



## TERMS OF REFERENCE

<b>Reference No.</b>	PN/FJI/029/22
<b>Consultancy Title</b>	Building Back Blue - Feasibility Study for Blue Shipping Component of Fiji's Sovereign Blue Bond Issuance
<b>Location</b>	Hybrid Approach – In country and Remote Work
<b>Application deadline</b>	29 <sup>th</sup> March 2022
<b>Type of Contract</b>	Individual Contract
<b>Languages required:</b>	English
<b>Duration of Initial Contract:</b>	16 Weeks (4 Months)

## BACKGROUND

### **1. Background and Introduction:**

Fiji's Exclusive Economic Zone is 70% larger than its landmass and is ranked the 26th largest sovereign ocean space in the world. Fiji is also home to 3.5% of the world's coral reefs and over 65,000 hectares of mangroves that make up some of the many features of its rich marine biodiversity. In this regard, the Fijian Government is keen to operationalise its blue economy ambitions and sustainably leverage its ocean-based resources to support its post-pandemic recovery and economic diversification.

The Fijian Government will be issuing Fiji's first sovereign blue bond in its 2022-2023 financial year. The issuance will focus on raising capital market finance to support projects in four priority sectors. These are 'Blue Shipping', 'Sustainable Fisheries', 'Blue Innovation Financing' and 'Sustainable Waste Management'.

For the 'Blue Shipping' component, the Fijian Government is keen to explore opportunities to procure ships for its government shipping fleet that use renewable energy propulsion systems such as hybrid, electric or hydrogen-based technologies. The policy direction for this sectorial focus is to transition Fiji's maritime transport sector to renewable energy solutions as opposed to the current dependence on high density diesel. This is aligned to Fiji's Updated Nationally Determined Contribution<sup>1</sup> and its Low

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<sup>1</sup><https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Fiji%20First/Republic%20of%20Fiji%27s%20Updated%20NDC%2020201.pdf>

Emissions Development Strategy<sup>2</sup> that seek to reduce carbon emissions from Fiji's domestic maritime sector by 40 percent by 2030 and by 100 percent by 2050, respectively.

The broader policy intent is to connect maritime islands at a fraction of the current operational costs being incurred by Government shipping vessels and private sector operators under the Government Shipping Franchise Scheme. Such an approach is expected to unlock the economic potential of Fiji's maritime sector by improving the viability of establishing businesses and strategic commercial hubs on maritime islands. It will also help bridge the rural-urban divide in-line with Fiji's 5-Year and 20-Year National Development Plan that seeks to expand the rural economy<sup>3</sup>.

#### Key Facts

The Fijian Government currently owns and operates 12 vessels through the Department of Government Shipping Services (GSS). These vessels consist of Motor Vessels, Landing Crafts, Tugs and Barges. All 12 vessels operate on High Density Diesel i.e., marine fuel emit approximately 3.42 kilo-tonnes of carbon dioxide per year.

The average passenger movement for the Government fleets is more than 4,000 passengers moving from 2018 to 2020. The passengers include government officials, and maritime islanders. The average cargo movement for the Government fleet is 2,800 tonnes moving from 2018 to 2020. These include building materials, root crops, seafood, frozen food, groceries, items for shops and handicraft to name a few.

While the Government shipping fleet is tasked to provide connectivity and services to maritime islands as extension of Government services, the Fijian Government also operates the Government Shipping Franchise Scheme (GSFS) that provides more frequent and commercial services to Fijians and the maritime islands.

The GSFS was established on the recommendations of the 1993 Fiji National Transport Sector Plan ('the Plan') prepared by the Asian Development Bank (ADB). The GSFS has evolved over the years in terms of its vessel scheduling and routes, however, the overall objectives remain and are as follows:

- provide shipping services for uneconomical sea routes to maritime islands which would otherwise be un-serviced;
- promote private shipping operators and internal traders for movement of goods and cargoes;
- encourage the transportation of the maritime public between outer islands and major urban centres; and
- incentivise private sea transport operators through the support of a Government subsidy to service uneconomical routes.

