. On the other hand, the analysis of potential link between the domestic and the international carbon markets will also facilitate the policy makers to leverage the opportunities from the international carbon markets to achieve its NDC at a cost-efficiency while promoting private investment in low carbon, energy transition initiatives and technologies via the additional revenue from trading carbon credits. These recommendations will accelerate the carbon market development in Vietnam and facilitate the forthcoming pilot and full implementation phases of the carbon market in 2025-2027 period and onward.

C. Objectives, Outcomes, and Outputs

9. The general objective of this technical assistance is to conduct the in-depth analysis of options for establishment of carbon credits and GHG emission allowances governance mechanisms in Vietnam and modelling the potential impacts in order to provide evidence-based insights and to enhance capacity of the policy makers to develop the national legal framework to operationalise the carbon market in Viet Nam.
10. The specific objectives of this technical assistance include:
 - i. Analysing the legal framework in Viet Nam and international experiences to identify different governance options for determination and development of the ETS (GHG emission allowance) governance in Vietnam, with focus on the feasible options for the pilot operation of the carbon market in 2025-2027 period as scheduled by the government;
 - ii. Assessing and modelling the impacts of the ETS governance options in Vietnam, and analysing the specific socio-economic and environmental impacts of different governance options, particularly the impacts on energy- intensive industries;
 - iii. Assessing and modelling the socio-economic and environmental impacts of international trading of carbon credits and mitigation outcomes on Viet Nam, especially the impacts on NDC implementation;
 - iv. Providing recommendations for the determination of optimal governance options for carbon credits and allowances governance to maximise the benefits and minimise the negative impacts.
11. The specific activities and expected outputs are described in section IV. The primary outputs of this technical assistance are:
 - i. A report analysing the legal framework in Viet Nam and international experiences to identify different governance options for determination and development of the ETS governance options in Vietnam;
 - ii. A report on assessing and modelling the impacts of ETS governance options in Vietnam, and the specific socio-economic and environmental impacts;
 - iii. A report on identification of carbon credit potential, potential demand from international markets and identification of various scenarios for trading of carbon credits and mitigation outcomes from Vietnam to the international market;
 - iv. A report on the quantitative assessment and modelling the impacts of international trading of carbon credits and mitigation outcomes from Vietnam to the international market;
 - v. A report on recommendations for the determination of optimal governance options for carbon credits and allowances governance.

D. Sustainability, Gender Equality and Social Inclusion Mainstreaming

12. ETP is committed to promoting and supporting gender equality and social inclusion (GESI) through its project implementation. In line with the socio-economic impact assessment requirements, the Consultant shall identify groups that will potentially be impacted by different ETS governance options. The Project shall be inclusive of the invited stakeholders during the consultation and seek a balanced representation of women and other identified groups in project activities. This task shall be accomplished through a clear methodology and approach which must be identified as part of the inception report.

IV. Project Deliverables

13. In line with the outputs and outcomes expected from this technical assistance, this section provides additional information on specific deliverables and activities required.
14. Table 1 outlines the key deliverables and associated activities that are expected in this technical assistance. Additional details about each deliverable follow Table 1.

Table 1. List of Deliverables and Estimated Delivery

Payment	Deliverable (D)	Target delivery	% of Payment
1	D.1. Inception Report with a detailed work plan and organization of the project's inception workshop*	Month 1	10 %
2	D.2. Report: A report analysing the legal framework in Viet Nam and international experiences to identify different governance options for determination and development of the ETS governance options in Vietnam, with focus on the feasible options for the pilot operation during 2025-2027 period that reflects the most recent commitments under the NDC, net-zero and JETP.	Month 3	15 %
3	D.3. Report: A report on assessing and modelling the impacts of ETS governance options in Vietnam, and the specific impacts of different governance options, on socio-economic and environmental aspects in order to provide the data-driven analysis and quantitative insights for determining the governance scheme for the ETS in Vietnam.	Month 6	30 % (Both D.3 and D.4 reports are due for submission in month 6. While both are linked to 30% payment allocation against the contract

