

## TERMS OF REFERENCE

### **Due Diligence Consultancy**

**Location: Fiji REDD+ Unit, Forestry Department**

**Duration: 3 months**

**Expected date of start: January 2022**

#### **1. Background**

The World Bank, through the Forest Carbon Partnership Fund (FCPF), is assisting Fiji with financial and technical support focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks (activities commonly referred to as REDD+). Fiji's REDD+ activities are implemented under the REDD+ Unit of the Ministry of Forestry and is assisted through a Readiness grant. The activities include the development of REDD+ strategies and policies, reference emission levels, management, reporting and verification (MRV) systems and institutional capacity to manage REDD+ including environmental and social safeguards.

The Emission Reduction Program (ER-Program) document was accepted and considered for funding under the FCPF funding portfolio on July 10<sup>th</sup> 2019, which meant that the program implementation had begun on July 11<sup>th</sup> 2019. The Emission Reduction Payment Agreement (ERPA) was signed on 28<sup>th</sup> January 2021 and became effective on the 8<sup>th</sup> October 2021 and a pre-requirement is to conduct a due diligence assessment of all donor projects, public and private sector activities that contribute to Fiji's emission reductions program, and document how these sectors have dealt and complied with the investment activities and environment and social safeguard standards outlined in the ER-Program Document. The ERP safeguard standards are based on the World Bank's Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF).

The trading of Carbon Offsets will be governed by the national Emission Reduction Program. The due diligence assessment covers the first monitoring period under the ERPA, which is from July 11<sup>th</sup> 2019 to 31<sup>st</sup> December 2020, which allows the opportunities to also trade carbon offsets that have been generated prior to the signing of the ERPA and dating back to the acceptance of Fiji's ERP in July 10<sup>th</sup> 2019. These carbon offsets are termed "retroactive carbon", which is to be assessed and documented.

In early 2020, work on the development of the Due Diligence Report had started but was suspended due to impact of the global COVID-19 pandemic, border containment and the travel restrictions that ensued. The draft report produced was based on desk-top assessments and analysis of readily available information that has been reviewed and vetted. Personal interviews and gathering of field data were not possible due to the travel restrictions. In addition, comments of reviewing panel have not been addressed. The draft report is available and, as an option, can be used to guide the completion of the Due Diligence Report.

#### **2. Reporting**

The Consultant will report to:

- a) Program Team Leader, REDD+ Unit, Ministry of Forestry, Fiji; and
- b) The World Bank

### 3. Purpose of the position

The consultancy will be responsible for conducting the due diligence assessment and documenting all findings through a (final draft) Due Diligence Report for 11 July 2019 to 31 December 2020, which should be submitted to facilitate the completion of the contract agreement.

### 4. Tasks

In close consultation with the World Bank and Fiji's REDD+ Unit, through the Program Team Leader, the consultancy will be required to carry out and complete the following tasks:

- A. Develop an Action Plan outlining the activities, expected time-line for each activity and expected outputs, and timeline for travelling within Fiji.
- B. Conduct orientation meetings with the Senior Executives of the Ministry of Forestry, the Climate Change Unit of the Ministry of Economy, and the Fiji REDD+ National Steering Committee and present the outline of the consultancy work and the expected findings;
- C. Conduct and document consultations with the following private sector members: -
  - i. Fiji Pine Limited and its landowning communities;
  - ii. Fiji Hardwood Corporation Limited and its landowning communities
  - iii. Other relevant donor agencies that are associated and support the implementation of the ER Program and the REDD+ activities;
- D. Review and improve the completeness of the draft Due Diligence Report for the reporting period by:
  - a. Conducting a desk-top analysis of: -
    - i. **Fiji's Emission Reduction Program Document**, which was submitted and accepted under the Forest Carbon Partnership Facility (FCPF) portfolio, assessing all donor projects, public and private sector activities that contribute to Fiji's emission reductions program, and document how these sectors have dealt and complied with the investment activities and environment and social safeguard standards based on the World Bank's Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF). A section assessing each donors' E & S policy and performance against the World Bank's standards.
    - ii. **Government owned forest companies**: The review of applied E&S safeguard policies by the government owned forest management companies was based on the FCS certification. A section assessing the effectiveness of the FCS certification through all 10

