

TERMS OF REFERENCE

Consultancy

DEVELOPMENT OF CARBON PRICING APPROACHES IN TRINIDAD AND TOBAGO

INTRODUCTION

The Windward Islands Research and Education Foundation (WINDREF) is an independent non-profit organization located on the True Blue campus of the St. George's University (SGU), School of Medicine, Grenada. WINDREF since 2013 has partnered with the United Nations Framework Convention on Climate Change (UNFCCC) to establish the Caribbean Regional Collaboration Centre (RCC) for Grenada, St. George's (RCC St. George's).

The RCC St. George's is one of six Regional Centers established globally to support governments, NGOs, and the private sector to develop their mitigation efforts through capacity building, direct technical assistance and advice on low-emission development strategies. Created to disseminate the benefits of the Clean Development Mechanism (CDM), the RCCs have expanded their role since the adoption of the Paris Agreement on Climate Change in December 2015, which supports the development and implementation of countries' nationally determined contributions to climate action under that agreement, focusing on markets and mechanisms.

OVERVIEW AND BACKGROUND

In an effort to limit the impacts of climate change, several countries, through their Nationally Determined Contributions (NDCs), are taking measures to curb greenhouse gas (GHG) emissions transition and transition to a low carbon society. In recent years, a growing number of Parties, including those from the developing countries, are considering carbon pricing instruments for doing so. Carbon pricing is a straight-forward approach for addressing Green House Gas emission. In applying the "Polluter-Pay" Principle, creating an incentive for investments into more climate-friendly solutions. It can serve both the implementation of NDCs and long-term low-carbon development strategies. In addition, under article 6 of the Paris Agreement, international cooperation through carbon pricing can play an important role in reducing the cost of implementing mitigation actions and increasing resource mobilization by crowding in public and private capital.

NATIONAL CONTEXT

Countries at all levels of development have started activities to consider and introduce carbon pricing in their development policy, among which are Argentina, Chile, China, Colombia, the Dominican Republic, Mexico, Senegal, South Africa, etc. In order to maximize its effort in addressing Greenhouse Gases and support its ambition to achieve the Paris Agreement goal, the government of Trinidad and Tobago has expressed interest in exploring carbon pricing instruments as part of the policy options to implement Trinidad and Tobago's Nationally Determined Contribution.

Against this background the government of Trinidad and Tobago requested the UNFCCC to provide support through its Collaborative Instruments for Ambitious Climate Action (CiACA) initiative.

The CiACA initiative is a project implemented by the UNFCCC through its Regional Collaboration Centers (RCCs) with the aim to assist Parties in the development of carbon pricing approaches for implementing their Nationally Determined Contribution under the Paris Agreement and foster cooperation. Therefore, jurisdictions like Trinidad and Tobago, 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 the instruments at the national level and (iv) to implement the instruments on the ground. The CiACA initiative offers support to jurisdictions, in accordance with their needs, for considering and developing carbon pricing instruments.

Nevertheless, a thorough study needs to be undertaken to ascertain the potential, interest and feasibility for applying carbon pricing approaches in the domestic context.

PROJECT GOALS AND OBJECTIVES

The overall objective is to develop and recommend appropriate carbon pricing instruments that can assist in mitigating GHG emissions in Trinidad and Tobago, foster sustainable development by doing so, support the implementation of successive NDCs, as well as put the country on a low GHG emission pathway. This will be done under consideration of their expected mitigation potential in the reduction of greenhouse gas emissions, especially in consideration of the domestic legal, regulatory, institutional, social, and economic frameworks under the view of domestic NDC implementation.

The RCC St. George's and The Ministry of Planning and Development of Trinidad and Tobago seek to hire a consultant to carry out activities related to the key elements of the domestic context which may influence the choice of carbon pricing instrument and its specific design in Trinidad and Tobago under the Collaborative Instruments for Ambitious Climate Action (CiACA) project.

The specific objectives will include to

- Identify and describe key elements of the domestic context which may influence the choice of carbon pricing instrument and its specific design;
- Assess the existing legal and policy framework in the country with respect to carbon pricing and perform a preliminary stocktake of the status-quo of MRV structure for enabling carbon pricing instruments;
- Analyze existing carbon pricing instruments or related instruments already in place in the country;
- Identify potential opportunities for various carbon pricing based on the country circumstances and context;
- Analyze potential scenarios or options and use of carbon pricing revenues, including to mitigate potential adverse impacts;
- Determine carbon pricing linkages with the NDC and potential/opportunities to meet the mitigation targets for sectors mentioned in the NDC;

- Subject to the specific interest of the country, to explore how carbon pricing approaches could support involvement in cooperative climate action such as foreseen under Article 6 of the Paris Agreement;
- Provide an overall assessment of feasibility for carbon pricing for the country and provide recommendations on the possible way forward.