	<p>D.4. Report: A report on identification of carbon credit potential, potential demand from international markets and identification of various scenarios for trading of carbon credits and mitigation outcomes from Vietnam to the international market</p> <p>As part of this 3rd payment, the consultant is required to plan, in consultation with ETP, and organize a public consultation* to discuss D2-4.</p>		<p>value, partial payment is possible, if the reports are not accepted for one payment at the same time, with D.3 linked to 15% and D.4 linked to 15%)</p>
4	<p>D.5. Report: A report on the quantitative and modelling of the impacts of international trading of carbon credits and mitigation outcomes from Vietnam to the international market under different scenarios</p> <p>D.6. Report: A report on recommendations for the determination on optimal governance options and development of the credits and allowances governance policy to maximise the benefits and minimise the negative impacts</p> <p>As part of this 4th payment, the consultant is required to plan, in consultation with ETP, and organize a public consultation* to discuss D5-6.</p>	Month 9	<p>35 % (Both D.5 and D.6 reports are due for submission in month 9. While both are linked to a 35% payment allocation against the contract value, partial payment is possible, if the reports are not accepted for one payment at the same time, with D.5 linked to 15% and D.46 linked to 20%)</p>
5	<p>D.7. Report: Final Report</p> <p>This deliverable requires a final workshop*, planned and organized by the consultant. The final report is required to be submitted with a chapter on stakeholder engagement and consultation activities.</p>	Month 12	10 %
Continuous-Contract Monitoring Requirement	<p>Monthly Progress Report (Internal-facing reports)</p> <p>In addition to the listed deliverables, the consultant will need to provide monthly progress reports as per the provided template. Failure to submit this report will result in the payments being withheld.</p>	Monthly submission	

Importance: The consultant shall handle all tasks related to the workshop* including organising the logistics, inviting participants and speakers, booking the venue, and executing the actual workshop. Bidders shall provide a breakdown of

all non-personnel costs per workshop in the financial proposal. The payment for logistical arrangements for the workshop will be released as a lump sum together with corresponding deliverable. A prorated payment will be made if the actual number of participants or the days do not fulfil the minimum requirements stipulated in the TOR.

D.1. Inception Report with a Detailed Work Plan

15. The consultant must prepare an inception report with a detailed work plan and mobilise the necessary resources, 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. Results of the audience mapping and analysis and communication/ outreach plans
 - f. A donor coordination strategy
 - g. Technical Assistance 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. Gender Equality and Social Inclusion Mainstreaming
 - i. Risks, mitigations, and assumptions
16. **Inception Workshop:** As part of this deliverable, the consultant is required to conduct a half-day inception workshop in a hybrid mode.
 - i. The purpose of the inception workshop is to introduce the objectives, expected outcomes, and outputs of the technical assistance, key stakeholders, and its implementation plan.
 - ii. The workshop venue will be in Hanoi with a minimum of 70 participants from both the public and private sectors.
 - iii. The Consultant will collaborate with ETP and DCC regarding all stakeholder engagement activities and consultation workshops/meetings with key stakeholders.
 - iv. The content of workshops and the list of participants must be discussed and agreed upon with ETP and DCC before organisation of the event and in line with the communication and consultation plan. Gender and social inclusion considerations have to be taken into consideration

D.2. Report: A report analysing the legal framework in Viet Nam and international experiences to identify different governance options for the determination and development of the ETS governance options in Vietnam, with a focus on the feasible options for the pilot operation during 2025-2027 period that reflects the most recent commitments under the NDC, net-zero and JETP

17. The Consultant is required to provide a comprehensive report that analyses the existing legal framework for the development of the ETS governance options in Vietnam and assess the key governance elements of the scheme that have been defined under such legal framework.
18. The Consultant will identify the gaps in terms of the key governance options for determination and development of ETS governance in Vietnam based on international experiences for ETS design and operation.
19. The Consultant will identify the different approaches to fill in the gaps and propose feasible design options for the pilot operation of the ETS from 2025 to 2027 as per the roadmap defined in the Decree No. 06/2022/ND-CP of the Government.

D.3. Report: A report on assessing and modelling the impacts of the ETS governance options in Vietnam, and the specific impacts of different governance options, on socio-economic and environmental aspects in order to provide the data-driven analysis and quantitative insights for determining the governance scheme for the ETS in Vietnam

20. The Consultant is required to conduct a comprehensive assessment including modelling of the socio-economic and environmental impacts of the implementation of governance options for pilot operation of the ETS in Viet Nam, especially impacts on energy-intensive industries, including financial and GHG emission aspects, energy transition, national economy and NDC targets.
21. The Consultant will then focus on the specific impacts of the different governance options for pilot operation of the ETS during 2025-2027 period to assess sector- specific impacts.
22. The assessment should comply with the options and the roadmap for implementation of the ETS in existing legal documents and further considerations based on local conditions and international experiences. The governance options for pilot operation of the ETS are based on the findings of the previous report.
23. To complete this task, the Consultant will, inter alia, conduct in-depth working sessions/consultations with key stakeholders in Vietnam in relation to ETS design and operation, especially with the Department of Climate Change (DCC) to gain insights and sufficient background information.

