



WWF-UK Invitation to Tender Brief

Deforestation and Conversion-linked Financial Crimes Toolkit

July 5th, 2023

SUMMARY

This document provides information to tendering Agencies to enable them to submit tenders to WWF for the provision of developing a toolkit (the "Toolkit") to help Financial Institutions set up the tools and methodology to identify and monitor transactions potentially linked to financial crimes derived from deforestation or land conversion. The Toolkit will be either an extension or a replication of what has already been developed for the Illegal Wildlife Trade Financial Toolkit (the "IWT Toolkit").

TENDER REQUIREMENTS

Tendering suppliers must follow the instructions below to be eligible for consideration:

- Confirm receipt of this documentation by email to the (i) the Driver's Initiative Lead, John Dodsworth, JDodsworth@wwf.org.uk, and (ii) the Transition Finance Specialist, Jean-Luc Bourrin, JBourrin@wwf.org.uk
- Confirm intention to submit a tender by email to the the Driver's Initiative Lead and the Transition Finance Specialist by close of play and nominate a primary point of contact for your organisation.
- Tendering suppliers are invited to submit questions via email before submitting their tender response. Questions submitted by close of play 14th July 2023 will be responded to – we will do our best to respond within 48 hours. Contact details of relevant WWF-UK staff are included at the end of this document. All requests for further information will be monitored by the the Driver's Initiative Lead and the Transition Finance Specialist and where appropriate all tendering suppliers will be provided with additional information requested.
- Tender documentation is to be submitted by email to JDodsworth@wwf.org.uk and JBourrin@wwf.org.uk .
- Tender documentation must be complete - no other information will be considered as part of the initial selection process.
- Tender documentation by email must be received at WWF-UK by 12 noon on 19th July 2023

WWF will:

- Consider all tenders in a fair way and ensure that no tender has an unfair advantage and adhere to internal policies for the management of tenders. The process will be overseen by an independent Tender Board.
- Notify all agencies of the initial outcome of this tender process by close of play 28th July 2023.
- Not consider tenders that are submitted after the deadline.

The Invitation to Tender is comprised of:

- This PDF document.
- Appendices A-D inclusive.

The forecast commencement is first part of August 2023, and by responding to this invitation to tender, you confirm your capacity to fulfil this timeline.

Timetable

Stage	Date
Sending of the RFQ	05 July 2023
Confirmation of receipt of this document and participation in the RFQ by email from the supplier	07 July 2023
Deadline for questions relating to RFP	14th July 2023
Deadline for submissions electronically	19th July 2023
Award Supplier	27th July 2023
Expected Contract Signing Date	31st July 2023

Important information: Please use the same numbering structure in your tender response as this document, ensuring it is clear where numbered questions are being responded to.

BACKGROUND INFORMATION TO WWF

WWF is:

- The world's largest and most experienced independent conservation organisation
- A truly global network, working in more than 90 countries
- A challenging, constructive, science-based organisation that addresses issues from the survival of species and habitats to climate change, sustainable business and environmental education

- A charity dependent upon its five million supporters worldwide - some 90 per cent of our income derives from voluntary sources such as people and the business community
- An organisation that makes a difference

A brief History:

- Officially founded on 11 September 1961 amid fears that habitat destruction and hunting would soon bring about the extinction of much of Africa's wildlife.
- Among the distinguished group of founders were Sir Julian Huxley, the renowned biologist, and Sir Peter Scott, the naturalist and painter, who designed the original panda logo.
- The organisation's international headquarters were established in Switzerland, and WWF offices were set up in many countries, starting with the UK.
- By the end of the 1970s, the focus of WWF's work had broadened to encompass not only the conservation of wildlife and habitats, but also the wider implications of man's activities on the environment.
- In 1980 WWF's World Conservation Strategy warned that humanity had no future unless nature and the world's natural resources were conserved.
- Introduced the concept of sustainable development - living within the limits of the natural environment without compromising the needs of future generations - which has been central to WWF's thinking ever since.
- WWF has grown from modest beginnings into a truly global conservation organisation that has been instrumental in making the environment a matter of world concern.
- In addition to funding and managing countless conservation projects throughout the world, WWF continues to lobby governments and policy-makers, conduct research, influence education systems, and work with business and industry to address global threats to the planet by seeking long-term solutions.

