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## Terms of Reference

### **ANTI-MONEY LAUNDERING SPECIALIST For the GOVERNMENT of PAPUA NEW GUINEA**

**Duty Station:** Home based, with ten in-country visits to Papua New Guinea. (The consultant, with UNDP support, will need to obtain the necessary security clearance from UNDSS prior to travel)

**Duration:** up to 150 working days over a 12 month period, tentatively beginning in 8<sup>th</sup> October, 2014.

#### **1. Objectives**

The Government of Papua New Guinea is seeking the services of an Anti-Money Laundering Specialist (consultant) to support the establishment of a specialised anti-money laundering regulatory / compliance unit within the Bank of Papua New Guinea (BPNG).

Papua New Guinea was reviewed in 2011 by the World Bank and Asia-Pacific Group on Money Laundering in accordance with the Financial Action Task Force's 40 recommendations on anti-money laundering and 9 special recommendations on terrorist financing. Of the 49 recommendations, Papua New Guinea was found 'Compliant' with 2 recommendations, 'Largely Compliant' with 6 recommendations, 'Partially Compliant' with 19 recommendations and 'Non-Compliant' with 22 recommendations. Subsequently, in February 2014 Papua New Guinea, through the FATF's 'High-risk and non-cooperative jurisdictions process', was identified as a jurisdiction that has made a 'high-level political commitment to addressing deficiencies'. However, Papua New Guinea is under increasing international pressure to deliver on this political commitment, with the risk of being further identified through the FATF process as a jurisdiction 'not making sufficient progress' or 'grey listing', as it is referred to. As such, this assistance is intended to provide direct support to Papua New Guinea to implement priority reforms in accordance with deficiencies identified via the FATF review process, and to help Papua New Guinea avoid further grey or black listing under the FATF process.

#### **2. Background**

Article 14 of the United Nations Convention against Corruption, specifically relates to the prevention of money laundering. Specifically Article 14 states *"Each State Party shall institute a comprehensive domestic regulatory and supervisory regime for banks and non-bank financial institutions, including natural or legal persons that provide formal or informal services for the transmission of money or value and, where appropriate, other bodies particularly susceptible to money-laundering, within its competence, in order to deter and detect all forms of money-laundering, which regime shall emphasize requirements for customer and, where appropriate, beneficial owner identification, record-keeping and the reporting of suspicious transactions."* Papua New Guinea was the first Pacific Island Country to accede/ratify UNCAC in July 2007

Papua New Guinea is also a long standing member of the Asia-Pacific Group on Money Laundering (APGML). APGML is a regional body mandated to assist countries in the Asia Pacific region to strengthen their anti-money laundering and counter financing of terrorism (AML/CFT) regimes. This is achieved in a number of ways, including through member countries' effective participation in the FATF<sup>1</sup> standard-setting process and implementation of those standards.

AML/CFT initiatives increase financial integrity and are central to increasing economic growth as an avenue for development and poverty reduction. By detecting and disrupting flows of illicit funds, countries can increase investor confidence and create an attractive environment for foreign direct investment. AML/CFT initiatives also contribute to effective governance policies and institutions that support a functioning economy, and help to prevent and combat corruption by stopping the flow of profits from corruption, and ultimately reducing the amount of corruption related money laundering occurring in a jurisdiction and region.

In 2010, PNG's AML/CFT regime was assessed against the 40+9 FATF Recommendations through the APGML mutual evaluation process. Significant deficiencies were identified in the Mutual Evaluation Report and among other recommendations; it was recommended that PNG improve its AML/CFT regulatory and supervision system. These recommendations are identified as priorities in the PNG Strategic Implementation Plan. In February 2014, PNG agreed an action plan with FATF in which it committed to implementing a comprehensive AML/CFT regulation and supervision regime by August 2015.

PNG has identified implementation of its FATF action plan relating to AML/CFT Regulation and Supervision as a priority, with commitments made at the highest levels by Bank of Papua New Guinea (BPNG) and the PNG Prime Minister the Hon. Peter O'Neill, that PNG will undertake the reforms as required by the Action Plan, and in accordance with domestic anti-corruption and anti-money laundering strategies.

### **3. Scope of Work and Deliverables**

The consultant, in support of and in partnership with the national counterpart (and under the guidance of the national counterpart), will deliver, support and / or participate in:

- A monthly progress report (no more than 3-4 pages) that shall be made available to the national counterpart, UNDP PNG Country Office and UNDP-PC. This report should also identify any lessons, challenges, examples of successes, and workable approaches;
- Support the national counterpart to establish within BPNG an anti-money laundering and counter-terrorism financing regulatory unit. This may include:
  - Provide high level policy advice on AML/CFT regulation to BPNG, other government stakeholders, and the financial sector (and in so doing with external stakeholders, under the guidance of BPNG);
  - Provide support, guidance and advice on the establishment of the AML/CFT unit, including assistance with developing/strengthening job descriptions, internal structures, and business processes, procedures and systems;
  - Provide training and mentoring to BPNG personnel, including senior management, to increase staff capacity to undertake AML/CFT regulation functions;

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<sup>1</sup> FATF is the inter government body that sets global standards in the fight against money laundering and terrorist financing activities.

