Terms of Reference

International Consultant to undertake mapping of land use investments and REDD+ Financing Options for the implementation of Papua New Guinea’s National REDD+ Strategy

Project Title: REDD+ Readiness project – Forest Carbon Partnership Facility
Type of Contract: Individual Contract
Duration: 70 days over the period of 8 months starting in May 2017
Location: Home based, Port Moresby
Application Deadline: April 26, 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.

PNG has a significant area of intact tropical forest covering 77.8% of the country’s 46.9m ha of land. Together with the forest of West Papua (Island of New Guinea) they represent one of the largest areas

of intact tropical forest in the world. PNG’s forests are also highly diverse, including 14 distinct forest types, with carbon-rich low altitude tropical forest constituting over 50% of forest area.

The country’s forests are critical to the livelihoods and economy of the country. The ecosystem services forests provide help to maintain access to water and suitable agricultural land for PNG’s predominantly rural population as well as helping to protect key infrastructure, people and crops from flash flooding and landslides. Forests also play a direct role in supporting the livelihoods or rural communities with more than 500 species of wild growing plants identified as being used for food and the value of annual bush meat consumption estimated to be equivalent to $26million if alternative meats had to be sourced².

These economic values sit alongside the deep social and cultural values attributed to forests across PNG. With over 90% of the land area under customary land ownership, PNG’s forests are at the center of the cultural identity of many communities.

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.

The Government of Papua New Guinea is receiving international support from a number of bilateral and multilateral sources to prepare the country for implementing REDD+ under the UNFCCC, including through readiness support from the World Bank’s Forest Carbon Partnership Facility (FCPF), which is being delivered by UNDP.

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.

The NRS was developed over an 18-month period through a process of structured consultation and awareness raising with key stakeholders from government agencies, civil society and the private sector. It builds on the experiences of early REDD+ readiness activities in PNG, including the development of pilot activities, and the ongoing assessment and analysis work that has focused on key areas of action on REDD+ including reviews of forest sector financing, commercial agricultural development, stakeholder engagement processes and land use mapping. Much of this work was compiled in an Issues and Options Paper for REDD+ in PNG, which set out the key decision and action areas for REDD+ in PNG and was circulated widely for consultation, the feedback from which was central to creating the NRS³.

³ The full paper is available from (http://www.pngreddplus.org.pg/)
PNG is still at an early stage of its REDD+ development process. Thus, 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.

Prior to the development of the RFIP, it is critical to assess current land use investment trends and identify opportunities to promote inter-sectoral planning, mainstream REDD+ objectives in national and sub-national planning and budgeting, better capture environmental outcomes in policy and decision-making processes, fill existing knowledge and finance gaps, and reinforce coherence between national and sub-national policy implementation.

Initial scoping work on Forest Sector Finance (through FCPF) and conservation finance (through GEF) has been conducted. The assessment of the forest sector highlighted the importance but also the complexities of finance within the sector with estimates indicating that forestry industries contribute approximately $200 million to the economy through payment of 19 levies, two royalties and an export tax. Further work is now needed to review how this finance is utilised as well as how government finances can further support the development of a robust and environmentally sustainable forest sector in PNG. The current assessment will help move this forward while also linking the forest sector with key other sectors that are impacting forest cover (most specifically agriculture) as well as the financing of those institutions that are relevant to decision making on and the protection of forests.

2. SCOPE OF WORK

The objective of this assignment is to lead on, and oversee, the mapping out the existing and potential sources of finance for REDD+ implementation in PNG (including the identification of “REDD+-relevant” financing, including from domestic government budget, private sector and international financial and technical partners) and identify the scale of finance necessary for REDD+ implementation, particularly to support the integration of various land uses, REDD+ and climate-smart objectives in national, provincial planning and budgeting in PNG.

The assignment will qualitatively and quantitatively map out public investments having an impact on land-use. The detailed scope and approach of work will be proposed by the International Consultant as part of the inception report. The assignment will build on the identification and quantification of relevant land use financial flows conducted at the national level as part of the elaboration of the resource mobilization framework of the national REDD+ investment plan. The assignment will provide a deep-dive analysis into land-use financial flows at the national level, and at the sub-national level in two pilot provinces: Madang and East New Britain (ENB). The approach taken will build on the work and results of multiple other assessments and will ensure consistency with the climate-relevant tracking approach developed.

The International Consultant will take conceptual leadership of the tasks under this assignment, while working in close coordination and consultation with the team of consultants on the development of
PNG’s REDD+ Investment Plan (RIP), Government, UNDP/FCPF project staff and the UNDP regional technical advisor. Key elements of the assignment will include:

**Task 1: Defining scope and methodology**

The first task will be to clearly define the proposed scope of work and identify the levels of data assessment that is feasible within the existing time frame.

