

## **Terms of Reference**

### **CONSULTANCY TO DEVELOP A PAYMENT FOR ECOSYSTEM SERVICES FRAMEWORK**

<b>Location:</b>	Lilongwe, with one-week travel to project districts
<b>Type of Contract:</b>	Firm / Consulting Team
<b>Languages Required:</b>	English
<b>Duration of Initial Contract:</b>	28 days spread over 2.5 months (April to June 2021)

#### **A. Project Title:**

Poverty -Environment Actions for the SDGs (PEA)

#### **B. Project Description:**

The Poverty-Environment Action for Sustainable Development Goals (Poverty-Environment Action) is a joint UNDP-UN Environment initiative that seeks to deliver technical advice, advocacy and knowledge products (KP) for supporting the Government of Malawi in the implementation of core government businesses, policies and plans in the environment, natural resources (ENR) and related sectors. It seeks to foster integration of environmental sustainability and climate objectives in development planning, budgeting and monitoring systems; and incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication. The Project focuses on leveraging agricultural production and gender equality to build resilience of households to shocks and to address food security and poverty alleviation through the sustainable management of the environment and natural resources.

Implementation is spearheaded by the Department of Economic Planning and Development (EPD) in the Ministry of Economic Planning and Development (MoEPD), which is Malawi Government's main planning agency responsible for national economic and development planning and monitoring and evaluation of socio-economic issues in the country.

The project has four expected outputs:

1. Policy coherence for poverty eradication, gender equality and environment and natural resource sustainability through improved sector and national district coordination;
2. Improved guidelines and mechanisms for leveraging national and district expenditures and private investment on poverty reducing environment and natural resource management;
3. Strengthened links between community environment and natural resource management related activities, and national and district level plans, policies, budgets and investments; and
4. Strengthened monitoring, data collection and reporting on poverty, gender and environment and natural resource linked issues.

### C. Background and objectives of the assignment:

The economy of Malawi is heavily dependent on the agricultural sector which in turn is highly dependent on the country's abundant environment and natural resources. Thus, the agricultural sector accounts for about 30 percent of the Gross Domestic Product (GDP) (Government of Malawi, Annual Economic Report, 2014) and about 90 percent of the country's export earnings. Over 80 percent of the total labour force is employed in the agricultural sector. The sector also contributes about 60-70 percent of the inputs to the country's manufacturing industry.

The country's economy is faced with two interlinked challenges of persistently high poverty levels and high ENR degradation rates. Unabated deforestation rates, estimated at between 1.0 percent and 2.8 percent per annum (PEI, 2015) is one of the major banes that has contributed to massive soil loss and affected agricultural productivity and hence food insecurity and high levels of poverty. This is induced by the high dependence on solid fuels (fuel wood and charcoal), estimated at 98.7 percent (Ministry of Natural Resources, Energy and Environment's State of Environment Report, 2010). As a result, Malawi's forest cover decreased from 41 percent in 1990 to 35 percent in 2008 and this rate of decline is reported as the highest in the Southern Africa region.

A two-way complex cause and effect relationship thus exists between Malawi's poverty levels and ENR utilization and degradation. For instance, the study on overcoming poverty confirmed that complex relationships exist between economic activity and the environment and that a 1% (317 sq km) decrease in forest cover in the long run is likely to reduce Gross Domestic Product (GDP) per capita by 0.6% (US\$1.50). In real terms, this translates to a loss in income of nearly US\$24 million per year.

