

Request for Proposals – Service Contract

1. ASSIGNMENT SUMMARY

Title of assignment	Prospero Carbon Offset feasibility study and business plan
Location of assignment	Lusaka/remote
Sector/Department	PLS
Initiative / Budget line	PLS
Reports to	CEO
Anticipated start date	15 February 2021 (consultant must commit to this start date)
Duration of contract	6 weeks

2. ABOUT PROSPERO

Prospero is a UKaid-funded private sector development entity designed to incentivise investment in innovation that will change the way that market systems work and create new growth opportunities for MSMEs. We focus on the following high-growth potential sectors:

- **Food and Agriculture:** Increasing competitiveness and value of Zambian food products in end consumer markets.
- **Mines and Mining Services:** Increasing the sustainable and inclusive economic impact of mining in Zambia.
- **Tourism and Hospitality:** Increasing the value and proportion of tourist revenues captured by local businesses.
- **Investment Services:** To increase MSME access to appropriate financial services by strengthening the Zambian finance and investment ecosystem
- **Business Services:** To increase MSME access to appropriate non-financial services to stimulate business innovation and growth

We partner with leading private sector players, government agencies and business associations to design synergistic initiatives that support strong business model development, promote transformative financial services, attract quality investors and foster enabling business and investment environments. We work at the intersection of market system development and the impact investment ecosystem, recognising that enterprise growth at scale requires access to substantial and sustainable sources of commercial finance

We rely on a combination of the resources, experience, and expertise of external service providers to support our interventions. Services are procured and service providers are contracted according to specific delivery needs. Prospero is now seeking a service provider to deliver the assignment described below.

3. CONTEXT OF THE ASSIGNMENT

Prospero is seeking to diversify its income as a part of a wider organizational development and sustainability strategy. One way in which Prospero could leverage its existing resources (sector networks and knowledge, and project development, implementation and monitoring capability) is to develop and co-invest with partners in projects that would deliver environmental benefits that can be packaged as carbon offset credits, alongside wider economic and social benefits.

In preparation for the 2021/22 strategy (which is due to be signed off by April 2021), Prospero is seeking a specialist consultant to help us to complete a carbon offset **feasibility study, outline strategy** and **short-term work plan** that Prospero can use as a basis for detailed planning during 2021/22 and implementing carbon offset activities over the coming years.

4. OBJECTIVE(S) OF THE ASSIGNMENT

The objective of the assignment is to feed an expert assessment into the 2021/22 strategy covering:

- **Feasibility study:** The commercial potential for Prospero to establish an income generating carbon offset “business unit” based on an assessment of the current voluntary carbon market and trends, and expected developments in the market, and on the current and potential capacity of Zambia to generate credits that could be sold in that market;
- **Outline strategy:** A high level strategic approach that Prospero could take to operating in the voluntary carbon market (what would a viable business model look like); and
- **Short-term work plan:** Identify the practical steps that Prospero would need to take over the course of 2021/22 in order to develop a viable, income generating business model to be implemented in future years.

5. SCOPE OF WORK

Prospero has established an internal working group to oversee the development of the carbon offset concept and now wishes to commission a specialist consultant to develop this concept into a detailed feasibility study, outline strategy and short-term work plan, in consultation with Prospero management and the relevant FCDO specialists in Lusaka and London to ensure that relevant lessons learned from similar initiatives are incorporated into the Prospero approach.

The work will include detailed assessments/projections of:

1. The market potential for carbon offset sales centred on the UK/European B2B and B2C markets, and the demand side gap that Prospero could fill;
2. The existing and potential pipeline of climate and economic development projects that Prospero could develop in Zambia and the supply side gap that Prospero could fill;
3. The technical steps required to certify and bring Zambian projects to the market at scale;
4. The best route to marketing Zambian credits – either in partnership with an existing platform or looking at the investment required to establish and market a dedicated platform (or a combination of both);
5. The operating revenues and expenses from the platform; and
6. The management structures and human resources that will be required to operate the platform.

In parallel, the consultant will advise and support the Prospero working group on undertaking selected stakeholder consultations in Zambia to assess market appetite and solicit feedback on the proposed business model.

Subject to the feasibility assessment, the consultant will also advise on establishing:

1. The necessary corporate/governance structures for the proposed carbon offset activities; and
2. The management capability and structures necessary to implement carbon offset activities.