D.4. Report: A report on identification of carbon credit potential, potential demand from international markets and identification of various scenarios for trading of carbon credits and mitigation outcomes from Vietnam to the international market

24. The Consultant is required to develop a comprehensive report that analyses the current status of development of GHG and carbon credit governance policies in Vietnam and international experiences for management of international trading of carbon credits and mitigation outcomes.
25. The Consultant will define the key principles for carbon credit governance, with focus on governance of international trading of carbon credits and mitigation outcomes from Vietnam.
26. The Consultant will identify the various options for Vietnam to trade carbon credits and mitigation outcomes in the international markets with considerations of the NDC targets and corresponding adjustment requirements under the Paris Agreement. This would take into account the international carbon market under Article 6 mechanisms, existing and potential bi-lateral and multilateral cooperation frameworks and the international voluntary carbon market in Vietnam.
27. **Public Consultation Workshop:** As part of this deliverable 4, the consultant is required to organize a half-day public consultation workshop.
 - i. The purpose of the workshop is to present the key findings and draft recommendations of Deliverables 2-4, collecting comments from a wide range of audiences, including policymakers, development partners, academia and relevant private sector representatives.
 - ii. The workshop venue will be in Hanoi with a minimum of 70 participants from both the public and private sectors. The workshop must be in a hybrid mode to allow online participation.
 - iii. The Consultant will collaborate with ETP and DCC regarding the workshop organization with key stakeholders to gain feedback on the key findings and recommendations.
 - iv. The content of the workshop and the list of participants must be discussed and agreed upon with ETP and DCC before organisation of the event and in line with the communication and consultation plan. Gender and social inclusion considerations have to be taken into consideration

D.5. Report: A report on the quantitative and modelling of the impacts of international trading of carbon credits and mitigation outcomes from Vietnam to the international market under different scenarios

28. The Consultant will conduct a comprehensive assessment of the international trading of carbon credits and mitigation outcomes from Vietnam to the international markets under the different options based on the findings from the previous report.
29. The assessment should carefully assess the impacts of international trade of carbon credits from existing carbon credit mechanisms/standards (CDM, JCM, GS, VCS) and the potential collaboration with Japan, Singapore, Korea and other countries. The assessment should take into consideration result-based payment mechanisms such as I-REC, FCPF, of which mitigation outcomes that are transferred internationally may raise the risk of double claiming with Viet Nam's emission reduction targets. The impacts of these mechanisms on the achievement of NDC commitments and the net-zero target should be carefully evaluated to provide inputs for development of carbon credit management strategy for Viet Nam.
30. To complete this task, the Consultant will, inter alia, conduct in-depth working sessions/consultations with key stakeholders in Vietnam in relation to carbon credit management, especially with the DCC to gain insights and sufficient background information.

D.6. Report: A report on recommendations for the determination on optimal governance options and development of the credits and allowances governance policy to maximise the benefits and minimise the negative impacts

31. The Consultant is required to develop a report to provide recommendations for the key governance options and development of the ETS and carbon credit governance policy, especially the determination of options for pilot operation of the ETS and approaches for international trading of carbon credits, for Vietnam.
32. The Consultant should base on the results of the impact assessment from the previous tasks and select the most appropriate options to maximise the benefits and minimise the negative impacts of the carbon markets.
33. To complete this task, the Consultant will, inter alia, conduct in-depth working sessions/consultations with key stakeholders in Vietnam in relation to the determination options and development of ETS and carbon credit management policy, especially with the DCC, to ensure consensus on the recommendations.
34. **Public Consultation Workshop:** As part of this deliverable 6, the consultant is required to organize a half-day public consultation workshop.

