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## Terms of Reference

**Team Leader International**

**Development of future scenarios for Private Sector Engagement**

**in the PNG’s Forest Sector**

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| **Project Title:** | REDD+ Readiness project – Forest Carbon Partnership Facility |
| **Type of Contract:** | Individual Contract |
| **Duration**: | 50 days over the period of 5 months starting in December 2017 |
| **Location:** | Port Moresby, with travel to target provinces |
| **Application Deadline:** | December 15, 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’s (PNG) has been one of the fastest growing economies globally this century with average growth rates above 6%[[1]](#footnote-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, natural forest 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. These forests are critical to the livelihoods and economy of the country and a commercial logging industry has for a long period been a central part of the economy.

The Government of Papua New Guinea (GoPNG) has set ambitious goals for strengthening and changing the nature of this industry including:

* a ban on all round log exports by 2020 and
* the expansion of planted forests to cover 800,000ha by 2050

These are to be achieved while also increasing the contribution of commercial logging to the domestic economy. Efforts to achieve these targets will need to address significant challenges linked to the availability of land and the level of private sector interest in investing in either area.

At the same time the government of PNG, with support from the World Bank’s Forest Carbon Partnership Facility, implemented by Climate Change and Developed Authority with support of UNDP, has developed a National REDD+ Strategy to guide the country’s approach to addressing greenhouse gas (GHG) emissions from deforestation and forest degradation – over 75% of which historically come from commercial logging[[2]](#footnote-2).

The current assignment is intended to work with the PNG Forest Authority (PNGFA) as well as key stakeholders in the private sector, land owning communities and civil society to identify how best to develop a pathway to a stronger forest industry in PNG in line with government targets while also helping to reduce deforestation and forest degradation.

For this purpose, FCPF REDD+ Readiness Project is seeking a team of consultants such as International Team Leader, National Forest Sector Specialist, International Scenario Analysis Consultant and National Private Sector Consultant to support PNGFA in the development of a short to medium term strategy to develop a sustainable low emissions forest sector that contributes effectively to GDP and delivers long term development benefits to communities and PNG more broadly.

It is anticipated that this objective will be achieved through effective engagement of government and private sector actors in identifying how best to attract and sustain long term private sector investment in PNG’s forest sector.

This Terms of Reference is developed for International Team Leader who will coordinate all activities within the team and liaise effectively with both national counterparts and the FCPF project. It should be noted that effective engagement of key stakeholders is seen as critical to the success and will be considered as a key part of acceptance of deliverables.

1. **SCOPE OF WORK**

Under overall supervision of the FCPF REDD+ Technical Advisor and the technical guidance of the PNGFA as well as in close coordination with other consultants working under FCPF, in particular the team working on the development of PNG’s REDD+ Finance and Investment Plan, the consultant will work with their team (Scenario Analysis Specialist, Private Sector specialist and forest sector specialist) to develop future scenarios for private sector engagement in the forest sector. The International Team Leader will be responsible for the overall management of the assignment, including ensuring effective coordination across the team and between the team and FCPF as well as other partners.

He/she will participate in undertaking the following activities:

1. **Baseline Analysis:**

As a team member, the International Team Leader will participate in undertaking of an initial analysis of the baseline status of commercial forestry (plantation timber, natural forest logging, small scale operators and downstream processing) in PNG as well as globally to provide a clear perspective on existing capacity and potential future directions for forestry in the country. This analysis should include:

* *Global investment trends in timber* – what are the main market trends within the international timber industry, key changes in legislation within currently identified target markets and investment priorities of main industry players (including both plantation developers, logging and processing companies).
* *Costs of doing business in PNG compared to other timber exporters*– review of existing taxes, levies, and key business costs for companies operating in PNG relative to other comparable (High Forest Low Deforestation) countries and key areas of difference.
* *Existing resource base* – potential gross revenue streams from existing timber concessions, Forest Clearance Authorities and plantations as well as an initial analysis of remaining available timber stock (this activity will be done in conjunction with FAO and PNGFA as part of efforts to assess remaining timber stock). This should include consideration of income from different types of forest management system through company taxes, export duties and timber levies as well as future levels of concession productivity.
* *Assessment of existing social economic context for timber operations* – The PNG timber industry has evolved over time and is currently shaped by a combination of history, international markets and domestic legislation and social, environmental factors. This activity should seek to provide some assessment of which of these elements are currently most significant in dictating the nature of PNG’s forest industry and what options exist for change (see next action area).
1. **Potential areas for Change:**

