



## THE FRIENDSHIP PROJECT, CO-FUNDED BY THE EUROPEAN UNION BIDDING INVITATION TO APPLICANTS FOR PROJECT

**The project name:** The FRIENDSHIP, co-funded by the European Union -Strengthening EU- Mongolia Friendship through Equitable, Resilient and Innovative Growth in Darkhan Uul-Province

**Purpose:** Developing a Pipeline of Climate Change Investment Project within the scope of Voluntary Carbon Market (VCM) and article 6 of the Paris Agreement

### The executive summary of the project

#### Background:

Darkhan-Uul Province, situated in Mongolia, recognizes the critical need to address climate change and advance sustainable development initiatives with focus on localization of Nationally Determined Contributions' (L-NDCs) and Localisation of SDGs (L-SDGs). The Provincial Municipality of Darkhan-Uul, being part of natural ecosystem of Mongolia, is not immune from adverse and disastrous impact of climate change. Historical trends of climate change with rise in temperature, is reported at fastest rates in the world in Mongolia and other shifts in climate dynamics are already strongly impacting on lives and livelihoods, including the economic sectors and natural capital. In response, Mongolia has engaged closely with international efforts to mitigate climate change and its impacts at the National Level, however, availability of enabling policy, technical capacity to understand dimensions of physical and transitional climate risks, is low among stakeholders.

FRIENDSHIP Project, co-funded by the European Union to Darkhan-Uul Province Municipality provides a unique opportunity to provincial administration to explore and engage with European and International partners to catalyse an enabling environment for investigation of sub-national landscape on climate change project preparation support and to search for matching funding and investment for implementing the projects based on the readiness for investment proposal. During the project preparation support and development of pipeline, the initiative will engage with national government ecosystem, project development and planning support facilities and private sector to assist Darkhan-Uul in completing a bankable, investment- ready climate projects ready to provide a roadmap and economy for sustainable transition.

The Darkhan-Uul provinces forward-thinking approach has enabled them to engage, plan and act on many early-stage initiatives, where climate mitigation projects are prioritised for “Pre-Feasibility and Feasibility Studies for Climate Change Investment within the scope of voluntary carbon market, article 6, NDCs and other bilateral programmes (JCM, KETS etc). Recognizing the dynamic nature of the international carbon market, the provincial administration is proactive in its pursuit of development of collaborations with international carbon market actors, including, public and private sector, DFIs, climate and carbon funds with focus on mobilising climate finance instruments facilitated through available market-based mechanism.

**4.1 Undertake project for 1 Municipal services water, sanitation and energy with the provision of sustainable energy access, mainly focusing on participatory e-governance and infrastructure provisions)**

It will be focusing on the replicable and scalable pilot on equitable municipal infrastructure and greening the city and undertake a project for 1 municipal services water, sanitation, and energy based on community participation (participatory e-governance and infrastructure provisions).

These project will focus on greening the municipal services while ensuring efficiency standards such as standards of performance, 24/7 service, grievance redressal mechanisms, etc. Further, project with a focus on environmentally sound management (ESM) of chemicals, waste, and pollutants with a focus on plastics, e-waste, and short-lived climate pollutants (methane, black carbon) with the integration of green ICT innovations, modeling, Internet of things (IoT), actionable data for sustainable urbanization etc. will be encouraged. The project will look at a range of solutions from the implementation of hardware such as renewable energy to promoting technology-based solutions such as redressing consumer grievances.

#### **4.2 1 Social/IT entrepreneurship project through the call for competition**

This activity aims at social entrepreneurship project promoting social inclusiveness and equity. The project could range from improving citizens' participation at the baghs and soum level to bringing about social inclusiveness to the development of sustainable products and services for the environment, health care, education, hygiene, food, clothing, shelter, etc. A general call for competition will be launched and published in local news and print media. A technical committee will be set up who will scrutinise the initial set of applications or concept ideas. Following this, the shortlisted candidates will be selected for pitching their ideas through a detailed presentation. Here again, joint ventures will be encouraged, in addition to Darkhan/Mongolian social entrepreneurs and IT firms, between EU and Mongolian counterparts to ensure leveraging and aligning with the priorities of the call. Co-funding and co-financing will be encouraged to ensure the scaling up of the solutions across Darkhan Province and across different social sectors.

