



Draft Terms of Reference

Consultancy Services to undertake an economic valuation and cost benefit analysis of the Benguela Current Large Marine Ecosystem (BCLME)

1. INTRODUCTION

1.1. The Benguela Current Convention (BCC)

The BCC was established in January 2007 through the signing of an Interim Agreement by Angola, Namibia and South Africa. Then, on 18 March 2013, the three governments signed the Benguela Current Convention, a ground-breaking environmental treaty that entrenches the Benguela Current Commission (BCC) as a permanent inter-governmental organisation. The BCC is the first inter-governmental convention in the world to be based on the Large Marine Ecosystem (LME) concept of ocean governance – a move towards managing transboundary resources at the larger ecosystem level (rather than at the national level) and balancing human needs with conservation imperatives.

The BCC is governed through the Ministerial Conference with its strategic and operational activities driven by the Commission, which has three permanent advisory committees, namely, Ecosystem Advisory Committee (EAC), Finance and Administration Committee (FAC) and Compliance Committee (CC). Coordinating and support to all BCC structures is facilitated by the BCC Secretariat which is based in Swakopmund. The Secretariat is also responsible for facilitating implementation of programmes; mobilise resources; and establish partnerships with relevant organisations.

The Ecosystem Advisory Committee (EAC) comprises senior, multi-disciplinary experts providing the Commission with the best scientific, legal and socio-economic advice and management recommendations based on available relevant information, as generated and presented by various technical working groups; the Finance and Administration Committee (FAC) has the mandate to provide oversight over the Secretariat's audit and financial control functions to ensure good corporate governance and also provides independent assurance and support to the Commission and the Secretariat by evaluating risks, control and compliance framework, and its external accountability responsibilities; the Compliance Committee is mandated to provide the Commission with information, advice and recommendations on the implementation of, and compliance with, the measures adopted to give effect to the objectives of the Convention.

The vision and objectives of the BCC are pursued through the implementation of a Strategic Action Programme (SAP). The SAP covers eight thematic areas, namely: living marine resources; non-living marine resources; productivity and environmental variability; pollution, ecosystem health and biodiversity; human dimensions; economic development potential; and

governance. The SAP was informed by the Transboundary Diagnostic Analysis (TDA) of the Benguela Current Large Marine Ecosystem (BCLME), which was originally developed in 1999 and updated in 2013. The objective of the BCLME TDA was to provide structured information relating to the ecological, social and economic status of the BCLME, with particular focus on transboundary impacts resulting from human activities. The BCC is currently in the process of reviewing and updating the TDA and the SAP, to take into consideration studies and developments in the region since 2013.

1.2. Economic valuation and cost benefit analysis in the BCLME

The BCLME is one of the major eastern boundary coastal-upwelling ecosystem in the world. It is also one of the world's most productive and bio-diverse ocean areas. Commercial fisheries and extraction of non-living natural resources such as oil, gas, diamonds, are the focus of economic activities in the region. Coastal and marine resources contribute significantly to the economies of the three BCC Parties (countries). Although the economic benefits from the BCLME vary in the three countries, they all have one common goal namely, the sustainable use of the ecosystem. According to Sumaila (2016), lack of valuation of Large Marine Ecosystems (LMEs) and the goods and services they contain can lead to distorted incentives and unsustainable practices, as the full range of costs and benefits associated with the use of the resources are misunderstood resulting in ill-advised policies. This shortcoming may result in the lack of realization of risks carried by human dimension in the marine ecosystem.

Further, lack of LME valuation results in the lack of information to make decisions about trade-offs between different LME goods and service. The sustainable utilization of ecosystem services demands the protection of the BCLME which commands the use of scarce resources. Hence nations have to appropriate funds to protect the BCLME. In order to have a buy-in from national governments and their legislatures, the value of the BCLME should be clearly demonstrated (for e.g., should we preserve marine life for recreational purposes or should we use them as food?). To address the challenge of optimizing the economic and social benefits derived from the BCLME, while mitigating the environmental challenges and issues that threaten the health of the ecosystem, a comprehensive economic valuation is required to understand trade-offs associated with marine resource use in the BCLME region.