Investigations into the linkages between the agriculture sector and national income per capita growth show that in the long-run, positive changes in the agriculture value added have significant positive poverty reduction effects. This is evidenced by the fact that a 1% (US\$1,000,000) increase in agriculture value-added<sup>1</sup> will likely increase GDP per capita by 2.3% (US\$6.00) or an increase of GDP of US\$90 million. This finding confirms the fact that a sustained growth in agricultural sector is critical for national growth and poverty reduction objectives. In addition, the study findings also show that a 1% (US\$300,000) increase in government expenditure on the ENR sector leads to 0.43% increase in per capita GDP which is equal to nearly US\$17 million increase in GDP. The econometric results further show bi-directional relationships between GDP per capita and the variables of fish catch, government expenditure on ENR, agriculture value-add, and gross capital formation. Unfortunately, the high dependence of the country on environment and natural resources, particularly for agriculture which is the backbone of the country's economy and a source of livelihoods for most of the people, makes the country very susceptible and highly vulnerable for environmental degradation and climate change. For example, recent, prolonged dry spells, droughts and floods which compound the pressure on the natural resource base, and negatively affecting the performance of other key sectors such as water, agriculture and energy have all been attributed the unsuitable use of the country's environmental and natural resources.

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<sup>1</sup> **Value added agriculture** is the net output of agriculture sector after adding up all sectoral outputs and subtracting intermediate inputs.

This undesirable trend in environmental degradation and the negative impact on the country's overall economic development calls for investment in the ENRM sectors including the forestry sub-sector for improved livelihood, food security and poverty reduction in the country. In addition, while there is need to catalyzing investment in the ENRM sectors, there is also the need to do it a such manner that is eco-friendly in terms of biodiversity and ecosystems conservation. It is against this backdrop that the country must seek opportunities and innovative ways to source and mobilize resources to invest in the management of the ENRM sectors.

### **Justification and Rationale**

One of the overarching output of the current PEA project is to help catalyze investment in both private and public expenditures (national and district) in the ENRM sectors which at present has been largely determined to be very low and therefore incapable of contributing significantly to poverty reduction particularly at the community levels and in a sustainable manner. The project aims to contribute to the following impact: sustainable and inclusive natural resources management to improve agricultural productivity, reduce poverty, strengthen gender equality and enhance climate resilience for the most vulnerable communities. Achieving this result will require catalyzing investments in soil fertility, agricultural and fisheries productivity, ecosystem health, food security, and climate resilience. It is within this context that the Payment for Ecosystem Services (PES) becomes very important and invaluable in the sustainable utilization of the natural and environmental resources of the country.

In thinking about pricing forest and ecosystems goods and services, studies by the EU<sup>2</sup> have determined that one must bear in mind that this decision is closely tied to two other issues. The first is a broad policy question: what is the Department of Forestry (DoF) trying to accomplish through its management of the resources under its jurisdiction? Broadly speaking, the Department could have several objectives both in its resource management and in its pricing decisions: They could be managing resources with the primary objective of benefiting local communities that are dependent on the resources. This would argue for making resource use inexpensive for those communities, and favouring their access over commercial use or conservation, even if commercial use might bring more revenue. Alternatively, the Department could be oriented primarily towards protection of ecosystems. This would argue for restricting resource use to the level that is biologically sustainable, rather than ensuring that as population grows, communities that have traditionally depended on the forests continue to have the same level of access as they had in the past. There has been a lot of interest on the PES and several studies and interventions have been carried by for example USAID; JICA in its PES programming in Dzalanyama Forest Reserve, or examples from ecotourism sector where payments are made to host communities practicing sustainable management. Other examples are from protected areas and/or wildlife and the UNDP/GEF project sustainable land management in Balaka. The framework will learn from and build on these experiences, specifically what worked, what didn't, how to better structure PES arrangements, what 'prerequisites' need to be in place, what roles and responsibilities for communities, the state, private companies, etc.

On the other hand, there is a consensus that the sector is inadequately funded and is characterized by inadequate investment and re-investment in forestry programs, poor revenue

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<sup>2</sup> Institutional Assessment of the Forestry Sector and Organizational Review of the Department of Forestry in Malawi; Final Report; September 2013

collection as well as mismanagement of revenues collected. The Forest Policy therefore provides for a clearly defined forestry investment and re-investment opportunity for a sustainable forestry sector through its strategies. In addition, policy priority area 10, strategy 3, outlines the various opportunities for generating more resources to the sector which includes Payment for Ecosystem Services (PES), REDD+, CDM and other innovative approaches for sustainable financing of the forest sector.

