



UN-REDD
PROGRAMME



REPUBLIC OF ZAMBIA

Enhancing Private Sector Engagement in REDD+ in Zambia: Challenges, Opportunities and Entry Points

Terms of Reference for a national consultancy assignment (Individual)

1. - BACKGROUND

Zambia is among the first pilot countries for the climate-change mechanism **REDD+**, which stands for *reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries*. The readiness stage for this mechanism entails the participatory development of a national REDD+ Strategy, which will comprise policy reforms, investments and a related REDD+ implementation framework, with due monitoring and safeguard systems, in line with agreements and negotiations under the United Nations Framework Convention on Climate Change (UNFCCC).

In essence, REDD+ is an international mechanism that intends to enhance the value of standing forests and incentivize sustainable forest management through a multi-stakeholders approach and a green development perspective. Zambia is fully engaged in advancing REDD+ and a partner member of UN-REDD (a United Nations collaborative programme, comprising FAO, UNDP and UNEP).

A **UN-REDD Zambia national programme** for REDD+ is underway, with a financial allocation of US\$ 4.49 million, in order to advance the national REDD+ readiness process. The Programme's goal is to prepare Zambian institutions and stakeholders for effective nationwide implementation of the REDD+ mechanism. The Programme's objectives are:

- (a) to build institutional and stakeholder capacity to implement REDD+;
- (b) to develop an enabling policy environment for REDD+;
- (c) to develop REDD+ benefit-sharing model; and
- (d) to develop Monitoring, Reporting and Verification (MRV) systems for REDD+.

In addition, a total of six outcomes are envisaged: (1) Capacity to manage REDD+ Readiness strengthened; (2) Broad-based stakeholder support for REDD+ established; (3) National governance framework and institutional capacities for the implementation of REDD+ strengthened; (4) National

REDD+ strategies identified; (5) MRV capacity to implement REDD+ strengthened; and (6) Assessment of Reference Emission Level (REL) and Reference Level (RL) undertaken.

The REDD+ readiness phase is on-going with a number of analytical work to be finalized, which will feed into the formulation of the REDD+ strategy and future REDD+ implementation. One such important piece of work is on the role of the private sector in REDD+. In addition, a key component of the REDD+ readiness phase is stakeholder engagement, which includes the engagement of the private sector in REDD+. This is all the more important as little is known about the competencies, capacities and the role of the private sector in implementing a REDD+ mechanism in Zambia.

Furthermore, the engagement of private sector is imperative for a number of reasons:

1. First, forestry represents the basis for operations for a range of sectors in Zambia. The business sectors can, and is encouraged, to play an important role to enhance REDD+ and long term return on investments on these resources through business sustainability;
2. Second, the private sector can also make vital contributions to REDD+ initiatives through the range of its expertise and be part of the solution to mitigating climate change by addressing key drivers of deforestation and forest degradation across key sectors and in REDD+ value chains;
3. Third, some private sector business impact on deforestation and forest degradation across key sectors and in REDD+ value chains. Their inclusion in REDD+ processes is therefore imperative;
4. Fourth, private sector engagement in REDD+ can help bridge the financing gap in public sector financing;
5. Fifth, private sector role is key in designing and implementing market based mechanisms such as carbon trading either through the voluntary or compliance markets; and
6. Sixth, private sector investment, particularly impact investments, is an emerging area of work that could be tapped into for REDD+;

It is against this background that, this consultancy seeks to assess the role of private sector in the implementation of REDD+ and identify strategic opportunities and entry points for their engagement. The outcomes of this consultancy would be integrated into the REDD+ strategy development, used to enhance private sector engagement in REDD+ processes, and position private sector as a key partner in the implementation of a sustainable REDD+ mechanism in future.

OBJECTIVE OF THE ASSIGNMENT

The overall objective is to identify opportunities for engaging private sector and the potential role of the private sector in the implementation of the REDD+. The tasks comprise broad survey of private sector businesses that contribute to REDD+ or impact on deforestation and forest degradation or could possibly contribute to REDD+. In addition, the assignment seeks to help with the identification of possible avenues for enhancing private sector engagement. This is all the more important as the enabling conditions for private sector engagement and the emergence of *inclusive markets* - competitive markets that extend choice and opportunity to the address REDD+ issues- are not yet in place.

Scope of work and tasks

Scope

This assignment cover a wide range of private sector businesses including multinational corporations, carbon trading companies, impact investors, domestic small, medium and large scale businesses in key sectors that bear on REDD+ implementation.

The consultant shall examine the key private sector businesses related to the building of the REDD+ mechanism, particularly those that can contribute effectively to building and implementing the Strategy for reducing deforestation and forest degradation and to set up its implementation and monitoring arrangements, such as those working in the following sectors:

1. Lands, Natural Resources and Environmental Protection
2. Agriculture and Livestock
3. Mining and minerals development
4. Energy
5. Forestry (e.g. Forest products corporations)
6. Tourism (including Eco-tourism)
7. Banking Sector
8. Construction and Infrastructure development
9. Companies that have progressively improved their positive role in community and natural resources management through, for example:
 - a. Tripartite programmes for enterprise and employment creation
 - b. Targeted social investment programmes

The consultant will use participatory approaches and employ a methodology that will include, *inter alia*, literature review, visits to businesses, key informant interviews, focus-group consultations, field visits and further analysis and narrative description from findings. The consultant will work closely with a team of other consultants working on governance, safeguards, rights, financing and benefit sharing amongst others to ensure synergies between their work and the work on private sector. At the outset of the assignment, s/he shall produce a SMART (Specific, Measurable, Achievable, Realistic and Time-bound) inception plan which describes the scope, approach, methodology, agenda, and expected outputs of the assignment. By the end of the assignment, the consultant shall present and discuss the draft report in a multi-stakeholder workshop, with adequate participation of the concerned institutions, and then integrate the comments and recommendations received into a final version of both deliverables.

