

# Request for proposals: Forest Pathways 2



## **Forest Pathways 2: Financing Forests**

### **Request for proposals for short-term consultancy**

**Start date:** January 2025

**End date:** January 2026

**Location:** Indonesia and Brazil (must be locally based)

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## **Summary**

WWF-UK invites proposals from economic consultancies to study financial flows to highly forested areas in Brazil and Indonesia. The study will quantify flows that are beneficial and detrimental to forests in the study countries and explore how they can be re-aligned to protect remaining natural forests, replicating *Closing the Biodiversity Finance Gap* (Deutz, 2020)<sup>1</sup> at a national level for forests. The results will inform advocacy at and around UNFCCC COP30. Proposals are invited from consultancies with staff based in both study countries, or a partnership of two consultancies with one based in each country.

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## **Context**

Despite repeated declarations to end deforestation, their implementation has been hindered by a lack of finance, among other issues, and developing nations with extensive forests, like Brazil, have called on wealthier countries to provide greater financial support. A fundamental challenge is that while forests provide essential ecosystem services locally and globally, they often do not generate an income for local people particularly when compared to the income that could be generated by converting the forest to other uses such as agriculture, mining, or forestry. This problem is exacerbated by rising land prices, fueling speculation; growing global demand for raw materials; and difficulty policing illegal activities in remote areas.

The central issue driving deforestation is finance, and so preventing it means rebalancing the calculation so the governments of highly forested nations have an incentive to retain their forests. Different methods have been developed to attach a financial value to standing forest, including LEAF, REDD+, and the TFFF, which aim to increase financial flows that protect, manage or maintain forest such as funding improved forest governance and monitoring, the re-direction of agriculture to more appropriate areas, and supporting the designation and defence of indigenous and local community territories. Other methods aim to cut flows of finance to activities that destroy forests, such as harmful subsidies, tax incentives and investments.

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<sup>1</sup> [https://www.paulsoninstitute.org/wp-content/uploads/2020/10/Updated-10.23.20-FINANCING-NATURE\\_Exec.-Summary\\_Final-with-endorsements\\_101420.pdf](https://www.paulsoninstitute.org/wp-content/uploads/2020/10/Updated-10.23.20-FINANCING-NATURE_Exec.-Summary_Final-with-endorsements_101420.pdf)

Historically, calls for additional finance have targeted overseas development assistance (ODA), but global crises, including wars in Ukraine and Gaza, have constrained ODA budgets. The total global ODA budget of approximately \$220 billion globally, which is primarily spent on humanitarian assistance, is far short of the \$700 billion required to close the biodiversity finance gap. Closing the gap for forests will require public, private, domestic, and international sources. National governments must leverage tools like fiscal policy, economic strategy, and enforcement mechanisms; multilateral development banks (MDBs) must re-consider their investment strategy; and the private sector by investing in blended finance instruments and greening their investments. Donors of all kinds are needed to support the transition and finance ongoing conservation and management

Brazil and Indonesia were selected as study countries due to their large areas of tropical moist forest and the availability of good economic data. Agricultural expansion, extractive industries and infrastructure are major drivers of deforestation in both areas, but the economic context is likely to differ significantly, for example the role of public compared to private finance, or the level of foreign compared to domestic investment. Understanding the relative importance of different funding sources will be used to shape WWF's advocacy priorities in pressing for change to protect forests.

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## Objectives

| Objective  | Study questions for each study country   |
|--|--|
| 1. <u>Finance flows</u> : estimate the relative contribution of different types of funding that positively and negatively impact forests.  | What sources of finance are currently benefitting or damaging forests, and what is their relative contribution?  |
| 2. <u>Finance gap</u> : To understand how much money per year would need to be mobilised or redirected to prevent further forest loss.   | How much money would be required to protect the remaining forest?  |
| 3. <u>Changing flows to fill gap</u> : To understand how financial flows can, feasibly and equitably, be adjusted to close the finance gap and provide recommendations for change. | <p>What scope is there to scale the positive flows and curtail the negative flows while maintaining GDP growth and livelihoods?</p> <p>What steps could be taken to align/repurpose financial flows (from all sources) to protect the remaining forest?</p> <p>Who stands to benefit or lose most from the transition?</p> |

|  |   |
|--|---|
|  | What are the barriers to achieving the transition?  |
| 4. <u>Economic case for financing forests:</u><br>build a compelling case for key stakeholders to make the changes described in 3. using reasoning relevant to their interests | What economic arguments could persuade key stakeholders to make changes to close the finance gap? |