- Support BPNG to develop information and education packages and programs for the financial sector, which may include guidelines, standards, legislation (as necessary);
  - Support BPNG AML/CFT supervisory and compliance activities, including audits and inspections, data quality monitoring, legislative interpretation, etc;
  - Support BPNG to actively and effectively participate in domestic AML/CFT coordination mechanisms, including supporting other agencies/departments central to AML implementation in PNG;
  - Support BPNG to develop a supervisory / compliance strategy for the PNG financial sector;
  - Participate in internal and external activities such as workshops, briefings, consultations and meetings;
  - Support BPNG, as part of the overall Government of PNG approach, to responding to the FATF evaluation and reporting processes;
  - Support BPNG to engage effectively and collaboratively with other donor and technical assistance providers.
- Develop a draft End of Assignment Report, for feedback from the national counterpart, UNDP PNG CO and UNDP-PC, that shall cover: services performed, achievement of the terms of reference, details of recommendations proposed, any implementation challenges, and any identified follow up requirements, including:
    - An assessment of future training needs for both government and the financial sector on strengthening implementation of AML/CFT regulation and compliance;
  - A final End of Assignment Report on, incorporating feedback from the national counterpart and UNDP-PC, as appropriate.

The table below provides a breakdown of tasks and an *indicative* duration.

Task <sup>2</sup>	Description	Duration (days) <sup>3</sup>
#1	Monthly progress report	5 days in total
#2	Establish AML/CFT regulatory/compliance unit	137 days in total
#3	Draft End of Assignment report	5 days in total
#4	FINAL End of Assignment Report	3 days in total

#### 4. Methodology

The Consultant will actively engage in a manner that reinforces the Government of Papua New Guinea's ownership and leadership of this agenda, and will be guided in all aspects by the preferences of the national counterpart.

The Consultant will fulfil these terms of reference, in partnership with (and under the overall leadership of) the national counterpart, to a high standard acceptable to the host Government, and will ensure that the objectives of this work are completed and achieved within the agreed timeframes and agreed budget.

The Consultant will engage flexibly to maximise progress of these Terms of Reference in line with the reform timetable of the national counterpart.

<sup>2</sup> These task numbers align with the task details as outlined in the Scope of Work above.

<sup>3</sup> Excludes travel days and public holidays

The Consultant will also endeavour to maximise South-South learning, through pro-actively promoting lessons and sharing experiences from other similar developing country contexts.

The national counterpart will provide copies of key documents to the Consultant prior to his/her arrival in-country.

The Consultant, under the leadership of the national counterpart, will work throughout the consultancy to build support for / commitment to the principles of AML/CFT and increase awareness of the benefits of an effective AML/CFT regime.

The Consultant will work collaboratively with other donor officials, advisers and technical assistance providers, under the guidance of the national counterpart.

The counterpart agency will designate a relevant and sufficiently senior contact officer, who will be the primary partner, and who will be the primary official responsible for providing sufficient guidance and support to the consultant, to achieve the terms of reference.

The End of Assignment report should also include, as an appendix:

- a training needs assessment of government and financial sector stakeholders to enable effective implementation of the AML/CFT regulatory regime;

## **5. Reporting Requirements**

The designated national counterpart will be the Bank of Papua New Guinea (BPNG).

The key person to whom the consultant will report to (on a day to day basis when in-country, and on an as-needs basis) and provide support in the implementation of the project:

- a) Government of Papua New Guinea  
Mr Benny BM Popoitai MBE  
Deputy Governor  
Bank of Papua New Guinea  
BPopoitai@bankpng.gov.pg

The consultant shall also have reporting obligations to the UNDP Papua New Guinea Country Office and UNDP Pacific Centre on all work carried out as part of the Terms of Reference.

UNDP Pacific Centre focal point:

- b) Mr Tony Prescott  
Anti-Corruption Specialist  
UNDP Pacific Centre  
Tel: (679) 3300 399 Fax: (679) 3301 976  
Email: [tony.prescott@undp.org](mailto:tony.prescott@undp.org)

UNDP Papua New Guinea Country Office focal point:

- c) Mr Jorg Schimmel  
Assistant Resident Representative  
UNDP Papua New Guinea Country Office  
Tel: (675) 321 2877 (246) Fax: (675) 321 1224  
Email: [jorg.schimmel@undp.org](mailto:jorg.schimmel@undp.org)

Submission of monthly progress reports should be made to the national counterparts the UNDP Papua New Guinea Country Office and UNDP Pacific Centre.

