Terms of Reference

National Consultant to undertake REDD+ financing mapping assessment within the forestry sector and support to PNG’s REDD+ Investment plan development

Project Title: REDD+ Readiness project – Forest Carbon Partnership Facility
Type of Contract: Individual Contractor (IC)
Duration: 50 days over the period of 8 months starting in May 2017
Location: Home based, Port Moresby
Application Deadline: April 26, 2016

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 $26 million if alternative meats had to be sourced.2

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 NRS.3

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

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3 The full paper is available from (http://www.pngreddplus.org.pg/)
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 $200million 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 other key 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

Under overall guidance of International Consultant on REDD+ Financial Mapping Assessment and in
close collaboration with the team of experts, a National Consultant will be responsible for mapping
out the existing and potential sources of finance within the forestry sector 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 the development of REDD+ Investment plan, particularly to support the
integration of various land uses, REDD+ and climate-smart objectives in national, provincial planning
and budgeting in PNG.

The detailed scope and approach of work will be proposed by the National Consultant as part of the
inception report. The assignment will build on the identification and quantification of relevant forest
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 forestry 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 National Consultant will take necessary actions 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:

Under overall guidance of International Consultant, the first task will be to clearly define the proposed scope of work and identify the levels of forestry data assessment that is feasible within the existing time frame.

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

- Assist in the 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;
- Provide inputs in the assessment of international donor and private sector financial flows within the forestry and environment sectors and the breakdown of financing between national and subnational entities;
- In close partnership with the team of consultants on the development of REDD+ Investment Plan, participate in the collection and processing of environment and land-use data for REDD+ Investment Plan development;
- Review of government spending and breakdown of expenditures between PNGFA, National Forest Service and Provincial Forest Offices (within provincial government) and how this spending is broken down by areas of technical work;
- Public financing flows (i.e. government funds, including staff salaries and funded policy instruments for the forestry 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); The level revenue through taxation, levies and other fees that flows as a result of timber extraction and where possible where this finance is held / subsequently disbursed (a 2015 by the FCPF programme identified 19 levies, 2 royalty payments and a direct log export tax that were required to be paid with total income from these sources in 2015 equating to approximately USD 200million);
- A review of existing planning frameworks influencing forestry investments at the national and subnational levels, including private sector investment related to development of infrastructure;
- A detailed assessment of financial flows within forestry sector 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 within the forestry for the above noted finances;
- 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 in forest sector;
– Ensuring data consistency and avoiding double counting;
– Developing a typology for forestry 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.

• 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;
• The results of the assessment presented in infographics which will be developed by the International Consultant 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);
• 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 forestry investment contributing to REDD+/climate-smart objectives in PNG, with a deep-dive into Madang and ENB;
  - Gaps between current forest 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 forest 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 forestry spending.

3. EXPECTED OUTPUTS/DELIVERABLES

The National Consultant will 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</td>
<td>10 days</td>
<td>May 20, 2017</td>
<td>FCPF CTA</td>
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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 forest 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 information on identified scale of finance necessary for REDD+ implementation particularly to support forest sector, REDD+ and climate-smart objectives in national, provincial planning and budgeting in PNG.
  
  | 10 days (10 days home-based) | September 30, 2017 | FCPF CTA |
  | 10 days (10 days home-based) | October 30, 2017 | FCPF CTA |
  | 10 days (10 days home-based) | November 30, 2017 | FCPF CTA |
  | 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 (CCDA) and Department of National Planning and Monitoring (DNPM) 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 National Consultant will perform his/her duties under overall guidance of International Consultant and overall supervision of PNG’s FCPF REDD+ Chief Technical Advisor, in close collaboration with national experts on 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 National 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 PNGFA and other government partners.

Following the drafting of an inception report the National Consultant will meet with relevant stakeholders and gather data and information for the assignment. The National Consultant with support of International Consultant towards the end of the assignment will 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.

The FCPF PMU will provide support to the National Consultant with regard to logistics, including introductions to key stakeholders and organization and financing of workshops.

5. DURATION OF THE ASSIGNMENT

The work will be undertaken 50 days over a period of up to 8 months, starting in May 2017. In accordance with expected outputs and deliverables, the National 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
National 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 Port Moresby, with 3 (three) 5-days’ missions to Madang and ENB provinces, Papua New Guinea.

7. DEGREE OF EXPERTISE AND QUALIFICATIONS

Education
- University degree (MSc) in forestry, natural resources economics, development economics, finance, or closely related field. Post-graduate is an advantage.

Work experience
- A minimum of 10 years progressive experience in forestry, natural resource economics and management or a related field;
- Experience with public expenditure reviews related to forestry finance, 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 National 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 National 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 National 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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4 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 National Consultant is responsible for ensuring they have vaccinations/inoculations when travelling to certain countries, as designated by the UN Medical Director. The National 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 21, 2017** by sending their application packages to registry.pg@undp.org with the subject line “National Consultant to undertake REDD+ Financing assessment within forestry sector and support to PNG’s REDD+ Investment plan development“.

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 National 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. \[
\frac{30 \text{ Points} \times \text{USD lowest}}{\text{USD other}} = \text{points for other proposer's fees}
\]

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**
- University degree (MSc) in forestry, natural resources economics, development economics, finance, or closely related field. Post-graduate is an advantage.

**Experience – 50 points**
- A minimum of 10 years progressive experience in forestry, natural resource economics and management or a related field;
- Experience with public expenditure reviews related to forestry finance, 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.

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**Prepared by:**

*Peter Katapa, FCPF REDD+ Project Manager*

**Approved by:**

*Gwen Maru, Programme Analyst, UNDP PNG Country Office*
Annex 1: Template of land-use finance landscape

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.