

ANALYZING THE POTENTIAL FOR DEVELOPMENT OF CARBON PRICING APPROACHES IN JURISDICTIONS IN THE EASTERN AND SOUTHERN AFRICAN REGION

Terms of reference for the study

Background

In an effort to maximize the impact of their efforts to address climate change and support member states in the achievement of the goals of the Paris Agreement, the UN secretariat for climate change and the UN Environment agreed on a Memorandum of Understanding (MoU) in December 2017 which aims, inter alia, at strengthening capacity building at national and regional levels and support research and evidence based climate policy making.

The Collaborative Instruments for Ambitious Climate Action (CI-ACA) is a project implemented by the UNFCCC through its Regional Collaboration Centres (RCCs) with the aim to assist Parties in the development of carbon pricing approaches for implementing their Nationally Determined Contribution (NDC) under the Paris Agreement and foster cooperation. Most jurisdictions interested in developing instruments for carbon pricing/markets will require support at different levels: (i) to identify the options available and how these fit with their own circumstances and objectives; (ii) to elaborate concrete proposals to establish instruments; (iii) to adopt at the national level and instrument and (iv) to implement on the ground their instruments. The CI-ACA initiative offers support to jurisdictions, in accordance with their needs, for developing carbon pricing instruments, even for jurisdictions which have just started considering the idea.

Since carbon pricing is an important policy intervention to be considered for addressing climate change, the CIACA has been identified as one of the areas of collaboration under the MoU.

Scope of the Study

It is against this background that the Regional Collaboration Centre (RCC) Kampala in collaboration with GIZ and the UN Environment look to conduct a study to ascertain the potential of application of Carbon Pricing approaches for jurisdictions in the Eastern and Southern African region. Jurisdictions can include Parties but also groups of Parties (e.g. regional cooperation organizations). This study will aim to gather information on the potential feasibility and readiness for carbon pricing/market instruments with particular focus on the legal framework with initial focus on Ethiopia, Kenya, Rwanda, Mauritius, and Uganda. Fundamentally, the study will aim to accomplish the following activities/deliverables:

1. Analyze existing carbon pricing instruments or related instruments already in place;
2. Potential opportunities for various carbon pricing in the region based on national circumstances and context;
3. Analyze potential options scenarios and use of carbon pricing revenues to mitigate potential adverse impacts;
4. Carbon pricing linkages with the NDC and potential/opportunities to meet sector wide NDC mitigation targets (e.g. energy, waste, transportation etc.);
5. How can carbon prices and policies be effectively aligned? Assess the existing legal and policy framework in the countries with respect to carbon pricing and analyze the status-quo of MRV structure for enabling carbon pricing instruments;
6. Provide in conclusion an overall assessment of feasibility and readiness for carbon pricing for jurisdiction in the region.

The target focal points/stakeholders for this study include UNFCCC/DNA Focal points, officials from the Ministries of Environment, Finance, Planning, etc., legislative and executive bodies of Government, regional cooperation organizations, private sector representatives, Academia, and civil society.

Expected Results

The study will play an important role in assessing the potential, readiness and needs of countries with regard to the possible use of carbon pricing. In turn, the results will mold the type of support and deliverables for the specified countries in terms of Capacity building in form of workshops and technical support for piloting this work, support for national consultants and funding of further national studies. This study will also act as a decision-making guide for interested donors in this field to support implementation of Carbon Pricing instruments in line with country needs and priorities towards achieving NDC and Sustainable development goals. The results of this study will be presented at the upcoming COP meeting in December to further attract interest and potential support for the countries' priorities that are identified in the study.

Duration and Timeline of study

The planned duration of the study is a maximum of 20-25 days with the aim to complete the study by the end of November 2018 ahead of COP24.

	September mid	October	November	December
Finalize study preparation approach	■			
Data collection method & contact of national focal points	■	■		
Review of existing and emergent cooperative frameworks	■	■		
Review of country chapters by national gov. counterparts		■	■	

First version of synthesis report & review									
Finalize country chapters									
Finalize synthesis report									
Presentation materials for presentation at COP-24									

Methodology

- Qualitative Research: Extensive and comprehensive literature review will be supporting the first phase of the study and providing the substantive base for the analysis;
- Survey/Interviews: The team may decide to follow up with specific interviews and/or online survey to build on the findings of the desk research. Focal point in each country (identified by UNEP and RCC) will facilitate the implementation of both;
- Inputs from Experts (Legal field): UNEP and RCC may help identifying a group of experts that will review the draft and provide substantive inputs, particularly at the level of legal frameworks.

Deliverables

A comprehensive report documenting the results of the study from the specified jurisdictions including the methodology applied. Specific recommendations and guidance shall be provided by the consultant on a case to case basis, based on thorough analysis of the results of the study. Results should be presented for individual countries as well as in aggregate for the group of selected countries. The report prepared by the expert(s) shall be delivered as per agreement to the RCC Kampala/UNFCCC Secretariat team.

Competence

- The key expert(s) should have an advanced degree and technical experience in carbon pricing, carbon markets, economics, policy and legal framework and green finance, with proven qualifications;
- Profound knowledge on UNFCCC climate change negotiations, with particular focus on Kyoto Protocol, and Paris Agreement (including Article 6 & NDC Implementation);
- Knowledge of existing national structures in the target countries in line with low carbon development;
- Experience working with government and non-state stakeholders in national and/or regional policy development and implementation of climate change activities in Africa;
- Familiarity with the major Climate change mitigation players in the target countries with proven networks within the government, private sector and civil societies in Africa;
- Strong analytical and critical thinking abilities;

- Fluency in the English language

Application guidelines

Candidates, whose qualifications and experience match the requirements above should send their resume and technical proposal to RCC Kampala (rcckampala@unfccc.int) by 14th September, 2018. Please indicate “Consultancy for study on Carbon Pricing approaches” in your email subject.