

TERMS OF REFERENCE

ASSESSMENT OF CARBON MARKET OPPORTUNITIES

Introduction

SNV Netherlands Development Organisation is a Dutch, development organisation with operations in more than 25 countries in Asia, Africa and Latin America. We make a lasting difference in the lives of people living in poverty, helping them raise incomes and access basic services. Driven by the Sustainable Development Goals, we are dedicated to a society in which all people are free to pursue their own sustainable development, and no one is left behind. This commitment to equity directs us to focus on gender and youth.

We apply our know-how to realise effective solutions and deliver results at scale worldwide. We do this through our local presence and our specialised expertise in agriculture, energy, and water, sanitation and hygiene (WASH). Our projects directly benefit millions of people. At the same time, our projects drive systems change, which helps many more people work their way out of poverty, well beyond the scope of the projects themselves. We are proud to be a not-for-profit organisation, implementing our mission exclusively through project financing. This requires us to work efficiently and to invest in operational excellence every day.

For more information on SNV, visit our website: <https://snv.org/>

Objective of the Carbon Markets Consultancy Assignment:

With increasing momentum and confidence in the carbon markets, and their potential to catalyse emission reducing activities while driving development funding, SNV is keen to explore the potential of carbon finance programming to augment our current portfolio of projects. Over the past six years SNV has built partnerships to develop carbon projects both for the compliance and voluntary markets¹. We are excited by the potential of these projects to improve lives in the communities in which we work. We are now at the point where we hope to streamline and harmonise our approach to carbon markets and identify a clear niche for SNVs expertise.

An internal working group has been established to drive this process along with a “Community of Practice” drawn from experts across SNVs countries, thematic sectors, programmes and operations. This consultancy is expected to support this working group by providing expert analysis and advice to support the development of SNV Carbon Markets offering.

Outputs of the Consultancy Assignment

This assignment will provide a background of market context and, based on this, strategic advice to SNV in order to help SNV staff understand:

1. The latest policy and institutional frameworks, and upcoming developments and trends in them, that shape the carbon markets:
 - a. Map and advise on international policy developments (e.g., UNFCCC Article 6, NDCs, and Corresponding Adjustments) and other trends in carbon finance which may impact SNV.
 - b. Review different carbon regulatory policies, and domestic carbon markets, of selected countries where SNV is working and help staff identify which countries to prioritise or pursue carbon in.

¹ Full details of which can be supplied to the successful bidder.

- c. Provide guidance on different standards, their associated requirements/tools/methodologies, and levels of acceptance.
2. The structure of the carbon markets, and where within it SNV could work:
 - a. Explain the differences between distinct carbon markets (e.g., SDM, ITMOs, CORSIA, VCM, domestic carbon markets, etc.), the scale of the markets, and identify which markets SNV is best placed for.
 - b. Identify differences in methodologies and geographies², and how these map opportunities onto SNV's organizational structure and competencies³.
 - c. The "supply chain" and market structure: what type of organizations are involved in developing and delivering carbon projects, and which sub-set of these are potential partners for SNV.
 - d. Mapping of similar organizations active (competitors) in the space and what are SNV's USPs with respect to carbon markets.
 3. Potential operational and financial arrangements:
 - a. Advice of SNV's role and best positioning along the carbon market program cycle (e.g., as developer, implementor, financier), and the capacity and resource requirements (personnel, skills, technology, finance, etc.) required to deliver on this.
 - b. A summary of challenges and risks (including reputational) involved in carbon finance, and partnering with foundations, companies, or persons.
 - c. Advice on financial structuring for carbon finance projects, with specific reference to the country contexts identified above in 1b.

The final deliverable will be a report covering the three points above.

Tasks and Timeframe of the Consultancy Assignment:

The following is an indicative list of deliverables and a tentative timeframe for the consultants. The consultancy is expected to take 15 working days maximum within 3-month period after signing the contract. The consultants are welcome to present their own proposed task list and timeframe as long as the overall objective and outputs above mentioned are met without any additional day over the total expected.

	Activities	Deadline / timeframe
1	Kick off meeting	27/06/2022
2	Inception report and updated proposal on method and process	04/07/2022
3	Interim report and workshop with SNV team on part 1: policy and institutional framework.	19/07/2022
4	Interim report and workshop with SNV team on part 2: structure of the markets	01/08/2022
5	Draft final report and workshop with SNV team, including part 3: operational and financial arrangements	15/08/2022
6	Final report	01/09/2022

The assignment will be supported by a core team of SNV staff who will support the consultant(s) to:

- Source internal documentation.
- Arrange SNV staff and stakeholder contacts for interviews.
- Arrange workshops.
- Provide timely feedback on reports.

² SNV has permanent offices in 25 countries. Our work is typically arranged based on three economic sectors: agriculture, energy, and WASH.

³ The consultant must identify which 'methodologies' map onto which 'subsectors' where SNV has strength and expertise.

The final deliverable is expected to be a 20–40-page report, excluding annexes, that provides an accessible summary of the findings for SNV staff and strategic advice on next steps.

The consultant(s) will be expected to:

- Coordinate regularly with SNV core team on progress and to gather insights into SNV.
- Provide several opportunities for feedback on written reports and to present the work (digital/hybrid meetings) to the global carbon market working group.

Evaluation Criteria of the Consultant for this Assignment:

Applications will be evaluated based on with a weighting of 80% technical quality of the application and 20% for cost. Detail evaluation criteria are:

Criteria	Score
Evidence of knowledge of regulatory and policy frameworks for Carbon finance	30%
Experience working with or advising International NGOs on Carbon finance programming	30%
Quality of previous examples of writing reports*	20%
Total Technical Evaluation	80%
Cost or fees for this consultancy service*	20%
Total	100%

* These documents will be required only when the SNV Procurement Committee members invite preselected consultants to an individual and online meeting.