### **Objective: Why Payment for Ecosystem Services (PES)?**

Some people use PES as an umbrella term for the entire suite of economic arrangements used to reward the conservation and/or sustainable use of ecosystem services. However, for the purposes of this concept note the term PES is used to describe schemes in which the beneficiaries, or users, of ecosystem services provide payment to the stewards, or providers, of ecosystem services. In practice, PES often involves a series of payments to land or other natural resource managers in return for a guaranteed flow of ecosystem services (or, more commonly, for management actions likely to enhance their provision) over-and-above what would otherwise be provided in the absence of payment. Payments are made by the beneficiaries of the services in question, for example, individuals, communities, businesses or government acting on behalf of various parties. The basic idea behind PES is that those who provide ecosystem services – like any service – should be compensated for the opportunity costs incurred in doing so.

PES therefore provides an opportunity to put a price on previously un-priced ecosystem services like climate regulation, water quality regulation and the provision of habitat for wildlife and, in doing so, brings them into the wider economy i.e. commodification of ecosystem services and incentivizes the sustainable use of such services. On the other side, it is important to note that placing a price on otherwise non-market ecosystem services remains a challenge. Apart from the commodification, PES could also take a form of compensation or co-investment, where payments are made for accepting or achieving conditions for a specified environmental outcome, and /or as a non-market driven conditional reward aimed at motivating the adoption of good ecosystem management practices, respectively. The novelty of PES arises from its focus on the ‘beneficiary pays principle’, as opposed to the ‘polluter pays principle’.

The EU study on PES has also noted that for some forest reserves, the protection of downstream watersheds may be a major objective of forest management. With this objective, pricing mechanisms would have to take the form of payments for ecosystem services (PES); instead of timber users paying for wood, users of downstream watersheds would pay upstream residents not to cut the forests, so that the forests would continue to prevent sedimentation of the rivers. Watershed protection will obviously be much more important where economically significant infrastructure depends on the quality of water flows, so this objective means that pricing and management policies will certainly vary from forest to forest. Where the use of the natural resources by the local communities is a key concern and is likely to be more important than any other objectives of forest management for example ensuring local communities’ access to enough resources to meet their own energy needs (but not, for example, to manufacture charcoal for sale in the cities), this should be clearly identified and taken into consideration in the determination of who pays what and for what purposes. Given that the forest and water resources like all other natural resources have aspects of public goods and

controlling access is difficult, a combination of pricing mechanisms (PES) and command and control systems would be necessary for sustainable forest management<sup>3</sup>.

The question that PES raises for example is: Will watershed protection be much more important to society where economically significant infrastructure depends on the quality of water flows in the production of goods and services that increases the nation's wealth in terms of GDP and other desirable welfare measures? In that situation will the local communities be willing to accept a certain amount of compensation to offset the benefit forgone so that the water resources can now be directed to increase the benefits to the overall society through water supply to industries and other public and private establishment for the overall increase in goods and services to the society. Alternatively, how much are the local communities willing to pay so as to use such water resources for improving their livelihoods and the revenue generated can then be used to manage these particular non-renewable natural resources in a sustainable manner.

Furthermore, the goal of the National Forest Policy, 2016, is for the conservation, establishment, protection and management of trees and forests for the sustainable development of Malawi. To achieve this goal, the policy has ten (10) priority areas one of which is Financing Mechanism which is priority area number ten This priority area aims at enhancing innovative approaches for generating funding for the forestry sector in Malawi. Despite being identified as one most important way of making sure that those who are enjoying the ecosystem services pay for those benefits and that it is key to generation of revenues to sustain activities in the sector, the country lacks a clearly defined framework through which PES can be administered. Those enjoying the benefits are at no obligation to pay for such services as it still remains voluntary which makes payment for the ecosystem services difficult to enforce. The result is that those managing the ecosystem including communities are left frustrated and often engage in destructive compensatory behaviours which lead to further degradation. PES can therefore provide incentives for those using these ecosystems to invest time and labour as well as forego some potential benefits that they acquire from utilizing the ecosystem, therefore ultimately leading to more sustainable use.

