



Request for Proposals (RFP)

for

Developing a Timor-Leste's Carbon Farming Policy and Guideline

1. BACKGROUND

In Timor-Leste, there are carbon farming activities being implemented by several operators (project developers). Thousands of farmers have planted trees on their land under the carbon farming schemes supported by the operators. While the operators and farmers are active in carbon farming activities, there is absence of enabling regulatory framework that provides legal support for them. In the absence of appropriate laws, policies, guidelines and institutional framework, the operators and the carbon farmers feel insecure for their investments. These gaps have negatively affected the growth of the carbon farming market in the country.

To address these gaps, the European Union is funding two programs in Timor-Leste to create a viable carbon farming market. The first builds on the success of With One Seed (*Ho Musan Ida*), a not-for-profit program run by xPand Foundation, to establish smallholder carbon farms in parts of Timor-Leste and administer payments for sequestered carbon to the voluntary carbon market. The second program implementation is by Alinea International is EU-Technical Assistance to Support Carbon Farming (EU-TASCF), Timor-Leste and focuses on establishing the enabling environment within Timor-Leste to allow Carbon Farming to thrive.

EU-TASCF has a three-year duration from March 2021 to February 2024 with following objectives:

- To facilitating and enabling the rewarding of carbon sequestration activities, especially in the forestry sector.
- To establish proactive and effective coordination among the multitude of partners and entities participating in the carbon market.

EU-TASCF is implemented in close coordination with National Designated Authority, National Directorate of Climate Change, Directorate General of Environment under the Ministry of Tourism and Environment and Directorate General of Forestry, Coffee and Industrial Plants under the Ministry of Agriculture and Fisheries.

On the request of Government of Timor-Leste's concerned Ministry and Directorates, EU-TASCF has been asked to support the development of the following national laws, policies, and commitments:

- Updating of Nationally Determined Contributions
- Timor-Leste Climate Change Framework Law
- Design of a National Measurement, Reporting and Verification System for Land Sector in Timor-Leste
- Timor-Leste Carbon Farming Policy and Guidelines

The nationally determined contributions have been updated with support from EU-TASCF and have been approved by the Council of Ministers in 2022 and submitted to UNFCCC by the Government of Timor-Leste.



Development of Timor-Leste Climate Change Law is in process. Two public consultations workshops at the national level were organized and feedback from the workshops are included in the draft Climate Change Framework Law. The 3rd draft of the Law is expected to be shared by the concerned law firms (DTA and Pollination) within September 2023. After the review of the 3rd draft of the Law, the government will decide for next steps of consultation at community level or progressing to the parliament for discussion.

Design of a National Measurement, Reporting and Verification System for Land Sector in Timor-Leste will start from 15th of August 2023. Two consultants from Environmental Accounting Services have been selected to assist GoTL in designing its own MRV system for Timor -Leste as per the national ambitions and needs. There will be eight online workshops planned to support the design process in consultative and participatory manner.

This Request for Proposals (RFP) is in support of the Timor-Leste Carbon Farming Policy and Guidelines (CFPG). A ToR has been developed in consultations with the GoTL stakeholders individually and subsequently the issues to be included in the scope of CFPG were prioritized after discussing with the stakeholders through a joint workshop. The priority issues after the workshop were reconfirmed further with the GoTL stakeholders and those issues are included in this RFP. This RFP requests proposals for a costed consultative drafting and capacity building process to develop Timor-Leste Carbon Farming Policy and Guidelines. **It is to be noted that the consultancy is conducted mainly in Timor-Leste with possible but limited distance consultancy.**

2. OBJECTIVE

The overall objective of this ToR is to develop Timor-Leste Carbon Farming Policy and Guideline following a consultative and empowering process with relevant stakeholders related to carbon farming.

3. EXISTING LEGAL FRAMEWORK AND POLICY DOCUMENTS

This ToR should be built upon;

- Ratified International Commitments including UNFCCC and Paris Agreement
- The Climate Change Policy
- The Updated National Determined Contributions (2022-2030)
- National Designated Authority (NDA) Decree Law.
- Other related laws (e.g., National Forestry Policy, National Agroforestry Strategy, National Community Forestry Strategy etc.)



4. STAKEHOLDERS

The stakeholders to be consulted by the consultant(s) include:

- National Designated Authority (NDA)
- National Director of Climate Change (NDCC)
- Director General – Environment
- Director General - Forestry Coffee and Industrial Plants (MAF-DGFCIP)
- Project developers involved in (ongoing and future) carbon farming.
- Communities / groups / farmers involved in carbon farming.
- Local authorities where carbon farming is being implemented.
- Civil Society concerned.
- Business Entities, private sector involved in carbon farming.

