TERMS OF REFERENCE
FOR PROVISION OF PROFESSIONAL SERVICES

Service description: Development of the long-term low emissions development strategy (LT-LEDS) of Azerbaijan

Project title: “EU4Climate”

Duration: December 2020 – December 2021

Location: Baku, Azerbaijan

1. Summary:

The United Nations Development Programme (UNDP), implementing the EU4Climate project funded by the European Union (EU), is searching for a consulting company or organization with relevant technical capabilities and experience (hereafter referred to as the Consultancy) to provide technical assistance to the inter-ministerial process of developing mid-century long-term low emission development strategy (LT-LEDS) of Azerbaijan, in line with the EU4Climate project goal which is to contribute to climate change mitigation and adaptation and the development towards a low-emissions and climate-resilient economy, in line with the Paris Agreement.

The assignment consists of a number of tasks described below in detail and ultimately resulting in a visionary policy document departing from the current status quo and identifying the most plausible long-term 2050 trajectories and pathways for low emission development and decarbonisation of the identified and prioritized sectors, taking into account the NDC and sustainable development priorities of government policies and strategies. The implementation period of the assignment will be parallel to the LT-LEDS preparation timeline beginning in February 2021 and ending with the approval of the LT-LEDS by the LT-LEDS Planning Board and its submission to the government. Technical and financial proposals, along with all requested attachments, should be submitted before the deadline indicated in the tender document. The contract will be awarded to the applicant with the Highest Combined Score (based on the 70% technical offer and 30% price weight distribution).

2. Background:

EU4Climate Project (Project) provides advice and technical support to governments in the six EU Eastern Partner countries - Azerbaijan, Belarus, Georgia, Armenia, Moldova and Ukraine
- in their action against climate change. The Project is funded by the European Union (EU) and implemented by the United Nations Development Programme (UNDP). The objective of the Project is to assist the Eastern Partnership countries in development and implementation of climate-related policies by providing advice and expertise to help the governments of the six countries improve policies and legislation leading to their low emission and climate resilient development while achieving their obligations assumed under the Paris Agreement on Climate Change (PA). By signing the PA, both developed and developing countries have subscribed to the long-term common goal of the PA which is limiting the increase of the global average temperature well below 2 Degrees Celsius above pre-industrial levels, and pursuing efforts to limit that increase to 1.5 Degrees Celsius through their nationally determined contributions (NDCs). NDCs are the building blocks of the PA and the means through which all countries-parties to the agreement are to contribute to the long-term goal of the agreement.

Currently, Parties to the PA are updating or enhancing their NDCs, submitted in 2015 and 2016. The process of the NDC enhancement or update was due to be finalized by (the end of February) 2020, to enable the UNFCCC Secretariat to prepare a summary report before the next COP1 in Glasgow. However, only three developing countries have succeeded in submitting their revised NDCs before the deadline. The postponement of the COP.26, caused by the COVID-19 pandemics, has given countries more time to prepare their updated or enhanced NDCs that will be submitted in 2020 and early in 2021. The UNDP is currently engaged in helping 114 countries in updating their NDCs.

Parties to the UNFCCC have also agreed to submit to the UNFCCC Secretariat their mid-century, long-term low greenhouse gas emissions development strategies (LT-LEDS or LTS). Article 4, paragraph 19 of the PA invites Parties to the agreement to formulate their long-term low greenhouse gas emission development strategies by 2020, taking into account their common but differentiated responsibilities, respective capabilities and national circumstances. As the current aggregate level of the NDCs ambition falls short from what is needed to achieve the long-term goal of the PA, the importance of LT-LEDS in providing direction to consecutive iterations of the NDCs after global stocktakes cannot be underestimated.

The LT-LEDS of Azerbaijan will provide the government with a vision of the mid-century climate policy goals to be achieved on the pathway to carbon neutrality in the second half of this century and it will assist in the environmentally sound long-term planning in the following sectors: Energy, Buildings, Industry, Transport, Waste, Agriculture, Land Use, Land-Use Change and Forestry. The mid-century goals of the LT-LEDS will guide the consecutive NDCs of the country and determine their ambition in line with the no-backsliding rule. The monitoring and evaluation of the NDCs will, on the other hand, inform the LT-LEDS review process and provide information on the progress made towards the achievement of the mid-century goals.