In another context when it comes to natural resources utilization, it is mostly the rural women who largely depend on the forest and water resources to meet their domestic use for various household needs including energy, cooking, laundry and in some cases in small-scale irrigation schemes that ensures regular supply of basic food items for the family. It is therefore necessary that any framework that is formulated to leverage investment in ecosystems would take a special interest in rural women such that they do not continued to be marginalized in the utilization of the country's natural resources. Any PES framework must pay a special attention +to how it will help the women cope with their requirements in using the natural resources in a sustainable manner without necessarily distorting the market mechanism that has a main objective of catalyzing investment for ecosystem sustainability.

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<sup>3</sup> Development of Forest Valuation Systems, Malawi Concepts for Forest Pricing March 2013, Cardno Agrisystems Consortium comprising: Cardno Emerging Markets (UK) Ltd in association with Agri-Livestock Consultants Ltd; CABI, ECA International S.A.U., Megapesca Lda, Quality Institute, Particip GmbH and Sogreah Consultants SAS

### **Why does PES matter to sustainability?**

- Unsustainable land use caused irreversible biodiversity loss, with impacts on fresh water, capture fisheries, air and water purification, climate regulation, natural hazards and pest outbreaks. Further, it reduces agricultural productivity, hindering the achievement of food security and poverty reduction.
- Understanding the full economic value of ecosystems and biodiversity to those who benefit from them can encourage investment in their protection and enhancement. Payments for Ecosystem Services (PES) value ecosystem services conservation and sustainable use and increase income generation in rural areas, food security and sustainable development. Thus PES, can be seen among others, as an important conservation tool at the nexus of relationship between sustainable management of the environment and food security and poverty reduction.
- Most PES schemes revolve around three groups of ecosystem services: water and soil-related services; climate stabilization; and biodiversity conservation. Although PES schemes may be focused on the enhancement of one ecosystem service, interventions have multiple benefits; reforestation may target carbon sequestration, but it will also produce positive impacts on water quality and biodiversity. Thus, there is need to develop PES schemes that address bundled ecosystem services.

### **D. Scope of Work:**

The overall objective of this task is to produce a framework for the design and implementation of a PES system in Malawi that would institutionalize the way the GoM through the various relevant departments and ministries ensure that users of ecosystem services in the country are incentivized for their sustainable use and regeneration\_ where possible of those resources..

The PES is based on the theory of Contingent Valuation Method (CVM). which is derived from the consumer demand theory, an expressed preference method that minimises the expenditure of the consumer subject to his utility constraint. In the CVM, the valuation task is to determine how much better or worse off an individual or a community would be as a result of a change in environmental quality. While the compensating variation measures how much income the individual is willing to pay (WTP) to secure a welfare improvement, the equivalent variation on the other hand measures how much income an individual is willing to accept (WTA) for deterioration in the environmental quality. This is the basis for payment for ecosystem services in such a way that it incentivises sustainable management of the environment for present and future generation.

The selected firm or consulting team is expected to follow the steps for conducting the PES below:

In summary therefore, the PES will be conducted as follows:

1. Desk review of the literature
2. Drafting and presentation of the inception report to the stakeholders for discussions and to solicit ideas and consent of key stakeholders in the country
3. Development of data collection tools
4. Data Collection
5. Data entry, analysis, and report writing
6. Presentation of the draft final report for validation by the Technical and also the Steering Committee

## 7. Sharing of the report with stakeholders for comments

The selected firm or consulting team shall come up with a detailed methodology to design and implement a PES system for Malawi which is expected to be robust enough to isolate the different and obtain the relevant stakeholders and their “weighted” interests to be able to navigate the political economy that could ensue in the effective implementation of the framework.