5. SCOPE OF THE CFPG

The scope of this first version of CFPG has been decided in consultation with all relevant Government partners. The key items to be covered by this first version of CFPG are listed below. To limit the scope of the work and deliver a first version of the CFPG as soon as possible, it was agreed by the Government partners that the first version of the Carbon Farming Policy will focus on types of carbon farming currently being implemented on the ground in Timor-Leste while indicating how additional types of carbon farming can be included in the future. The first Carbon Farming Guideline will focus on Carbon Farming related to tree planting as the most prominent type of ongoing Carbon Farming. The first Carbon Farming Guideline will serve as a template that can be adjusted for the development of additional Carbon Farming Guidelines for other types of Carbon Farming.

The first version of the CFPG will contain the agreed Government of Timor Leste (stakeholders include at least those mentioned in point no. 4 above) approach to the following issues. The agreement will be obtained through a process of consultation and capacity building:

1. Define Policy drivers of Government of Timor-Leste to develop Carbon Farming Policy and Guidelines (CFPG). State the purpose of Carbon Farming in Timor-Leste and ensure CFPG is justified against this purpose;
2. Define Carbon Farming (CF) as an activity in the context of Timor-Leste and the minimum quality standards for high-integrity Carbon Farming in Timor-Leste including but not limited to additionality, permanence and leakage;
3. Define clear roles and responsibilities of government institutions in relation to Carbon Farming ensuring consistency between Carbon Farming Policy and Carbon Farming Guidelines;
4. Define the interlinkage of Carbon Farming with other carbon activity e.g. carbon capture and storage;
5. Define types of carbon farming (at least covering the ongoing types of carbon farming, i.e. forest, tree planting, mangrove, decarbonization through coffee trees rehabilitation and shade tree planting, and cookstoves);



6. Define community participation in Carbon Farming. Identify the minimum requirements to consider an approach a community-based type of carbon farming;
7. Define a mechanism to assure permanence of carbon credits for the agreed period. This mechanism should be harmonized with the mechanisms already included in the systems of the international entities that are allowed to issue carbon credits.
8. Define relevant characteristics of carbon farming activities and/or the operators involved. Relevant refers to the need to differentiate between these types in the provisions of CFPG. The characteristics can be based on private investor on-private land, private investor on-public/*adat*/communal land, and government on public/state land, etc.
9. Define the land-use types that can be used for carbon farming. Define priority land and land on which carbon farming is not allowed. E.g. marginal land vs fertile agricultural lands.
10. Define national interest between protected areas and areas for carbon farming;
11. Define the process of issuance of carbon credits through recognized international entities. Define process and conditions for recognition of international schemes by GoTL. Define division of labour between GoTL and the international entities in particular for the areas of overlap, e.g. registration and MRV;
12. Define criteria for approval of carbon farming activities including the size and type of investment. Consider different treatment of national investors versus international investors?
13. Define system that assigns carbon rights to custodians and the process through which these right related to other rights for instance land ownership and labor;
14. Define how carbon right can be registered for different classes of Carbon Farming and confirm freedom of carbon right holders to turn their rights in to carbon credits and their freedom to transact those credits;
15. Establish system to maximize benefit from Carbon Farming for local communities. Define local communities and their rights based on their contribution and their dependencies on the land/natural resources where the Carbon Farming is implemented. Define framework for valuation of eco-services;
16. Define mechanisms to ensure transparency of operations and benefit sharing;
17. Establish system of registration (eligibility requirements, legal right, contract with farmers/communities, permanence period, consequences of non-compliance of permanence period and approvals) required for different classes of Carbon Farming. Define minimum safeguards for carbon farming activities (including but not limited to: biodiversity and gender);
18. Establish a national registry for carbon farming projects' registration/approval (including project operators' (current and future) commitment to follow the policy and implementation rules of carbon farming) and a national MRV for results reporting;
19. Establish system for reporting verified result from Carbon Farming activities. Setting minimum standards for MRV and ensure reported result can be included in National MRV system;
20. Establish a procedure for article 6 compliance; and avoid double counting. Define are the instruments and tools to implement this procedure?
21. Establish a framework for fees, taxes and levies for different classes of Carbon Farming. Define rationale for variation in fees, taxes and levies by types of Carbon Farming



6. METHODOLOGY

The consultant(s) are requested to design a methodology to develop the first version of the CFPG within the available timeline and in consultation with all stakeholders while ensuring the stakeholders are fully informed about the different policy options under consideration.

