

ANNEX 2. TERMS OF REFERENCE FOR EMISSION TRADING SYSTEM PILOTING AND SIMULATION IN VIETNAM

A. Tasks

1. The Project aims to provide a pilot ETS simulation tool and learning-by-doing platform for different ETS participants and players to raise their awareness of carbon pricing. In addition, based on the ETS simulation results, the Project will develop concrete policy recommendations for designing an ETS in Vietnam based on the analysis of the lessons learnt and impacts of the ETS operation on energy transition. The simulation shall directly support the roll out of domestic ETS as a carbon pricing instrument in 2027.
2. The following, but not limited to, activities and deliverables shall be delivered in the project

Task 1: Preparation of Inception Report and Project Work Plan. 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: Organising an Inception Workshop: to introduce project background, scope of services and proposed work plan to relevant donors and stakeholders for coordination.

Task 3: Conducting an analysis, surveys and consultation events on readiness and awareness of enterprises and facilities on GHG emission/mitigation and carbon market. The consultant conducts national surveys and consultation events to analyse and assess the

readiness and awareness of enterprises and facilities on climate change and carbon market. The surveys and events should be conducted under the guidance and endorsement of DCC, MONRE. The results of the surveys and consultations shall be used to identify potential key players in and prepare for the ETS training and to propose criteria for selecting players in the simulations.

Task 4: Developing a detailed stakeholder mapping and engagement plan to approach and engage the targeted groups. The consultant composes a list of potential players to participate in the simulation based on the Decision 01/2022/QD-TTg, dated January 18, 2022 and an extended list of potential players in the ETS as the results of Task 3. The consultant presents a stakeholder mapping and engagement plan to approach and engage the targeted groups in the follow-up activities.

Task 5: Providing a carbon simulation tool tailor-made for Vietnam. The consultant develops and provides a multi-user, well-designed, administered, and policy-driven results carbon simulation tool that is tailor-made for Vietnam for the training and simulations. The tool is designed in Vietnamese language and reflects typical economic structure and GHG data emission as well as national climate change strategies of Vietnam. It shall support decision making and processes how to develop and manage carbon strategies and make national and enterprise-level decisions. Specifically, the simulation tool shall:

- a) Be able to host a sufficient number of players to simulate the representatives of the GHG entities by sectors in Vietnam;
- b) Provide adjustable features to be in line with the design of future ETS in Vietnam, such as: Offsetting carbon credit; Banking of allowances; Players can trade in the primary market and in the secondary market; Changeable emitters data in the simulation over time;
- c) Provide several choices of abatements to emphasise the role of ETS in accelerating the energy transition and low-carbon technologies that can replicate the GHG mitigation potential in Vietnam;
- d) Provide a simulation tool that is designed and run as a real digital exchange market to enhance the practical experiences of participants.

Task 6: Developing a web-based carbon simulation platform that includes project's update, manuals and other supporting documents on climate change, theoretical concepts regarding an ETS and the manual guidance of the simulation tool that will serve as a knowledge hub to strengthen the readiness of relevant stakeholders to participate in the simulations as well as a channel for increasing public awareness on ETS and carbon pricing instruments. After the project's completion, the platform may continuously play as a knowledge hub to certain aspects to disseminate information and update the development and regulations of Vietnam's carbon market to accelerate the future carbon market to be rolled-out.

Task 7: Organising a series of ETS simulation trainings/workshops/forums. The consultant shall develop and execute a series of ETS simulation virtual pre-trainings, on-site training and other relevant workshops/forums for the relevant policy makers, future ETS managers, relevant stakeholders and potential key players under the future Vietnam's ETS. The training and simulations shall reflect the national policy landscape and focus on reporting and GHG mitigation obligations of enterprises, obligations and roles of other players in the carbon market. All events should be conducted under the guidance and endorsement of DCC, MONRE and in line with the stakeholder mapping and engagement plan. In particular, the trainings shall provide:

- i. Training material covering the concepts and key elements of ETS;
- ii. Experiences and best practices from other existing ETS to explain the main design of choices;
- iii. Exercises from beginner level to immediate-advanced level based on policy landscape of Vietnam, and case studies to further understanding how ETS is a vital market-based instrument to tackle climate change and accelerating the energy transition through its design of choice;
- iv. A systematic series of simulations will emphasise the role of ETS as a cost-effective way of reducing GHG emissions as well as the challenges during the implementation of ETS.

