Terms of Reference

International Consultant to undertake economic appraisal for the implementation of PNG’s National REDD+ Finance and Investment Plan

Project Title: REDD+ Readiness project – Forest Carbon Partnership Facility
Type of Contract: Individual Contract
Duration: 60 days over the period of 7 months starting in July 2017
Location: Home based, Port Moresby
Application Deadline: June 21, 2017

Please note that UNDP is not in the position to accept incomplete applications - please make sure that your application contains all details as specified below in this notice.

1. PROJECT DESCRIPTION

Papua New Guinea (PNG) has been one of the fastest growing economies globally this century with average growth rates above 6%\(^1\). This rapid growth has been driven primarily by the expansion of foreign investment within the natural gas sector and high prices for PNG’s central exports many of which are transported to rapidly growing Asian economies. This growth has built on a long history of natural resources being at the centre of the PNG economy with exports and employment dominated by mining, natural gas, logging and agriculture. While this rapid growth has delivered significant changes in PNG’s main urban areas and those communities benefiting directly from foreign investment, the country still faces significant challenges in meeting the objectives of Vision 2050 and in providing development opportunities for all while also maintaining its natural environment.

Over 85% of the nation’s 7.3m population are based in rural areas and rely primarily on subsistence agriculture for survival and have limited access to health centres, education or broader development opportunities. Falling commodity prices since 2012 have also left the country facing significant economic challenges despite ongoing growth.

Since 2005, PNG has been at the forefront of intergovernmental negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) to develop an international mechanism to compensate developing countries for reducing emissions from deforestation and forest

degradation (REDD+). To be eligible to receive results-based finance for REDD+ results-based actions under the UNFCCC, PNG will have to develop the following elements:

- A National Strategy or Action Plan;
- A national forest reference emission level and/or forest reference level;
- A robust and transparent national forest monitoring system for the monitoring and reporting of the REDD+ activities;
- A system for providing information on how the safeguards on local community and forest biodiversity are being addressed and respected throughout the implementation of the REDD+ activities while respecting sovereignty.

In 2016-2017, with the support of UNDP/FCPF project, a National REDD+ Strategy (NRS) was developed and submitted to the Government of PNG for review and endorsement. The NRS marks a major milestone in PNG’s transition from the REDD+ Readiness Phase to REDD+ implementation.

While the NRS marks a critical step in the nation’s REDD+ development process further action is needed to ensure that the NRS is effectively financed, that proposed policies and measures are developed and tested, and that long term sustainable financing and management systems are in place.

To achieve this the NRS will be supported by a REDD+ Finance and Investment Plan (RFIP), which will provide a detailed breakdown of activities to be undertaken in the coming five years, including clear budgets and approaches to financing.

In the PNG’s National REDD+ Strategy different REDD+ options of where and how to implement REDD+ activities involve different costs and bring different combinations of carbon stocks, biodiversity benefits and other ecosystem services. These benefits can have high economic values attached to them through their role in underpinning the production of goods and services that are valued by humans and that underpin local livelihoods and national economies. But often their values are not visible as these benefits do not directly enter markets and thus do not have a financial value (as defined by a market price) attached to them. Valuing forest benefits can help to understand the overall economic importance of REDD+ options and to assess economic trade-offs with other land use options. It is a means to mainstream forest benefits besides carbon into REDD+ strategy and RFIP and wider land use planning.

Thus, the current economic assessment will help move forward to identify the costs of implementing all the actions in the RFIP as well as informing REDD+ planning for future interventions in PNG.

2. SCOPE OF WORK

Under the direct supervision of UNDP PNG FCPF Chief Technical Advisor and overall technical guidance of UNDP regional technical advisor and in close collaboration with Climate Change and Development Authority and relevant key stakeholders and team of experts, an International Consultant supported by a National Consultant will be responsible for undertaking a comprehensive economic assessment to estimate the costs of all the actions in the RFIP for the implementation of the National REDD+ Strategy in PNG.