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## Deliverables and timeline

| Month              | Deliverable                   | Specification  |
|--------------------|-------------------------------|--|
| February           | Workplan                      | <ul style="list-style-type: none"> <li>• Agreed between consultant and WWF</li> </ul>  |
| 2 June             | Draft report                  | <ul style="list-style-type: none"> <li>• Preliminary draft report for WWF feedback</li> <li>• Preliminary supporting data in Excel format</li> </ul>   |
| 30 June            | Amended draft report          | Preliminary drafts with feedback addressed   |
| 28 July            | Final report, data and slides | <p>All per country:</p> <ul style="list-style-type: none"> <li>• Executive summary of approximately 3 pages</li> <li>• Main report of approximately 50 pages, with narrative covering objectives, study questions, recommendations for a general audience</li> <li>• Written explanation of methods, making clear the assumptions and datasets used in an accessible format.</li> <li>• Summary powerpoint slide deck, approximately 5 slides</li> <li>• Diagrams to summarise findings mirroring the format of Deutz et al 2020</li> <li>• Supporting data in Excel format</li> </ul> |
| October            | Webinar participation         | <ul style="list-style-type: none"> <li>• Participation in approximately 3 webinars</li> </ul>  |
| November - January | Dissemination activities      | <ul style="list-style-type: none"> <li>• Retainer for TBD local dissemination activities</li> </ul>  |

On-going requirements and ways of working:

- Collaborative co-design approach with WWF and the other study country, particularly on methods. Methods should to the extent possible be replicable in other tropical forest countries
- Ongoing engagement with WWF to discuss methodology being developed, initial findings and proposed recommendations.
- Participation in weekly coordination calls with WWF and team working on other study country
- Liaison with government and related initiatives
- Retainer for ad-hoc engagement after report publication

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## **Required skills and qualifications**

- Postgraduate degree in economics
- Must be based in Brazil or Indonesia
- Extensive experience providing economic consultancy to the government of Brazil/Indonesia
- Proven understanding of Brazilian/Indonesian policy especially fiscal, economic and agricultural/natural resources
- Familiarity with existing local, regional and global datasets pertaining to tax, spend and investment
- Proven understanding of regional and international MDBs, ODA and ICF
- Experience conducting Political and Economic Assessments (PEAs)
- Knowledge of drivers of deforestation and related issues of displacement and equity
- Understanding of forest finance mechanisms (e.g. REDD+, LEAF, TFFF, article 6).
- Demonstrated capacity to conduct literature reviews, interviews, and analytical capacity to conduct synthesis of complex topics
- Excellent writing and communication skills in English plus Portuguese or Bahasa

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## **Proposal request**

To apply for this consultancy, please provide the following by 07/02/2025 date:

- An explanation how you would conduct the analysis including specific methods, data sources, informants/experts.
- An explanation how you would disseminate locally for maximum impact e.g. through workshops or presentations to government officials, interfacing with existing processes and related initiatives.
- A provisional project plan including milestones, based on 'Deliverables and timeline'.
- Evidence of consultancy's relevant experience
- State whether the bid is for both study countries, or a partnership of two consultancies with one based in each country.
- CVs of those who would conduct the study showing how they meet the required skills and qualifications.

See Annex I for additional information and requirements.

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## **Remuneration**

### **Remuneration**

According to the offer. Payment will be in GBP.

### **Installments**

- Upon delivery of draft materials - early June 2025
- Upon delivery of draft with amendments - late June 2025
- Upon receipt of final materials - July 2025
- Upon completion of dissemination activities - Jan 2026

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# Annex I: Tender specification

## Summary

To be considered within this tender exercise, please:

- Provide a formal written proposal (no longer than 15 pages)
- Adhere to the timeline below
- Confirm acceptance of the WWF T&C's
- Confirm acceptance of the WWF Supplier Code of Conduct
- Confirm acceptance of the 3<sup>rd</sup> party expenses policy
- Complete the WWF Supplier Sustainable Procurement Questionnaire

## Contracting with WWF-UK

- All contracted suppliers are required to register on 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.
- 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 and agreed with the WWF-UK legal team. Please document any changes to the terms in a word document, using tracked changes and comments.
- 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.