The framework should provide clear guidance of the institutional arrangements, mechanisms, regulations, agreements and rules that would enable the government of Malawi in the distribution and benefit sharing of current and future revenues from the ENR sector in a manner that contributes to both sustainable use and multi-dimensional poverty reduction. Extensive literature review to reveal any differences in views and in the implementation of the framework that would be proposed would be very necessary in order to address these issues before they constitute a drawback in the adoption of the proposed framework. In that case, the use of rapid appraisal and as well as focused group discussions would be necessary to obtain the opinions of the stakeholders to shape the preferred modality of the PES framework. For the purposes of the effective implementation and monitoring of the success of this framework, the Department of Forestry would be the main IP in coordination with Environmental Affairs Department, Economic Planning and Public Sectors Department as well as the Department of Economic Affairs and the Ministry Finance and thus responsible for implementing and monitoring the framework in close collaboration with the PEA project.

There will be the need for an inception report that is detailed enough that would be presented to PEA team and their stakeholders to ensure stakeholders’ buy-in. All suggestions that would be provided by stakeholders must be incorporated before any field work would commence.

The selected firm or consulting team would be expected to collect any relevant data and information that would shape the narrative of the framework and thus improve the relevance and applicability of the framework within the Malawi Context.

The desk review should explore the PES framework that is being implemented, if any in other African countries or other countries at the same level of development as Malawi. Any success stories and best practices should be identified and documented with the view of drawing some lessons in what might constitute opportunities and/or challenges and how they can be optimized or minimized in the case of Malawi.

It would be important for the firm or the consulting team to pay particular attention on how the implementation of the proposed framework may affect the rural women and put in place special recommendations that would leverage the ability of the rural women to access the services from the ecosystem in line with the overall objective of sustainable management of the environment and natural resources of the country.

There are different types of payment for ecosystem services models or approaches depending on the services or benefit being obtained. It ranges from eco-tourism, water, electricity, timber and wildlife. The overall aim of the framework is to define how PES can be implemented and identify key opportunities and challenges and consider the role of government and other key stakeholders.

The framework should be able to define the three PES schemes and how they can be implemented.

These include:

- **Public payment schemes** through which government pays land or resource managers to enhance ecosystem services on behalf of the wider public;
- **Private payment schemes**, self-organized private deals in which beneficiaries of ecosystem services contract directly with service providers;
- **Public-private payment schemes** that draw on both government and private funds to pay landowners and other resource managers for the delivery of ecosystem services
- Provide lessons learnt from other African states and how Malawi can bring good practice to bear in its own PES framework
- A brief policy to accompany the main report and implementation framework outlining succinctly how the framework should be operationalized
- A different set of legalizations or rules of engagements that need to be enacted and adopted at the highest level of government for effective enforcement and implementation of the PES framework.

And finally, the framework should help identify any gaps whether legal, capacity needs, institutional requirements or governance issues that need to be addressed for smooth implementation of PES in Malawi particularly in the Forestry Sector. These issues include lack of enforcement, lack of accountability and transparency by government officials and other duty bearers, lack of ability of poor communities and forest users to pay, no framework for costing different uses of forests, water, etc.

## E. Institutional Arrangement

The selected firm or consulting team will report to the Portfolio manager for RSG and the PEA international technical advisor and shall work directly with the Department Economic Planning and Development. The firm or consulting team is expected to work hand in hand with the relevant stakeholders in executing their responsibilities.

## F. Duration of the Work

The expected duration of the assignment is for 3 months. The proposed number of days for this assignment is 28 days spread between mid-April and Mid-June 2021.