#### **Objectives:**

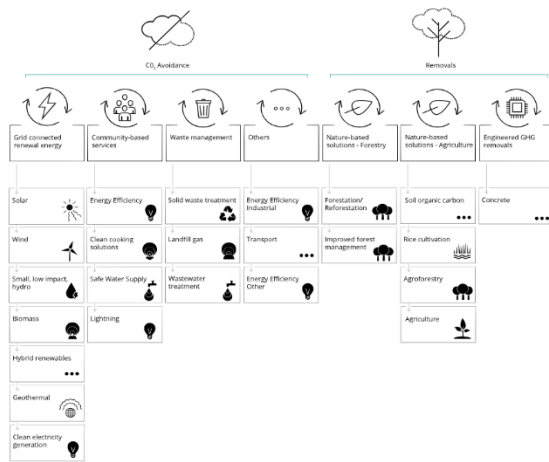
The Terms of Reference is released to accomplish following objectives:

#### **Core Objective:**

- To conduct a comprehensive feasibility study for identification and scoping exercise to determine the Carbon Credit generating potential of Darkhan-Uul Province. This study will set up an institutional framework for cooperation and engagement for Darkhan-Uul Province for generating and monetising carbon credits within the provincial region.
- To deliver a pre-feasibility/ feasibility study for the eligible projects, financial modelling for implementation of carbon credit projects qualifies under the avoidance and or removal schemes.
- To consider a possibility of developing a Draft-PDD, wherever possible based on the feasibility.
- To implement and demonstrate the certification needs of projects with focus on available standards under avoidance and removal category.
- Reviewing the applicability of EU carbon avoidance and removal schemes for collaboration partnerships

## Sectoral Scope:

All potential project and programmes will be prioritised for evaluation and development based on the Internationally acclaimed voluntary carbon standards; for example: VERRA, Gold Standards etc.



Eligible project scopes

Gold Standard

## VCS Sectoral Scopes

Projects, activities, or methodologies can be developed under any of the 16 VCS sectoral scopes.

1. Energy (renewable/non-renewable)
2. Energy distribution
3. Energy demand
4. Manufacturing industries
5. Chemical industry
6. Construction
7. Transport
8. Mining/Mineral production
9. Metal production
10. Fugitive emissions – from fuels (solid, oil, and gas)
11. Fugitive emissions – from Industrial gases (halocarbons and sulphur hexafluoride)
12. Solvents use
13. Waste handling and disposal
14. Agriculture, forestry and other land use (AFOLU)
15. Livestock and manure management
16. Carbon capture and storage

VERRA Standard

## Scope of Work:

- Baseline data Collection:**
  - Comprehensive analysis of current carbon emissions and baseline based on the scope of standard, project type and eligible methodology
- Stakeholder Consultations:**
  - Organize and facilitate consultation workshops with relevant stakeholders
  - Documentation of feedback and insights to inform the feasibility study.
- Review of Carbon Credit Standards:**
  - In-depth review of global carbon credit standards based on agreed approach with all stakeholders.
  - Evaluation of standards' applicability and benefits for investors and Mongolian stakeholders in context of climate co-benefits and green financing.
- Technical Feasibility Report:**
  - Preparation of a comprehensive draft report detailing carbon credit potential and implementation recommendations.
- Commercial Viability Assessment:**
  - Development of a financial model highlighting project expenses and revenues.
  - Assessment of viability indicators such as NPV, IRR, and payback period.
- Transaction Structuring:**
  - Analysis and recommendations for transaction structuring and investment options within compliance and voluntary market scope.
- Recommendation and Framework Development:**
  - Synthesis of findings to develop clear recommendations and actionable frameworks for Carbon Trading in Darkhan-Uul and provinces in Mongolia and Development of Draft PDD for investment closure.

## Timeline:

The transaction advisory services are expected to be completed within 6 months subject to adjustments based on project requirements and stakeholder feedback. The maximum duration of assignment will be 9 months from the date of signing of agreement.