## Timeline

| DESCRIPTION   | DUE DATE   |
|---|------------|
| Issue of ToR  | 16/01/2025 |
| Email confirmation of interested to submit a proposal | 29/01/2025 |
| Deadline for vendor questions                         | 29/01/2025 |
| WWF-UK response to all questions issued               | 03/01/2025 |
| Deadline for submissions                              | 07/02/2025 |
| Confirmation of shortlist of vendors                  | 11/02/2025 |



|                                  |                   |
|----------------------------------|-------------------|
| Shortlisted vendor presentations | 14/02/2025        |
| Award                            | 19/02/2025        |
| Contract signature               | 26/02/2025        |
| Project launch                   | 27/02/2025        |
| <b>Final delivery of project</b> | <b>28/02/2026</b> |

All correspondence should be emailed to [kfindlay@wwf.org.uk](mailto:kfindlay@wwf.org.uk).

### Evaluation criteria

All proposals will be evaluated on total cost and service levels which provide optimal benefit to WWF-UK. The following criteria will be used for evaluation:

1. Financial and terms proposal 45%
  - Total cost of the proposal
  - Contractual terms
2. Services proposal 45%
  - Alignment between WWF-UK requirement and the vendor's capacity
3. Company profile and values including sustainability approach 10%
  - Evidence that the vendor is proactively reducing their impact on the planet.

### Financial proposal

Pricing must be clearly labelled in Pounds Sterling (£) and be inclusive of all costs except Value Added Tax.

- Please evidence value for money, we are looking for competitive pricing for expertise.
- Fees need to be clear and structured, fully broken down and itemised.
- If you offer an NGO discount, please show this within your pricing. A pricing chart will need to be submitted. Please state day / hourly rates and price per project element, ideally with capped fees.
- On the top line please input the total cost for the project, along with how many team members will be involved and forecasted days for the entirety of the project.
- Each line should show the different project elements / activities, the team members working on each activity, days allocated to each activity, the day rate for the team member and total cost per activity.
- If there are multiple activities, that can be grouped together, please provide a total line per grouped activity,

- Should there be a need for travel please include this as a separate line, under the activity it applies to.

Please see the example below:

| Activity                                       | Researcher (Team Member)                                      | Days | Day Rate | Total Cost |
|--|---|------|----------|------------|
| Total  | 4 x Team Members  | 16   | n/a      | £4,520     |
| Research                                       | 2 x Junior Researches & 1 x Researcher                        | 8    | n/a      | £1,820     |
| Literature Review                              | 1 x Junior Researcher   | 3    | £300     | £900       |
| Data Review                                    | 1 x Junior Researcher   | 2    | £300     | £600       |
| Stakeholder interviews and mapping - in person | 1 x Researcher  | 3    | £350     | £350       |
| Travel for interviews and mapping              | train to / from and hotel for 2 nights                        | n/a  | n/a      | £320       |
| Report   | 1 x Junior Researcher, 1 x Researcher & 1 x Senior Researcher | 8    | n/a      | £2,700     |
| Draft Key Findings                             | 1 x Junior Researcher   | 3    | £300     | 900        |
| Draft Key Findings                             | 1 x Researcher  | 2    | £350     | 700        |
| Draft Key Findings                             | 1 x Senior Researcher   | 0.5  | £400     | 200        |
| Final Report                                   | 1 x Researcher  | 2    | £350     | 700        |
| Final Report                                   | 1 x Senior Researcher   | 0.5  | £400     | 200        |