### Timeline

Table below shows the expected timeline for specific deliverables:

Activity	Proposed dates	Weeks										
		1	2	3	4	5	6	7	8	9	10	11
Collection of relevant literature for the desk review	12 <sup>th</sup> April to 16 <sup>th</sup> April 2021											
Produce draft inception report	17 <sup>th</sup> April to 20 <sup>th</sup> April 2021											



Conduct stakeholder consultative meeting	21 <sup>st</sup> April to 28 <sup>th</sup> April 2021											
Produce a final inception report	29 <sup>th</sup> April to 30 <sup>th</sup> April 2021											
Data collection (primary, secondary data including Focused Group Discussion) relevant documents for review)	1 <sup>st</sup> May to 8 <sup>th</sup> May 2021											
Produce a draft implementation framework report of the PES and Policy Brief	9 <sup>th</sup> May to 1 <sup>st</sup> June 2021											
Stakeholder meeting to discuss the results and policy recommendations	2 <sup>nd</sup> June 1 <sup>st</sup> July 2021											
Final report for the PES Sprinting and Launching of Report	2 <sup>nd</sup> July 19 <sup>th</sup> July 2021											

## G. Duty Station

Lilongwe including travel to districts that the consulting team will propose in consultation with department of forestry.

## H. Deliverables and schedule of payments

A Lump Sum Amount payable modality is envisaged upon submission of deliverables and acceptance/approval by UNDP CO for each identified task (reflected in the agreed and signed specific TOR). The lump sum amount is inclusive of all the costs related to the assignment. Payments are based upon **output** (i.e. upon delivery of the goods and/or services specified in each deliverable of the TOR). All planned costs related to this project must be specified in the proposal.

Deliverable/ activities	Indicative timeline *	Proposed Payment (%)
<b>1. Inception report:</b> Completion of an Inception workshop and submission of inception report following preliminary consultations with different stakeholders and desk review. The inception report needs to clearly identify potential problems and bottlenecks of the assignment, as well as possible solutions and a revised work plan after consulting with relevant stakeholders.	7 days from contract signature	20%

Final inception report	23 days	
Submission of a report detailing the proposed PES framework. In other words, a draft framework	35 days from contract signature	30%
2. Submission of draft PES framework and policy brief	52-day days from contract signature	
3. A framework for PES and a Policy Brief	days	50%

*\*Payment will be based on acceptance of the deliverable by UNDP (and not submission) based on inputs from key relevant stakeholders (i.e. government and regional agencies).*

## I. Expertise Required

The consulting firm or consulting team must meet the following minimum requirements:

- Legal status recognized by the Government of the Republic of Malawi, enabling the organization to perform the above-mentioned tasks under the laws of Malawi.
- At least ten years of work experience in fields related to the assignment, preferably in Malawi or other African countries
- Strong capacity and experience in planning and logistics
- Strong interpersonal skills and a team-oriented spirit

The successful team must comprise of the following professionals with adequate experience and qualifications as mentioned below. In the technical proposal, the consulting team or firm must also indicate the proposed staff and qualifications for each of the three key managerial positions based on the following minimum requirements:

### 1. Team Leader and Natural Resource Economist

- a. Advanced degree (or equivalent) in natural resources economics (or a related field) from a recognised and reputable institution. Or a master's degree in economics (or related field) and experience in economics or closely related discipline in the area of natural resources markets or policy.
- b. At least ten years of post-qualification experience in developing frameworks, strategies and implementing the recommendations arising from such reviews;
  - ✓ A minimum of seven (10) years' experience in the following
    - Valuation of natural resources,
    - Project management of consulting projects including preparation of consulting reports, presentation material, assistance in liaison with key stakeholders,
    - Social and Gender analytical skills;
  - Successfully worked with national governments and or international organizations;
  - Experience in managing consulting teams and in liaising with clients at senior level;
  - A team player and motivator;
  - Extensive experience in stakeholder consultation and coordination and managing workshops and seminars;
  - Proven ability to work under pressure and meet deadlines;
  - Proven knowledge on and expertise on gender issues, ecosystems services;
  - Excellent writing and presentation skills.

**2. A Natural Resources Technical Expert**

- A minimum of master's degree in, natural resources management, biology, policy and planning, environmental economics or a closely related field including climate and sustainability;
- Expertise in forestry, water, agriculture or ecosystems;
- Knowledge of poverty and environment linkages;
- A minimum of seven (7) years' experience in the following;
  - ✓ Valuation of natural resources,
  - ✓ Project management of consulting projects including preparation of consulting reports, presentation material, assistance in liaison with key stakeholders;
  - ✓ Social and Gender analytical skills;
- Excellent written and presentation skills.