Scope of Professional Services:

2.1. Objective of the Task

The objective of the task is to provide expert support to the LT-LEDS Steering Committee and its Working Groups (WGs) in conducting analytical work, determining the baselines, examining GHG emissions projections and a range of scenarios taking into account mitigation opportunities in each of the sectors, a cost-benefit and risk analysis, determination
of the means of implementation, recommendation on prioritizing policies and measures based on the results of analytical work and an ad hoc advice during deliberations of the WGs.

The LT-LEDS Steering Committee (SC) is composed of the representatives from relevant public institutions, ministries that coordinate the sectors causing emissions, and non-governmental organizations representing the business and trade community (for instance, sectoral associations and unions). In this connection, the following are recommended to be SC members:

1. The Ministry of Ecology and Natural Resources
2. The Ministry of Energy
3. The Ministry of Transport, Communications and High Technologies
4. The Ministry of Agriculture
5. The Ministry of Economy
6. The Ministry of Finance
7. The Ministry of Education
8. State Statistics Committee
9. Azersu Open Joint Stock Company
10. Azerbaijan Amelioration and Water Management OJSC
11. Azerenergy Open Joint Stock Company
12. Azerishig Open Joint Stock Company
13. SOCAR
14. Azeristiliktechizat Open Joint Stock Company
15. Center for the Analysis of Economic Reforms and Communication
16. Azerbaijan National Academy of Sciences
17. Sectoral Associations and Non-Governmental Organizations

The LT-LEDS Steering Committee will work through three WGs:

1. Energy Working Group
2. Agriculture and Forestry Working Group
3. Industry Working Group

All WGs will be coordinated by the representatives of the leading ministries: Ministry of Energy for the Energy Working Group, Ministry of Agriculture for the Agriculture and Forestry Working Group, Ministry of Economy for the Industry Working Group.

The duration of the assignment will be 13 months. In that period, the WGs will meet three times to discuss and decide on the outcome of each consecutive stage of the LT-LEDS development.

The starting point of the work will be the initial assessment of the current situation (understanding of major GHG emitting sectors, socio-economic indicators and national strategies) and the draft workplan contained in the Roadmap for the Long Term Low Emissions Development Strategy. The Consultancy will undertake to develop the LT-LEDS in consultation with the WGs and other relevant stakeholders.

2.2 Activities to Implement

The scope of work will include but is not limited to the following:
1. Summarize the review of the current government policies, recent strategic plans or roadmaps adopted by the government, mid-term and long-term strategies in place, the current NDC, state support programs in each sector, institutional and regulatory framework, perspectives of each sector development in terms of enhancing productivity and mitigation opportunities based on, but not limited to the Roadmap report inputs. National Communications and Biennial Update Reports should be used as reference among other government and international data sources.

2. Provide emissions scenarios until 2050 using LEAP model and other models suited to the sectors under consideration, to be presented to the Working Groups, and

3. Summarize technical opportunities to reduce GHG emissions in each of the sectors, preparing the working materials for each of the WGs of the LT-LEDS Planning Board. Provide recommendations in setting mid-century targets for all GHG emissions in line with the identified mitigation scenarios.

4. Develop recommendations on how to mainstream climate change mitigation into the sectoral strategies for each sector, with presentation of expected socio-economic benefits and trade-offs – to be presented to each of the WGs and further discussed by the WG members.

5. Propose Monitoring evaluation and indicators enabling the government to check the effectiveness of the proposed policies and measures.

6. Facilitate three technical workshops with support from the local EU4Climate Coordinator, in collaboration with the Coordinators of each of the three WGs, in line with the pre-defined objectives of the workshops at the consecutive stages of the LT-LEDS Planning Board work. Share the relevant information, projections, options with the WG’s members prior to the meetings (reports, materials) and during the meetings. Provide reporting from the WGs meetings to WG members, summarize the results and incorporate these into further work on the draft LT-LEDS.

