**STANDARD TEMPLATE**

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| **TERMS OF REFERENCE** | |
| **Title of the Consultancy** | Consultancy Services to Develop a Gold Standard for Carbon Offsets in Africa |
| **Consultancy type:**  ***(individual or firm)*** | Firm |
| **Directorate & Division** | Directorate of Agriculture, Food Security and Environmental Sustainability |
| **Contact Division** | Office of the Director - Climate Change and Environment Division |
| **Procurement Number (from procurement plan)** | 89/AUDA/DAFSES/ES/QCBS/2024 |
| **PR Number** | 10010055 |
| **Background**  The Directorate of Agriculture, Food Security and Environmental Sustainability of AUDA-NEPAD is responsible for leading the institution’s efforts at supporting African Union member states, Regional Economic Communities, and other important African stakeholders in meeting the domestic development priorities and international commitments related to climate change and sustainable development.  For decades, carbon markets have been seen as part of the solution to climate change with the market mostly dominated by the private sector. A breakthrough in global climate change governance and in particular, financing was the finalization of Article 6 of the Paris Agreement which addresses Carbon markets and offsets. The carbon credit market is poised for rapid growth in the coming years due to various factors such as increased adoption of Articles 6.4 and 6.2 of the Paris Agreement and heightened regulations of emission trading schemes worldwide.  The demand for the Voluntary Carbon Market has grown exponentially in the last few years averaging a 30% compounded growth rate between 2016 and 2021. This is expected to grow by 15-fold by 2030. Despite this rapid growth in the carbon market Africa lags behind the rest of the world both in terms of the amount of carbon offset by African business and in terms of the value of carbon credits traded.  Recognizing the importance of the carbon market to African countries in raising climate finance, the 37th African Union Summit adopted a decision calling on AUDA-NEPAD in collaboration with partner institutions to set up a Gold Standard for carbon offsets in Africa. | |
| **The objectives of the assignment**  **General Objective of the Consultancy**  The primary objective of this consultancy is to develop an African Gold Standard for Carbon Offsets. This standard will serve as a benchmark for carbon offset projects in Africa, ensuring credibility, transparency, and environmental integrity in Carbon offset schemes.  **Specific Objectives**  The specific objectives of the consultancy to:  a. Conduct a comprehensive review and analysis of existing Carbon Offset standards and frameworks, including but not limited to the Clean Development Mechanism (CDM), Verified Carbon Standard (VCS), and the Gold Standard.  b. Assess the applicability and relevance of existing Carbon offsets standards to the African context, taking into account factors such as socio-economic development priorities, environmental sustainability, and the diversity of African economies and ecosystems.  c. Engage with relevant stakeholders, including government agencies, private sector entities, civil society organizations, and academic institutions, to solicit input and feedback on the design and implementation of the African Gold Standard.  d. Develop a draft framework for the African Gold Standard for Carbon Offsets, incorporating best practices, lessons learned, and innovative approaches tailored to the specific needs and challenges of African countries.  e. Conduct consultations and workshops with key stakeholders to validate and refine the draft framework for the African Gold Standard for carbon offsets, ensuring that it reflects the diverse perspectives and priorities of stakeholders across the continent. | |
| **Scope of work, activities, and Tasks**  To achieve the purpose of the assignment, the Consultancy Firm is expected to address the questions and issues listed below. The Consultant should prioritize among these as deemed appropriate for fulfilling the purpose of the assignment and include other issues of importance.  ***The consultant will be responsible for the following tasks:***   1. **Literature Review and Gap Analysis:**  * Conduct an in-depth review of existing Carbon offsets standards and mechanisms worldwide. * Assessing the specific needs and priorities of African countries in the context of Carbon offsets and climate mitigation efforts.  1. **Stakeholder Engagement:**    * Engage with relevant stakeholders, including government agencies, private sector entities, NGOs, and academia.    * Gather insights and feedback to inform the development of the African Gold Standard.    * Facilitating consultations and workshops to validate and refine the draft gold standard with relevant stakeholders. 2. **Technical Framework Development:**    * Design a comprehensive technical framework for Carbon offsets.    * Developing guidance documents, tools, and training materials to support the implementation of the gold standard.    * Define criteria for project eligibility, monitoring, reporting, and verification.    * Address issues related to additionality, leakage, and sustainable development co-benefits. 