**3. A Legal Expert**

- Advanced degree in law from a recognised and reputable institution;
- 5 years' experience in providing management consultancy services;
- Extensive experience in community engagement and stakeholder consultations;
- Proven ability to work under pressure and meet deadlines;
- Excellent writing and oratory skills in English and Chichewa.

**J. Scope of Price Proposal and Schedule of Payments**

A *Lump Sum Amount* payable modality is envisaged upon submission of deliverables and acceptance/approval by UNDP CO for each identified task (reflected in the agreed and signed specific TOR). The lump sum amount is inclusive of all the costs related to the assignment. Payments are based upon output, i.e. upon delivery and acceptance of the services specified in the ToR. All planned costs related to this consultancy must be specified in the proposal by contractor for this assignment. The bidding price proposal should include the following categories of budget:

- i. Professional fees (This should include the types and number of staffs hired)
- ii. Travel (including the pilot survey and living allowances during the survey)
- iii. Questionnaire printing
- iv. Data collection and analysis
- v. Meeting/workshop costs
- vi. Others (specify)

**K. Recommended Presentation of Offer**

Interested and qualified firms and consulting teams are invited to apply. The consultants must submit the following documents/information to demonstrate their qualifications:

1. A technical proposal detailing applicant's understanding of ToRs, proposed methodology, applicants' key members CVs.

2. A financial proposal breaking down cost for each operational line and professional fees.

**5(Please use Table 1 and Table in the annex)**

3. Contacts (email and phone) of 3 former clients or referees.
4. A detailed list of similar assignments (copies of these may be requested as necessary) that the consultant has conducted in the past.

**L. Criteria for Selection of the Best Offer**

The award of the contract shall be made to the consultant who has received the highest score out of pre-determined technical and financial criteria specific to the solicitation as follows;

Technical criteria weight – 70 %

Financial criteria weight – 30 %

Summary Criteria	Weight	Max. Point
Technical (based on Technical proposal)	70%	
Bidder's qualification, capacity and experience		300
Proposed Methodology, Approach and Implementation Plan		400
Management Structure and Key Personnel		300
Total points		1000

The proposer who received 70% of the total technical point will be consider for the financial evaluation. The detail technical points are follows.

Section 1. Bidder's qualification, capacity and experience		Points obtainable
1.1	Reputation of Organization and Staff Credibility / Reliability / Industry Standing	50
1.2	General Organizational Capability which is likely to affect implementation: management structure, financial stability and project financing capacity, project management controls, extent to which any work would be subcontracted	90
1.3	Relevance of specialized knowledge and experience on similar engagements done in the region/country	70
1.4	Quality assurance procedures and risk mitigation measures	60
1.5	Organizational Commitment to Sustainability (mandatory weight) -Organization is compliant with ISO 14001 or ISO 14064 or equivalent – 20 points -Organization is a member of the UN Global Compact -5 points -Organization demonstrates significant commitment to sustainability through some other means- 5 points, for example internal company policy documents on women empowerment, renewable energies or membership of trade institutions promoting such issues	30

<b>Total Section 1</b>	<b>300</b>
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<b>Section 2. Proposed Methodology, Approach and Implementation Plan</b>		<b>Points obtainable</b>
2.1	Understanding of the requirement: Have the important aspects of the task been addressed in sufficient detail? Are the different components of the project adequately weighted relative to one another?	80
2.2	Description of the Offeror's approach and methodology for meeting or exceeding the requirements of the Terms of Reference	100
2.3	Details on how the different service elements shall be organized, controlled and delivered	50
2.4	Description of available performance monitoring and evaluation mechanisms and tools; how they shall be adopted and used for a specific requirement	50
2.5	Assessment of the implementation plan proposed including whether the activities are properly sequenced and if these are logical and realistic	70
2.6	Demonstration of ability to plan, integrate and effectively implement sustainability measures in the execution of the contract	50
<b>Total Section 2</b>		<b>300</b>