7. Based on the comments and recommendations received from the WG members, outcomes of the work conducted in between the meetings, and the results of the WGs work during the workshops/WG meetings develop and provide [draft LT-LEDS] [final package of recommendations on ambition and options of mitigation trajectories until 2050 and beyond, options of policies and measures, financing and technology, possible tradeoffs, cost-benefit analysis of all considered options, proposed evaluation methodologies and indicators, corrective mechanisms, links to the NDCs and other elements, as proposed in the methodology for delivery of the assignment. These elements will then be ready for final decision regarding the scope and ambition of the LT-LEDS which will be taken by the LT-LEDS Planning Board, based on the combined recommendations of its WGs.]

3. **Expected deliverables and timelines**

Under the overall supervision of National Coordinator, and under direct supervision of Task Leader, the incumbent will be responsible for the following activities:

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<tr>
<th>#</th>
<th>Deliverable</th>
<th>Timeline:</th>
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<tbody>
<tr>
<td>1.</td>
<td>Advance payment</td>
<td>December 2020</td>
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<tr>
<td></td>
<td>Activity Description</td>
<td>Date</td>
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<td>2.</td>
<td><strong>Inception report</strong> outlining development perspectives in sectors bundled according to each WG (Energy, Agriculture and forestry, Industrial sectors) GHG emission profiles of each sector, detailed workplan on the assessment of mitigation opportunities and costs</td>
<td>December 2020</td>
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<td>3.</td>
<td><strong>Presentation</strong> at the first meeting of the Long Term-Low Emissions Development Strategy Planning Board and its WGs presenting the scope of the assignment, the methodology, experts assigned to the task and/or other topics as defined during preparation of the workshop with the WGs coordinators and the EU4Climate Coordinator, including the presentation of the current situation and existing abatement options in relevant sectors based on the inception report at the second meeting of WGs combined with the 2nd meeting of the LT-LEDS Planning Board</td>
<td>March 2021</td>
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<td>4.</td>
<td><strong>Analytical work</strong> on Business As Usual, With Measures and With Additional Measures scenarios for each sector, mitigation opportunities and costs (continuation of work presented initiated after the first meeting of WGs and presented during the second meeting of WGs) Proposed monitoring and evaluation mechanism and indicators, including the presentation of analytical work conducted prior to the third meeting of the LT-LEDS Planning Board and its WGs, presentation of the options for MRV, options for policy evaluation and indicators, support to the work conducted by the WGs during the meeting</td>
<td>July 2021</td>
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<td>5.</td>
<td><strong>Preparation of the draft LT-LEDS</strong></td>
<td>October 2021</td>
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<td>6.</td>
<td><strong>Presentation of the LT-LEDS</strong> at the fourth meeting of the WGs and the LT-LEDS Planning Board</td>
<td>December 2021</td>
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Work conducted by the experts and the reports must be provided by e-mail in Azerbaijani along with its translation in English.

The UNDP reserves a right to terminate the contract at any phase, if the requirements as per the TOR are not met, including in the case when the selected Consultancy is not able to ensure the participation in the project of the initially designated staff.

### 4. Professional Requirements towards the Consultancy

The applicant organization/company must meet the following criteria:

- Experience in climate change sectors’ policy assessment, design, monitoring and evaluation for all the concerned sectors (by individual experts proposed for each sector);
- Experience in the assessment of the abatement potential in the concerned sectors, Marginal Abatement Cost analysis and/or other tools that should be presented in the application;

- Research experience in all the relevant sectors, including the ability to collect data, analyze data series, use the projection models, Greenhouse Gases modelling;

- Experience in designing sectoral strategies/policy documents, programmes and/or projects in the concerned sectors (energy, agriculture, forestry, waste, transport, industrial sectors, buildings)

- Experience in cooperation with public administration, state governance bodies, research institutions and other stakeholders;

- Experience in organizing and conducting workshops and webinars, interactive online work in groups

5. **Professional Requirements for the key staff of the Consultancy**

Applicant organization/company must demonstrate that it is able to delegate experienced professional staff to each of the outlined tasks throughout the implementation of the project. For the implementation of all the deliverables, the following experts should be provided by the contracted Consultancy:

- Team Leader
- Expert on Economic assessment
- Expert on modelling emissions and emissions forecasts
- Expert on Energy sector
- Expert on Industrial emissions
- Expert on Waste management
- Expert on Transportation sector
- Expert on Agriculture sector
- Expert on Forestry
- Expert on gender climate mainstreaming

The roles of the experts may be combined, provided experts should have demonstrable experience in more than one of the above fields of work. In particular, this provision applies to the roles of Team Leader and Economic or Sectoral experts.

