

Request for Proposal (RFP)

Study on “Developing and Operationalizing the Internal and Cross Border Carbon Market”

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SAARC Energy Centre

255, Akram Road, Bani-Gala, Islamabad, Pakistan

Tel: +92-51 877 2376

Email: info@saarcenergy.org

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1. Introduction

With recent global attention towards the energy transition driven by climate change, there is a big hope that international carbon markets may play a positive role in advancing such transitions. Carbon markets are trading systems in which companies or individuals can employ various carbon mechanisms to compensate for their greenhouse gas emissions by purchasing carbon credits at certain price from the entities that remove or reduce greenhouse gas emissions. Followed by Clean Development Mechanism (CDM) under the Kyoto Protocol in 1997 and Article 6 of Paris Agreement in 2015, carbon market has evolved into fully operationalized market in many jurisdictions. Despite its long history and wider uses with anticipated benefits, carbon market is in nascent stage in South Asia. India has passed amendments in August 2022 to its Energy Conservation Act for the establishment of a carbon market and Pakistan is preparing for the readiness to establish the carbon market. Although few projects across South Asia have entered the voluntary carbon market and are receiving carbon credit revenues, the extent of the benefits has been modest and insufficient to drive broader impact. The lack of harmonized standards, institutional frameworks, and enabling market infrastructure has constrained the growth, credibility, and overall effectiveness of carbon trading in the region. Moreover, given the region's considerable size and untapped potential, no South Asian country has yet established a compliance-based carbon market. This highlights the need to develop and operationalize a transparent, fair, and well-regulated internal and cross border carbon market in south Asian countries.

In this context, SEC is conducting a Study on Developing and Operationalizing the Internal and Cross Border Carbon Market in South Asian region. The study will set the country specific smart objectives and design a robust market framework so as to create a level playing field. The study can serve as a tool for policy makers and environmental proponents in the region to align the resources towards the creation of carbon market. It will provide the information of carbon market potential and various carbon trading options applicable in South Asian Nationally Determined Contributions (NDCs) effectively.

2. Objectives of the Study

- Assess the current status of carbon market engagement in South Asian countries (voluntary and emerging compliance markets).
- Identify barriers and opportunities for developing compliance carbon markets within individual countries and across borders.
- Propose a strategic roadmap for establishing national and cross border carbon market frameworks.
- Recommend policy, regulatory, and institutional measures to facilitate fair, transparent, and credible carbon trading in South Asia.

- Examine possible linkages with global markets and mechanisms under Article 6 of the Paris Agreement.

3. Terms of Reference (TORs)

The major aspects and areas of the study are as under:

- a) The Expert(s)/ part(y/ies) will conduct this study covering the areas suggested in “Proposed Minimum Contents” (given at Annexure – I) keeping in view the objectives described in Section 2.
- b) An in-depth, factual and concise research shall be preferred over generic or broad natured appraisal. Similarly, the quantified results (where applicable) shall be preferred over the qualitative evaluations.
- c) Contents and style should guide the stakeholders (policy makers, professionals etc.).
- d) Analysis of the study should be based on authentic primary as well as secondary sources with citation.
- e) The pictures/ exhibits should be of good quality and of high resolution.
- f) The comparison (if any) can be drawn from existing viable and proven solutions/ examples/ best practices of countries or regions, which have similar or near-similar conditions as of SAARC Member States.
- g) Country-wise conclusions and recommendation (all SAARC Member States) of the study shall be reported.
- h) There should be no copyright violation in the study report.

4. General Terms & Conditions

Following terms and conditions will apply for the purpose of this study:

- a) SEC reserves the right to accept or reject any or all of the proposals.
- b) Any false information/ document(s) will lead to rejection of the proposal.
- c) The selected and hired Expert(s)/ part(y/ies) will enter into a Service Agreement with SEC to conduct the study.
- d) The Study task will be carried-out while working at location of the Expert(s)/ part(y/ies). It does not include any travelling to SAARC Member States or to SEC.
- e) The Expert(s)/ part(y/ies) will remain in close liaison with and report to the SEC Programme Coordinator of this study.

- f) Email or any other online communication will be the preferred mode of contact between Expert(s)/ part(y/ies) and SEC.
- g) To facilitate the Expert(s)/ part(y/ies) in the conduct of the study, SEC will give free access to all relevant data available with it. This shall include all SEC publications, reports/ data/ information held in SEC library and data bank. Other than this, access to additional data/ information, for the purpose of this study, will be the sole responsibility of the Expert(s)/ part(y/ies).
- h) Expert(s)/ part(y/ies) will design and structure the study by taking into account, but not limited to the TORs and Proposed Minimum Contents of the study. Expert(s)/ part(y/ies) is/are strongly encouraged to add or improve the contents of study, preferably in consultation with SEC.
- i) Expert(s)/ part(y/ies) will submit the broad Table of Contents along with any further additional information about the study within three weeks of the signing of the Service Agreement.
- j) The Expert(s)/ part(y/ies) will submit the interim report of the study (electronic copy) conducted/ completed on fortnightly basis, to SEC for mutual coordination and timely feedback from the Programme Coordinator.

