

# Terms of reference



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## GENERAL INFORMATION

**Title:** Financial Needs Cost Analyst for National Action Plan on Sustainable Palm Oil

**Project Name:** Sustainable Palm Oil Initiative

**Reports to:** National Platform Manager and National Project Manager

**Duty Station:** Home Based, with meetings in Jakarta (eg. MoAg, UNDP project/country office, etc)

**Expected Places of Travel (if applicable):** N/A

**Duration of Assignment:** 40 working days; within February to July 2021

## REQUIRED DOCUMENT FROM HIRING UNIT

✓	TERMS OF REFERENCE
4	<b>CONFIRMATION OF CATEGORY OF LOCAL CONSULTANT, please select:</b>
	(1) Junior Consultant
	(2) Support Consultant
	(3) Support Specialist
	(4) Senior Specialist
	(5) Expert/ Advisor
	<b>CATEGORY OF INTERNATIONAL CONSULTANT, please select:</b>
	(6) Junior Specialist
	(7) Specialist
	(8) Senior Specialist
X	APPROVED e-requisition

## REQUIRED DOCUMENTATION FROM CONSULTANT

X	P11 or CV with three referees
X	Copy of education certificate
X	Completed financial proposal
X	Completed technical proposal

### Need for presence of IC consultant in office:

☒ partial (the consultant will liaise with the UNDP project team and relevant stakeholder/counterparts; attend meeting in their respective offices.)

☐ intermittent (explain)

☐ full time/office based (needs justification from the Requesting Unit)

### Provision of Support Services:

Office space: ☐ Yes ☒ No

Equipment (laptop etc): ☐ Yes ☒ No

Secretarial Services ☐ Yes ☒ No

If yes has been checked, indicate here who will be responsible for providing the support services: <Enter name>

## I. BACKGROUND

“UNDP is the UN's global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in about 170 countries and territories, including Indonesia, working to eradicate poverty while protecting the planet. UNDP supports implementation of the Sustainable Development Goals (SDGs). In Indonesia, UNDP works with the Government to integrate SDGs into national plan and policies.”

The rapid growth of palm oil production globally has to a large extent come at the expense of forested areas. Indonesia as one of the world's largest producers of palm oil and has received much attention in recent years particularly from the global community concerned about the sustainability of palm oil production. Recent studies reveal that fifty-six per cent of the oil palm plantations in Indonesia have replaced forests (Koh & Wilcove 2008); most significantly in the provinces of North Sumatra, Riau and Jambi, and the south-western borders of Kalimantan (Romijin et al. 2013).

Currently, palm oil represents 17% of total agricultural revenues, making it a key agricultural product of Indonesia. In 2016 palm oil represented 2.36 % of Indonesia's GDP (The World Bank 2016; Indonesia Investments 2017). This shows that the benefits and apparently positive economic impact of this commodity are significant. However, the conversion of land towards homogenous structures leads to the degradation of important ecosystem functions and an unprecedented loss of tropical biodiversity. Identifying more environment and biodiversity friendly oil palm management options is therefore considered critical to reconcile economic and ecological functions in tropical lowland regions also peatland area.

Addressing the above situation alongside concerns of the international community, the Government of Indonesia (GoI) has taken steps towards building a greener economy that promotes growth, equity, improved livelihood and environmental integrity including in the palm oil sector. Aiming to support the government's objectives, UNDP has been working together with the Ministry of Agriculture and the Coordinating Ministry of Economic Affairs in Indonesia to achieve the country's goals of sustainable palm oil production through the Sustainable Palm Oil Initiative (SPOI).

The SPOI is implemented under National Implementation Modality with the Ministry of Agriculture, and in coordination with the Coordinating Ministry of Economic Affairs, with support services from the UNDP Country Office. The SPOI aims to improve the capacity of palm oil smallholders and conserve natural resources in conjunction with the Government of Indonesia's Sustainable Palm Oil (ISPO) system; and is organized around these main components:

1. Support smallholder farmers via the creation of sustainable farmers support systems that will enhance their engagement, their organization and governance (through Farmers Groups) and their adoption of good agricultural practices;
2. Enhance dialogues, build consensus and partnerships with key national and regional stakeholders related to palm oil production, and create more effective policy enabling environments;
3. Collaborate with the government and other stakeholders to improve environmental monitoring and management; and
4. Strengthen the national palm oil ISPO standard for greater market access.