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<sup>2</sup>[https://unfccc.int/sites/default/files/resource/Fiji\\_Low%20Emission%20Development%20%20Strategy%202018%20-%202050.pdf](https://unfccc.int/sites/default/files/resource/Fiji_Low%20Emission%20Development%20%20Strategy%202018%20-%202050.pdf)

<sup>3</sup><https://www.fiji.gov.fj/getattachment/15b0ba03-825e-47f7-bf69-094ad33004dd/5-Year-20-Year-NATIONAL-DEVELOPMENT-PLAN.aspx>

Currently, there are 10 routes under the GSFS, all of which are partially subsidized by the Fijian Government to keep the routes commercially viable for the five private shipping operators that are part of the GSFS. Routes under the scheme are serviced under a collaborative arrangement between the Government shipping fleet and the five private sector operators.

The average passenger movement for the GSFS is more than 14,000 passengers annually moving from 2015 to 2020. The passengers mainly consist of Fijians living in maritime islands. The average cargo movement for the GSFS is more than 7,000 tonnes annually moving from 2015 to 2020.

## **2. Objective:**

UNDP, a partner of the Fijian Government in this endeavor, is seeking a suitable and highly experienced Consultant to:

- i) conduct a detailed technical and financial feasibility study on the most appropriate renewable energy propulsion vessel for the Fijian Government shipping fleet;
- ii) develop a detailed business plan demonstrating the financial viability of procuring the most appropriate renewable energy propulsion vessel; and
- iii) identify options for public private partnership arrangements for operating a suitable renewable energy propulsion vessel as part of the Government Franchise Shipping Scheme.

The Consultant can apply through a firm. The Consultant will need to work with personnel from the Asian Development Bank who are also supporting technical and economic feasibility of the Blue Shipping component.

The Consultant will need to prepare work schedules that align with the National Budget submission deadlines of the Fijian Government in a way which ensures that the final deliverables will reflect the policy direction set by the Fijian Government.

The Consultant will determine the number, effort and the nature of experts required to achieve the objectives of this TOR, in accordance with their proposed approach and methodology. The Consultant will include in his/her technical proposal, work plan and financial proposal all other supporting staff necessary to achieve the objectives of the TOR in accordance with proposed approach and methodology.

## **DUTIES AND RESPONSIBILITIES**

### **3. EXPECTED OUTPUTS AND DELIVERABLES**

#### **Activity 1: Conduct Detailed Technical and Financial Feasibility Study**

The firm will need to undertake the following specific sub-activities under this Activity:

- 1.1 Conduct detailed assessment of the Fijian Government's current shipping fleet and identify areas of improvement that can be addressed by introducing renewable energy propulsion

- vessels. This would entail an assessment of operational and overhead costs that can be significantly reduced or completely avoided by adopting renewable energy propulsion systems.
- 1.2 Conduct a detailed analysis of the types of renewable energy propulsion vessels currently or soon to be in operation around the world. Identify best practices that can be adopted in Fiji's context and mistakes that need to be avoided to ensure the viability of such vessels in Fiji.
  - 1.3 Work with the Department of Transport to identify the most appropriate type of vessel needed in the Government shipping fleet and ascertain the most viable renewable energy propulsion system that can be used (hybrid, electric or hydrogen). This would entail an assessment of the Fijian Government's shipping fleet replacement plans and the types of vessels that are in most demand for commercially viable and non-commercially viable GSFS routes. A prioritisation criterion of the type of system and most appropriate vessel type should be used.
  - 1.4 Identify supporting infrastructure and human resources needed to assist in the operation of a renewable energy propulsion vessel and financial viability of adopting such infrastructure and human resources. This would entail an assessment of infrastructure investments needed at Government wharfs such as charging stations for hybrid electric vessels or specialised storage tanks for hydrogen fuel.
  - 1.5 Identify a selection of reliable vendors from whom renewable energy propulsion vessels can be procured for the Fijian Government. This will need to take into consideration maintenance and backup capacity. A comparative options analysis of the selection of vendors will need to be conducted in the context of the needs identified for the Fijian Government shipping Fleet.