*Future market development* – analysis and review of key opportunities for timber market development in PNG including:

* *Plantation development opportunities* – short to medium term opportunities for expansion in the plantation sector and outline roadmap to achieve these.
* *Downstream processing* – short to medium term opportunities for development of downstream processing activities for natural and plantation forests and outline roadmap to achieve these.
* *Certification and legality standard required* – levels of certification standards and legality compliance required to access key markets (including intermediary and final markets) and outline roadmap to achieve these.
* *Existing barriers to change* – identification of operational, institutional, market and legislative barriers.
1. **Requirements for Transition:**

Work in this area will focus on identifying the steps needed to transition the forest industry towards achieving government targets related to future export restrictions, emission reductions, downstream processing and plantation development. Key elements of this will include:

* *Changes to policy and legislation* – What changes are needed to support a transition with a focus on the policy direction, security of investment, international recognition of standards and governance (e.g. levels of enforcement)?
* *Changes in financial and fiscal incentives*– What changes can be made to the regulatory and tax framework to promote long term investment and good practices?
* *Capacity needs* – What capacities / skills are needed by which actors and how can these be achieved?
* *Investments required* – What levels of investment will be required to support the transition and indications of where this could this come from (private sector, government, development partners).

It is anticipated that this work will be conducted in three phases:

Phase 1 will be achieved through a combination of desk based research and stakeholder meetings and will build on many of the existing projects and programmes that have worked with PNGFA over recent years as well as the knowledge of PNGFA staff and private sector stakeholders. It is expected that it will result in the production of three Briefing Papers – that provide a summary of the status of key elements of the industry and identify an initial set of options for further development. Proposed areas are:

* Plantation development
* Increasing sustainability of timber operations
* Downstream processing

Downstream Processing papers should provide an overview of the current situation and potential future strategies for the government and the main existing barriers to achieving these strategies. The briefing papers will be targeted at key decision makers in government and the private sector (including both operators and investors) and are intended to act as a targeted communications tool to help bring key stakeholders together and willingness to enact reforms. In addition summary information should be provided on projects that have shown success in developing elements of the forest industry with case studies included in the briefing papers.

Phase 2 will focus on the engagement of stakeholders in identifying options for change through a process of scenario analysis. The consultant team will work with key stakeholders in the private sector, government and civil society to assess a number of future scenarios for the forest sector.

Phase 3 will target the development of a set of clear actions (and accompanying indicators) that are required to achieve the objectives agreed through the scenario analysis process.

Across all three phases the consultant team will work closely with the FCPF project as well as other projects working with and in the forest sector including work by JICA, ACAIR, and FAO as well as with key government stakeholders in particular PNGFA.

It is anticipated that one national consultant will be based within PNGFA and provide direct support and liaison between the consultant team and PNGFA staff. Project activities and data needs for the project are included in Annex 1 of the ToR.

The consultant team will also work closely with the team preparing the REDD+ Finance and Investment Plan (RFIP) and GCF proposal to ensure that proposals within these documents are in line with recommendations coming from the forest sector.

1. **DELIVERABLES**

The Team Leader will be responsible for delivering the following outputs:

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| **Deliverables/ Outputs** | **Estimated Duration to Complete** | **Target Due Dates** | **Certifying/ Authorizing officer** |
| 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.  |  **10 days** (10 days home-based) | January 31, 2017 | FCPF CTA |
| Payment upon receipt and certification of three briefing papers on the current status of PNG’s forest sector and option areas for change in line with government targets.  |  **20 days** (20 days home-based) | February 28, 2017 | FCPF CTA |
| Payment upon receipt and certification of the draft report on key options for forest sector. |  **15 days** (10 days home-based) | March 31, 2017  | FCPF CTA |
| Payment upon receipt and certification of a final draft report summarizing main elements of the scenario analysis and recommendations to achieve the proposed changes in the sector |  **5 days** (5 days home-based) | April 30, 2017  | FCPF CTA |