The proposed assignment requires close collaboration with the team of international and national consultants on the development of RFIP and Green Climate Fund (GCF) proposal as well as REDD+
Financial Assessment and will be carried out through a combination of desk research, data mining, discussions with experts as well as consultations with key stakeholders in PNG, especially the financial institutions such as the Bank of PNG, Department of Treasury, Department of Finance, Department of National Planning and Monitoring and private sector representatives. The key elements of the assessment will include:

- Prepare an inception report (including a workplan), outlining key issues to be covered, the methodology and a consultation plan. The report must include a description of specific methodologies and a guiding note on mapping out the economic assessment at the national and sub-national levels;

- In close collaboration with the team of consultants developing the RFIP, identify costs and revenues of selected REDD+ Policies and Measures (PAMs), specifically:
  a. Reduction of deforestation
  b. Reduction of forest degradation
  c. Enhancement of forest carbon stocks

- Construct a conceptual framework to assess the economic impact of the PNG’s NRIP based on a set of proxy indicators to guide the economic appraisal, to be determined but which may include:
  - Increased revenue stream for forest conservation and protection and sustainable forest management;
  - Increased employment opportunities;
  - Reduced labour hours of women;
  - Increased timber supply;
  - Increased fuelwood supply;
  - Increased water supply from forests;
  - Reduced natural disaster risks (fire, landslide, etc.);
  - Increased agroforestry outputs;

- Identify specific scenarios for estimating the costs and revenues resulting from future changes in values and prices (lower, middle and upper scenario);

- Based on the scenarios, develop concepts for revenue generating and sharing schemes, such as mobile banking, Revenue-generating activities, e.g. palm oil production, logging, sale of NTFPs, etc for communities in Madang and East New Britain;

- Identify risks and uncertainties associated with these scenarios, including through sensitivity analyses;

- Assess distributional socio-economic and environmental impacts at local, regional and national levels;
- Facilitate discussions on key findings and carry out a national stakeholder validation workshop;
- Produce a final report and associated data sheets in Excel format, taking on board comments received during consultations and the validation workshop.

3. EXPECTED OUTPUTS/DELIVERABLES

The International Consultant will, in collaboration with national consultants, deliver the following outputs:

<table>
<thead>
<tr>
<th>Deliverables/Outputs</th>
<th>Estimated Duration to Complete</th>
<th>Target Due Dates</th>
<th>Certifying/Authorizing officer</th>
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<tr>
<td>• Payment upon acceptance and certification of an Inception report (15-20 pages) summarizing initial findings and approach to conduct the economic appraisal, including timeline and workshops. The report must include a description of specific methodologies, guiding note on estimation of costs of implementing all RFIP actions at the national and sub-national levels (Madang and ENB) in PNG. This guiding note is expected to provide a basis for the replication of the study in other regions of PNG or to deepen the study in other provinces.</td>
<td>10 days (5 days in-country and 5 days home-based)</td>
<td>July 20, 2017</td>
<td>FCPF CTA</td>
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<td>• Payment upon receipt and certification of the first draft report on economic impact analysis of the NRIP (including an assessment of risks and uncertainties and distributional impacts).</td>
<td>20 days (10 days in-country and 10 days home-based)</td>
<td>September 30, 2017</td>
<td>FCPF CTA</td>
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<td>• Payment upon receipt and certification of the developed concepts for revenue generating and sharing schemes, such as mobile banking, Revenue-generating</td>
<td>10 days (10 days in-country)</td>
<td>September 30, 2017</td>
<td>FCPF CTA</td>
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activities, e.g. palm oil production, logging, sale of NTFPs, etc for communities in Madang and East New Britain

- Payment upon receipt and certification of the final analytical report on economic impact analysis of the RFIP; The report must include costs of all actions (short-term, 5 years, and medium-term, 10 years) for implementation of RFIP in PNG.

  | 10 days (5 days in-country and 5 days home-based) | November 30, 2017 | FCPF CTA |

- Payment upon receipt and certification of the final report bringing together findings from all tasks, with executive summary, associated data sheets in Excel format as well as final visual representation of results.

  | 10 days (10 days home-based) | December 31, 2017 | FCPF CTA |

4. INSTITUTIONAL ARRANGEMENTS

The study will be conducted as a partnership and under the co-supervision of the Climate Change and Development Authority and PNG Forest Authority and in close collaboration with relevant ministries at national and provincial levels such as Department of Agriculture and Livestock, Conservation and Environmental Protection Authority, Department of Finance, Department of Treasury, Provincial Government of Madang, Provincial Government of ENB.