It is anticipated that this will review and address the proposed scope, which is:

- An overview and assessment of the budgetary process in PNG, identifying key actors, agencies, ministries involved in the budgeting process, as well as an overview of the budget coding system in PNG and consistency with the objectives of the assignment;
- An assessment of international donor and private sector financial flows within the agriculture, forestry, environment and land use planning sectors and the breakdown of financing between national and subnational entities;
- A review of existing planning frameworks influencing land-use investments at the national and subnational levels;
- A detailed assessment of financial flows in two target provinces, East New Britain and Madang;
- An assessment of existing and potential climate finance within REDD+ relevant areas including review of national definitions for REDD+, and REDD+ relevant activities to identify areas that might be considered REDD+ aligned (or REDD+ ‘unaligned’);
- An assessment of the existing financial management structures for the above noted finances;
- A description of existing governance arrangements for domestic and international climate finance at national and subnational levels;
- A definition of a methodological approach for:
  - Ensuring necessary support from national and subnational stakeholders;
  - Collecting quantitative and qualitative data from the domestic budget, ODA and, to the extent possible, private sector;
  - Ensuring data consistency and avoiding double counting;
  - Developing a typology for land use investments, consistent with and related to national climate change and REDD+ policy frameworks;
  - Managing data in a spreadsheet and coding according to relevant categories for the analysis.

In defining these areas more closely reference should be made to the considerations below considerations and lessons learned from previous studies (such as in Ivory Coast):

- Sources of relevant national sources and flows of finance;
- Mapping of national and subnational budgetary and financial processes, from source to end-use;
- Institutional actors of most relevance for land-use finance;
- Existing data sources for land use finance for the actors and sectors identified above;
- Existing governance arrangements for domestic and international climate finance at national and subnational levels;
- Existing planning frameworks influencing land-use investments at the national and subnational level;

The methodological tool (please see Annex 1) will build on the methodology and lessons learnt from the Climate Public Expenditures and Institutional Review (CPEIR) and will take into account challenges, limitations and recommendations drawn in this study as regards data collection and analysis. It will be included in the Inception Report of the International Consultant.

**Task 2: Map and quantify the main relevant land use investments**

In close collaboration with the national team of consultant on forestry, agriculture and land-use financing, the International Consultant shall collect data on land-use finance investments according to the scope defined in **Task 1**. Both financial data and qualitative data shall be collected when possible.

Based on the scope and methodological approach defined in **Task 1**, the International Consultant will classify and analyze the data and assess to what extent expenditures and investments are supporting REDD+ or climate-smart objectives. Previous experiences of mapping climate finance in other countries typically attempted to classify data according the “life cycle” of financial flows, i.e. by (i) sources of finance, (ii) financial instruments used, (iii) disbursement channels, (iv) end uses, etc. This analytical framework will be determined based on the nature of the data collected as well as detailed objectives of the study determined in **Task 1**.

Moreover, the International Consultant will be responsible for identifying:

- Public financing flows (i.e. government funds, including staff salaries and funded policy instruments for the land use sector (e.g. fiscal policies, taxes, levies, etc.) linked to the main drivers of deforestation and forest degradation; and (existing and potential) finance for the implementation of policies and measures (PAMs) to address these drivers (as set out in PNG’s National REDD+ Strategy);
- Opportunities to re-direct finance flows that are supporting activities linked to deforestation and forest degradation (e.g. alterations of fiscal frameworks);
- Private sector financing sources: including finance for the implementation of sustainable production systems, e.g. certification schemes for agricultural (“forest friendly”) commodities and sustainable timber;

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4 CPEIR is a systematic qualitative and quantitative analysis of a country’s public expenditures and how they relate to climate change.
• International financing sources: including donor programmes for REDD+ investments (e.g. Green Climate Fund (GCF), FCPF Carbon Fund) and results-based payments through the UNFCCC (GCF).

Results should be presented in infographics to support easy dissemination to stakeholders. One example of infographics which is useful to illustrate financial flows is the landscape of finance tool (see Annex 1 for a generic example).

**Task 3: Analysis and recommendations**

From the data collected, and building on thorough dialogue with REDD+, land use planning, forestry and climate experts in PNG, the International Consultant will draw relevant conclusions and recommendations for the national and sub-national governments in Madang and ENB and their financial partners, with regard (but not limited) to:

- The amount of investment contributing to REDD+/climate-smart objectives in PNG, with a deep-dive into Madang and ENB;
- Gaps between current finance flows and needs, both in terms of volumes and activities being financed;
- Potential barriers identified in financial flows at national and sub-national level;
- Opportunities for redirecting public finance to REDD+/REDD+-relevant initiatives;
- Recommendations for financing the National REDD+ Strategy and selected policies and measures in PNG, including Madang and ENB;
- Opportunities for public finance to support private REDD+-relevant investments in PNG, including in Madang and ENB;
- Opportunities and needs to improve coherence and coordination between national and subnational level land-use spending.