Further Information can be found at www.wwf.org.uk

KEY OBJECTIVES

Interpol estimates illegal logging alone is worth approximately \$152 billion a year, accounting for up to 90% of tropical deforestation in some countries. In the Amazon, recent studies have found that 94% of deforestation and habitat destruction in Brazil's Amazon and Cerrado could be illegal, and in Amazon countries like Colombia, Peru and Bolivia illegal enterprises and organised crime are behind one of the main drivers of deforestation: land grabbing. If viewed alongside more broad deforestation risks and environmental crime it is the 4th-largest organised crime after drugs, people and counterfeiting, costing billions annually. Financial crime is at the heart of it.

This project aims at developing a toolkit (the "Toolkit") to help Financial Institutions set up the tools and methodology to identify and monitor transactions potentially linked to financial crimes derived from deforestation or land conversation

WWF underlying objectives are:

- To raise Financial Institutions' (FIs) awareness of financial crimes and human right abuses linked to deforestation and conversion in commodity supply chains.
- To provide FI's compliance teams with a toolkit to support screening & onboarding of clients and transactions against a typology of crimes and red flags.
- To develop framework to support FI's Know Your Customer (KYC) protocols relating to deforestation and environmental crime risks.

Banks no longer consider credit and market risks as their sole major risks; as reputational, legal, and financial consequences of their compliance risks have increasingly gain relevance. US Financial Authorities such as Financial Crimes Enforcement Network (FinCEN) are taking crimes linked to deforestation seriously and therefore anticipate that the extraterritoriality of US laws could soon have overreaching impacts on financial institutions globally. In addition, the implementation of the EU Deforestation-free products regulation will require financial institutions to conduct due diligence checks to stop investments that cause deforestation within two years after the law comes into force. The UK may follow suite.

The Toolkit provides a way to mitigate those rising risks and therefore has vocation to:

- impact the entire financial sector's approach to environmental crime and risk controls
- increase awareness of the emerging risks linked to deforestation, conversion and wider environmental crime, and
- promote more ambitious policies on deforestation and conversion in FIs.

SUPPLIER ALIGNMENT

WWF-UK prefers to work with sustainable suppliers; organisations that meet their needs in a way that achieves value for money on a whole-life basis, whilst benefitting society and minimising damage to the environment.

All Tendering suppliers are asked to complete our Sustainable Procurement Questionnaire providing copies of any relevant certification where applicable. Suppliers are also asked to detail in their responses how sustainability can be integrated into service delivery under this contract.

The successful agency should: be able to demonstrate commitment and sound processes to minimise the environmental impact of its operations generally.

SERVICE REQUIREMENTS

Overview

The Illegal Wildlife Trade Financial Toolkit (the “IWT Toolkit” - <https://themisservices.co.uk/iwt-toolkit>) has been developed by the UK government and the Serious Organised Crime Network with support from WWF and TRAFFIC. Since its launch in 2021, it has been supporting governments, crime agencies and financial institutions to identify, flag and report suspicious transactions relating to IWT. It also serves as repository of up-to-date red flags and crime typologies linked to Illegal Wildlife Trade. The IWT Toolkit plays a key role in raising awareness of IWT. We now see an opportunity to build on this momentum with the development of an additional Toolkit focusing on financial crimes linked to deforestation: the Deforestation and Conversion Financial Crimes Toolkit (the “Toolkit”).

Considering the proposed Toolkit is de facto an extension of the IWT Toolkit, we are considering two options:

1. adding layers on deforestation in the existing IWT platform (owned by the UK Government) to increase the capacity to report red flags specifically on financial crimes linked to deforestation risk (e.g., timber, mining) and agricultural commodities (e.g., soy, beef), or
2. hosting the Toolkit separately and therefore create an entire new website.