This will be done in full coordination with the existing team structures, each of the current sector leads would be expected to develop a sufficient level of knowledge of the carbon offset process to allow them to identify opportunities within their sectors and to participate in the development of the Prospero carbon-offset activity.

The consultant will be required to participate remotely for an hour or so in the Board and Senior Management Retreat on 18 or 19 February. The consultant will also need to give a brief presentation on the assignment and how it will be conducted.

The feasibility study/business plan will be presented to and discussed with the Board for approval as a part of the 2021 strategy process, with the objective of having a go/no go decision by the end of March.

If bidders wish to propose an alternative approach to achieving the objectives of this assignment, then Prospero is open to all suggestions that are in line with the stated strategic objectives.

6. DELIVERABLES

The deliverables from this assignment and the due dates for submission are:

Deliverables	Due date
Presentation to the Board of potential for Prospero carbon offset business unit	One hour presentation during Board strategy meeting to be held on 18 and 19 February
Interim report to feed into Prospero 2021/22 strategy	26 February 2021
Final report and conclusions	March 2021

7. PROFILE OF THE SERVICE PROVIDER

7.1 REQUIRED/DESIRABLE EXPERIENCE

- Experience of working with carbon offset credits and marketing platforms
- Experience of carbon offset market operations and understanding of the carbon offset economics and marketplace
- Experience of designing, developing, and delivering carbon offset projects in a developing country environment (specific knowledge and experience of Zambia would be a plus)
- Understanding of the legal and regulatory/certification framework for carbon offset projects
- Ability to write a fully-costed and resourced business plan for a start-up carbon offset operation

8. REPORTING REQUIREMENTS

The reporting requirements associated with this assignment and the timing for submissions are:

Report	Due for submission
Interim report	26 February 2021
Final report	March 2021

9. PROPOSAL SUBMISSION GUIDELINES

Interested parties intending to submit a proposal may request clarifications to the assignment terms of reference at any point up to seven days before the deadline for submission given below.

Potential service providers are required to submit proposals for this assignment comprising:

- Technical proposal (no more than 6 pages) comprising:
 - Individual/corporate profile, highlighting relevant experience with specific references to past assignments
 - Understanding of the assignment and any comments on the objectives, scope of work or deliverables
 - Methodology to deliver against the assignment objectives
 - Roles and names of key personnel
 - Risk management and mitigation plan for the assignment
- Curriculum vitae for key personnel named in the proposal (no more than 2 pages per person)
- Financial proposal (in a MS Excel compatible spreadsheet) showing:
 - Fees: Names and roles of individuals, number of days input, daily fee rates and total cost (gross of all taxes)
 - Reimbursable expenses budget: Items of expenditure, definition of units, number of units required, maximum cost per unit, and maximum budget for each item of

expenditure including budget notes. (Note: expenses will be reimbursed at cost, up to the maximum cost per unit in the budget)

- Proposed payment schedule: Payments on contracting, inputs and deliverables

Prospero may reject any proposal that does not comply with the required format at its sole discretion.

Potential service providers should submit their proposal electronically to:

Submission email address	procurement@prospero.co.zm
Deadline for submission	05 February 2021

Prospero reserves the right to amend, extend or cancel this request for proposals at any stage. The costs of preparing proposals is entirely on the account of the organisation/consultant preparing the proposal.

10. PROPOSAL EVALUATION AND CONTRACT AWARD

Prospero will seek (but does not guarantee) to complete an evaluation of compliant proposals within ten days of the deadline for submission. The preferred bidder will be informed and invited to contract negotiations. If the contract negotiations with the preferred bidder are unsuccessful, Prospero may either;

1. cancel the request for proposals, or
2. identify an alternative preferred bidder based on the evaluation of the remaining proposals.

In any case, contract award will be subject to the standard Prospero due diligence assessment. Prospero will provide feedback to shortlisted applications within 14 days after the deadline for submission.

11. APPLICABLE TAXES

Prospero is in full compliance with the tax laws of the Republic of Zambia and will make any necessary deductions for withholding taxes (WHT) or any other applicable taxes when making any payment to an independent consultant or contractor. Guidance on applicable deductions and rates can be obtained on the Zambia Revenue Authority (ZRA) website - www.zra.org.zm/

Please ensure that you allow for WHT deductions (20% for non-resident consultants, 15% for resident consultants) when calculating the fees element of your financial proposal as no adjustments will be allowed after the final budget has been agreed.