## Annex II: Division of responsibility within report as a whole

**Yellow** = consultant for Brazil

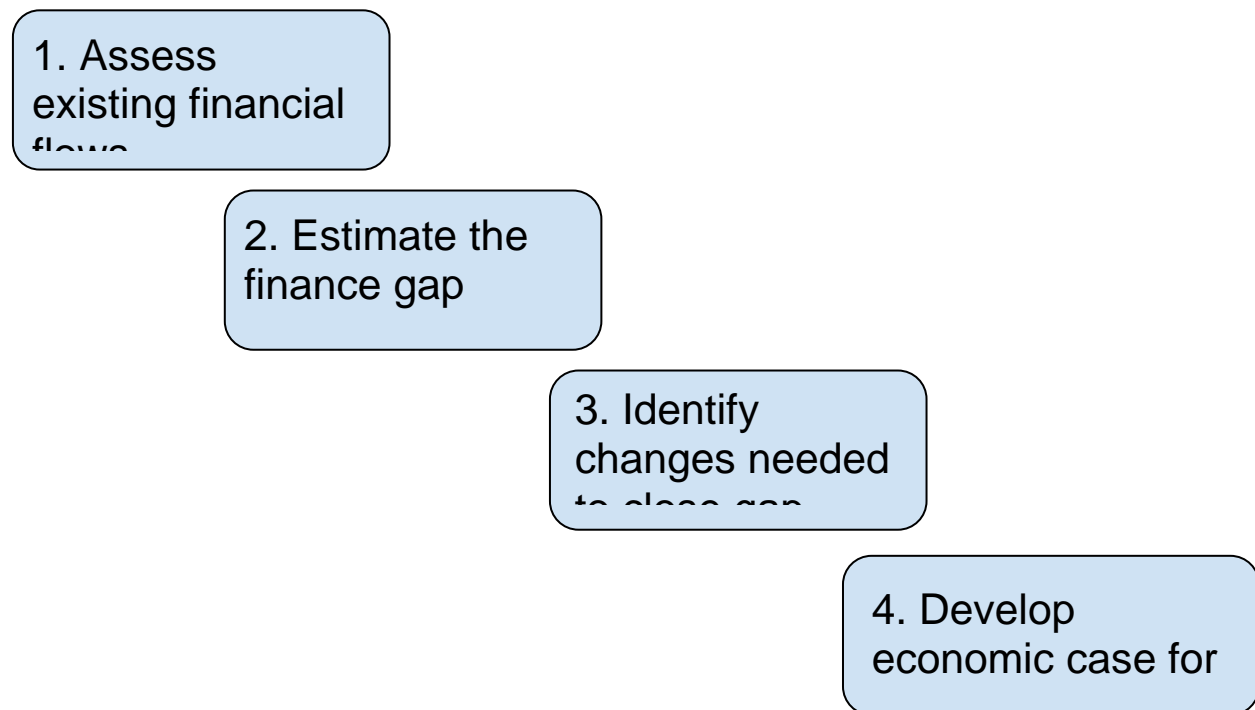
**Blue** = consultant for Indonesia

**Purple** = contributions from both consultants

### Full report structure

1. Foreword
2. Endorsements
- 3. Executive summary**
4. Global economic case for forests
- 5. Brazil**
  - a. Economic case for forests in Brazil
  - b. Current financial flows
  - c. Forest finance gap
  - d. Recommendations to close gap
- 6. Indonesia**
  - a. Economic case for forests in Indonesia
  - b. Current financial flows
  - c. Forest finance gap
  - d. Recommendations to close gap
7. Report level recommendations
- 8. Appendices**
  - a. Methods and analytical framework
  - b. Double counting risks
- 9. References**

## Annex III: Analytical framework



### 1: Finance flows

**Objective:** To estimate the relative contribution of different types of funding that positively and negatively impact forests.

**Approach:** Literature review with estimation/calculation.

**Scope:** Non-extensive list of sources of financial flows to be included is provided in the Parameters table, to be further elaborated with consultants. The priority is to identify and quantify or estimate the largest sources of finance. A five year average should be used where possible.

**Activities:** Identification of flows, followed by quantification and categorisation. Flows can be categorized by the source of finance (public or private including direct or indirect i.e. subsidies), type of financial instrument (carbon credits, debt financing, tax, etc) and by the impact they have on forests (beneficial or detrimental). Risks of double counting should be minimised.

### 2: Finance gap

**Objective:** To understand how much money per year would need to be mobilised or redirected to prevent further forest loss.

**Scope:** All the activities that if added together would give the best chance of keeping the countries' remaining forests standing. Activities will depend on the local context and may include: cost of monitoring, enforcement, and forest management; payments to local communities, IPLCs, or farmers; investment in alternative development opportunities; the opportunity cost of leaving forest standing; cost of establishing land tenure; the stabilisation of

other ecosystems the forest relies on etc. Proposals should include considerations of what to consider and what not to.

**Rules:** Activities chosen must not compromise other natural ecosystems or infringe IPLC rights. If they result in a loss of income or reduce GDP growth this must be compensated by other activities.

**Approach:** Identification of categories, estimating their funding requirement and the relative need for different sources of finance (e.g. public, private).

**Activities:** Categories of spend and their estimated funding needs must be compiled in consultation with WWF and other experts.

### 3: Changing flows to fill gap

**Objective:** To understand how financial flows can, feasibly and equitably, be adjusted to close the finance gap and provide recommendations for change.

