

# Terms of Reference for A White Paper on RDF

This document serves to provide an overview of the envisioned white paper which will serve the purposes of the Subnational Climate Fund (SCF) Initiative. The document provides the contexts, scope, and goals of the mandate, as well as the estimated deliverables of the work requested from the consultant. Final details of the mandate should be covered in a subsequent proposal submitted by the consultant.

## 1. The Subnational Climate Fund

The SCF is a blended finance impact fund created to pursue attractive risk-adjusted returns for private investors while generating measurable and certified environmental and social impacts. The Fund is focused exclusively on pursuing investments in mid-size climate infrastructure and nature-based solutions in various developing countries across Latin America and the Caribbean, Africa, the Mediterranean, and Asia. The Fund is managed by Pegasus Capital Advisors, a commercial Private Equity impact fund manager and further benefits from a separate, grant-funded Technical Assistance facility managed by The International Union for the Conservation of Nature (IUCN) and implemented by R20, IUCN, and Gold Standard.

## 2. Context of the White Paper

The SCF is in conversations with several potential opportunities in the waste management sector in its target countries. The potential target projects intend to build and operate sorting and waste recovery plants to treat mixed Municipal Solid Waste (MSW), e.g. Anaerobic Digestion (AD) plants. Since the Fund is to be certified by Gold Standard, its underlying investments need to meet the environmental and social safeguard criteria and related standards of Gold Standard. Currently, Gold Standard has no standards regarding waste management operations which produce RDF nor the use of RDF. In order for Gold Standard to establish new standards and guidelines surrounding the topic of RDF, it is necessary to have a comprehensive understanding of RDF. It is in this context that the SCF seeks to conduct a white paper on RDF.

## 3. Scope of Work

1. Production of RDF:
  - a. Describe the production process of RDF, including the feedstock, the sorting process, and the packaging or further refinement
  - b. Cover the entire spectrum of different types of feedstocks used to produce RDF and how they influence the quality of RDF, stating the different types of RDF (including Solid Recovered Fuel - SRF) categorized by quality and other differentiating factors





- c. Provide an overview of the main types of sorting plants, how they differ from one another, what kinds of materials they recover. In this context, explain how different sorting plants or technologies affect the quantity and quality of RDF and how each align with the waste hierarchy
- d. Provide an overview of the percentage of different materials recovered by a typical sorting plant, or different types of sorting plants, based on existing statistics of the composition of MSW around the world
- e. Provide an overview of the percentage of revenue streams from the materials recovered by a sorting plant, based on global experience
- f. Illustrate by photos, graphs and videos

## 2. Environmental Impacts of RDF

- a. Provide an overview of sorting plants not producing RDF, if any, and where do the materials end up, and their environmental impacts in each scenario
- b. Provide an overview of the destinations (i.e. off-takers) of RDFs and provide a summary of the key environmental impacts in each scenario
- c. Elaborate on the influence of RDF on the emissions of the plants of RDF off-takers, negative or positive, what do these off-taker plants usually do to make sure that the burning of RDF does not lead to additional environmental and health risks
- d. Elaborate on emission standards applied to RDF users in comparison to the emission standards applied to Waste-to-Energy plants (i.e. incinerators, gasifiers etc), provide a global overview
- e. Shed light on current political discourse in Europe on the production and use of RDF and whether any further regulatory restrictions are to be foreseen, covering the relevant parts in the EU Taxonomy
- f. An overview of how RDF compares to alternative fuel sources (coal, gas, biomass, non-sorted MSW) when it comes to emissions, energy production, logistics/storage.

## 3. Market of RDF

- a. Provide an overview of the pricing of RDFs at different quality and quantity to different off-takers
- b. Elaborate on the typical quality and quantity requirements of off-takers on RDF and how it affects the operation of the sorting plant and its business profitability
- c. Explain how RDF is used specifically in cement plants (sourcing, pricing, logistics, energy efficiency) and why cement plants are common off-takers.
- d. Compare RDF in developing countries vs. developed countries, and provide an overview of main trade of RDF across borders.

- e. Provide an overview on existing frameworks for considering the climate impact of RDF. Is there any global frameworks out there?

## Deliverables

The advisor is expected to produce the white paper in MS Word, fully formatted and laid out.

## 4. Timeline

Work is expected to commence, immediately after the consultant is appointed. A first draft of the papers should be shared with the SCF team within three weeks of appointment, and the consultant should be available for subsequent discussions via online meetings with the team, and for preparation of up to five additional drafts to incorporate SCF team's comments. The work including first draft, review rounds, and final draft must be completed in 8 weeks from when the consultant is appointed.

## 5. Form of Proposal

Please prepare a brief proposal of budget for the performance of this work, including the proposed fee structure, hourly rates and calculation thereof for completing the work required, and your/your firm's experience in the waste management sector, especially dealing with RDF.

The proposal should be submitted to [proposals@iswa.org](mailto:proposals@iswa.org) by Friday 6 May 2022, quoting your ISWA membership number.