#### Activity 2: Develop Detailed Business Plan Demonstrating Financial Viability of Renewable Energy Propulsion Vessel

The firm will need to undertake the following specific sub-activities under this Activity:

- 2.1 Undertake comprehensive financial and cost-benefit assessment of procuring the top two most technically viable renewable energy propulsion vessel for the Fijian Government shipping fleet. This will entail value assessments and economic valuations of costs and benefits.
- 2.2 Develop a costed plan for the average life of the top two vessel types based on best case scenario as part of the financial and cost-benefit assessment. This may include quarter, half and full life cost projections.
- 2.3 Identify relevant risks associated with procuring the top two most viable vessels and suggest appropriate mitigation actions needed.
- 2.4 Complete the National Budget submission template for the two most viable option chosen by the Fijian Government for inclusion in the 2022-2023 National Budget. This sub-activity will need to be urgently prioritised to meet the budget submission deadlines of the Fijian Government. The firm will need to work closely with the Department of Transport to complete this activity.
- 2.5 Develop a detailed Terms of Reference for the Fijian Government for a consultant/firm to develop comprehensive tender documents for the design, build and transfer of the two most viable type of vessel with the most appropriate renewable energy propulsion system.

### Activity 3: Identify Options for Public Private Partnership Opportunities

The firm will need to undertake the following specific sub-activities under this Activity:

- 3.1 Conduct industry consultations with local private vessel companies on incentives and support they need to on renewable energy propulsion vessels and the level of financial appetite to take on investments in this regard.
- 3.2 Based on best case practices around the world, suggest options for leasing and/or selling the renewable energy propulsion vessel to private sector operators, particularly those who are part of the GSFS. This can be linked to the costed plan developed in Activity 2 indicating the most appropriate time to lease or sell the vessel to the private sector.

#### 4. **Time Frame:** 16 Weeks with the following deliverables

The consulting services will be implemented over a four-month (16 weeks) period from the commencement date.

The following reports, in English language, will be submitted in format and copies as stipulated in the contract. Expected timelines for deliverables are from the issuance of Notice to Proceed. A detailed outline for each deliverable will be agreed in the contract based on the firm's approach and methodology.

Activity	Deliverable	Submission Deadline
1 - 3	Inception Report	2 weeks
1.1, 1.2 1.3 and 1.4	Detailed Assessment and Analysis Report	5 weeks
1.5	Detailed Options Report for Policy Decision Making	3 weeks
2.1 to 2.4	Costed Business Plan and Completed National Budget Submission	4 weeks
2.5, 3.1 and 3.2	Completed Terms of Reference for Tender and Options Report for Public Private Partnerships	2 weeks

Each deliverable will be reviewed by the UNDP and UNCDF technical assistance team and relevant Fijian Government agencies who will be required to provide comments within 10 working days after the submission of each deliverable. If no comments are received within maximum of 10 working days, the deliverable will be considered agreed. Upon acceptance as determined by UNDP and relevant Fijian Government agencies, the progress payments will be made according to the payment schedule specified in the contract. Deliverables will be provided as soft copies in MS Office and PDF formats, and

hard copies will be provided to UNDP and relevant Fijian Government agencies as agreed in the contract.

5. **Duty station:** Hybrid Approach – In country and Remote Work

## COMPETENCIES

- Excellent project management to ensure high-quality and timely execution of deliverables;
- Excellent relationship management skills;
- Sensitive to country and organizational culture of clients.

### **Experience:**

- At least 5 years of experience in the maritime sector, marine vessel designing, transport planning, data analysis and/or equivalent.
- Demonstrate track record of successful marine sector projects developed and/or marine sector policies developed.
- Demonstrate networks and contacts in the global maritime sector that will help inform the deliverables of this consultancy.