Tasks

More specifically, the consultant will:

1. Identify the key private sector players in sectors such as agriculture, mining, forestry, trade, energy, banking, finance, and insurance amongst others, their type of and potential interventions in the REDD+ value chain, their interests and motivations;
2. Identify key on-going REDD+ initiatives and initiatives related to REDD+ that are supported by the private sector including the form and nature of their support (e.g. corporate social responsibility, on the ground investments, clean technology);
3. Provide a listing of on-going private sector contributions to REDD+ as well as an estimation of potential private sector contribution to REDD+ related programmes or initiatives, and if possible, the delivery mechanisms for the amounts provided;
4. Outline and assess challenges private sector faces or likely to face in the implementation of REDD+;
5. Recommend strategies that should be developed or promoted to enhance private sector engagement in REDD+ including:
 - a. Incentives to the private sector in reducing emissions from deforestation and forest degradation;
 - b. Development of special instruments to facilitate public-private-partnerships such as risk sharing instruments, enterprise development and innovative facilities;
 - c. Identification of priority sectors/areas that the private sector can engage in (e.g. REDD+ smart ventures, technologies and opportunities);
 - d. Identification of potential role (s) for companies and corporations in REDD+ implementation;
 - e. How an enabling environment can be created to enhance private sector engagement in REDD+ with considerations of the existing privileges and incentives for investments including from regulatory, policy and institutional points of view;
 - f. How to make a strong business and economic case to the private sector to invest in REDD+;
 - g. How to initiate or build on existing platforms to promote dialogue and partnerships around REDD+ investment opportunities;
 - h. How private sector can practice and/or facilitate observation of REDD+ safeguards particularly in the areas of managing risks, ensuring full and effective participation of the private sector and respect for the knowledge and rights of communities; and
 - i. A roadmap for engaging private sector.
6. Present report to stakeholders on the outcomes of the analytical work at a workshop;
7. Incorporate stakeholder comments in a final report;
8. Prepare a Policy Brief on Private Sector Engagement with the Support of the UN-REDD team;

OUTPUTS AND DELIVERABLES

The consultant shall produce the following deliverables:

1. A SMART inception plan for the assignment, which includes the instruments, questionnaires, checklists, list of interviews and other methodological tools used to assess private sector engagement.
2. A detailed report (not more than 40 pages). All reports shall be submitted in draft in both electronic and printed versions before they could be finalised. Final reports shall be provided also in both electronic and printed versions. Key aspects should also be provided on PowerPoint slides.
3. A Policy Brief on Enhancing Private Sector Engagement in REDD+.

PROPOSED TIME FRAME

The assignment will have the duration of 1 month (circa 25 working days). A proposed time frame follows.

Indicative Work Requirement

Activity	Indicative # days
Orientation to the assignment, initial document review, design of surveys, and preparation/discussion of the Review Plan	2 days
Detailed document review, interviews with key project personnel, stakeholder consultations, conducting of surveys, field visits in at least two Provinces (as appropriate), etc.	10 days
Analysis and preparation of draft review findings	5 days
Debriefings and validation workshop	2 days
Preparation of Final Review Report, including addressing comments from stakeholders on the first draft	4 days
Preparation of Policy Brief of Private Sector Engagement and Participation on High Level Dialogue	2 days
Total	25 working days

Deliverables	Payment Schedule
Inception Report, following a SMART approach, and including assignment's work plan and methodological tools to be employed (e.g. questionnaires, checklists, list of interviews), together with a summary power-point presentation	To be submitted to the FD and UNDP-Zambia. Clearance triggers 1 st payment of 25%.
Progress Report	Consultant to submit after three weeks of work
Draft Final Report	To be submitted to the FD and UNDP-Zambia. Clearance by FD and UNDP that report is acceptable triggers 2 nd payment of 50%.
Validation workshop (duration: ½ day)	
Submission of finalised deliverables	Clearances by FD and UNDP release final payment of 25%

SUPERVISION AND REPORTING

The consultant will receive direct technical supervision by the National REDD+ Coordinator and UN-REDD Technical Advisor, and overall guidance by the UNDP-Zambia Deputy Country Director (programmes). The consultant shall work cooperatively with the national REDD+ team.

REQUIRED EXPERTISE AND EXPERIENCE

- Hold a Master degree, public or business administration or a development-related subject
- At least 5 years of experience in the private sector, carbon finance and markets, investment analysis and development of Public-Private-Partnerships (PPPs)
- Some experience in natural resource management, environmental policies and/or forest-climate linkages is highly valuable
- Proven track record of working with governmental and non-governmental institutions.
- Good interpersonal skills
- Proven experience in drafting reports and action plans

EXPECTED STARTING DATE

As soon as possible, and no later than 1 weeks after contract proposal.

Annex 1: Documentation and Helpful Resources

1. PPP Policy
2. ZDA Investment Policies

Studies on

3. Legal Preparedness for REDD+
4. Stakeholder Assessment and Engagement Plan
5. Preliminary Study on Drivers of Deforestation
6. Assessment of previous, ongoing and planned forest management activities with potential for REDD+
7. Drivers of Deforestation and threatened forest
8. Economic Context of REDD+
9. Past and current practices related to REDD+
10. Green House Gases Inventory and Reporting methodology
11. Development of Reference Emission Levels
12. Soil Survey Design and Methodology Development
 - a. Support for estimation soil organic carbon- linked to ILUA II