## Requirements:

- Eligibility Criteria:**

- The consulting firm must be registered and operating within the European Union or possess extensive experience in delivering projects in compliance with EU regulations and standards.
- The consulting team should have demonstrated expertise in carbon markets, public-private partnerships, project finance, legal advisory, and stakeholder engagement, with a track record of successfully implementing similar projects.
- Experience in conducting transactions advisory services for climate change mitigation projects, preferably in more than one eligible sector
- The consulting firm must demonstrate financial stability and provide evidence of previous successful project implementations through relevant references and case studies.
  - Compliance with EU Regulations:
    - The consulting firm and its team members must adhere to all applicable EU regulations, guidelines, and procurement rules throughout the duration of the project.
    - The consulting firm should ensure transparency, accountability, and integrity in all activities and transactions related to the project, in accordance with EU anti-corruption measures.
  - Language Proficiency:
    - Proficiency in English is required for all written and verbal communications, including reports, presentations, and stakeholder engagements. English will remain the language of documentation and reporting, unless a SUMAMRY needed for explanation and understanding of assignment for provincial municipality.
  - Technical Expertise and capacity:
    - The consulting firm must demonstrate a strong understanding of carbon markets, including carbon offset project development, carbon credit standards, and verification mechanisms.
    - The team should possess technical expertise in forestry management, land use planning, and environmental impact assessment, with knowledge of international best practices and standards.
    - Experience in conducting economic and financial analysis, including financial modelling, cost-benefit analysis, and investment appraisal, is essential.
    - The consulting firm should have the capacity to deploy a multidisciplinary team with expertise in project management, finance, legal advisory, environmental science, and stakeholder engagement, as required.
  - Availability and Commitment:
    - The consulting firm should be available to commence work on the project within [Insert Start Date] and commit to completing the transaction advisory services within the agreed-upon timeframe.
    - The consulting firm must allocate sufficient resources and personnel to ensure timely delivery of high-quality outputs, as per the Terms of Reference.
    - Any potential conflicts of interest or competing engagements that may impact the consulting firm's ability to dedicate adequate resources to the project must be disclosed upfront.
  - Reporting and Documentation:
    - The consulting firm is responsible for providing regular progress reports, including detailed documentation of activities undertaken, milestones achieved, challenges encountered, and proposed action plans.
    - All project deliverables, including reports, presentations, and technical documents, must be submitted in accordance with EU formatting and documentation standards.
  - Budget and Cost Proposal:
    - The consulting firm is required to submit a detailed budget and cost proposal, outlining the consultancy fees, travel expenses, and any other anticipated costs associated with the provision of transaction advisory services.
    - The proposed budget should be realistic, transparent, and competitive, taking into account the complexity and scope of the project, as well as the consulting firm's expertise and capacity.
  - Compliance with Data Protection Regulations:
    - The consulting firm is required to comply with EU data protection regulations, ensuring the confidentiality and security of all project-related data and information.
    - Any personal data collected or processed during the course of the project must be handled in accordance with applicable data protection laws and regulations.
  - Contractual Agreement:
    - The consulting firm must be willing to enter into a formal contractual agreement with the project stakeholders, outlining the terms and conditions of the engagement, including deliverables, timelines, payment schedules, and dispute resolution mechanisms.

- The contractual agreement should be drafted in accordance with EU procurement guidelines and subject to approval by the project steering committee or relevant authorities.

**Reporting:**

Regular progress reports shall be submitted to the Darkhan-Uul Province Municipality, detailing activities undertaken, milestones achieved, challenges encountered, and proposed action plans.

**Location:** Project should be implemented in Darkhan-Uul province.

**Submission documents and location:** Applicants must submit their proposals through email (please make all efforts to provide your proposal should be pdf file) at [uuganzaya.ts@darkhan.gov.mn](mailto:uuganzaya.ts@darkhan.gov.mn) of the FRIENDSHIP project, co-funded by the EU by the deadline 17:00 ULN, 25 August 2024 and hard copy will be delivered to the Europe-Darkhan Innovation Entrepreneurship Hub in the Darkhan campus of the Mongolian University of Life Sciences, University street 103, Darkhan soum, Darkhan-Uul aimag, Mongolia. Your proposal will not be submitted if the deadline is late.