FCS principles and the identified gaps against the Emission Reduction Program, corrective actions and possible timelines for addressing and remedying the identified gaps;

iii. **Feedback Grievance Redress Mechanism (FGRM)** – A section assessing the status and level of implementation and operability of the FGRM systems, through extensive consultation process, and identifying the gaps, corrective actions and timeline for bridging the identified gaps;

b. All documents and secondary data relevant to any project in the ERPD area focus on forests, mangroves and stakeholder involvement in the management of these resources;

E. Present the preliminary findings of the consultations to the Senior Executives of the Ministry of Forestry and Fiji REDD+ National Steering Committee.

F. Submit reviewed (improved) draft Due Diligence Report to the REDD+ for comments and feedback;

G. Submit the final draft of the Due Diligence Report, after incorporating all feedbacks and comments received (in F.)).

The Fiji REDD+ Unit will be responsible for meeting and logistical arrangements listed above.

## H. Time Frame

The time frame of the position will be **3 months** from **January 2022 to March 2022**. Any extension and/or deviation to the contract term will be through the formal notification by both parties.

## I. Key Performance Indicators

#	Indicative Activities (Consultations & Field Assessments)	Payment Ration	Indicative Dates
1	Signing of Contractual Agreement		3 <sup>rd</sup> January 2022
2	Acceptance of the suitable Action Plan, based on document review	25% of contract value	15 <sup>th</sup> January 2022
3	Field Trip 1 Fiji Pine and EU project area		15 <sup>th</sup> January 2022 - 27 <sup>th</sup> January 2022
4	Field Trip 2 Fiji Mahogany and any other project		29 <sup>th</sup> January 2022 – 11 <sup>th</sup> February 2022
5	Review of findings meetings identification of any follow up activities etc. Present preliminary findings to Government + REDD+ Steering Committee		24 <sup>th</sup> February 2022

6	Acceptance of Revised Due Diligence Report submitted to REDD+ Unit	50% of contract value	10 <sup>th</sup> March, 2022
7	Acceptance of Final report after comments and feedback submitted to Fiji REDD+ Unit (including Financial Report + original receipts) -	25% of contract value	17 <sup>th</sup> March, 2022

**J. Final Report (+ Financial Report):**

The consultancy is expected to submit the (final draft) Due Diligence Report in the format annexed C. In addition, the consultant is also expected to submit to the Fiji REDD+ Unit a financial report (record), attaching original copies of all receipts & vouchers for expenses incurred under this contract.

**K. Remuneration:**

The consultant shall be paid a ceiling of USD 16,000.00

## **ANNEX B: FORMAT OF THE FINAL REPORT**

### **Section1: Executive Summary**

### **Section 2: Introduction**

- Provide the project context
- Program safeguard requirements related to other donor's projects participating in the ER-P
- Purpose of the due diligence: i) to review the donor safeguard approach and policies applied to the donor project against the relevant Bank policies applied to the ERP; ii) to assess preparation and implementation of donor environmental and social safeguard requirements; and iii) to identify the gaps in donor project safeguard during preparation and implementation and propose measures to close these gaps.

### **Section 3: Methodology**

- **Document review** of the donor project document, safeguard approach to the project, safeguard instrument prepared, monitoring report, progress report, complaints received or pending.
- **Interview/consultation** with the project central REDD+ Unit and key stakeholders/experts including those of the donor
- **Field observation** to help obtain useful relevant information related to implementation of safeguard and compliance during implementation

### **Section 4: Assessment results/findings**

- Consistency of the donor's safeguard policies applied to the project with the relevant safeguard policies of the World Bank applied to the ER-P
- Relevance of the safeguard instruments/documents prepared for the project and their quality
- Implementation of environmental and social requirements including monitoring during project implementation
- Identified gaps and proposed measures to address these gaps

### **Conclusion:**