**Team Leader:**

Team Leader will be responsible for managing all the activities envisaged under this contract, assessing the quality of the reports submitted and communicating progress achieved during the implementation of the activities on a regular basis. Team Leader should report on progress and each deliverable directly to the National Project Coordinator.

**Education and professional/personal skills:**
- University degree in financial and business management, MBA, Economics or in any other relevant field;
- At least 5 years of experience in the environment, climate change and any other relevant field;
- Fluent in written and oral communication in English and Azeri, knowledge of Russian will be an asset;
- Strong management and communication skills.

**Sectoral Experts:**

Sectoral experts, in cooperation with the experts on economic assessment and modelling experts will prepare sectoral components for the LT-LEDS, for scenarios proposed by the modelling expert. Apart from the written sectoral reports and inputs to the general part of the LT-LEDS, they are expected to participate in WG meetings and workshops, present their work during the meetings, provide clarifications, if requested and incorporate proposals/inputs of the WG members into their sectoral reports.

**Expert on Economic Assessment:**

Expert on Economic Assessment will be responsible for providing support to a team of Experts on analyzing national trends and state programs on economic development and its relationship to low-carbon economy development and goals. He will coordinate the input provided by sectoral experts and contribute to team work on monitoring and evaluation mechanisms and indicators of progress achieved through the proposed policies and measures.

**Education and professional/personal skills**

- University degree in Economics or in other relevant fields
- At least 5 years of experience in conducting economic assessment or any other relevant field
- Fluent in written and oral communication in English and Azeri, knowledge of Russian will be an asset
- Strong skills in economic assessment
- Good team-working and communication skills

**Expert on Energy sector**

Will be responsible to review and analyze the national development programs and policies on energy efficiency and renewable energy which directly affects GHG emissions. He/she will also be responsible to develop a mechanism, including the timeframe with detailed steps on how to develop a long-term low emission development strategy (LT-LEDS) sectoral component for the energy sector. In addition, as the energy is considered as the priority sector, the energy expert will participate in developing the LT-LEDS objective, vision and/or goal. One of his or her responsibilities will include assisting the team of experts to develop GHG scenarios through applying projections mainly on energy demand.
Education and professional/personal skills:
- University degree in energy, climate environment or in any other relevant field
- At least 5 years of experience in energy sector or another relevant field
- Fluent in written and oral communication in English and Azeri, knowledge of Russian will be an asset
- Extensive knowledge of the energy sector, national priorities and programs on energy-sector development.

**Expert on Industrial emissions**

Will be responsible to review and analyze national programs and policies on industrial sectors with respect of their GHG emissions. He/she will participate in developing the LT-LEDS objective, vision and/or goal. One of his or her responsibilities will include assisting the team of experts to develop GHG scenarios of emissions from industrial sectors and mitigation scenarios, taking into account the Best Available Technologies, process improvements, energy efficiency measures and other relevant circumstances.

Education and professional/personal skills:
- University degree in relevant field:
- At least 5 years of experience in the environment and climate change impacts/climate mainstreaming in industrial sectors;
- Experience in an analysis of the abatement potential in the concerned sectors and in cost-benefit analysis;
- Familiarity with international climate change policies/developments and experience in developing and implementing projects, programmes or NAMAs will be an asset;
- Fluent in written and oral communication in English and Azeri.

**Expert on Waste management**

Will be responsible for analyzing the waste management sector in the country and assess the impact of this sector on GHG emission. He or she will be responsible for developing GHG emission, BAU (Business-as-usual), mitigation and low-emission development scenarios. Apart from his or her responsibilities above, he or she will be responsible for developing a mechanism to develop LEDS together with the team of experts, mainly assisting them with describing the current situation on waste management, providing necessary data and information related to this sector. He or she should also need to participate in the development process of vision and objective for LEDS and help the team of experts to develop the vision and objective through the engagement of multiple stakeholders. Review the information on future, current and future demographic state, forecasts and trends.