The first economic valuation in the BCLME was undertaken in 2011 (Sumaila 2011). The study aimed “to promote sustainable development in the coastal areas of the BCLME by providing stakeholders with a powerful economic analysis of key ecosystem goods and services for decision-making based on the economic value of the BCLME. The overall objective of this contribution is to promote sustainable use by identifying the contribution of coastal and marine ecosystem goods and services to the economy of the countries of the BCLME”. The study by Sumaila (2011) revealed that, the BCLME had in 2010 an economic value of US\$ 269 billion per year with direct output valued at US\$54, 269 billion. Analysis was done on biodiversity, fisheries, marine recreational activities, mariculture, oil and gas, coastal marine mining, desalination and ports.

The BCC intends to update the economic valuation that was undertaken in 2010. The valuation will include a cost benefit analysis to guide development and management pathways, and the mapping of investment opportunities that could be realized through public private partnerships.

2. SCOPE OF WORK

2.1. Objective of the consultancy

This consultancy will build on the economic valuation that was undertaken in 2011. Owing to this, the output from the consultancy is expected to enhance sustainable development in the BCLME by providing a comprehensive economic analysis to the Parties (countries) for planning, management and decision making based on the economic value of the marine and coastal resources of the BCLME region for the maximum socio-economic benefits while maintaining environmental sustainability.

The economic valuation and cost benefit analysis will also contribute to the process of TDA and SAP review of the BCC by providing economic data and information. The valuation and cost benefit analysis will be embedded in the policy appraisal context for the SAP to provide support for identifying options and alternatives to address the transboundary problems and contribute to development of sustainable development pathways.

2.2. Specific focus

The consultancy is expected to value the current ecosystem goods and service and estimate the net benefit provided by these goods and service at national and regional level. The valuation will use a combination of methodologies as described in the “Guidance to Tier 1 and Tier 2 of Approximation to Economic Valuation”, developed under the GEF International Water: Learning Exchange and Resources Network.

To achieve the objectives of the study, the consultant is expected to:

- (a) Gather relevant information from literature and liaise with BCC to identify key ecosystem goods and services in the BCLME region;
- (b) Gather relevant information from literature and liaise with BCC to identify and value important biodiversity aspects for each member country;
- (c) Assess the total economic value of ecosystem goods and services and their contribution to the Gross Domestic Product (GDP) of each member country where applicable;
- (d) Use the economic valuation results to undertake a Cost-Benefit Analysis (CBA) of the goods and services in the BCLME;
- (e) Liaise with the BCC and the consultants that are updating the TDA to provide economic data/information and contribute to the determination of the environmental and socio-economic impacts (including economic valuation of transboundary ecosystems and services);
- (f) Use this economic analysis to identify policy priorities and economic trade-offs;
- (g) Provide policy recommendations and options for enhancing sustainable economic development potential in the BCLME region for consideration in the SAP;

- (h) Prepare and present draft report with recommendations to the Parties (countries) at national validation workshops and one regional workshop;
- (i) Compile the final report which will take into account the stakeholder comments and recommendations.

2.3. Expected outputs

The consultants will deliver the following outputs:

- 1) Inception report
- 2) National validation reports and presentations on the economic valuation and cost benefit analysis
- 3) First draft report on regional economic valuation and cost benefit analysis
- 4) Regional validation report and presentations on economic valuation and cost benefit analysis
- 5) Final report on economic valuation and cost benefit analysis with policy recommendations for SAP

3. TIMELINE

It is anticipated that the consultancy will run from July 2019 to April 2020.

4. WORK STATION

This is a home based assignment with travels to the BCC Parties (Angola, Namibia and South Africa) as necessary. All travels require prior authorization by the BCC.

