

TERMS OF REFERENCE

NATIONAL INDIVIDUAL CONSULTANT – ASSESSMENT OF FINANCING, INCENTIVES, AND BENEFIT SHARING OPPORTUNITIES AND OPTIONS FOR REDD+ IMPLEMENTATION AT NATIONAL AND COUNTY LEVELS IN KENYA

Job ID/Title:	National Individual Consultant – Assessment of Financing, Incentives, and Benefit Sharing Opportunities and Options for Redd+ Implementation at National and County levels in Kenya
Scope of advertisement:	Nationally advertised
Category (eligible applicants):	External ¹
Brand:	UNDP
Practice Area:	Devolution
Application Deadline:	Friday, 29 May 2020 by 11.59 P.M (GMT+3.00)
Type of Contract:	National Individual Contract
Number of Individual Contract:	1
Reference:	KEN-IC-2020-024
Duty Station:	Nairobi, Kenya
Languages Required:	English
Expected Duration of Assignment:	50 working days within a Period of 6 Months

¹ External defines as applicants external to UNDP and to the UN Common system, including UNDP non-staff.

Terms of Reference

1. Specific Objective

To explore and assess financing, incentives and benefit sharing opportunities and options relevant to REDD+ implementation at national and county levels in Kenya. This includes exploring broader and long-term benefits from REDD+, in addition to incentives from the transfer of financial benefits.

2.1. Tasks to explore financing

- a. Identify and assess opportunities for and challenges to mobilizing financing activities relevant to REDD+:
 - Review on-going work on climate finance readiness and similar initiatives including options for a sustainable financing mechanism for REDD+ activities considering, the national and county policies and strategies to addressing climate change;
 - Take stock of the major existing, new, and emerging global (and/or regional) funding sources, mechanisms and instruments for REDD+. Screen each of the identified potential sources of finance for REDD+ and related initiatives to highlight and recommend entry points and opportunities for Kenya's national and county levels;
 - Assess status of existing forests, climate finance and related policies that could facilitate REDD+ implementation and mobilisation of resources towards the same. (to be done in coordination with the policy, legal, and regulatory analysis);
 - Assess and analyse existing and potential financial resources for REDD+ from domestic sources, including budgetary approaches, decentralized approaches, targeted funds (e.g. Green Climate Fund, green bonds, ecological and other national funds, payment for ecosystem services amongst others), foreign direct investments, Development Banks as well as an assessment of their delivery mechanisms. Outline those with potential to support REDD+ implementation; and
 - Assess trends related to REDD+ and forest carbon finance in Kenya. Consider scenarios of the levels of finance that may be channelled through carbon trading as well as current and potential financial benefits that could be accrued in the forest management including ecosystem services.
- b. Identify options for market and non-market approaches for REDD+ incentives. This will include, inter alia:
 - Assess the potential for mobilizing resources rallied through fiscal incentives and other forms of incentives;
 - Assess the determinants of resource allocation and recommend how REDD+ can benefit from higher allocations of budget resources through such incentive mechanisms;

- In coordination with the private sector analysis, assess private sector involvement and interest in REDD+; identify incentives for private investment to inform development of Investment plan and implementation of REDD+ strategy;
 - Analyse the incentives driving business-as-usual finance and investment in forestry, agriculture and other relevant sectors. These might include regulatory, economic or informational instruments;
 - Make recommendations on how to incentivize forest conservation and management as envisaged in the draft Forest Conservation and Management Act 2016 and as might emerge from the ongoing review process.
- c. Once key priorities are identified and determined, conduct a detailed economic and financial analysis of three investment options detailed in the REDD+ Strategy and Investment plan, taking into consideration the information available and best practices. This includes a description of the expected economic and financial rate of return and a description of the financial viability.