<b>Section 3. Management Structure and Key Personnel</b>			<b>Points obtainable</b>
3.1	Composition and structure of the team proposed. Are the proposed roles of the management and the team of key personnel suitable for the provision of the necessary services?		30
3.2	Qualifications of key personnel proposed		
3.2 a	<b>Team Leader and Natural Resources Economist</b>		110
	Advanced degree (or equivalent) in natural resources economics (or a related field) from a recognised and reputable institution. Or a master's degree in economics (or related field) and experience in economics or closely related discipline in the area of natural resources markets or policy;	25	

	At least ten years of post-qualification experience in developing frameworks, strategies and implementing the recommendations arising from such reviews; ✓ A minimum of seven (10) years' experience in the following <ul style="list-style-type: none"> <li>○ Valuation of natural resources;</li> <li>○ Project management of consulting projects including preparation of consulting reports, presentation material, assistance in liaison with key stakeholders Social and Gender analytical skills;</li> <li>○ Social and Gender analytical skills.</li> </ul>	25	
	<ul style="list-style-type: none"> <li>• Successfully worked with national governments and or international organizations;</li> </ul> Experience in managing consulting teams and in liaising with clients at senior level;	20	
	<ul style="list-style-type: none"> <li>• A team player and motivator;</li> <li>• Extensive experience in stakeholder consultation and coordination and managing workshops and seminars;</li> </ul>	20	
	<ul style="list-style-type: none"> <li>• Proven ability to work under pressure and meet deadlines.</li> <li>• Proven knowledge on and expertise gender issues, ecosystems services</li> <li>• Excellent writing and presentation skills</li> </ul>	20	
3.2 b	<b>Natural Resources Technical expert</b>		90
	A minimum of master's degree in, natural resources management, biology, policy and planning, environmental economics or a closely related field including climate and sustainability;	20	
	Expertise in either forestry, water, agriculture or ecosystems;	20	
	Knowledge of poverty and environment linkages	20	
	A minimum of seven (7) years' experience in the following: <ul style="list-style-type: none"> <li>✓ Valuation of natural resources</li> <li>✓ Project management of consulting projects including preparation of consulting reports, presentation material, assistance in liaison with key stakeholders.</li> <li>✓ Social and Gender analytical skills</li> </ul>	20	
	Excellent written and presentation skills	10	
3.2. c	<b>A lawyer</b>		70
	Advanced degree in law from a recognised and reputable institution.	20	
	5 years' experience in providing management consultancy services	20	
	Proven ability to work under pressure and meet deadlines.	10	
	Excellent writing and oratory skills in English and Chichewa	10	
	Good team player	10	
<b>Total Section 3</b>			<b>300</b>

**M. Annexes to the TOR**

- PEA Project document
- Table 1 and Table 2

**N. Approval**

**This TOR is approved by:** [Andrew Spezowka]

Signature	<u>Andrew Spezowka</u>
Name and Designation	<u>RSG Portfolio Manager</u>
Date of Signing	<u>03-Mar-2021</u>

**Table 1: Breakdown of Professional Fees**

Name	Position	Fee Rate	No. of days/months/hours	Total amount
		A	B	C=A+B
Team Leader and Natural Resource Economist (full time)				
Natural Resources Technical Expert (full time)				
Legal Expert (full time)				
Logistics and supply				
Please specify other team members with justification				
<b>Sub-total Professional</b>				

**Table 2: Breakdown of Other Costs**

Description	Unit of Measurement	Quantity	Unit Price	Total Amount
Administrative Costs	Sum			
Travel	Trip			
Subsistence allowance	Day			
Miscellaneous travel expenses	Trip			
Local transportation costs	Lump sum			
Safety equipment if applicable	Unit			
Covid -19 PPE (Specify)	Unit			
Materials (Specify by item e.g t-shirts, shovels, etc)	Unit			
Meals refreshments	Per person			
Other costs (please specify)				
<b>Sub-total other costs</b>				