## 6. Logistical Support and Counterpart Facilities

When in country, the consultant shall work normal Monday- Friday business hours: 8:00 AM – 4:15 PM. The national counterpart in each country will provide to the Consultant suitably furnished working space, access to a printer and other equipment necessary for performing the services. The consultant shall be responsible for bringing their own laptop computer and data storage device.

The respective national counterpart will also review the outputs/deliverables of the Consultant and provide feedback along with any recommendations, as necessary.

Where necessary, and as appropriate, the Consultant will conduct meetings and short briefing sessions with the national counterpart, implementing agencies and other relevant stakeholders to advance the objectives of these terms of reference.

Logistical support for organizing and note taking for any meetings/workshops/events when in-country, as required, will be provided by the national counterpart.

## 7. Proposal Requirements

Proposals should contain the following information:

- i) Technical proposal - a P11 form (available on the UNDP website [http://www.undppc.org.fj/resources/article/files/P11%20 Personal History Form.pdf](http://www.undppc.org.fj/resources/article/files/P11%20Personal%20History%20Form.pdf)), and an updated CV, with contact details of at least three referees and a cover letter setting out how the applicant meets the selection criteria
- ii) Financial Proposal - The consultant is requested to provide a proposal or quotation of the fees/cost for the services which will be rendered using the following format and should be separate from the technical proposal.

<b>Daily consultancy rates</b>	A daily consultancy rate proposed by the consultant for 150 working days (When in-country, fees will be paid only for working days)
<b>Flight costs:</b>  Ten in-country visits to Port Moresby, Papua New Guinea  Total of ten return Air Tickets (Economy class)	To and from home country.  The consultant is expected to be in Papua New Guinea for 100 working days in total (10 trips of ten working days each).  The consultant is expected to work the remaining 50 days from their home base for researching, preparing / completing documentation, as well as providing on-going support to the national counterparts via email / phone / skype.
<b>Daily Living Allowance rate per day<sup>4 5</sup></b>  Ten in-country visits to Port Moresby, Papua New Guinea for a 10 working day stay per trip.	Based on the number of days spent at the respective duty station as per flight itinerary (this per diem rate will be paid for all days spent in-country)

<sup>4</sup> Consultant not eligible for daily living allowance for time spent in own home country

<sup>5</sup> Daily Living Allowance should cover costs associated with accommodation, meals and incidentals

<b>Other miscellaneous expenses</b>	Please itemise
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## 8. Evaluation and Selection

Individual consultants will be evaluated based on UNDP's cumulative analysis method.

When using this weighted scoring method, the award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and
- b) having received the highest score out of a pre-determined set of weighted technical (70%) and financial (30%) criteria specific to the solicitation.

Evaluation Criteria:

<b>Technical</b>	<b>70%</b>
<b>QUALIFICATIONS</b>	
<i>Possess Undergraduate degree in commerce, law, public policy, economics, political science or relevant social sciences</i>	10%
<b>EXPERIENCE</b>	
<i>At least 5 years' experience working on anti-money laundering and/or financial sector regulation</i>	20%
<i>Experience working as an adviser (at a senior level) in institutional strengthening and/or establishment, relevant to anti-money laundering and/or financial sector regulation</i>	20%
<i>Experience in the Pacific and/or a developing country context</i>	10%
<b>COMPETENCY</b>	
<i>Effective written and verbal communication skills in English.</i>	5%
<i>Ability to work independently as well as within diverse teams</i>	5%
<b>Financial</b>	<b>30%</b>

## 9. Application Deadline and Submission

All applications must be clearly marked and submitted by **Thursday 2<sup>nd</sup> October, 2014 – 5pm (Fiji Time)** either electronically to [procurement.fj@undp.org](mailto:procurement.fj@undp.org) or addressed under confidential cover to:

### **Consultancy application: Pacific Freedom of Information Implementation**

ATTN: Dale Kacivi  
C/- UNDP Fiji Multi-country office  
Private Mail Bag  
Suva.

For further information concerning this Terms of Reference contact Luisa Senibulu, Governance Programme Associate, UNDP-PC, Suva, on e-mail [luisa.senibulu@undp.org](mailto:luisa.senibulu@undp.org) / telephone (679) 3300399.

Incomplete applications will not be considered, and only candidates for whom there is further interest will be contacted.

**Women candidates are encouraged to apply.**