2.2. Deliverables

- a. Based on the above, analyse and draw **conclusions** on:
- The priority issues that interest the above-identified stakeholders;
 - The risks that may be linked to the broader REDD+ safeguards, particularly in the areas of managing financial risks, reporting, and ensuring full and effective participation; and
 - Identify and analyse the potential bottlenecks/constraints to accessing resources for REDD+ in Kenya. (e.g. institutional, policy, and capacity constraints), whether from domestic or external sources.
- b. Based on the above, propose **inputs** for the REDD+ strategy and investment plan, including:
- Identification of various financial instruments that could be used for financing REDD+ at national and county levels;
 - Lessons and experiences on funding mechanisms and their delivery mechanisms that Kenya can draw from; including those that are performance based;
 - Potential institutional arrangements for management and provision of oversight of REDD+ financing mechanisms considering the current Kenya's approach to climate change financing, such as the Green Climate Fund (GCF);
 - Detailed economic and financial analysis of four investment options detailed in the REDD+ Strategy and Investment plan, taking into consideration the information available and best practices. These include (i) a description of the expected economic and financial rate of return, and (ii) a description of the financial viability.

3. Tasks to explore and assess benefit-sharing:

Beyond financing, the creation of incentives and broader benefits that accrue from REDD+ should be used in a manner that helps to improve accountability, transparency, and equity in terms of participation, access, and fair distribution of costs and benefits. To create enough incentives for actors to change land

use practices that drive deforestation and degradation—and the benefits that accrue to them—will require that benefit sharing mechanisms, in the broad sense, target the right actors at different levels and be tailored appropriately to meet the needs and interests of these actors. In line with this, the Consultant will focus on the following aspects:

- Examine how non-financial/non-monetary incentives can contribute to fair and equitable benefit sharing in REDD + implementation;
- Take stock of programmes, initiatives and experiences that provide incentives related to REDD+. Identify and examine the most appropriate and applicable in the national context and assess how such initiatives can be replicated at county levels from a benefit sharing point of view;
- Analyse existing and emerging benefit-sharing mechanisms in relevant programmes and how this can inform the potential design of a benefit-sharing mechanism for Kenya;
- Identify carbon and non-carbon benefits that the indigenous, forest dependent and local communities obtain from the different forest ecosystems at national and county level;
- Assess the status of benefit distribution processes (and any weaknesses that should be considered as related to requirements for REDD+ implementation).

3.1 Deliverables

Based on the above, the consultant will deliver the following and provide inputs into the National REDD+ Strategy and Investment Plan including:

- How the various policies and measures proposed can provide for non-carbon benefits in order to ensure equity distribution (in coordination with Policy, Laws and Regulatory consultant (PLR));
- Practical benefit sharing options at different levels and how these can be targeted and tailored to various constituencies;
- How non-monetary incentives can best be used in the Kenyan context to motivate change in behaviour in REDD+ implementation;
- Recommend the institutional arrangements for management and provision of oversight of REDD+ benefit sharing mechanism;
- Best or good practices that can be used to help improve accountability, transparency and equity in terms of participation, access and fair distribution of costs and benefits and safeguard the rights of communities including;
- A set of options for defining carbon rights and benefit-sharing arrangements that balances the interests of government, the private sector, indigenous, forest dependent and local communities. The Consultant will consult with other consultants undertaking private sector work, and coordinate with the drivers of deforestation and PLR consultant(s);
- Provide lessons and experiences on benefit-sharing mechanisms that Kenya can draw from, and those that can inform performance-based payments;
- Prepare a Policy Brief on assessment of financing, incentives, and benefit sharing opportunities and options for REDD+ implementation at national and county levels in Kenya; and

- Deliver a Financing Plan for Policies and Measures (PAMs) with recommendations to inform the Strategy and investment plan

Important Note: Ensure that each report should be accompanied by a summary of consultations held including dates and list of participants disaggregated by gender.

4. Deliverables and Payment Schedule

Deliverables	Timeline	Payment Terms per deliverable (percentage based on the contract amount)
Inception report	10 days upon signing the contract	10%
Submission of draft report, draft Policy Brief and Draft Financing Plan for PAMs with recommendations of financing, incentives, and benefit sharing opportunities	20 days after the inception report is approved	30%
Submission of final report, final Policy Brief and Final Financing Plan for PAMs with recommendations of financing, incentives, and benefit sharing opportunities	20 days after review process completed	60%

5. Duration of work

This assignment will be completed within a period of fifty (50) working days within six months

6. Qualifications

The consultant will have the following profile:

- Advanced degree in a relevant financial, economic, business administration or related field.
- Experience in developing financial services for small- and medium-size enterprises and producer groups.
- Demonstrated experience in international financing, carbon finance and markets, investment analysis.