### **Qualifications:**

- Minimum Master's Degree in the relevant field.
- Demonstrates expertise in the maritime sector, marine vessel designing, transport planning, data analysis or equivalent
- Demonstrates ability to mobilise team of experts that have backgrounds in responsible investment, clean tech, sustainability consulting, and project finance to operationalize the deliverables of this consultancy.

### **Language requirement:**

Proficiency in English (written and spoken) required.

### **Price Proposal and Schedule of Payments**

Tentative milestone payment percentages are subject to verification at contract negotiations. All components of each item must be completed to qualify for a milestone payment. Payments will be done upon completion of the deliverables/outputs and as per below percentages:

Activity	Deliverable	Submission Deadline	Milestone Payment
1 - 3	Inception Report	2 weeks	20%

1.1, 1.2 1.3 and 1.4	Detailed Assessment and Analysis Report	5 weeks	20%
1.5	Detailed Options Report for Policy Decision Making	3 weeks	20%
2.1 to 2.4	Costed Business Plan and Completed National Budget Submission	4 weeks	20%
2.5, 3.1 and 3.2	Completed Terms of Reference for Tender and Options Report for Public Private Partnerships	2 weeks	20%

In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. Should the firm wish to travel on a higher class he/she should do so using their own resources

In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the firm's representatives, prior to travel and will be reimbursed.

#### **Evaluation Method and Criteria**

Consultant must send a financial proposal based on Lump Sum Amount. The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee, travel costs, living allowance (if any work is to be done outside the IC's duty station) and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will fixed output-based price regardless of extension of the herein specified duration.

Technical Criteria for Evaluation (Maximum 70 points) [Please add/adjust the below criteria and points awarded to each as necessary]

- Criteria 1: Minimum Master's Degree in the relevant field – Max 5 points
- Criteria 2: At least 5 years of experience in the maritime sector, marine vessel designing, transport planning, data analysis and/or equivalent – Max 15 points
- Criteria 3: Demonstrate track record of successful marine sector projects developed and/or marine sector policies developed – Max 15 points
- Criteria 4: Demonstrates expertise in the maritime sector, marine vessel designing, transport planning, data analysis or equivalent: Max 20 points
- Criteria 5: Demonstrates team of experts working on green, sustainable and social bonds have backgrounds in responsible investment, clean tech, sustainability consulting, and project finance to operationalize the deliverables of this consultancy – Max 15 Points

Only consultants obtaining a minimum of 49 points (70% of the total technical points) would be considered for the Financial Evaluation.

#### Documentation required

Interested firms must submit the following documents/information to demonstrate their qualifications. Please group them into one (1) single PDF document as the application only allows to upload maximum one document:

- Letter of Confirmation of Interest and Availability using the template provided in Annex II.
- Personal CV or P11, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the firm and at least three (3) professional references.
- Technical proposal, including a) a brief description of why the firm considers itself as the most suitable for the assignment; and b) a methodology, on how the firm will approach and complete the assignment.
- Financial proposal, as per template provided in Annex II. Note: All applicants must quote prices in United States Dollars (USD).

Incomplete and joint proposals may not be considered. Consultancies with whom there is further interest will be contacted. The successful consultancy shall opt to sign an Individual Contract or a Reimbursable Loan Agreement (RLA) through its company/employer with UNDP.

Note: Successful individual will be required to provide proof of medical insurance coverage before commencement of contract for the duration of the assignment.

For any clarification regarding this assignment please write to Mr. Dale Kacivi -  
[procurement.fj@undp.org/dale.kacivi@undp.org](mailto:procurement.fj@undp.org/dale.kacivi@undp.org)

**All applications must be clearly marked with the title of consultancy and submitted by 5:00pm, 29<sup>th</sup> March 2022 (Fiji Time) online via UN Jobs website <https://jobs.undp.org/> or [etenderbox.pacific@undp.org](mailto:etenderbox.pacific@undp.org)**