WWF will not own and host the Toolkit and still need to determine who will. It is imperative the Toolkit remains as market neutral as possible: it cannot be owned or hosted by a particular Financial Institution. WWF plans to approach the UK Government, but also considers alternative candidates.

While we believe option 1 is preferable, we cannot exclude option 2 at this stage, and therefore ask you to consider both options in the interim, each of them with its specific timeline, milestones, and relevant costing.

We strongly encourage you to navigate the IWT Toolkit and consult its content, to get an understand on what our final Toolkit will look like and the functionalities we intend to develop:

- An Introductory Report to help financial institutions understand (i) the wider context surrounding criminal activities linked to deforestation and conversion, and (ii) the latest guidance from global bodies such as FATF on how they can address such crimes. This report will also include case studies (e.g., illustrate methods used by criminals, highlight high-risk commodities and areas, etc).
- A Risk Assessment template that outlines key sectors and deforestation and conversion risk commodities to help financial institutions assess the materiality of their exposure to financial crimes linked to deforestation and conversion.
- Guidance on establishing a strategic framework showcasing how firms can incorporate environmental crime into their existing Financial Crime and ESG frameworks and build a company-wide approach to tackle the related crimes. Similarly to the IWT Toolkit, the model framework will be articulated around 7 main

sections (each explaining why this is important, and providing research guidance, examples of good practice, and useful resources):

- risk assessment & strategy,
 - policies & procedures,
 - systems & tools,
 - training & awareness,
 - governance & management information,
 - periodic assessment,
 - ESG
- A list of red flags indicators and keyword searches to help financial institutions screen customers and transaction. Red flag indicators will draw links to typologies already associated with IWT (geographical, transportation, client, trade-based money laundering, corruption, ecommerce), and expand them (e.g., red flags on large scale land acquisitions for agriculture, use of shell companies, and sector specific risks such as corruption, money laundering and human rights abuses, etc).
 - Case studies across the identified sectors providing guidance to risk teams (e.g., when conducting KYC screening) on typologies of crimes, risks, and contextual factors. A repository of latest research, guidance, and testimonies on financial crimes linked to deforestation and conversion.

Note: certain pieces of information, such as case studies, may be protected by log-in access. This needs to be taken in consideration, particularly regarding your capacity to manage and comply with data protection laws.

Modular approach

The project will be structured on a series of modules/deliverables. We ask you to consider each of them individually and to articulate what would be your approach, high-level milestones, and costing to complete them and finalize their expected outputs.

You may elect to deliver only on part of those modules.

Your proposal should also include an overarching timeline considering the entire project (I.e., all modules you apply for).

Feel free to add intermediary milestones and their corresponding deliverables in modules you apply for. We will consider them in our final assessment.

- Research and Data Collection:

Identify main drivers and zone of risks. Gather intelligence, material such as testimonies and cases studies from various FIs. Global reach out, with regional focus on key areas (South America, sub-Saharan Africa, and south-east Asia).

Scope:

- High-risk commodities: timber, rubber wood, soy, palm oil, cattle, cocoa, coffee.
- Mining

- Conversion of forests in general (not exclusively tropical forests) and natural habitats such as savannahs and mangroves (e.g., Cerrado savannahs).
- The primary driver for research and data collection will be deforestation and conversion and its relation to financial crimes. As a consequence, the scope could expand to other high-risk commodities, business activity, or biome if evidence of financial crimes can be linked to land conversion.

Deliverable: Introductory Report

- Analysis:

Identify and agree (via roundtable or working groups) patterns, red flags, keyword searches, and best practices across the financial industry.

Adapt/expand the IWT risk assessment to reflect problematics specific to deforestation.

Deliverable: draft Risk Assessment template and guidance

- Testing & validation:

Test risk assessment framework with key project partners (e.g., compliance teams of key banks) and ensure it brings value for the participating FIs.

Deliverable: validated Risk Assessment template and guidance

- Website conception and development.

Two options: (i) additional layer to the existing IWT platform (hence functional specification to merge the two), or (ii) ad-hoc website.

Deliverable: platform available online

The following workstreams are not part of this Invitation to Tender and are only listed to provide you a larger context of the project. They will be mainly completed by WWF, thanks to its global network of offices and in cooperation with its existing partnerships with various financial institutions.