- Demonstrated strong knowledge of financing sources, mechanisms and instruments; Broad knowledge of REDD+ and its role in climate change discussions and approaches.
- Relevant experience in research in public financial management in the natural resource sector.
- Demonstrated experience in economic valuation of natural valuation including assessing laws and policies related to fiscal management, economics and finance.
- Proven experience in economic and financial analysis and formulating and/or appraising financial plans, drafting strategies, reports and investment plans by submitting sample of similar work
- Work experience with the United Nations system is considered an added advantage

7. Evaluation

The consultant's offer will be evaluated based on the following criteria:

Combined Scoring method – where the technical qualifications will be weighted a maximum of 70% and combined with the price offer which will be weighted a max of 30%. Only candidates obtaining a minimum of 70 points (100 maximum points) would be considered for the financial criteria.

The key criteria for rating the qualifications are as follows

- Understanding of the scope of work (SOW); comprehensive of the methodology /approach; and organization and completeness of the proposal (15 points)
- Advanced degree in a relevant financial, economic, business administration or related field. (15 points)
- Experience in developing financial services for small- and medium-size enterprises and producer groups and at least 5years experience in international financing, carbon finance and markets, investment analysis. (15 points)
- Demonstrated strong knowledge of financing sources, mechanisms and instruments; broad knowledge of REDD+ and its role in climate change discussions and approaches.; relevant experience in research in public financial management in the natural resource sector (30 points)
- Demonstrated experience in economic valuation of natural capital including assessing laws and policies related to fiscal management, economics and finance; proven experience in economic and financial analysis and formulating and/or appraising financial plans, drafting strategies, reports and investment plans. (25 points)

Financial Evaluation (30% of total evaluation; maximum 30 points).

Submission of the Financial Proposal

Applicants are instructed to submit their all-inclusive fee proposal in KSH using the financial proposal template provided (Offerors letter to UNDP)

The financial proposal should be all-inclusive and include a breakdown. The term ‘all-inclusive’ implies that all costs (professional fees, travel related expenses, communications, utilities, consumables, insurance, etc.) that could possibly be incurred by the Contractor are already factored into the financial proposal.

Financial evaluation (maximum 30 points):

The following formula will be used to evaluate financial proposal:

$p = y (\mu/z)$, where

p = points for the financial proposal being evaluated

y = maximum number of points for the financial proposal

μ = price of the lowest priced proposal

z = price of the proposal being evaluated

Duration of the Work

50 working days within a period of 6 Months

Application process.

Interested and qualified candidates should submit their applications which should include the following:

1. Detailed Curriculum Vitae
2. Proposal for implementing the assignment – template provided
3. Offerors letter to UNDP – template provided

Note: The successful applicant will be required to complete a UNDP Personal History Form (P11) form prior to contracting.

Firms are not eligible for this consultancy assignment. Open to **national** individual consultants only.

Incomplete applications will be disqualified automatically.

All applications must be submitted through the UNDP eTendering portal.

- If already registered, please go to <https://etendering.partneragencies.org> and sign in using your username and password, and search for the **event**:
Business Unit: **UNDP1**
Event ID:
- If you do not remember your password, please use the “Forgotten password” link. Do not create a new profile.
- If you have never registered in the system before, please complete a one-time registration process first by visiting <https://etendering.partneragencies.org> and using the below generic credentials:
Username: **event.guest**

Password: **why2change**

Detailed user guide on how to register in the system and submit the proposal can be found at:

<https://www.undp.org/content/undp/en/home/operations/procurement/business/procurement-notices/resources/>

Email submission of applications will not be accepted. Queries about the position can be directed to

undp.kenya.procurement@undp.org