The stakeholders to be consulted are listed above. The list of project developers involved in (ongoing and future) carbon farming will be provided by NDA on the basis of the projects that have registered with NDA at the time of the consultation process.

The Communities / groups / farmers involved in carbon farming will not have to be consulted separately. There will be a complementary consultancy that is bringing together all organisations and their members working on community carbon farming and ensuring that their input into the CFPG consultation process is harmonised. This will ensure that this consultancy does not have to consult with each community carbon farming operator and their members separately and does not need to invest time to harmonise the position of all community carbon farming operators and their members.

The consultancy will propose a methodology so that the maximum number of stakeholders, including potential new carbon farming operators, are consulted. In parallel to the consultancy, Alinea is supporting coordination among current CF operators and Government. Several carbon farming operators already have an MoU with the Government, but these agreements need to be harmonised for all community carbon farming operators and similar conditions need to be agreed for other types of existing and potentially new carbon farming operators. Community carbon farming operators have also agreed to a common governance model for community carbon farming.

Since the optimal combination of time, mediation and capacity building is required to achieve the objective of this RFP, the consultants are asked to provide the methodology they propose to use. The consultant(s) are expected to provide a Gant chart or similar, outlining the sequence of activities and the indicative timeline to meet the requirements as outlined in the RFP. This methodology will be considered as the most important criterion for awarding the contract.

The proposed methodology will have three stages: The first stage will end with an Options Paper for both the CF Policy and the CF Guideline. The second stage will end with a Zero Draft of the CF Policy and the CF Guideline. The final stage is the submission of the Final Draft of the CF Policy and the CF Guideline. The deliverable at the end of each stage will be approved by the panel consisting of the same members as the Evaluation Committee for the RFP (see below).

7. DELIVERABLES

1. Options Paper for Timor-Leste Carbon Farming Policy (covering ongoing types of carbon farming) and Timor-Leste Carbon Farming Guideline (covering tree planting types of carbon farming)



2. Zero Draft of the Timor-Leste Carbon Farming Policy (covering ongoing types of carbon farming) and Timor-Leste Carbon Farming Guideline (covering tree planting types of carbon farming)
3. Final Draft of the Timor-Leste Carbon Farming Policy (covering ongoing types of carbon farming) and Timor-Leste Carbon Farming Guideline (covering tree planting types of carbon farming)
4. A 5-page report on methodology followed and feedback from the stakeholders on carbon farming policy and guideline

8. ELIGIBILITY AND CAPABILITY CRITERIA FOR THE CONSULTANTS(S)/FIRM

Only the following contractors are eligible to submit proposals:

- Interested consultant(s) or firm shall demonstrate sufficient capacities (please attach at least two related evidences to support the claim) to implement the required activity in a satisfactory manner;
- None of the consultant(s) or firm shall be listed on the "Ineligible Firms and Individuals" list posted by World Bank. <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>
- Excellent English verbal and writing skills

Capability criteria considered as part of the evaluation process:

(The Contractor is required to detail experience and capability to provide the services as requested)

- Experience on working on policies related to climate change (adaptation and mitigation) and carbon markets. (Years of experience must be explicitly mentioned for each consultant)
- Experience of working with Government Ministries and Departments in relation to laws, policies, strategy and guidelines development similar assignments as set out in the call for proposal
- Experience of relevant work in Timor-Leste will be considered an advantage

Proposals need to clearly list proof for years of experience for each consultant for each of the criteria above. The same assignment can be included in several criteria if the experience meets the criteria.

9. EVALUATION COMMITTEE

Selection Committee is composed of six members: Four voting members of which three senior representatives of the Government of Timor-Leste and one representative of the EU TASCf project. The two non-voting members are the chair who is an EU representative and a secretary.



10. BUDGET AND COSTS CONSIDERATIONS

- **Non-Key Expert (NKE) Days:** For the completion of entire task for three deliverables, a maximum of 290 NKE days are allocated. All consultants are NKE for this proposal.
- **Fees:** The maximum consultant fee is Euro 550/day which includes all management fees.
- **Travel costs:** All travel costs related to assignment will be covered by EU-TASCF. Actual costs incurred will be covered or reimbursed limited to the maximum mentioned in the proposal.
- **Per diems:** Per diems will be paid as per the EU rules for the works spent overnight limited to the maximum mentioned in the proposal. It includes accommodation, foods and incidental costs.
- **Consultation Workshops/Meeting:** Consultation Workshops/Meeting related to the assignment will be covered by EU-TASCF.
- **Translation:** The report must be submitted in English language. EU-TASCF will cover the cost for translation of the carbon farming policy guidelines from English to Portuguese and Tetum.
- **Budget Proposal:** Submissions should include a budget that includes all fee costs, all travel costs, and all Per Diem costs. This total budget will be used in the evaluation of the submission.