The International Consultant will carry out the assignment with the support of national economic expert and ensure that the work builds on the data collected at national level through the work on the REDD+ investment framework, as well as on previous studies looking at forest cover change and land-use expenditures.

The FCPF REDD+ Project Management Unit (PMU) in consultation with UNDP Regional Hub will provide technical advice on the methodological approach throughout the study based on its experience in supporting other countries on REDD+ implementation.

The study will be carried out in parallel with the drafting of the National REDD+ Finance and Investment Plan and inter-sectoral REDD+ financial landscape assessment. The International Consultant will seek to maximize integration and complementarity with that parallel processes in the work it does to ensure the study outputs can strengthen the REDD+ Finance and Investment Plan and offer a useful case study for mainstreaming climate objectives into PNG master planning.

Following the drafting of an inception report the International Consultant will travel to PNG to meet with relevant stakeholders and gather data and information for the assignment. The International Consultant will return to PNG towards the end of the assignment to present findings, and in doing so
raise the awareness of stakeholders on the status of REDD+ economic assessment in PNG. All travel expenses including transportation will be responsibility of the International Consultant.

The FCPF PMU will also provide support to the International Consultant with regard to logistics when in PNG, including introductions to key stakeholders and organization and financing of workshops.

5. DURATION OF THE ASSIGNMENT

The work will be undertaken over a period of up to 7 months, starting in July 2017. In accordance with expected outputs and deliverables, the International Consultant submits reports to FCPF REDD+ Project Chief Technical Advisor for reviewing outputs, comments, and certifying approval/acceptance of works afterwards. In case of any delays to achieve the expected outputs, the International Consultant should notify the FCPF REDD+ Chief Technical Advisor in advance to take necessary steps.

6. DUTY STATION

The duty station for this assignment is home-based with travel to Port Moresby, Madang and ENB provinces, Papua New Guinea.

7. DEGREE OF EXPERTISE AND QUALIFICATIONS

COMPETENCIES

Technical work

- Good knowledge of economic appraisal of large investment programmes, public financial management, public-private partnerships
- Good knowledge of forestry, development and land use planning in developing country contexts;
- Relevant experience and training in environmental economics and experience of costing government strategies; Capacity to work with multiple stakeholders across a wide range of disciplines
- Demonstrated facilitation and coordination skills; and
- Demonstrated networking, team-building and organizational skills.

Partnerships

- Maturity and confidence in dealing with the staff of government and non-government institutions and private sector;
- Ability to seek and apply knowledge, information and best practices from multiple sectors;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- Excellent written communication skills, with analytic capacity and ability to synthesize relevant collected data and findings for the preparation of case studies and progress reports;
• Excellent leadership, coordination and team working skills; and
• Demonstrates commitment to UNDP’s mission, vision and values.

Results
• Promotes the vision, mission, and strategic goals of UNDP;
• Builds strong relationships with clients, focuses on impact and result for the client and responds positively to feedback; and
• Good team player who has ability to maintain good relationships.

QUALIFICATIONS
• Post-graduate degree (MSc or PhD) in natural resources economics, development economics, finance, or closely related field.
• A minimum of 10 years’ progressive experience in natural resource economics and management or a related field;
• Strong understanding of land use dynamics, in particular in areas concerning economics and financing;
• Relevant experience and training in environmental economics and experience of costing government strategies;
• Strong inter-personal skills, in particular, demonstrated team leadership qualities and excellent oral communication skills.
• Experience in PNG or the Pacific region an advantage.
• Fluency in written and spoken English.

8. SCOPE OF PRICE PROPOSAL AND SCHEDULE OF PAYMENTS

In accordance with UNDP IC guidelines, the proposal must include “Lump Sum Amount” approach which is closely linked to deliverables. It must be “all-inclusive” and shall take into account various expenses incurred by the International Consultant during the contract period (e.g. fee, health insurance, vaccination, office costs and any other relevant expenses related to the performance of services.