Education and professional/personal skills:
- University degree in the environment or related field:
- At least 5 years of experience in the waste sector,
- Good understanding of the environment and climate change impacts/climate mainstreaming in their field/sector;
- Experience in an analysis of the abatement potential of the waste sector and in cost-benefit analysis;
- Familiarity with international climate change policies/developments and experience in developing and implementing projects, programmes or NAMAs in respective sectors will be an asset;
- Fluent in written and oral communication in English and Azeri.

**Expert on Transportation sector:**

Will be responsible for reviewing the current transportation policies, strategic plans and programs developed by the government to develop this sector. He or she will help the team of experts to develop baseline and low-emission/mitigation scenarios. This will help the project to compare the current view on GHG emissions and the negative impact made by the transportation sector and the future scenarios which will show the effect of policies adopted by the government on GHG emission generated by the transportation sectors. The consultant will be responsible for developing GHG emission scenarios using IPCC methodologies.

**Education and professional/personal skills:**

- University degree in environment, transportation or in any other relevant field;
- At least 3 years of experience in transportation sector;
- Familiarity with international climate change policies/developments and experience in developing and implementing projects, programmes or NAMAs will be an asset;
- Fluent in written and oral communication in English and Azeri.

**Expert on Agriculture**

His or her responsibilities will include analyzing the recent strategic plans or roadmaps adopted by the government on agrarian sector development. This expert should also help the team of experts to develop objectives and a vision of the strategy. He or she will also be involved in developing a mechanism to develop LEDS and conduct baseline analysis on GHG emissions caused by land-use/agriculture sector. This expert will also be responsible for reviewing existing projections on land-use and gather data on GHG emission scenarios by 2050.

**Education and professional/personal skills:**

- University degree in agriculture, or climate/environment
- At least 3 years of experience in agriculture sector
- Extensive knowledge of the land-use/agriculture sector, national priorities and programs on agriculture-sector development,
- Experience in an analysis of the abatement potential in agriculture and in cost-benefit analysis;
- Familiarity with international climate change policies/developments and experience in developing and implementing projects, programmes or NAMAs in agriculture will be an asset
- Fluent in written and oral communication in English and Azeri.

**Expert on Forestry**

Will be responsible for analyzing the current situation in this sector, any developments, state programs, progress made towards the reduction of GHG emissions. He or she will be involved in developing a mechanism to develop LEDS and outlining mitigation scenarios. This expert will also be responsible for liaising stakeholders and actively participate in workshops to devise a LEDS development mechanism.

**Education and professional/personal skills:**

- University degree in forestry, environment or in any other relevant field
- At least 3 years of experience in forestry or any other relevant field
- Experience working with different GHG methodologies
- Experience in an analysis of the abatement potential in the LULUCF sector and in cost-benefit analysis;
- Familiarity with international climate change policies/developments and experience in developing and implementing projects, programmes or NAMAs in forestry/land use change will be an asset;
- Fluent in written and oral communication in English and Azeri.

**Expert on Gender Climate Mainstreaming:**

- Will be responsible for guiding the team of experts regarding the gender aspects/issues by ensuring that genders are equally represented in the LEDS development process and assess various implications of actions planned for men and women in the plan for LEDS development process. He or she will also help the project with gender aspects under the mainstreaming component of the project as well by providing his/her recommendations and ensuring that gender sensitivity is considered.

**Education and professional/personal skills:**

- University degree in gender, social sciences or any other relevant field
- At least 3 years of experience in the relevant field
- Fluent in written and oral communication in English and Azeri, knowledge of Russian will be an asset
- Strong knowledge of gender issues/aspects
- Strong presentation and communication skills
Modelling Expert:
Modelling expert will be responsible for modelling emissions in sectors included in the LT-LEDS and contributing to the preparation of emission reductions scenarios in cooperation with the sectoral experts. He/She will be responsible for presenting the outcomes of their work during WGs meetings and workshops and for presenting the outcomes of their work in graphic form in the sectoral report and the summary LT-LEDS emissions reductions scenarios until 2050 with possible pathways towards carbon neutrality in the second half of this century, in line with the IPCC recommendations.