5. Duration of the Assignment

- a) The Expert(s)/ part(y/ies) will submit final draft report of the study (completed in all respects) within six months of the signing of the service agreement. SEC shall review the draft and communicate to the Expert(s)/ part(y/ies) of its evaluation. Any weaknesses/ shortcomings/ improvements pointed out by SEC shall be addressed by the Expert(s)/ part(y/ies) in the draft study report accordingly.
- b) SEC will send the improved draft study report to the selected reviewer(s) for peer-review and comments/suggestions. The Expert(s)/ part(y/ies) will incorporate the suggestions of the reviewer to finalize the study report.

6. Deliverables

After finalization of the study, the Expert(s)/ part(y/ies) will submit the following as per the requirement of SEC:

- a) Soft copy of Final Study Report (editable version) with appropriate formatting and composing.
- b) A comprehensive PowerPoint presentation covering the important features and the outcome of the study.

7. Payment Terms

SEC will pay a lump sum honorarium not exceeding USD 30,000/- (all-inclusive and after deduction of tax/ duty) to the Expert(s)/ part(y/ies) after peer review and finalization of the study, and upon acceptance of the final study report by the Centre. The Centre will not be liable to make the payment in case of late submission of the deliverables mentioned in Section 6.

8. Hiring Process of Expert(s)/ Part(y/ies)

Interested Expert/ party shall submit their technical & financial proposals to undertake this study. Hiring process will be as follows:

- a) Submission of technical & financial proposals by Expert(s)/ part(y/ies) by the set deadline.
- b) Technical evaluation of the proposals by Evaluation Committee for shortlisting of suitable Expert(s)/ part(y/ies) as per “Scoring Criteria for Evaluation of Technical Proposals” (given in Annexure – II).
- c) Financial evaluation of the top three shortlisted proposals as per the following formula:

$$\text{Financial Score (out of 20)} = 20 \times \frac{\text{Lowest Bid Value Offered}}{\text{Your Bid Value}}$$

- d) Final selection will be based on combined score of technical (out of 80) and financial (out of 20) evaluations.
- e) The successful Expert/ party will be intimated and offered to enter into a Service Agreement with SEC to undertake the study. In case successful Expert/ party declines, next in line Expert/ party will be offered to proceed with Service Agreement.

9. Components of the Proposal

The proposal shall comprise of following three components:

9.1. Cover Letter

A Cover Letter (maximum one page) assuring that the study will be conducted by the Lead Trainer and Co-Trainer(s), specified in the proposal and they will be available throughout the duration of this activity.

9.2. Technical Proposal

The Technical Proposal shall comprise of:

- a) Proposal to conduct the study (guidelines given in Annexure – III)
- b) Curriculum Vitae (CVs) of lead trainer and co-trainer(s) as per template in Annexure – IV. Scanned copies of testimonials/ degrees/ certificates must be attached with the CV.

9.3. Financial Proposal

The Financial Proposal should stipulate a lump-sum amount in US Dollars to undertake the assignment as per format at Annexure – V.

Annexure – I

Proposed Minimum Contents

For

Developing and Operationalizing the Internal and Cross Border Carbon Market

This activity will cover, but is not limited to the following aspects on carbon market:

- Study Purpose and Context
- Global Carbon Market Landscape
- Current Carbon Market Activities in South Asia
- Key Barriers and Constraints
- Country wise/Regional Opportunities and Collaborative Potential
- Design Options for Domestic and Cross Border Carbon Markets
- Institutional, Legal, and Regulatory Considerations
- Phased Implementation Strategy
- Linking with International Carbon Trading Mechanisms
- Strategic Conclusions and Actionable Recommendations

Annexure – II

Scoring Criteria for Evaluation of Technical Proposals

Evaluation of Technical Proposal will be based on the following criteria:

Evaluation Parameters	Max Score	Evaluation Score	Clarifications															
Relevant Academic Qualifications / Education (Team Lead)	20	<ul style="list-style-type: none">10 for B.E./B.Sc./B.Eng. (16 years of education)12 to 15 for MS/M.Sc./M.Eng./M.Phil (17-18 years of education)17 to 20 for PhD	<ul style="list-style-type: none">Only the highest qualification will be scored.For MS/PhD, the scoring shall be as follows:<table><tr><th>Latest QS Ranking</th><th>MS Score</th><th>PhD Score</th></tr><tr><td>1 to 50</td><td>15</td><td>20</td></tr><tr><td>51 to 100</td><td>14</td><td>19</td></tr><tr><td>101 to 200</td><td>13</td><td>18</td></tr><tr><td>Below 200</td><td>12</td><td>17</td></tr></table>	Latest QS Ranking	MS Score	PhD Score	1 to 50	15	20	51 to 100	14	19	101 to 200	13	18	Below 200	12	17
Latest QS Ranking	MS Score	PhD Score																
1 to 50	15	20																
51 to 100	14	19																
101 to 200	13	18																
Below 200	12	17																
Team Composition	10	<ul style="list-style-type: none">6 for individual7 for local team/firm9 for regional team/firm10 for international team/firm	<ul style="list-style-type: none">Team comprises of two or more than two members.Local: Team members from the same country.Regional: Team members from at least two SAARC Member States.International: Team members from SAARC region and at least one from outside.															
Relevant Professional Courses and Trainings	05	<ul style="list-style-type: none">01 for every 15 training days up to maximum score of 03 (for Team Lead)Additional 01 for every 15 training days up to maximum score of 02 (for team members)	<ul style="list-style-type: none">Total training days will be counted separately for Team Lead and other team members.For Team Lead, total training days between 0-14 will get 0 score, between 15-29 days will get 01 score, between 30-44 days will get 02 score, and beyond 45 days will get 03 score.															

Evaluation Parameters	Max Score	Evaluation Score	Clarifications
			<ul style="list-style-type: none"> For team members, number of training days will be counted individually not collectively. For example, for two team members in addition to the Team Lead, if each team member has less than 15 days training, total score will be zero.
Relevant Work Experience	10	<ul style="list-style-type: none"> 01 for each completed year of relevant experience by Team Lead up to maximum score of 08 Additional 02 (maximum) if team members also have relevant experience 	
Study Related Assignments Undertaken	15	<ul style="list-style-type: none"> 02 for each completed assignment by Team Lead or Firm up to maximum score of 10. Additional 02 (maximum) for assignment(s) involving multiple countries. Additional 01 for each relevant assignment (up to maximum of 03) conducted by team members 	Assignments of duration less than 02 month will not be considered
Research Proposal	20	Graded on the scale of 01 to 20	<p>Scoring will be based on strengths and suitability of the individual sections of Research Proposal as under:</p> <ul style="list-style-type: none"> Introduction: 02 Statement of the Problem: 01 Rationale and Objectives of the Study: 02 Scope of the Study: 02 Methodology: 04 Existing Status Globally, specifically in SAARC: 03 Issues and Challenges/Barriers (Socio-techno-economic, etc.): 03 Value Addition/Deliverable(s), if any: 02 Expected Outcome and Benefit of the Study: 01

Annexure – III

Proposal to Conduct the Study

The Research Proposal should include the below mentioned sections and each section shall be scored as per “Scoring Criteria for Evaluation of Technical Proposals” (as given in Annexure-II). The Research Proposal must not exceed five pages (A4 page, font Calibri, size 11, line spacing 1.15, 1 inch margin on all sides), including charts and diagrams (if any).

- a) Introduction
- b) Statement of the Problem
- c) Rationale and Objectives of the Study
- d) Scope of the Study
- e) Methodology
- f) Existing Status Globally, specifically in SAARC
- g) Issues and Challenges/Barriers (Socio-techno-economic, etc.)
- h) Value Addition/Deliverable(s), if any
- i) Expected Outcome and Benefit of the Study

Annexure – IV

Standard Template for Curriculum Vitae

Assignment Applied for			
Name			
Nationality			
Present Address			
Postal Address			
Cell and Landline Telephone			
Alternate Contact (if away)			
Email			
Whatsapp			
Proficiency in English Language (Proficiency in speaking, reading & writing by <i>Excellent, Good, Fair or Poor</i>)			
English Language	Speaking	Reading	Writing
References			
Name, Position, Institution and Country		Email	Telephone

Relevant Academic Qualifications/ Education <i>(College/ University & other higher educational institutions)</i> <i>Provide latest QS Ranking of institute of highest qualification</i>				
Degree	Institution	Specialization	Academic Courses	Year Completed

Relevant Professional Courses/Trainings attended and Professional Certifications obtained etc. <i>(professional courses (other than academic courses)/Training(s) attended)</i>		
Title/ Description of Course/Training/Professional Certification	Institution and Country Attended	Duration (days)

Relevant Work Experience <i>(All positions held since graduation)</i>				
Period (e.g., May 2001-June 2002)	Position	Employer	Major Responsibilities	
Experience Specifically Related to This Assignment/ Study/ Task <i>(Study Related projects, research work etc.)</i>				
Brief Description of Project/ Research/ Field Work Undertaken		Organization and Country/ Location	Year	Duration (days)

Format for Financial Proposal

FINANCIAL PROPOSAL	
Description of Assignment	Bid Offer (USD)
Study on “Developing and Operationalizing the Internal and Cross Border Carbon Market”	

It is certified that the given RFP has been thoroughly read, understood and agreed upon. We (Expert(s)/ part(y/ies)) undertake to complete the assignment within stipulated time at the total cost (inclusive of all taxes/ duties) quoted above.

Expert/ Team Lead: _____

Signature with date: _____