**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>
</tr>
</thead>
<tbody>
<tr>
<td>Payment upon acceptance and certification of an Inception report (15-20 pages) summarizing initial findings and approach to conduct the study, including timeline and workshops. The report must include a description of specific methodologies, guiding note on mapping land-use</td>
<td>15 days (5 days in- country and 10 days home-based)</td>
<td>May 20, 2017</td>
<td>FCPF CTA</td>
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</tbody>
</table>
investment 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.

- Payment upon receipt and certification of the report on identified scale of finance necessary for REDD+ implementation particularly to support the integration of various land uses, REDD+ and climate-smart objectives in national, provincial planning and budgeting in PNG. The report must include recommendations for financial / fiscal interventions to reduce deforestation, mapping out the current landscape of finance as well as establishment of ways to channel existing (and new) sources to meet the costs of activities.

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Duration</th>
<th>Due Date</th>
<th>FCPF CTA</th>
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</thead>
<tbody>
<tr>
<td>25 days (15 days in-country and 10 days home-based)</td>
<td>September 30, 2017</td>
<td>FCPF CTA</td>
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- Payment upon receipt and certification of the developed spreadsheet and preliminary infographics on financial flows.

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<tr>
<th>Task Description</th>
<th>Duration</th>
<th>Due Date</th>
<th>FCPF CTA</th>
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<tbody>
<tr>
<td>20 days (10 days in-country and 10 days home-based)</td>
<td>November 30, 2017</td>
<td>FCPF CTA</td>
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</tbody>
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- Payment upon receipt and certification of the final report bringing together findings from all tasks, with executive summary and final visual representation of results.

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<thead>
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<th>Task Description</th>
<th>Duration</th>
<th>Due Date</th>
<th>FCPF CTA</th>
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<tr>
<td>10 days (10 days home-based)</td>
<td>December 31, 2017</td>
<td>FCPF CTA</td>
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4. INSTITUTIONAL ARRANGEMENTS

The study will be conducted as a partnership and under the co-supervision of the Climate Change and Development Authority and Department of National Planning and Monitoring and in close collaboration with relevant ministries at national and provincial levels, in particular PNG Forest Authority, the 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 FCPF REDD+ Project will provide facilitation and technical backstopping, in connection with other related processes particularly the REDD+ investment planning and the formulation of a REDD+ GCF funding proposal.
The International Consultant will lead and oversee the assignment in close collaboration with national experts on forest, agriculture and land-use financing 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 climate and land-use expenditures such as the CPEIR in 2015.

Data collection on public expenditure should be quantitative (disbursements rather than commitments) as well as qualitative (information on projects and programmes will facilitate their coding and analysis). Best use of centralized data sources, such as the Treasury and Budget Management System (TABMIS) and its climate expenditure tracking features should be made.

As most international public finance is not captured in the national budget, data collected on international public finance can be based on existing sources of data as well as by surveying donors.

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 mapping their financial flows.

The study will be carried out in parallel with the drafting of the National REDD+ Investment Plan. 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+ Investment Plan and offer a useful case study for mainstreaming climate objectives into PNG master planning.

All data is collected, results and outputs of the study, including the financial database and produced infographics, will be transferred to CCDA and other government partners by the International Consultant.

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+ financing in PNG including potential future REDD+ financing options. Travel expenses including transportation will be responsibility of the International Consultant.

The FCPF PMU will 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 8 months, starting in May 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

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

Work experience
- A minimum of 10 years progressive experience in natural resource economics and management or a related field;
- Strong understanding of REDD+ under the UNFCCC, including understanding of financing options such as the Green Climate Fund;
- Experience with public expenditure reviews related to natural resource management in developing country contexts;
- Strong inter-personal skills, in particular, demonstrated team leadership qualities and excellent oral communication skills.
- Experience with REDD+ in PNG or the Pacific region an advantage.

Language requirements
- 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.

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5 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 April 19, 2017 by sending their application packages to registry.pg@undp.org with the subject line “International Consultant to mapping land-use investments and REDD+ Financing Options in PNG”.

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 REDD+ under the UNFCCC, including understanding of financing options such as the Green Climate Fund;
- Experience with public expenditure reviews related to natural resource management in developing country contexts;
- Strong inter-personal skills, in particular, demonstrated team leadership qualities and excellent oral communication skills.
- Experience with REDD+ 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*

**Approved by:** ____________________
Annex 1: Template of land-use finance landscape

**Tool 1: Landscape of Land Use Finance**

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**UN House, Level 14, Deloitte Tower, Douglas Street, Port Moresby**, Postal Address: P.O. Box 1041, Port Moresby, NCD, Papua New Guinea, Telephone: (675) 321-2877, Fax: (675) 321-1224, E-mail: registry.pg@undp.org
The landscape of land use finance tool maps the lifecycle of land-use finance flows, develops an understanding of who is investing in emission reduction and climate resilience efforts in a particular country or region, through what instruments, and what they are investing in.