**The scope of the invitation:** Applicants, highly skilled and experienced, from any organizations and consortium from Mongolia, Europe and Asia are available to equally participate in it. Please let us know through contact at +976 70373737 once the project proposal is submitted.

### **“FRIENDSHIP” Project**

1. The “FRIENDSHIP” project brief:

Please click the link <https://eudarkhan.mn/> to get about the FRIENDSHIP project, co-funded by the European Union strengthening EU- Mongolia Friendship through Equitable, Resilient, and Innovative Growth in Darkhan Uul-Province.

2. Documents comprising the proposal.

The FRIENDSHIP project hereby invites teams, organizations, and consortiums with high capacity and experience from the European Union member countries, and Asian countries to submit a proposal developing a Pipeline of Climate Change Investment Project within the scope of Voluntary Carbon Market (VCM) and article 6 of the Paris Agreement. The following documents will be provided by organizations for the invitation of a project proposal.

1. Eligibility for the applicants (Annex I)

2. Your proposal must be expressed in English and Mongolian languages. If you are interested in submitting a Proposal, please prepare your Proposal in accordance with above the requirements and procedure.

**The total budget for a project provided by the FRIENDSHIP project will be within 35,000 EUR.**

#### **2. Submission proposal**

2.1 Step-1 Hard copy submission in the envelope is allowed once.

2.2 Step-2 Applicants must submit their proposals through email (please make all efforts to provide your proposal should be pdf file)

#### **3. Withdrawal proposal**

Applicants may withdraw their proposals after they have been submitted and no more than a week after the deadline by contacting the email address and telephone or by authorized representatives.

#### **4. Modification of proposal**

Applicants are not allowed to modify a proposal after it is submitted. Only the FRIENDSHIP project reserves the right to make a decision to modify it as required.

## **5. Evaluation of proposal**

5.1 The evaluation of the proposals has two stages. The documentation evaluation for the pilot project shall be made in the first stage.

5.2 In the second stage, only the applicants who were selected from the first stage shall be notified with the formal letter within 10 official days after the deadline. The tender commission will reserve the right to observe, conduct interviews and accept or reject.

5.3 2 projects based on the criteria indicated shall be selected.

4.1 Undertake projects for 1 Municipal services water, sanitation and energy with the provision of sustainable energy access, mainly focusing on participatory e-governance and infrastructure provisions)-1

4.2 1 Social/IT entrepreneurship project through the call for competition-1

## **6. Debriefing**

In the event that applicants are successful, the FRIENDSHIP project will have a debriefing with organizations, consortiums, and teams. After debriefing, successful applicants will sign and date the contract.

## **7. Contract type and general conditions**

7.1 The FRIENDSHIP project reserves the right to accept or reject any offers.

7.2 The FRIENDSHIP project reserves the right to accept partially or fully and make a deal mutually.

7.3 The FRIENDSHIP project will be responsible for the announcement accuracy provided in the invitation and all applicants, and participants will be notified if any changes or modifications are made to the bidding documents.

7.4 Information relating to the bidding process, evaluation and comparison shall not be disclosed.

7.5 The activities, content, and services implemented during the project duration will be the property of the FRIENDSHIP project and any information about the project entities shall not be disclosed to others.

**8. Project implementation report:** The project implementor will report the narrative and finance report to the FRIENDSHIP project during the implementation period. Types of reports and duration will be included in the contract specifications.

## Annex-1 The project eligibility

№	Requirements	Pieces of evidence
1	To be a legal entity/ team/ consortium	Copy of any official documents issued by the state registration showing legal name/ cooperation agreement
2	Work experience	You may request the validation services to confirm your status (organization experience, profit and loss accounts, the <b>narrative, financial reports, or relevant links</b> )
3	Human resource information	CVs of project administration getting offered
4	Ensuring the court clarification is clear	The court clarification
5	An official notification	the applicant's quotation and services as per the criteria shall be written on the official letter ensuring community media is open to seeing it.
6	A copy of the ID	A copy of the project proposal participator ID, authorized to represent your legal entity
7	A customer's bank statement	A bank statement will make sure a participant has a past-due loan