All envisaged travel costs must be included in the financial proposal. If duty travels are expected, UNDP will provide the International Consultant with the UN’s Daily Subsistence Allowance (DSA) rates prevailing at the time of sourcing, for the duty station and all other cities indicated in the TOR as part of duty travel destinations. This will give the International Consultant an indication of the cost of living in a duty station/destination, to aid their determination of the appropriate fees and financial proposal amount, but it does not imply that Offerors are entitled to DSA payment.

2 Individuals on IC are not UN staff are therefore not entitled to DSAs. All living allowances required to perform the demands of the TOR must be incorporated in the financial proposal, whether the fees are expressed as daily fees or lump sum amount.
The initial payment shall include the actual cost of the IC’s travel to arrive at the designated Duty Station. Such cases therefore imply that the completion of the journey can be considered as one of the deliverables payable upon arrival.

Payments will be made only upon confirmation of UNDP on delivering on the contract obligations in a satisfactory manner.

The International Consultant is responsible for ensuring they have vaccinations/inoculations when travelling to certain countries, as designated by the UN Medical Director. The International Consultant is also required to comply with the UN security directives set forth under dss.un.org

9. APPLICATION PROCEDURES

Qualified candidates are requested to apply by June 21, 2017 by sending their application packages to registry.pg@undp.org with the subject line “International Consultant to undertake economic appraisal for the implementation of PNG’s National REDD+ Finance and Investment Plan”.

The application should contain:

- **Cover letter** explaining why you are the most suitable candidate for the advertised position and a brief methodology on how you will approach and conduct the work (if applicable). Please paste the letter into the "Resume and Motivation" section of the electronic application.

- **Filled P11 form** including past experience in similar projects and contact details of referees, please upload the P11 instead of your CV.

- **Financial Proposal** - specifying a total lump sum amount for the tasks specified in this announcement. The financial proposal shall include a breakdown of this lump sum amount (number of anticipated working days – in home office and on mission, travel – international and local, per diems and any other possible costs). For more details, please see Section 8. “Scope of Price Proposal and Schedule of Payments”.

**Note:** Incomplete applications will not be considered. Please make sure you have provided all requested materials.

10. EVALUATION OF APPLICANTS

Applicants will be evaluated based upon the offer which gives the best value for money based on the Lump Sum proposal submitted, selected by the UNDP PNG Country Office in consultation with the UNDP Bangkok Regional Hub Technical Advisor.

The Technical and the Financial Proposal submitted to by the International Consultant will be evaluated on the basis of the weight of the technical criteria [70] and of the financial proposal [30].

The evaluation will be performed in two stages:

Stage One (Technical Evaluation of Proposals). All Individual Contractors proposals comprising the information/documentation provided will be evaluated to ascertain the suitability of the individual
contractors to carry out the assignment. Candidates who obtain the minimum of 49 points of the full mark (70 points) will be considered technically compliant and their financial evaluations will be evaluated thereafter.

Stage Two (Financial Evaluation). The financial proposals of all the individual contractors who pass stage one will be evaluated. The maximum 30 points will be allotted to the lowest financial bid, and all other bids shall receive points in inverse proportion to the lowest fee e.g. [30 Points] x [USD lowest] / [USD other] = points for other proposer’s fees.

The award of contract shall be based on the individual contractor who receives the highest cumulative score.

**Technical criteria**
The following criteria will be used to evaluate the individual contractors’ technical proposals:

- **Education – 10 points**
  - Post-graduate degree (MSc or PhD) in natural resources economics, development economics, finance, or closely related field.

- **Experience – 50 points**
  - A minimum of 10 years progressive experience in natural resource economics and management or a related field;
  - Strong understanding of land use dynamics, in particular in areas concerning economics and financing;
  - Relevant experience and training in environmental economics and experience of costing government strategies;
  - Strong inter-personal skills, in particular, demonstrated team leadership qualities and excellent oral communication skills.
  - Experience in PNG or the Pacific region an advantage.

- **Language Requirements – 10 points**
  - Fluency in written and spoken English.

**Prepared by:**
Mirzohaydar Isoev, FCPF REDD+ CTA  
June 07, 2017

**Approved by:**
Gwen Maru, Programme Analyst, UNDP PNG Country Office