**Scope:** All positive and negative financial flows, all mechanisms with ability to close the finance gap (e.g. to unlock or redirect private finance, to more effectively use public finance, to grow payment for ecosystem services schemes, to create the policy and regulatory enabling environment inc. regulatory market frameworks, fiscal and environmental policy, to repurpose detrimental flows).

**Approach:** Produce quantitative estimates of existing flows' potential to be repurposed, scaled up or down; likewise for possible new flows (e.g. TFFF); configure feasible scenarios where they sum to the size of the finance gap; assess for knock-on impacts; provide recommendations.

**Rules:** As per Phase 2

**Activities:** Including literature review; political and economic assessment (PEA); and discussions with government, WWF, and other stakeholders to assess the feasibility of scenarios and to check for negative knock-on impacts.

### 4: Economic case for financing forests

**Purpose:** To build a compelling case for key stakeholders to make the changes described in Phase 3 using reasoning relevant to their interests.

**Scope:** National (for domestic government) and for key stakeholders identified in Phase 3, likely to include private sector and their intermediaries and institutional investors.

**Activities:** Literature review, and drawing on evidence gathered in previous steps including the PEA.

### **Parameters**

|                    |  |
|--------------------|--|
| Which forests      | Forests that are currently standing - not already deforested areas.<br>Technical definition of forests in scope - primary tropical moist forest<br>Operational definition - sub-national jurisdictions (states or provinces) with a high proportion of primary tropical moist forest cover. A list of these areas will be provided by WWF. |
| Sources of finance | List to be refined by consultant, should include:  |

|                    |  |
|--------------------|--|
|                    | <ul style="list-style-type: none"> <li>• Public - domestic and international (e.g. direct and indirect subsidies, ODA, MDBs)</li> <li>• Private (e.g. investments, bonds, carbon markets)</li> <li>• Illegal and illicit financial flows (e.g. gold, timber, drugs)</li> </ul>   |
| Impact of finance  | <p>Criteria to be developed between WWF and consultants as will depend what data is used/available.</p> <p>Broadly, <u>detrimental</u> flows are: flows contributing to the conversion of forest to other uses or to forest degradation. This includes:</p> <ul style="list-style-type: none"> <li>• Subsidies to <ul style="list-style-type: none"> <li>◦ Agriculture</li> <li>◦ Extractives</li> <li>◦ Forestry</li> </ul> </li> <li>• Investment in damaging infrastructure e.g. dams, roads</li> <li>• Investment in damaging companies</li> <li>• Illicit financial flows, drugs, wildlife trade</li> <li>• Illegal financial flows e.g. lost revenue logging, minerals, extractive, land grabbing</li> </ul> <p><u>Beneficial</u> flows are: flows that have the effect of protecting remaining standing forest. This includes:</p> <ul style="list-style-type: none"> <li>• Domestic budgets and tax policy (spent by government on forest protection)</li> <li>• Green financial products</li> <li>• ODA</li> <li>• Carbon/biodiversity credits</li> <li>• Natural infrastructure</li> <li>• TFFF</li> <li>• Donations - philanthropy, Islamic finance, NGOs</li> <li>• Investment in sustainable supply chains</li> </ul> <p>Note some categories of spend may be split between beneficial and harmful e.g. public subsidies.</p> |
| Forest finance gap | <p>Cost of activities that result in the protection, management or maintenance of standing tropical forest. They may take place in areas other than the forest - for example improving agriculture elsewhere to prevent expansion into the forest. Delineation and</p>   |

|  |   |
|--|---|
|  | method of calculation to be co-designed between consultant and WWF. |
|--|---|

### Key references and resources

- [Closing the biodiversity finance gap](#)
- [Turning Harm into Opportunity: Repurposing Agricultural Subsidies that Destroy Forests and Non-Forest Natural Ecosystems](#)
- BIOFIN products for [Brazil](#) and [Indonesia](#)
- [Deforestation Footprint in the Amazon](#)
- [Financial interactions with ecosystem tipping points](#)
- [Forests & Finance - Financial data for commodities](#)
- <https://forestiq.org/>
- <https://www.unep.org/resources/state-finance-nature-2023>
- <https://news.mongabay.com/2024/12/brazils-big-push-for-tropical-forest-funding-gets-support-for-2025-debut/>
- [OECD Agricultural Policy Monitoring and Evaluation 2024](#)