- i. The purpose of the workshop is to present the key findings and draft recommendations of Deliverables 5-6, collecting comments from a wide range of audiences, including policy makers, development partners, academia and relevant private sector representatives.
- ii. The workshop venue will be in Hanoi with a minimum of 70 participants from both the public and private sectors. The workshop must be in a hybrid mode to allow online participation.
- iii. The Consultant will collaborate with ETP and DCC regarding the workshop organization with key stakeholders to gain feedback on the key findings and draft recommendations.
- iv. The content of the workshop and the list of participants must be discussed and agreed upon with ETP and DCC before organisation of the event and in line with the communication and consultation plan. Gender and social inclusion considerations have to be taken into consideration

D.7. Report: Final report

35. The consultant prepares a final, comprehensive document summarising the results of the analysis, consultations and the recommended actions for Vietnam. The executive summary to the report should be designed and written as a 5-7 policy brief which highlights key insights and recommendations for the readers who are policymakers.
36. The report submitted to ETP/UNOPS would include **at a minimum** the following components:
 - i. **Executive summary**
 - ii. **Introduction and background of the technical assistance**
 - iii. **Key insights of the Vietnam regulatory framework analysis** based on the D2 report.
 - iv. **Key modelling results of the carbon credit governance options** based on the D3 report and their potential socio-economic impacts.
 - v. **Key results of analysis of GHG and carbon credit governance policies in Vietnam and international experiences** for management of international trading of carbon credits and mitigation outcomes with recommendations for Vietnam based on the D4 report.
 - vi. **Key modelling results of the link between domestic and international carbon markets and their impacts on NDC targets** based on the D5 report.
 - vii. **Conclusion and recommendations/ next steps**
37. **Final Workshop:** In addition to the Final Report, as part of this deliverable, the consultant is required to organise a half-day final workshop.

- i. The purpose of the final workshop is to summarise the key findings and recommendations of the technical assistance and to close the workshop. The workshop must be in a hybrid mode to allow online participation.
- ii. The workshop venue will be in Hanoi with a minimum of 70 participants from both the public and private sectors.
- iii. The Consultant will collaborate with ETP and DCC regarding the workshop organization with key stakeholders to present a summary of key findings and recommendations of the technical assistance.
- iv. The content of the workshop and the list of participants must be discussed and agreed upon with ETP and DCC before organisation of the event and in line with the communication and consultation plan. Gender and social inclusion considerations have to be taken into consideration

Important notes on stakeholder engagement and consultation activities

38. For all deliverables, the consultant is expected to conduct bilateral meetings/consultations with relevant stakeholders (as identified in their proposal) to collect data and opinions for their analysis and reports.
39. In addition to the consultations with stakeholders, the consultant is tasked to organize 4 workshops. The requirements for these workshops are included as part of the delivery of deliverables 1, 4, 6, and 7:
 - i. (1) Inception Workshop
 - ii. (2) Public consultation Workshops
 - iii. (1) Final Workshop
40. **Pre-workshop clearance:** Before organizing the workshops, the consultants must inform ETP of the agenda, workshop content, and the list of participants they would like to invite to the workshops.
41. **Post-workshop Report:** One week after the workshops have been organized, the consultant is required to submit a post-workshop report that includes the following components:
 - I. Description of the workshop (e.g., background, objective, organisation)
 - II. Workshop agenda and participant components
 - III. Workshop proceedings (e.g., summary of presentations, key points raised, important insights, significant outcomes or decisions)
 - IV. Gender considerations and gender-disaggregated data on workshop participants
 - V. Stakeholder engagement
 - VI. Monitoring and implementation
 - VII. Media and communication

- VIII. Conclusion and next steps
- IX. Annexes (supporting materials e.g., slides of the presentations, workshop handouts, participant list, list of comments)

Contract Monitoring Requirement: Monthly Progress Report

- 42. In addition to the listed deliverables, the consultant will need to provide monthly progress reports as per the provided template. Failure to submit this report may result in the payments being withheld.
- 43. **The consultant is required to submit a monthly Progress Report** that includes a concise narrative of the completed activities against all deliverables and the next steps. The progress report must also document the project activities completed under **all components** covering the period.
- 44. The monthly progress report serves as the monitoring report and is an internal facing between the consultant and the ETP team. The monthly progress report must also include the following standard items:
 - Updated Gantt Chart
 - Updated Results-Based Monitoring Framework (RBMF) in a provided template
 - Risks and mitigations
 - Communication activities
 - Lessons learned and next steps
 - Minutes of interviews and consultations, if relevant

Other key information to be considered:

- A public-facing, publishable Executive Summary (no more than 2 pages) in professional English must be submitted with each deliverable.
- A public-facing, catchy PowerPoint presentation highlighting key information must be submitted with each deliverable.
- All project deliverables and presentations must be submitted in English and Vietnamese.
- All deliverables are subject to review by ETP and beneficiary entity(ies) where applicable, before approval. If there are comments and suggestions, the deliverables need to be revised accordingly before payment is released.
- The consultant is required to submit plans for consultation meetings to the ETP team, and ETP team might attend these. All meeting minutes should be documented and submitted to ETP.
- The consultant is required to update the results and achievements of the technical assistance following the agreed project-level Results-Based Monitoring Framework, as per the approved template. All results, where applicable, must be gender disaggregated