The ETS simulation will be continuously improved based on lessons learnt and practical experience of the previous simulations.

Task 8: Planning a study tour abroad for key government officials to learn and exchange governance knowledge and experience of ETS. The consultant identifies the needs and cooperates with the ETP and DCC to organise a on-the-job training to one or two ETP's Funders' countries, where the emission trade exchange exists, or to a country of similar conditions as Vietnam, for key government officials from the MONRE and relevant ministries (at least Ministry of Finance, Ministry of Planning and Investment and Ministry of Industry and Trade) in the jurisdiction(s) having ETS in place. Duration of the training (tentatively not more than 7 working days), its key contents and key trainees (tentatively not more than 15 government officials) shall be determined and designed in the Inception report based on consultation with the relevant ministries.

ETP will discuss with DCC and launch the study as a separate activity.

Task 9: Technical report and policy recommendations. Based on the experiences and lessons gained over the simulations, the consultant will analyse the impact of ETS on energy-intensive entities and energy transition targets and provide recommendations for ETS design and appropriate policies for ETS operations (number of players in the ETS by phases, carbon credit allowance mechanism, allowance allocation and percentage, banking and

borrowing allowance, monitoring of speculators and banking investment, etc.) to the government of Vietnam.

Task 10: Conducting a final report and final workshop.

B. Implementation Arrangements

3. 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.
4. The TA will require the services of an experienced consultant team with a strong international experience in the developing and operating ETS simulation platforms and understanding of local contexts, a proven record of successful services related to carbon pricing instruments and ETS simulation training combined with robust local expertise. The consultant should have extensive knowledge of the roadmap and strategy development, in defining scope and scale of the national carbon markets and in the domestic carbon markets and pricing instruments in developing countries and experience in training on GHG emission inventory, emission reductions for enterprises, ETS and simulations. In addition, expertise in energy efficiency, energy sector development, identifying opportunities and challenges to accelerate the development of carbon finance. It is preferred that the consultant pairs with local expertise to capitalise on a strong background, knowledge and experience in Vietnam's low-carbon policies and network of enterprises and government authorities.

5. All of the project deliverables will be submitted in English and in the national language of the country, with catchy powerpoint presentations in both languages. All deliverables will be presented in person to stakeholders and will be revised accordingly to reflect their comments and suggestions. Additionally, the consultant will be requested to present information and findings to ETP, the ETP Steering Committee and at various public workshops and Technical Working Groups.

C. Timeline for the Project

6. The Project is planned for 18 months from 2022 to 2024. Deliverables of the projects will be handed-over to the Government of Vietnam. The actual project timeline will be presented from the consultant and agreed upon in the Inception Report. The timeline of the Project is shown in the table below:

Milestone schedule	Estimated delivery time	Description	Payment Percentage
Milestone 1	One month after signing	<p>Completion of:</p> <p>Task 1: Conducting an Inception report and organizing Inception workshop</p> <p>Task 2: Organizing an Inception Workshop.</p> <p>The inception reports must include the Results-Based Monitoring Framework.</p>	20%
Milestone 2	6 months after signing	<p>Completion of:</p> <p>Task 3: Conducting an analysis, surveys and consultation events on readiness and awareness of enterprises and facilities on GHG emission/mitigation and carbon market.</p> <p>Task 4: Developing a detailed stakeholder mapping and engagement plan to approach and engage the targeted groups.</p> <p>Task 5: Developing a carbon simulation tool tailor-made for Vietnam</p> <p>Task 6: Providing a web-based carbon simulation platform</p> <p>Together with the completion of the above tasks, an updated results must be updated and submitted to ETP using the ETP's Results-based monitoring framework.</p>	20%
Milestone 3	16 months after signing	<p>Completion of:</p> <p>Task 7: Organizing a series of ETS simulation trainings/workshops/forums</p> <p>Task 8: Planning a study tours on ETS governance and experience sharing</p> <p>Task 9: Conducting a technical report summarizing results of the simulation and impact assessment</p>	30%

Milestone schedule	Estimated delivery time	Description	Payment Percentage
		Together with the completion of the above tasks, an updated results must be updated and submitted to ETP using the ETP's Results-based monitoring framework.	
Milestone 4	18 months after signing	<p>Completion of:</p> <p>Task 10: Final report and final workshops</p> <p>Together with the completion of the above task, the finalized results must be updated and submitted to ETP using the ETP's Results-based monitoring framework.</p>	30%