Among the key activities of the SPOI are; to facilitate a government-led multi-stakeholder forum (FoKSBI), to develop and formalize, and then to support in the implementation of a Sustainable Palm Oil National Action Plan (NAP-SPO, or RAN-KSB). The NAP has now been finalized and legalized through Presidential Instruction. Taking into account the significance and needs to advance NAP-SPO implementation at both the national level and its roll-out to sub-national province/district level, and also taking advantage of potential support from development partners and donors towards an integrated effort in NAP-SPO implementation, the SPOI intends to carry out a budgeting and costing exercise towards the NAP-SPO at the national level and towards sub-national (province/district) SPO action plans. The objective of the activity is to assess current financial resource expenditures and requirements needs towards the respective action plans to meet intended implementation goals for the entire period of the Presidential Instruction. The SPOI will require the support and expertise of a Financial Needs/Cost Analyst with focus towards the national level SPO action plan to carry out this activity.

## II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES

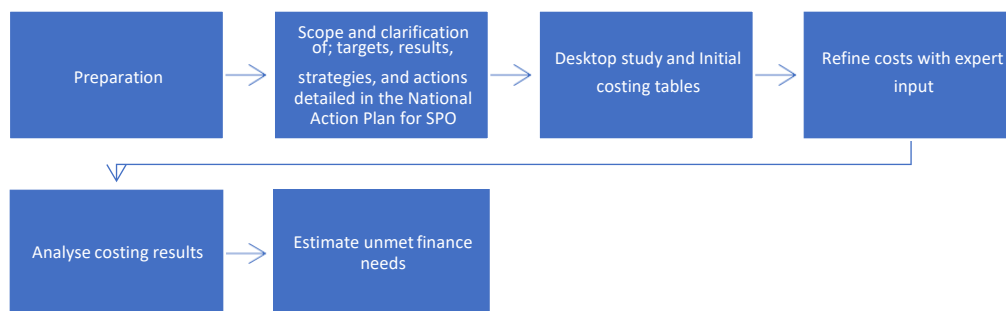
The National Financial Needs/Costs Analyst will be responsible to review, analyse and calculate the costs related to implementing the suite of strategies and actions detailed in the National Action Plan for Sustainable Palm Oil (NAP-SPO). The aim of the 'Financial Needs Assessment (FNA)' is to assess and develop a comprehensive estimate of financial resources required to achieve the targets set forth in the NAP-SPO. Whilst the primary objective of the activity is to assess financial requirements towards implementing the action plans and meeting intended implementation targets/goals, the study shall also assess current financial resource expenditures using readily available expenditure information and expert opinion of public and private sector stakeholders. The consultant will be supported by the SPOI team and related technical teams where necessary in carrying out the objectives during the assignment.

### Scope of Work

The Financial Needs Assessment (FNA) which will be conducted by the consultant is modelled and sets out to achieve the following objectives;

1. Clarify strategies and actions in the National Action Plan for SPO to describe 'cost-able actions' that link to specific outputs/results, in a logical framework, which thus presents towards a prioritization and detailed costing.
2. In consultation with the related ministries through the NAP SPO Focal Points, produce or costs actions by defining unit costs and quantities of the target timeperiod.
3. Use the costing (unit costs) as a basis to develop detailed budgets to make a stronger case for action plan implementation – linking the costs of achieving specific results to the national budget processes.
4. Estimate unmet financing needs of strategies and actions of the National Action Plan for SPO.

The following diagram details the process which will be carried out in conducting the Financial Needs Assessment (FNA).



### Expected Outputs and Deliverables

The assignment will be delivered within 3 months, with 34 working days with possibility of extension. Schedule of payment will be in accordance with the following timetable noted:

<b>Deliverables/ Outputs</b>	<b>Estimated number of working days(40wds)</b>	<b>Completion Deadline</b>	<b>Review and approvals required</b>
1st payment will be made upon submission and approval by UNDP on: Inception Report: Detailing among others: methodology and workplan; identification of key stakeholders and roles; and consultation plan.	4	15-February 2021	SPOI National Platform Manager and NPM
2nd payment will be made upon submission and approval by UNDP of the report: 1. Report (section) on scoping and clarification of; targets, results, strategies, and actions detailed in the National Action Plan for SPO. Detailing among others: process of review and refinement of scope; logical framework structuring and clarifying actions and results; and prioritization of initial pre-costing.	10	15-March 2021	SPOI National Platform Manager and NPM
3rd payment will be made upon submission and approval by UNDP of the: 1. Report (section) on Desktop study and Initial costing tables. Detailing among others: process and identified budget units and standard cost; and cost tables developed. 2. Report (section) on result of Costs Refinement with Expert Inputs. Detailing among others: consultation processes; results of validation and elaboration on quantitative details of costable actions, results, indicators; results of tagging exercise; refinement of initial models and assumptions.	10	5 April 2021	SPOI National Platform Manager and NPM
4 <sup>th</sup> payment will be made upon submission and approval by UNDP of the: 1. Report (section) on result of Costing Results Analysis. Detailing among others: multi-annual direct cost statements (structured by strategies, targets, sectors, actors, etc.); analysis and comparison of costs towards action plan goals/targets/priorities. 3. Report (section) on result of Estimation of unmet finance needs. Detailing among others: analysis and comparison of detailed costing statements with available financing identified through the Expert Input consultation process (structured by strategies, targets, sectors, actors, etc.)	12	25 May 2021	SPOI National Platform Manager and NPM
5 <sup>th</sup> payment will be made upon submission and approval by UNDP of final report : compilation of all reports (section) above into one coherent and comprehensive document.	4	15 June 2021	SPOI National Platform Manager and NPM