- The consultant is required to organise and execute all aspects of the workshops including organisation and logistics.
- The consultant, or an active organisation within the applying consortium, must have full time in-country presence.
- Any costs associated with workshops, etc. are reimbursable based on actual spending.
- The consultant must consider and highlight specific gender considerations in their proposal.
- The consultant must be available to attend 1 in-person workshop with the ETP secretariat in the region. The costs for this will be covered outside the financial scope of this proposal.

V. Timeline

The technical assistance will require 12 months. The actual timeline will be presented by the consultant and agreed upon in the Inception Report.

Table 3. Proposed timeline of the project’s deliverables

DELIVERABLES	1	2	3	4	5	6	7	8	9	10	11	12
D.1. Inception Report with a Detailed Work Plan												
D.2. report analysing the legal framework in Vietnam and international experiences												
D.3. report on assessing and modelling the impacts of ETS governance options in Vietnam												
D.4. report on identification of carbon credit potential, potential demand, various scenarios for trading of carbon credits and mitigation outcomes from Vietnam to the international market												
D.5. report on quantitative and modelling of the impacts of international trading of carbon credits and mitigation outcomes from Vietnam to the international market under different scenarios												

generation project developers	portfolio	are managed, the enterprises will design their proactive approaches to manage the carbon portfolio and to develop carbon credit projects.
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VII. Results-Based Monitoring Framework

Technical Support for Development and Impacts Assessment of Carbon Credit and Allowance Governance Mechanism in Vietnam

IMPACT

Climate action plans w.r.t. climate agreement targets and commitments

OUTCOME

- 1. Strengthened RE and EE policy enabling environment
- 4. Increased development of and accessibility to RE/EE knowledge

OUTPUT

- 1.1 National RE and EE policies, regulations, standards, and energy plans reflect a clear commitment to Energy Transition agenda and integrated into sectoral plans to contribute to the achievement of Paris Agreement
- 4.1. Stakeholders (relevant Government entities, Public sector companies, Financial institutions, Private entities, Academia, and Consumers) involved in the RE/EE value chain, are knowledgeable and better informed to advance the energy transition agenda.

INDICATORS	TARGETS
IN 1.1-03.2 - No. of RE and EE policies, laws, regulations, and/or technical standards revised and adopted by the government entities	IN 1.1-03.2 - Recommendations for formulation and updates of regulatory framework on carbon credit management.
IN 4.1-01 - No. of studies, research, new evidence gathered and published, for raising awareness, improving knowledge base, driving decisions, and dissemination	IN 4.1-01 - Five studies of country's context, international experience, impacts assessment, linkage between local and international ETSs and the credit management options for Vietnam will be conducted to provide references for the government of Vietnam to determine their mechanism for carbon credit and ETS management.
IN 4.1-04 - No. of articles, press-releases on social-media, and mass-media, for outreach	IN 4.1-04 - 8 articles and press releases on the technical assistance activities to be published during implementation.

ACTIVITIES

Desk studies and recommendations for establishment of regulatory framework for carbon credit management, carbon pricing, carbon tax, carbon market operation and relevant financial management mechanism.

VIII. Qualification and Experience of the Service Provider and Evaluation Criteria

A. Eligibility and Formal Criteria

1. The criteria contained in the table below will be evaluated on a **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	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 completed	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	Form B: Proposal Submission Form

B. Qualification Criteria

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

Criteria	Documents to establish compliance with the criteria
<p>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.</p> <p>What is considered as relevant experience is either one of the following:</p> <ul style="list-style-type: none"> • The entity should have experience providing technical advisory services on impact assessment of climate change policies, past working experience in the carbon market and emission trading scheme as well as other carbon pricing instruments and relevant similar topics. • The entity should demonstrate familiarity with carbon crediting mechanisms/standards (CDM, VCS, GS, etc.) and Article 6 mechanisms. • The entity should demonstrate extensive experience of researching and producing technical reports on the related subject matters. 	<p>Certification of incorporation of the Offeror</p> <p>Form F: Performance Statement Form</p>
<p>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</p>	<p>Form F: Performance Statement Form</p>
<p>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 .</p> <p>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.</p>	<p>Offeror should submit audited financial statements for the past 02 years or any other document/ statement accepted by the local government authorities in which the offeror is legally registered to provide the services.</p>