- Promote the platform with international associations/watchdogs (e.g., Wolfsberg Group, FATF) and/or industry initiatives (e.g., FAIRR or Financial Services Task Force) to build global momentum and ensure the toolkit is widely adopted by the financial sector.
- Support external outreach and guidance for associated banking clients related to DCF risks
- Define and develop training programme addressed to compliance and risks teams, but also relationship managers / sales teams. WWF will develop different e-learning modules depending on the targeted audience.
- Translate the Toolkit in Mandarin, Arabic, Japanese, French, Spanish and Portuguese, to ensure it is globally accessible.

Commented [JB1]: @John Dodsworth Do we want to name HSBC in the Tender?

TECHNICAL REQUIREMENTS

During this project we expect you to engage with a large audience from different background (compliance and risk teams in FIs, regulators, NGOs, etc) and locations (worldwide approach, with a focus on land conversion frontier areas). This may involve the disclosure of sensitive information, in particular when gathering material (e.g., interviews , case studies, data collection, etc). It is therefore essential you provide us with evidence of a robust Data Protection Policy, detailing how you apply Data Protection laws (from various jurisdictions, this project being global), and clearly establishing accountability within your organization (e.g., data controller, etc).

- Please provide a copy of your Data Protection policy for our review.

PRICING

In your response to this tender, we expect you to organise the project in line with the following modules and deliverables, and quote separately Lot 1 (3 modules) and Lot 2 (1 module) Along with a timeline with clear milestones, delivery dates, the bidder should provide a clear and details costing for each module. . Please clearly stipulate which lot you are submitting a proposal for. (1, 1&2, or 2)

All prices must be clearly labelled in percentage terms or for fixed pricing in Pounds Sterling (£) and be inclusive of all costs including Value Added Tax or the equivalent Sales Tax.

Lot 1:

- Research and Data Collection:

Deliverable: Introductory Report

- Analysis:

Deliverable: draft Risk Assessment template and guidance

- Testing & validation:

Deliverable: validated Risk Assessment template and guidance

Lot 2:

- Website conception and development.

Deliverable: platform available online

The schedule of payment will be accepted at the completion of each modules quoted payable at 30 days date of invoices, by BACS.

As mentioned previously, feel free to either (i) deliver only part of those modules, and (ii) propose intermediary milestones and their corresponding deliverables for the modules you apply for. We will consider all your suggestions in our final assessment.

Basis for Evaluation

6 The prime criteria against which your response will be evaluated are as follows:

Criteria	Points Available
Cost	35
Background & Experience	30
Proposal to meet WWF's needs	25
Sustainability	10
Total Points Available	100

RELATIONSHIP MANAGEMENT

A WWF Deforestation & Conversion Free Programme Manager (the "WWF DCF Programme Manager") will be your key point of contact. We are still in the process to recruit this role. In the meantime, your key contacts in WWF will be (i) the Driver's Initiative Lead, John Dodsworth, JDodsworth@wwf.org.uk, and (ii) the Transition Finance Specialist, Jean-Luc Bourrin, JBourrin@wwf.org.uk

Conversely, we ask you to designate a primary point of contact, and if different, any auxiliary points of contacts specifically dedicated to certain modules listed in this project.

PERFORMANCE REPORTING

Your proposal should include a description of the governance of the project. In particular, WWF should be able to monitor your performance thanks to:

- weekly meeting chaired by your project manager between your team and WWF DCF Programme Manager, where progress on project will be reviewed, issues and risks raised, and subsequent action plan agreed.
- Monthly Steering Committee with your project manager, WWF DCF Programme Manager, WWF Driver's Initiative Lead, WWF Transition Finance Specialist, and key stakeholders WWF will designate.
- A monthly report to be shared prior to Steering Committees.