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

Activities	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Milestone 1																		
Task 1: Conducting an Inception report and organizing Inception workshop																		
Task 2: Organizing an Inception Workshop.																		
Milestone 2																		
Task 3: Conducting an analysis, surveys and consultation events on readiness and awareness of enterprises and facilities on GHG emission/mitigation and carbon market.																		
Task 4: Developing a detailed stakeholder mapping and engagement plan to approach and engage the targeted groups.																		
Task 5: Developing a carbon simulation tool tailor-made for Vietnam																		
Task 6: Providing a web-based carbon simulation platform																		
Milestone 3																		
Task 7: Organizing a series of ETS simulation trainings/workshops/forums																		
Task 8: Planning a study tours on ETS governance and experience sharing																		
Task 9: Conducting a technical report summarizing results of the simulation and impact assessment																		
Milestone 4																		
Task 10: Final report and final workshops																		

D. QUALIFICATION AND EXPERIENCE OF THE SERVICE PROVIDER

1.1. 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, ETS simulation 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)

1.2. 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.

1.3. 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, GHG mitigations, ETS set up and operation, energy efficiency and energy transition, or related fields.
- Successful track-records in developing ETS simulation tools and platforms 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 data survey & collection 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.

E. EVALUATION CRITERIA

2.1 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

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.	<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 satisfactorily provided, within any of the last 5 years	<ul style="list-style-type: none"> • Form F: Performance Statement Form

2.3 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		5

	with diversified stakeholders and organizing trainings for industries in Vietnam		
	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 . 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.		2
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	
	1. Description of the offeror's approach to: - conduct the surveys, consultation events on the readiness		5

	of enterprises - select and engage potential target groups and key stakeholders		
	2. Description of the Offeror's approach to: - develop the simulation tool and platform - organize the training courses and other relevant events		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) Carbon market simulation expert	4	
	c) Carbon pricing policy expert	2.5	
	d) GHG Inventory/ Mitigation 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 	<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, 	<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

	<p>Vietnam;</p> <ul style="list-style-type: none"> - Computer literacy in Microsoft packages (MS Word, MS Excel, MS Access, MS Power Point) is required. 	GHG emission is preferable.		
Carbon market simulation expert	<ul style="list-style-type: none"> - Master's degree in 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 and design of environment/ carbon market-based simulation, particularly experience in ETS simulation and training.	<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 - Experience as an instructor/simulator in ETS simulation and training: 1 	4
Carbon pricing policy 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. 	10 years of experience in development of legal frameworks, policies in climate change, GHG mitigation measures, experience in designing carbon pricing instruments.	<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 	2.5

		Experience in carbon market design in Viet Nam is preferable.	point. - Up to 3 years: 0.5 point	
GHG Inventory/ Mitigation Expert	<ul style="list-style-type: none"> - Master's degree in environment, environmental sciences, engineering or related field. - Additional two years of similar experience with a Bachelor Degree is considered equivalent. 	8 years of experience in development and management of GHG inventory and mitigation activities/projects . Professional experience in carbon market design in Viet Nam	Related Experience: - 8 and more than 8 years: 2 points. - 4 – 7 years: 1- 1.5 points. - Up to 3 years: 0.5 points. - Experience in carbon market design in Viet Nam: 0.5	2.5
Capacity and training expert(s)	<ul style="list-style-type: none"> - Master's degree in environment, environmental sciences or related field. - Additional two years of similar experience with a Bachelor Degree is considered equivalent. 	5 years of experience, including carbon pricing/market-based instruments design, trainings and capacity building activities, particularly experience in ETS simulation tool and trainings	Related Experience: - 5 and more than 5 years: 2 points. - 3 – 4 years: 1.5 points. - 1 – 2 years: 0.5 points. - Experience with ETS simulation tool and trainings: 1	3
Stakeholder engagement expert	<ul style="list-style-type: none"> - Master's degree in communication, public relations, 	5 years of experience from participation within	Related Experience: - 5 and more	2

	<p>environmental management, environmental engineering or related field;</p> <p>- Additional two years of similar experience with a Bachelor Degree is considered equivalent.</p>	<p>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 market instrument design in Viet Nam is preferred.</p>	<p>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>	
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2.4 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.

2.5 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, 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.