



TERMS OF REFERENCE

DEVELOPING A ROADMAP FOR CARBON PRICING INSTRUMENTS IN CAMEROON

August 2025

1. The CiACA initiative

Carbon pricing instruments (CPIs) are a straightforward approach for addressing GHG emissions as it puts a price on carbon creating an incentive for investments into more climate friendly solutions. A growing number of Parties are considering CPIs as a means for implementing their climate action under the Paris Agreement, even among those which did not mention CPIs in their National Determined Contributions (NDCs). The Paris Agreement explicitly recognizes the important role of providing incentives for emission reduction activities, including tools such as domestic policies and carbon pricing (decision CP21/1 para. 136).

In addition, as the Paris Agreement enables cooperative action, jurisdictions are also considering putting in place carbon pricing/market approaches to enable future participation in regional and global carbon markets for a variety of reasons: selling mitigation outcomes, attracting funding for their mitigation actions, and achieving their targets more flexibly and more cost-effectively.

The Collaborative Instruments for Ambitious Climate Action (CIACA) initiative was announced during COP22 in Marrakesh, with the objective to support Parties in the development of carbon pricing approaches for implementing their NDCs under the Paris Agreement, while fostering collaboration. The initiative is purely on a voluntary basis and does not create obligations for jurisdictions supported or for its donors. It is currently funded through voluntary contributions provided by the Government of Germany. The initiative is jointly managed by the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat and its regional collaboration centres (RCCs).

2. National context

CPIs are increasingly recognized as a vital tool for reducing greenhouse gas emissions and fostering sustainable development in a country like Cameroon. Like other nations exploring CPIs, Cameroon is projecting to incorporate carbon pricing objectives into its NDC 3.0 and is assessing feasible approaches to align with its national context. The country's emissions profile highlights key sectors such as energy and industrial processes, where targeted carbon pricing instruments could drive reductions.

In a previous study, *“Assessment of Carbon Pricing Initiatives in Cameroon”*, conducted with the support of the CiACA initiative, a comprehensive analysis suggests that both carbon tax and an Emissions Trading Scheme (ETS) are viable options, with a carbon tax offering immediate potential while an ETS could be developed over time. Notably, Cameroon already applies a financial penalty to gas flaring in the oil and gas sector, which serves as a system for environment protection. This system could be gradually enhanced into a formal carbon pricing tool, such as a targeted carbon tax by linking the penalty rate to CO₂-equivalent emissions and integrating it within a broader climate fiscal framework. Cameroon will need to establish a robust Measurement, Reporting, and Verification (MRV) framework and align carbon pricing strategies with national priorities and socio-economic conditions. Gradual sectoral integration—starting with high-emission industries such as oil and gas—could facilitate a smooth transition while generating revenue for climate action. Stakeholders' engagement and capacity building will be essential to refining policy design and ensuring alignment with international standards.

Building on the outcomes of the first phase of the CiACA support, the UNFCCC Secretariat and its RCC West and Central (WAC) Africa began reflecting on the next steps. These reflections are based on the results of the study and bilateral exchanges with the Ministry of Environment, Protection of Nature and Sustainable Development (MINEPDED). The process will involve several stakeholders at national and international levels including Private Oil and Gas sector companies, transport sectors, electricity production and organization, civil society, international partners, and consumer representatives all over Cameroon. To advance this work, the MINEPDED and the UNFCCC are seeking to recruit a consultant or group of consultants experienced in carbon pricing to support the design and launch a national pilot project. It is expected that the local expertise may be relevant while global expertise can provide the necessary support.

3. Objectives

The primary objective of this assignment is to support the Government of Cameroon, through the MINEPDED with the development of concrete actions towards the development of a roadmap for a CPI in Cameroon. Specifically, the assignment addressed by the external expertise will:

1. Formulate specific tailor-made CPIs for Cameroon that enjoys buy-in from government, non- government, civil society, and vulnerable groups/sectors focusing on a near-term carbon tax pilot project. The instrument shall take into account:
 - (i) **Price setting, application of rebates and cost:** The costing element shall build on outcomes of the previous assessment study;
 - (ii) **Revenue recycling:** Revenue recycling approaches towards potentially impacted stakeholders (consumers, businesses, others) with a view to striving to make the tax as revenue neutral as possible and mitigating the impact on potentially affected groups of stakeholders. The outcome of this subsection should be in the form of draft proposal(s) for the use and/or redistribution of tax revenues. This section shall be performed in an iterative manner, building on other elements of analysis of the study, considering that different models with different parameters (price, rebate, coverage, modalities, use and recycling of revenues) may lead to different impacts. Details of these iterations will be delivered in the form of an Excel table . Nevertheless, it is expected that only the most promising approaches will be mentioned and ideally compared regarding their merit in the report where the exact proposed features and their applications will be mentioned;
 - (iii) **Use of offsets:** Potential use of domestic emission reduction units against the tax (extent, modalities, etc.);
 - (iv) **Necessary institutional and operational arrangements:** Carbon tax operation, MRV, enforcement, and potential roles of various institutions
 - (v) **Other modalities,** as required.
2. Formulate recommendation for the development of a national MRV system and for a specific carbon pricing operational guide that responds to the points above.
3. Develop a phased implementation strategy designed for scalability, while conveying a forward-looking policy signal to guide stakeholder preparedness and future alignment.
4. Organize regional consultations on CPIs (e.g., carbon tax – taking into account suggestion to tweak flaring tax and broaden to other sectors) as a first phase, bearing in mind that ETS could be phased in at a later stage, including gathering through a national consultation the views of stakeholders and draft a final proposal.

The work aims at developing a concrete proposal for piloting a domestic carbon pricing in the form of a carbon tax in Cameroon, based on an iterative approach based on the elements above. In particular the Consortium/Group of consultants will need to identify and understand the constraints and test various carbon pricing models (in particular in terms of price, rebates, modalities of application, use of offsets and revenues, etc.) to discuss the results of various arrangements and identify the most suitable model for the country.

4. Scope of work

Build on the conclusion of the study conducted in the first phase, considering in particular a potential carbon tax applied on the identified large-scale emitters for the energy sector (fossil fuel or gas flaring, electricity production and Transport), but noting that deviations and expansions may be proposed if the mobilization of specific sectors is found to be more feasible under incentive-setting mechanisms, including policy crediting. A careful evaluation of the scope and coverage should among other things, produce recommendations on the phased inclusion and mobilization of various sectors and gases according to their amenability and readiness and if required propose recommendation to ensure their mobilization and readiness

The Consultant(s) shall be responsible for the following tasks. Under this assignment, the consultant(s) is/are required to ensure broad and inclusive participation of all relevant stakeholders in any workshops or consultation conducted as part of the assignment, if applicable.

a) Kickoff meeting (or inception workshop) and work plan

- The consultant(s) will, upon signing the contract, hold a kick-off meeting with the project team to present the workplan highlighting their understanding of the task at hand, methodological approaches for successful execution of the necessary tasks and to agree on timelines for submitting the expected deliverables.

b) Stakeholder identification and mapping

- Identify and take stock of the oil and gas sector, transport and electricity production emitters and gases
- Conduct a desk review of sectoral data by requesting data from Ministry of Water Resources and Energy (MINEE), Ministry of Transport (MINT), ENEO, Cameroon Petroleum Depots Company (SCDP), National Hydrocarbons Corporation (SNH), “Gaz du Cameroun” and any other relevant institutions.

c) Formulate a specific tailor-made CPI (e.g. considering replacement of the flaring penalties with a carbon pricing tool in oil and gas flaring).

The consultant shall:

- Organize consultations on the different CPIs including gathering through a national consultation the views of stakeholders and prepare the draft of the final report, bearing in mind the following:
 - The immediate focus on transitioning the gas flaring penalty into a specific carbon pricing tool;
 - The consideration of other sub-sectors including electricity production and transport;

- The possibility to transition from a carbon tax system into an ETS over the mid to long term;
- The possibility to cover or mobilize additional sectors either in the pilot phase of the carbon tax, if deemed feasible (e.g., domestic aviation, aluminum production.) or at a later point, which should be assessed, including through the consideration of offsets.