Education and professional/personal skills:
- University degree in relevant field;
- At least 3 years of experience in modelling emissions by using LEAP/ other tools;
- Familiarity with international climate change policies/developments will be an asset
- Fluent in written and oral communication in English and Azeri

6. Package to Submit
Contestant organizations/companies’ application packages must include the following documents:
   a) Description of the company profile presenting the nature of business, fields of expertise and at least 3 years of previous experience in the relevant fields;
   b) Business licenses - Registration papers, Tax payment certification, etc.;
   c) Track Record – list of clients for similar services as those required by the UNDP;
   d) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List;
   e) Two Reference letters for similar type of projects implemented in the past 3 years;
   f) Certificates or any awards received by the bidder, if available;
   g) All information regarding any past and current litigation during the last five (5) years, in which the bidder is involved, indicating the parties concerned, the subject of the litigation, the amounts involved, and the final resolution, if already concluded;
   h) Acceptance of General Terms Conditions;
   i) Description of the proposed methodology for the completion of services, demonstrating understanding of the TOR;
   j) Names and qualifications of the key personnel that will perform the services indicating roles within the proposed team;
   k) CVs of experts to be involved within the assignment;
   l) Financial proposal. (Must be password protected. See RFP page 1)

7. Payment Terms

<table>
<thead>
<tr>
<th>No</th>
<th>Outputs</th>
<th>Percentage</th>
<th>Timing</th>
<th>Condition for Payment Release</th>
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<tr>
<th></th>
<th>Description</th>
<th>Percentage</th>
<th>Due Date</th>
<th>Details</th>
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<tbody>
<tr>
<td>1</td>
<td>Advance payment</td>
<td>18%</td>
<td>December 2020</td>
<td>Within fifteen (15) days from the date of meeting the following conditions:</td>
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<td></td>
<td></td>
<td></td>
<td>a) UNDP’s written acceptance (i.e., not mere receipt) of the quality of the outputs; and</td>
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<td></td>
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<td></td>
<td>b) Receipt of invoice from the Service Provider.</td>
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<tr>
<td>2</td>
<td>Inception report</td>
<td>12%</td>
<td>December 2020</td>
<td></td>
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<tr>
<td>3</td>
<td>Presentation of the scope, the current situation and existing abatement options, including the results of the interim meetings or workshops</td>
<td>15%</td>
<td>March 2021</td>
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<tr>
<td>4</td>
<td>Report on projected scenarios, mitigation opportunities and costs followed by the monitoring and evaluation mechanism and indicators; Report on developing options for Monitoring Reporting and Verification system, policy evaluation and indicators, including the results of the interim meetings/workshops</td>
<td>15%</td>
<td>July 2021</td>
<td></td>
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<tr>
<td>5</td>
<td>Draft LT-LEDS with recommendations, including LT-LEDS mitigation ambition and sectoral targets</td>
<td>20%</td>
<td>October 2021</td>
<td></td>
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<tr>
<td>6</td>
<td>Final LT-LEDS with recommendations, including the results of the interim meetings or workshops</td>
<td>20%</td>
<td>December 2021</td>
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Criteria for the Assessment of Proposal

The technical component, which has a total possible value of 100 points (70% of the total 100%), will be evaluated using the following criteria:

- Experience of the Firm (35 points);
- Methodology, its Appropriateness to the Condition and Timeliness of the Implementation Plan (35 points);
- Qualification of Key Personnel (30 points);

The points accumulated according to the schedule above will be multiplied then, by 0.70 to calculate total percentage for technical proposal.

If the substantive presentation of a technical proposal achieves the minimum of 49 points, the competitiveness of the offered amounts will be taken into account in the following manner:

The total percentage for the financial component is 30%. The maximum percentage is allotted to the lowest price proposed. All other proposals shall receive percentage in inverse proportion to the lowest fees; e.g.

\[30 \% \times \frac{\text{US$ lowest}}{\text{US$other}} = \text{percentage for other proposer’s fees}\]