11. DURATION OF CONTRACT

Contract duration is for the period from September 2023 (asap) to 15 February 2024.

12. TIMELINE FOR DELIVERABLES

The timeline for deliverables is as follows:

The dates that the Options Paper and the Zero Draft will be submitted will depend on the methodology proposed. These dates will be included into the contract of the selected firm/consultant. The final delivery date is fixed, as listed below.

Deliverables	Deadline
Final Draft Timor-Leste Carbon Farming Policy (covering ongoing types of carbon farming) accepted by GoTL and EU committee	15 February 2024
Final Draft Timor-Leste Carbon Farming Guideline (covering tree planting types of carbon farming) accepted by GoTL and EU committee	15 February 2024
A 5-page report on methodology followed and feedback from the stakeholders on carbon farming policy and guideline accepted by EU	15 February 2024



13. LANGUAGE

Proposals and all deliverables must be submitted in English language. As per the need, EU-TASCF will cover the cost for translation of the policy and guidelines to Portuguese and Tetum.

14. APPLICATION PROCEDURE

Qualified consultant/firms are hereby requested to submit an expression of interest providing the details of their contact person to:

Buddhi Kunwar

Buddhi.kunwar@alineainternational.com

All applicants who have submitted an expression of interest are allowed to ask administrative questions and will be provided with a reply to all questions submitted.

The applicants will submit their proposals with following attachments in PDF, Microsoft Word, or Microsoft Excel format:

- a. Documents establishing the eligibility and qualifications of the Proposer.
- b. Duly filled methodology for the proposed assignment (max 4 pages).
- c. Duly filled budget proposal form.
- d. Other supporting documents as required.

Technical and financial proposals should be submitted as separate attachment to an email to CFPG@alineainternational.com by 23:59 hours Dili time on 15 September 2023. The title of the email should state **Proposal for CFPG**. The body of the email should only contain the details of the contact person for the proposal. Only one email per applicant will be considered.

Technical attachments will be printed and shared with the Evaluation Committee members on the week of 18 September 2023 and the financial attachment will be opened in the presence of the Evaluation Committee during the decision meeting in the beginning of September.

15. EXCLUSION CRITERIA

- a. Applicants who have a conflict of interest are not allowed to respond to this RFP. A conflict of interest exists where the impartial and objective exercise of the authorising officer (namely, any financial actor including national authorities at any level involved under direct, indirect and shared management in budget implementation) is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest.
- b. Applicants who were involved in the drafting of this ToR or RFP are not allowed to respond to this RFP.



16. EVALUATION CRITERIA

The firm will be internally evaluated by the selection committee against the following evaluation criteria:

SN	Evaluation Criteria	Weight
A	OVERALL EXPERIENCE OF CONSULTANT(S)	40%
A1	Years of experience related to climate change and carbon markets of proposed consultant(s) proportional to their time contribution	16%
A2	Years of experience of proposed consultant(s) working with Government Ministries and Departments in relation to laws, policies, strategy and guidelines development proportional to their time contribution	16%
A3	Years of relevant experience of proposed consultant in Timor Leste proportional to their time contribution	8%
B	QUALITY OF METHODOLOGY PROPOSED Overall approach and strategy described/outlined in the proposal and consultant/firm capacity to perform the engagement within the specified timeframe	40%
B1	Quality of the methodology proposed for developing a CFPG	40%
C	BUDGET APPROACH / COST EFFECFTIVENESS Effective and efficient delivery of quality services is demonstrated in relation to the budget allocation. The allocation is reasonable and appropriate.	20%
C1	Budget estimate for the assignment of drafting CFPG (include: Fee costs, travel costs, per-diem costs)	20%
	Total score = A+B+C	100%

17. CONTACT OFFICER

Only administrative questions can be answered during the RFP period. They can be addressed to:

Buddhi Kunwar

Buddhi.kunwar@alineainternational.com

Answers will be sent to all parties having expressed an interest in this RFP.

Complaints can be submitted to

<https://www.alineainternational.com/whistleblower-hotline/>

And will be dealt with in accordance with the complaints policy of Alinea International.

<https://www.alineainternational.com/wp-content/uploads/2022/04/Alinea-Whistleblower-Policy-2021-Mar-31.pdf>