SCOPE OF THE STUDY

In order for a prompt start of activities and to better inform the formulation of subsequent work packages, **it is proposed to start conducting a specific study covering only the first item (from 1 to 6) listed above:**

“To identify and describe key elements of the domestic context which may influence the choice of carbon pricing instrument and its specific design”

Specifically, the study is to identify key elements in the following area which may influence the feasibility and design of carbon pricing options in the country:

- 1.1. GHG emissions, including by sector, focusing on sectors with high mitigation potential;
- 1.2. Major developments in key sectors such as energy and industry;
- 1.3. Analysis of current and planned policies (fiscal and non-fiscal) or tools affecting GHG emissions and/or energy consumption (e.g. fuel levies; feed-in tariffs; structure of electricity cost, climate and environmental funds, etc.);
- 1.4. Relevant domestic climate-change related framework
 - 1.4.1. Domestic climate-change related institutional arrangements;
 - 1.4.2. Elements of the domestic policy and legal framework of relevance to carbon pricing;
 - 1.4.3. Domestic environmental goals and strategies;
- 1.5. Overview of social and economic factors that are likely to affect, or be affected by the consideration of adoption of carbon pricing instruments;
- 1.6. Overall development priorities;
- 1.7. International environment and developments (in particular in relation to GHG emissions and energy) with relevance to Trinidad and Tobago's and commitments (among which, but not restricted to the NDC under the Paris Agreement);
- 1.8. Information on the interest to consider cooperative climate action under Article 6 of the Paris Agreement.

METHODOLOGY

The study is expected to consist mostly in qualitative research. Nevertheless, the following requirements apply:

- As far as possible, quantitative elements should be presented, for example regarding GHG emissions, the socio-economic context, planned or existing policies, etc.
- The conduct of this study may require, as appropriate, interacting with various national stakeholders, either for fact-finding purposes, or for collecting views from major stakeholder (among others, but not restricted to element 1.8 “Information on

the interest to consider cooperative climate action under Article 6 of the Paris Agreement”).

- To provide an overview of findings from section 1.3 (regarding quantitative policies), the study is required to present a matrix of economic penalties and incentives influencing GHG emissions by fuel/sector.

DELIVERABLES

The Regional Collaboration Centre St. George’s, represented by its host partner WINDREF, seeks to hire a consultant to deliver the following products in close coordination with the UNFCCC and The Ministry of Planning and Development of Trinidad and Tobago. The consultant must provide the following products,

OUTPUT

	Outputs/Results	Indicative date
1.	Initial outline of the intended report which is to be reviewed and agreed by RCC St. George’s.	15 December 2020
2.	Draft Report, 7 weeks after signing the contract	15 January 2021
3.	Final Draft report, 16 weeks after signing the contract	5 March 2021
4.	Validation workshop (to be held virtually) to present the results contained in the final draft report and to seek comments/input	TBC
5.	Final report, which is to take into account comments received during the validation workshop. This final report is to be delivered 4 weeks after having received feedback on the final draft report. The report should include an executive summary.	5 April 2021

START AND DURATION

Start date: 11 DECEMBER 2020

Finalization date: 5 APRIL 2021

Estimated working days: 16 WEEKS

IMPLEMENTATION AND REPORTING

All coordination and information will be carried out through the Regional Collaboration Centre, with the payment authorized at the time of delivery by the UNFCCC Secretariat. The results will be evaluated on the basis of the above timetable. The deliverables prepared by the Consultant(s) shall be delivered as per agreement to Mr. Vintura Silva (VSilva@unfccc.int); to Mr. Kishan Kumarsingh (Kishan.Kumarsingh@planning.gov.tt) and to Ms. Monique Nardi (MNardi@unfccc.int).

QUALIFICATIONS AND COMPETENCIES

Academic background: The Consultant(s) should have an academic background and professional experience with relevance to carbon pricing and/or carbon markets, such as economics (ideally environmental economics and/or energy economics), or policy.

Professional expertise

Required:

- Knowledge on UNFCCC climate change negotiations, with particular focus the Paris Agreement (including Article 6 & NDC Implementation);
- Familiarity with GHG mitigation instruments, especially economic instruments;
- Experience working with government and non-state stakeholders in national and/or regional policy development and implementation of climate change activities;
- Strong analytical and critical thinking abilities;
- Fluency in English and strong drafting skills.

Desired:

- Knowledge of existing structures in Trinidad and Tobago in line with low carbon development is considered an advantage;
- Good communication and presentation skills (able to communicate on complex matters with clear and simple messages);
- Familiarity with carbon pricing approaches (carbon taxes, ETS)

REMUNERATION

Competitive remuneration will be provided in accordance with current United Nations rules and regulations.

HOW TO APPLY

Interested candidates whose qualification and experience match the established requirements, they must submit their application to RCCStgeorges@unfccc.int and RWaechte@squ.edu until 30 November, 2020 which will contain the following:



Regional Collaboration Centre – St. George's
Promoting Climate Action in the Caribbean

- A summary of a technical proposal that will have a description of the methodology for implementing the tasks in it; and
- A schedule for completion of the work aligned with reporting requirements and tentative schedule

Only candidates under serious consideration will be invited to a teleconference interview. Please indicate “*Study on Carbon Pricing approaches in Trinidad and Tobago*” in your email subject. Qualified women candidates are especially encouraged to apply.