d) Formulate recommendation for the development of a National MRV System

- Conduct an assessment of the status of MRV in the energy sector (including facility-level MRV) and develop a standard MRV design for the energy sector (including approach options, measurement boundaries, key parameters, required resources, methodologies, tools, personnel, operational cycles, reporting protocols and potential constraints) that supports the implementation of the pilot carbon pricing tool while ensuring that the system would allow further expansion including into other sectors after the pilot phase.
 - Conduct desk review of key documents;
 - Interview Oil & Gas Sector players, Electricity producers, transport sector key stakeholders and facility managers, government officials and representatives, and other relevant actors.
- Recommend standard approach and tools for synchronizing all existing MRV set-ups onto a common platform for effective monitoring;
- Formulate recommendations for operationalizing the MRV for the recommended a specific CPI;

e) Develop operational guide to put the pilot project into action

- Develop a step-by-step guide to implement pilot in selected facilities;
- Provide recommendations for the implementation during the pilot phase.
- Support the MINEPDED in the wide dissemination and operationalization of the Tax policy

f) Validation workshop

- The consultant will organize an in-person validation workshop at the project's conclusion. This session will consolidate discussions from various stakeholders, ensuring their insights are incorporated into the final report updates.

g) Submission of final report

- Upon successful completion of the validation workshop, the consultant shall submit a final report containing comprehensive, consolidated, and synthesized information on elements reviewed and information obtained from stakeholders. This report will include a detailed assessment of stakeholder feedback and recommendations for scaling up carbon pricing in Cameroon with a specific tailor-made CPI in the different sub-sectors considered. Additionally,

it will outline the finalized MRV framework, addressing methodological approaches, implementation strategies, and sector-specific considerations. The report will also provide an evaluation of potential regulatory adjustments, financial implications, and stakeholder engagement strategies necessary for a smooth transition. Finally, the report will serve as a strategic roadmap detailing short-term actions including refining pilot design and stakeholders' consultations, medium-term step such as institutional capacity building and regulatory alignment, and long-term measures aimed at full-scale implementation by the Government of Cameroon — offering policy guidance for expanding CPIs beyond the pilot phase. The final report will be published in the CiACA website under the UNFCCC website.

5. Deliverables

No.	Deliverable	Timeline	Payment schedule (%)
1.	Work plan	Within 02 weeks after signing the contract	10%
2.	- Stakeholder identification and mapping - Specific tailor-made carbon pricing tool design document	Within 10 weeks after signing the contract	20%
3.	- Standard MRV Design Document - A specific carbon pricing instrument operational guide	Within 36 weeks after signing the contract	30%
4.	Final report	02 weeks after validation workshop (within 32 weeks from contract signing)	40%

All deliverables, including the final report, must be submitted in English and in French

6. Qualifications and Competencies

Academic Background:

The consultant or group of consultant(s) must possess necessary academic background and professional experience with relevance to regulations in the energy sector and CPIs in Cameroon; A degree in economy, Environmental law or related and previous related experience modelling of economic impacts in the energy sector and/or a good knowledge of CPIs.

Required Professional Expertise

- Familiarity with the following subtopics related to carbon pricing is desirable: scope and coverage, oversight and institutional arrangements, flexibility provision, setting of cap/price, allocation, or management of price impact;
- 5 years or more professional experience in climate change mitigation;
- Experience in designing and/or analyzing domestic carbon pricing and carbon market schemes such as carbon tax, emission trading systems and carbon funds, with a good understanding of Energy sector;
- At least 2 proven experiences in projects development;
- Knowledge of Energy Sector (Gas and Oil, transport and electricity production), regarding MRV aspects;

- Good knowledge of power markets and renewable energy in power markets and economic skills;
- At least 2 proven experiences in documentation, knowledge management and/or communication strategies (reports and/or communication towards the stakeholders, policy-makers...);
- Proven analysis and numerical competences.
- Good knowledge of French and English Languages

7. How to Apply

Interested candidates with qualifications and experience that match the job description must send their **technical and financial proposals** to RCCWACAfrica@unfccc.int copy to ywabo@unfccc.int, mkpeto@unfccc.int and kagonbet@yahoo.fr not later than **15 September 2025**. Kindly indicate *“Roadmap development for a carbon pricing instrument in Cameroon”* in your email subject. The proposals shall comprise:

- A technical proposal that will have a description of methodology for implementing the assignment and the tasks therein;
- A financial proposal that will constitute a budget for the work described in this ToR, with a proposed payment schedule;
- A timetable for the completion of the work aligned with the reporting requirements and tentative timeline;
- CVs of the expert(s) to be engaged for the assignment, if possible, highlighting only relevant experience/expertise;
- Evidence of up-to-date knowledge on carbon pricing.

Only candidates under serious consideration will be invited for an interview via teleconference. Qualified women candidates are especially encouraged to apply.

Only short-listed applicants will be contacted.