C. Technical Criteria

3. 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

Overall 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: Offeror's qualification, capacity and expertise

Section 1: Offeror's qualification, capacity and expertise		Points	Sub-points
1.1	Brief description of the organisation, including the year and country of incorporation, and types of activities undertaken, including relevance of specialised knowledge and experience on similar engagements done in the past. Similar engagement/service in this case is defined as providing technical advisory services on areas covering climate policies, carbon market, carbon crediting mechanisms, emission trading scheme, carbon pricing instruments, Article 6 mechanisms, NDC implementation and other related topics. (Max 4 pages written text plus 1 Matrix)	20	
	The entity should demonstrate extensive experience of researching and producing technical reports on the subject matters.		10

Section 1: Offeror’s qualification, capacity and expertise		Points	Sub-points
	Experience in providing similar services in the region, especially a strong record of similar experience in impact assessment and technical advisory for development of climate policies for the carbon market in Viet Nam.		10
1.2	General organisational 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		5
Total points for section		25	

Section 2: Proposed Methodology, Approach and Implementation Plan

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	
	1. Offeror’s approach and methodology to analyse the legal framework in Viet Nam and international experiences to identify different governance options for determination and development of the ETS (GHG emission allowance) governance in Vietnam, with focus on the feasible options for the pilot operation of the carbon market in 2025-2027 period as scheduled by the government		8
	2. Offeror’s approach to assess and model the impacts of the ETS governance options in Vietnam, and analysing the specific socio-economic and environmental impacts of different governance options, particularly the impacts on energy- intensive industries		4

Section 2: Proposed Methodology, Approach and Implementation Plan		Points	Sub-points
	<p>3. Offeror’s approach to assess and model the socio-economic and environmental impacts of international trading of carbon credits and mitigation outcomes on Viet Nam, especially the impacts on NDC implementation</p> <p>4. Offeror’s approach and methodology to provide recommendations for the determination of optimal governance options for carbon credits and allowances governance to maximise the benefits and minimise the negative impacts</p>		<p>3</p> <p>5</p>
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

Section 3: Key personnel proposed and Sustainability Criteria		Points	Sub-points
3.1	Qualifications of key personnel proposed	20	

Section 3: Key personnel proposed and Sustainability Criteria	Points	Sub-points
<p><u>1. Team Leader</u></p> <p>Education: The project lead should have:</p> <ul style="list-style-type: none"> ● An advanced university degree (Master's degree) in environment, climate change, development policy, impact assessment or relevant subjects ● Proven experience in climate change policies and carbon market in Vietnam. <p>Work Experience:</p> <ul style="list-style-type: none"> ● At least 10 years of experience in climate change policies, carbon pricing instruments, carbon market, UNFCCC mechanisms ● Proven track record of successfully leading a team to advise clients on carbon market development and management policies, carbon pricing instruments, impact assessment of climate policies ● Strong record of experience and network in related with above expertise areas in Vietnam ● Previous successful involvement with, and good knowledge of, donors, government, private sector, and civil society is desired ● Proven experience working with a wide range of stakeholders, including government agencies, investors, and project developers. <p>Language: Fluency in written and spoken English is essential.</p>		<p>3</p> <p>5</p>
<p><u>2. Carbon Market Expert</u></p> <p>Education:</p> <ul style="list-style-type: none"> ● Master's degree in economics, environment, climate change, development policies or related field <p>Work experience:</p> <ul style="list-style-type: none"> ● 10 years of experience in researching/ working on carbon markets, ETS, and/or carbon credit projects/programmes 		<p>1</p> <p>3</p>

Section 3: Key personnel proposed and Sustainability Criteria		Points	Sub-points
	Work experience: <ul style="list-style-type: none"> At least 10 years of experience in applied modelling and data analysis in the economics of low carbon; cost-benefit analysis of climate mitigation; balancing economic, social and environmental objectives; Proven expertise and a track record of impact assessment modelling for policy analysis and recommendations Knowledge and experience in energy, climate change, environment management 		3
3.2	The bidder shall provide a response that demonstrates its commitment to support gender equality through its operations	5	
Total points of the section		25	

D. 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.

Formula for computing points: Example

$$\text{Points} = (A/B) \text{ Financial Points}$$

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

8. 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.
9. The selection of the preferred bidder will be based on a cumulative analysis, analyzing 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.