3. **Methodology and Metrics:**    * Develop methodologies for calculating Carbon reductions and credits.    * Drafting the African Gold Standard for Carbon offsets, including criteria for project eligibility, carbon accounting methodologies, monitoring, reporting, and verification requirements    * Establish clear metrics for assessing project performance. 4. **Governance and Institutional Arrangements:**    * Propose governance structures for managing the African Gold Standard.    * Define roles and responsibilities of relevant institutions and bodies. 5. **Capacity Building:**    * Recommend capacity-building initiatives to enhance understanding and implementation of Carbon offsets in Africa. 6. **Consultation and Validation:**    * Organize workshops and consultations to validate the proposed standard.    * Incorporate feedback from stakeholders.    * Finalizing the African Gold Standard based on feedback received and submitting the final document to AUDA-NEPAD. | |
| **Capacity Building Program**  Not Applicable | |
| **Expected results and deliverables**  The key deliverables from this consultancy are as follows:   * **Inception Report:** A draft inception report to be submitted 15 days after the acceptance of the assignment detailing how the consultant intends to carry out the assignment for approval by AUDA-NEPAD; * **A draft report:** To be submitted to AUDA-NEPAD not later than 35 days after the submission of the Inception Report. The Draft report shall contain a framework for the African Gold Standard for carbon offsets, including technical specifications, eligibility criteria, methodologies, and governance structures; * **Final Report**: Finalized framework document for the African Gold Standard, incorporating feedback from stakeholders and addressing any comments or concerns raised during the consultation process. To be submitted 15 days after receipt of feedback from client. | |
| **Location**   * Not based at the AUDA- NEPAD Offices, using own infrastructure/ equipment; and * The proposed fee covers all the costs the consultant will incur including consultancy fees, operational, coordination costs & documentation. | |
| **Timeframe of the assignment**  65 man-days in 4 months (including commencement and submission of final report) | |
| **Deliverables/Reports/Milestones Schedule**   |  |  |  | | --- | --- | --- | | **Milestone** | **Estimated Duration** | **Delivery Period** | | Inception Report | 15 days | TBD | | Draft Report | 35 days | TBD | | Final Report | 15 days | TBD | | |
| **Submission & approval of reports**   * The consultant will report to the Director of Agriculture, Food Security, and Environmental Sustainability or a designated officer; * An initial meeting to debrief the consultant on the assignment will be conducted with AUDA-NEPAD; * Regular communication by emails and phone calls will be made where the need arises for AUDA-NEPAD to follow up and provide guidance for assignments; and * Reports should be submitted in English and Microsoft Word. | |
| ***Language requirements***  The consultant should be proficient in one of the African Union working languages. Excellent communication and writing skills in English are required for this assignment. | |
| **Consultancy fees and contract**   * Not based at the AUDA- NEPAD Offices, using own infrastructure/ equipment; and * The proposed lump-sum fee covers all the costs the consultant will incur including consultancy fees, operational, coordination costs & documentation. | |
| **Person Days/Months**  The man-days required for this assignment is 65 days in 4 months, broken down as follows:  Inception report – 15 man-days  Draft report - 35 man-days  Final Report – 15 man-days | |
| **Governance, support, and facilities to be provided by AUDA-NEPAD**  The consultancy firm will report to the Director of Agriculture, Food Security, and Environmental Sustainability or a designated officer. When required AUDA shall make available introductory letters to the consultant to facilitate data gathering and analysis. | |
| **Proposed Payment Schedule**  -A draft report: The Draft report shall contain a framework for the African Gold Standard for carbon offsets, including technical specifications, eligibility criteria, methodologies, and governance structures – 50%  -Final Report: Finalized framework document for the African Gold Standard, incorporating feedback from stakeholders and addressing any comments or concerns raised during the consultation process. – 50%   |  |  |  | | --- | --- | --- | | * **Milestones** | Timeline | Percentage | | * Inception Report | 15 Days after commencement of contract |  | | * Draft report | 35 Days | 50% | | * Final Report | 15 Days | 50% | | * **TOTAL** |  | **100%** | | |