### III. WORKING ARRANGEMENTS

#### **Institutional Arrangements**

- The consultant's direct supervisor is Platform Manager and deliverable approver is SPOI National Project Manager (NPM).
- The consultant will regularly report to the SPOI NPM and/or assigned SPOI workstream/activity lead.
- The consultant will have close coordination and collaboration with: Platform Manager, SPOI NPM, SPOI workstream coordinator and team, and UNDP global technical team (GGP, GCP, BIOFIN).
- The consultant in the course of performing the work is expected to liaise/interact/collaborate/meet with; government ministries/institutions/authorities at the various levels (especially and the Ministries' Focal Points of NAP SPO National Implementation Team); Provincial and District authorities, and other project's stakeholders, etc.

#### **Duration of the Work**

The consultant will perform the assignment within the follow time arrangements:

- The duration of assignment and its completion is 40 working day within 3 months.
- The consultant shall submit the results and deliverable(s) with the suggested time frame.

#### **Payment Schedule**

The payment will be made to the consultant/contractor at each payment schedule, upon technical clearance and approval of the satisfactory submission of deliverables/results from relevant technical team of SPOI and NPM.

#### **Travel Plan**

- There may be unforeseen travel that will come up during the execution of the contract which will be agreed on **ad-hoc basis**.
- Travel will be arranged by Hiring Unit in accordance with UNDP rules and regulations related to duty travel outside Jakarta.

### IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

#### Academic Qualifications:

Master's degree (or above) in; development economics, economic & finance, public finance/administration, natural resource development, development studies, environmental/sustainable studies, or other related fields.

#### Years of experience:

- A minimum of five years professional experience in development economics, economic & finance, public finance/administration, natural resource/environmental/sustainable development field and/or consultancy, preferably in the context of Indonesian agricultural/palm oil or other natural resource development
- Proven experience in working with and establishing working relationships with a broad range of stakeholders, among others government ministries/institutions/authorities at the various levels including Ministry of Agriculture, Ministry of Environment and Forestry (KLHK), Bappenas, the Ministry of Home Affairs, the Ministry of Finance, Provincial and District authorities, private sector palm oil industry and also with smallholder organizations and CSO/NGOs.
- Experience and knowledge in the governments financial planning and budgeting process

#### Competencies and special skills requirement:

- Have good interpersonal and communications skills;
- Ability to work independently and in a team;
- Fluency in English and Bahasa Indonesia and good written communications skills.
- Has an excellent a collaborative work style.
- Has excellent communication and advocacy skills.

## V. EVALUATION METHOD AND CRITERIA

Individual consultants will be evaluated based on the following methodologies:

### Cumulative analysis

*When using this weighted scoring method, the award of the contract should 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 and financial criteria specific to the solicitation.*

*\* Technical Criteria weight; 70%*

*\* Financial Criteria weight; 30%*

*Only candidates obtaining a minimum of 70 point would be considered for the Financial Evaluation*

<b>Criteria</b>	<b>Weight</b>	<b>Maximum Point</b>
<u>Technical (70%)</u>		
<i>Criteria A: qualification requirements as per TOR:</i>	<i>50%</i>	<i>50</i>
1. Master's degree (or above) in; development economics, economic& finance, public finance/administration, natural resource development, development studies, environmental/sustainable studies.		<i>15</i>
2. A minimum of 5 years professional experience in development economics, economic & finance, public finance/administration, natural resource/environmental/sustainable development field and/or consultancy, preferably in the context of Indonesian agricultural/palm oil or other natural resource development		<i>15</i>
3. Proven experience in working with and establishing working relationships with a broad range of stakeholders, among others government ministries/institutions/authorities at the various levels including Ministry of Agriculture, Ministry of Environment and Forestry (KLHK), Bappenas, the Ministry of Home Affairs, the Ministry of Finance, Provincial and District authorities, private sector palm oil industry and also with smallholder organizations and CSO/NGOs		<i>10</i>
4. Experience and knowledge in the governments financial planning and budgeting process.		<i>10</i>
• <i>Criteria B: Brief Description of Approach to Assignment</i>	<i>50%</i>	<i>50</i>
1. Understands the task and applies an appropriate methodology for the task		<i>20</i>
2. Addressing Important aspects of the tasks (clear and sufficient details)		<i>15</i>
3. Logical and realistic planning with detail timeline to deliver the expected outputs		<i>15</i>