1. **Institutional arrangements**

The project will be conducted in partnership with the PNG Forest Authority, under the supervision of Director of Forest Policy and Planning, as well as the Climate Change and Development Authority and in close collaboration with the Department of National Planning and Monitoring, the Department of Agriculture and Livestock, the Conservation and Environmental Protection Authority, the Department of Finance, the Department of Treasury, the Provincial Government of Madang and the Provincial Government of East New Britain, as well as representatives from the private sector including both timber companies and existing and potential investors.

The FCPF REDD+ Project team 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 and will also work with the consultant team and PNGFA on the potential to establish a Forest Sector Consultation group that can address issues related specifically to the operations of PNGFA.

The contractor will ensure that the work builds on past and ongoing projects as well as those ongoing assessments as part of the FCPF project (see Annex 1).

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 2017-2020. The Contractor 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.

1. **Duration of the assignment**

The work will be for 50 days undertaken over a period of up to 5 months, starting in December 2017. In accordance with expected outputs and deliverables, the International Team Leader 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 Team Leader should notify the FCPF REDD+ Chief Technical Advisor in advance to take necessary steps.

1. **Duty station**

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

1. **DEGREE OF EXPERTISE AND Qualifications**

**Education**

* Post-graduate degree (MSc or PhD) in natural resources economics, forestry 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 PNG Forest sector and supporting private and public-sector forest development activities;
* Experience of working on REDD+ under the UNFCCC, including understanding of financing options such as the Green Climate Fund;
* Strong inter-personal skills, particularly 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.
1. **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 Contractor 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 Contractor 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 Contractor 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[[3]](#footnote-3).

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

1. **APPLICATION PROCEDURES**

Qualified candidates are requested to apply by **December 15, 2017** by sending their application packages to registry.pg@undp.org with the subject line “Team Leader International to support the development of future scenarios for Private Sector Engagement in the PNG’s Forest Sector”.

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 ofPrice Proposal and Schedule of Payments”.

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

1. **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 Contractor 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, forestry 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 PNG Forest sector and supporting private and public-sector forest development activities;
* Experience of working on REDD+ under the UNFCCC, including understanding of financing options such as the Green Climate Fund;
* Strong inter-personal skills, particularly 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+ Chief Technical Advisor*

**Approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*Gwen Maru, Programme Analyst, UNDP PNG Country Office*

**Annex 1:**

List of key assignments under FCPF relevant to the current assignment:

* *Land use sector financial mapping* – assignment seeking to map revenues from different land use activities within PNG and government expenditure on activities that support / present challenges for sustainable management of forests.
* *Economic Appraisal of REDD+* - assignment looking at potential REDD+ policies and measures and identifying the economic implications of these activities.
* *REDD+ Finance and Investment Plan Development* – work focusing on the development of a REDD+ Finance and Investment Plan that will identify key action areas, indicative budget requirements and seek to mobilise funding to support these. As part of this process the team are also working on a proposal to the Green Climate Fund to support activities in PNG.

List of key areas of information help within PNGFA and associated projects that will be relevant to the current assignment:

* *Information on current level of forest resource* – development of information on the remaining level of forest resource utilizing updated land use information developed though development partner projects.
* *Information on existing concessions* – information on number, location, estimated production level and expiry date of concessions.
* *Information on existing plantations* – existing on existing plantations and levels of production and existing stock.
* *Information on existing downstream processing capacity* – location and status of downstream processing facilities
* *Information on key policies and programmes* – updated information on priority project and programmes within PNGFA.
1. World Bank Data. Available at http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=PG [↑](#footnote-ref-1)
2. GoPG (2017) Forest Reference Emission Level Draft – submitted for technical review under the UNFCCC in January 2017 [↑](#footnote-ref-2)
3. *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.*  [↑](#footnote-ref-3)