| **Qualification and work experience required for the Consultancy Firm**   * The Consulting Firm should have a minimum of 5 years of experience in the required fields of International Climate Finance, carbon markets, Environmental Economics, Climate Change, and Environment. * It should possess deep knowledge and understanding of International Climate Finance and how it relates to Africa. * The consulting firm should also have expertise in climate finance and understanding of the Carbon trading and offset system. * Expertise in areas of climate change mitigation and adaptation, environmental issues, agriculture, food security and livelihoods. * Knowledge and understanding of climate change programs/projects (including preparation of documents, processes, and costing).   **A team must comprise of the following experts:**  **Team Leader/Lead Consultant**   * The Lead consultant should have at least a Master’s Degree in International Climate Finance, Agriculture Economics, Gender Studies, Climate Change, Climate Finance, and Environment with at least 10 years of professional experience in a similar or a related area of this assignment. * In-depth understanding of international climate financing especially Article 6 on carbon markets including the voluntary and compliance regimes * Should demonstrate experience and understanding of the carbon offset market and how it relates to Africa. * Extensive knowledge of the UNFCCC climate change negotiations and the Paris Agreement * Experience with carbon markets and climate finance   **A team must comprise the following experts:**  **Climate Finance Expert**   * An advanced degree (master’s) in economics, environmental or climate economics, finance, or a related field. * Relevant professional experience at the national and regional levels in macro-critical climate-related policy work or specialized experience in one or more of the areas below: * Mitigation including energy pricing reform, energy transition for fossil-fuel exporters, carbon pricing, fuel subsidy reform, regulation, land use and related fields. * Adaptation including disaster management, implementation of climate resilience plans, green public financial management (PFM), and related fields. * Experience with carbon markets and climate finance * Should demonstrate experience and understanding of the carbon offset market and how it relates to Africa.   **Carbon Markets Expert**   * Advanced university degree (master or Ph.D.) in one of the following : economics, law, finance, policy, accounting, business administration, marketing or equivalent * A minimum of 3 years of working experience with carbon markets * Knowledge on Voluntary Carbon Markets, Kyoto Protocol’s flexible mechanisms * Knowledge on carbon project registry systems including financial aspects * Solid level of understanding supply and demand drivers of voluntary and compliance carbon markets * Should demonstrate experience and understanding of the carbon offset market and how it relates to Africa. * Solid level of understanding derivative market development and regulation   **Communication and Stakeholder Engagement Expert**   * An advanced university degree in Communication, Journalism, the Humanities, Marketing, Social Sciences or equivalent. * Minimum of 5 years of relevant professional work experience and increasing seniority in creating content in a fast-paced non-profit or commercial environment * Proven ability to build effective internal communications and engagement campaigns, * Demonstrated experience managing communications projects, creative campaigns and platforms, such as an intranet * Excellent analytical skills and proven ability to solve problems creatively and independently | |
| **Proposed Shortlisting Criteria**  An Official signed Letter from an authorized official, expressing interest of the firm to participate in the Consultancy;  b. An officially completed and signed Declaration of Undertaking downloadable from the website or attached;  c. General profile and background of the firm which should elaborate the following:  i. Core Business of the firms;  ii. Names of authorized representatives of the firms (Power of Attorney);  iii. In the cases of Consortiums/Partnerships/Associations shall be required to submit Joint venture Agreements/Joint Association letters stating the lead firm; and  iv. Commercial Registration of the firms attaching Registration certificates.  d. Experience of the Firm in handling consultancy services of a similar nature; and  e. Availability of Professional Key Staff with Suitable Qualifications and experience in the field of assignment.   * Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. Firms from African Union member states and/or joint ventures will have an added advantage. * A Consultant will be selected following the Quality and Cost Based Selection (QCBS) method set out in the AU Procurement Manual. This is an Expression of Interest only and submission of Financial Proposals is not applicable at this stage. * Interested Consultants may obtain further information at the address below during office hours (08:00 - 17:00 South African time).   **The Chairperson Internal Procurement Committee (IPC)**  **African Union Development Agency- NEPAD**  **230, 15th Road, P. O. Box 218 Midrand,**  **1685 Johannesburg, South Africa Email: procurement@nepad.org**  **Attention of: Procurement Division** | |
| **Copyrights**  Both data and materials used will be submitted to AUDA-NEPAD who retain copy rights to the report. Consultants may not divulge, extract or quote national data or make reference to the outcomes of this assignment in other work without the expressed written permission of AUDA-NEPAD. | |