ENVIRONMENTAL REQUIREMENTS

WWF-UK recognises the need to practice what we preach and so have put an environmental management policy and system in place to minimise the environmental impact from our day-to-day activities. Our purchasing activities offer us the opportunity to have a positive influence on our supply chain. To this end we have corporate environmental procurement guidelines in place and a set of environmental and ethical product selection criteria to implement this agenda. It is our aim to both support and encourage our suppliers to produce environmentally responsible products and to reduce the environmental impact of these during the production, logistical and disposal phases. As such WWF-UK prefers to work with Suppliers that follow an environmentally friendly and ethical code of practice or who are taking steps towards more environmental and ethical ways of working.

- Please provide a copy of your Environmental policy.
- Please provide a statement detailing your organisation's approach to environmental management and/or carbon emissions management.
- Please provide a copy of your organisation's Corporate & Social Responsibility policy.
- Please provide details of any accreditations you may have e.g. ISO14001.
- Please complete the enclosed Supplier Sustainable Procurement Questionnaire (appendix A)

BUSINESS CONTINUITY AND DISASTER RECOVERY PLANNING

In your response please outline what provisions you have made which will enable your business to carry on functioning in the event of:

- A short term problem e.g. power outage.
- Being unable to access your building for up to 24 hours.
- Losing access to one of your sites or key systems for 3 days plus.
- What evidence can you provide that your organisation can continue to fulfil its contractual obligations in the face of the unexpected (excluding force majeure)?
- How have you coped with a real event? What testing have you conducted of your plans?

AUDIT REQUIREMENTS

Our audit requirements are that you should have adequate procedures to ensure that WWF income is separately identified, recorded and safeguarded and that separate and detailed records of all WWF-UK income is kept sufficient to enable WWF to verify income

statements and associated remittances. WWF-UK or its accountants or audit team shall be entitled to review these procedures and inspect such books and records on reasonable notice during business hours and take copies of or extracts from the same.

- Provide information/documentation on your audit procedures to meet this requirement.

CONTRACT TERMS

WWF-UK reserves the right to specify particular clauses in any contract that may arise from this Tender process. A list of areas likely to be included will be provided to those suppliers successful in reaching the final list of suppliers notified after receipt of responses to this ITT.

- It is our requirement that an appointed external partner adopts our standards terms and conditions for engaging with us. These are included within the tender documents. *Please confirm you are willing to accept these terms. Should you have any amends you wish to make, these will need to be discussed with the WWF-UK legal team.*
- Please advise whether your organisation has been the subject of litigation and/or any other form of formal dispute resolution by a client. If yes, please provide details of the nature of the dispute and how it was resolved.
- WWF-UK asks all suppliers to comply with the Supplier Code of Conduct and WWF-UK 3rd Party Expenses Policy. Both documents are enclosed within the tender pack. *Please confirm your acceptance of both.*
- All contracted suppliers are required to register on Panda Purchasing (WWF-UK's PO and invoice system). *Should you be successful in your bid, please confirm you will be willing to register on the system.*

IMPLEMENTATION

- In the event of your organisation being selected for further discussions as a result of this tender process, please indicate what additional information you foresee you would need in order to proceed with negotiations on price & contract.
- Please provide a high level project plan indicating the key phases, timings and approach to implementation that you would recommend be followed should you be successful in being awarded this contract following the negotiation phase. Who would be the key people we would work with and what would their accountabilities be?
- Describe the approach you would take to implement your chosen technical solution ensuring it meets WWF-UK needs as part of this plan. Include a description of how you would structure testing.
- What would you need from WWF-UK to meet your indicated timeline?

ADDITIONAL INFORMATION

Please provide the following information:

- A relevant client case study
- At least one relevant client reference willing to talk to us as part of this process.

WWF-UK CONTACT INFORMATION

WWF-UK
The Living Planet Centre
Rufford House
Brewery Road
Woking
Surrey
GU21 4LL

For information regarding the tender process please contact:

John Dodsworth - JDodsworth@wwf.org.uk

Jean-Luc Bourrin - JBourrin@wwf.org.uk

APPENDIX

- A. WWF Supplier Sustainable Procurement Questionnaire
- B. WWF-UK Supplier Terms
- C. WWF-UK Supplier Code of Conduct
- D. WWF-UK 3rd Party Expenses Policy