5. QUALIFYING REQUIREMENTS FOR THE CONSULTANT/FIRM

5.1. Eligibility

The consultant should be a registered entity or individuals with proven experience in economic valuation of natural resources. Experience in Large Marine Ecosystems (LMEs) will be an added advantage.

Tenders will only be considered provided that all the documentation as specified in Appendix A and B of this document have been supplied.

5.2. Team Composition

The consultant must team up with national consultants from the BCC Parties/countries to aid in data collection and stakeholder engagement. The lead the consultant will have an overall responsibility for the delivery of all the outputs.

5.3. Qualifications of Consultant(s)

The consultant is required to have the following qualifications and expertise:

- A relevant Master's degree, preferably PhD;
- Experience in the economic valuation of natural resources, where experience in Large Marine Ecosystems will be highly advantageous.
- Experience with inter-governmental and multilateral cooperation initiatives in general, and the BCLME in particular.
- Demonstrated ability to facilitate processes and to work with a broad array of stakeholders;
- Well-developed analytical and reporting skills;
- Good command of spoken and written English language;
- Working knowledge of Portuguese would be highly advantageous;

6. ADDITIONAL INFORMATION

6.1. Evaluation of tenders

- a) The contract will be awarded from the qualifying tenders as per the following criteria:
- i. Responsive/compliant/acceptable, and
 - ii. Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the tender proposal. In this regard, the respective weight of the proposals are as follows:
 - a. Technical Criteria weight is **70%**
 - b. Financial Criteria weight is **30%**

Criteria	Weight	Max. Point
Technical Competence (based on CV, Proposal and interview (if required))	70%	100
▪ Knowledge and experience of the consultants in Economic Valuation of Natural Resources		25%
▪ Knowledge and experience of the consultants in LMEs, BCLME in particular		25%
▪ Understanding of ToR and Comprehensiveness of the methodology/approach		20%
▪ Participation of consultants from the BCLME region, with emphasis on previously disadvantaged entities		20%
▪ Working knowledge of Portuguese		10%
Financial (Lower Offer/Offer*100)	30%	30%
Total Score	Technical Score * 70% + Financial Score * 30%	

6.2.Modification of terms

The BCC Secretariat reserves the right to add, modify or omit certain portions of the tender scope at any time at its sole discretion. This includes the right to cancel this tender at any time prior to entering into a contract with the successful bidder.

6.3. Tender award

The contract will be awarded to a successful bidder within 60 days of closing of this tender and the successful bidder will commence work within four (4) weeks from the date of signature, by all parties.

6.4.Prime contractor relationship

The BCC Secretariat will enter into a contract with only one successful bidder.

6.5. Confidentiality

- i. Tenders submitted will not be revealed to any other bidders.
- ii. The BCC Secretariat reserves the right to seek clarification or verification of any information contained in the tenders.
- iii. All information pertaining to BCC obtained by the bidder as a result of participation in this tender is confidential and must not be disclosed without written authorisation from the Executive Secretary of BCC.

6.6. Ownership of data

All tenders, including any supporting documents and or training materials or any other documentation with reference to this tender, submitted to the BCC Secretariat becomes the property of BCC.

Any data of whatever nature resulting from the provision of the Products and Services shall be the property of BCC and may be used by BCC without restriction. All data or information that may be shared with the successful bidder during the provision of the Products and Services shall upon termination of the contract, be returned to the BCC Secretariat.

7. SUBMISSION OF PROPOSALS/BIDS

The deadline for the submission of tenders is **14 June 2019**

The Proposal shall comprise the following documents in both hard copy and in electronic copy (flash disk in rich text format):

- a) Technical Component (six copies)
- b) Financial Component (six copies)

Technical and Financial components must each be in separate envelopes. The Proposal shall be sealed in one outer and two inner envelopes, as detailed below:

The outer envelope shall be addressed and posted or couriered to:

Executive Secretary
Benguela Current Convention
1 Strand Street, Swakopmund
Private Bag 5031, Swakopmund
Benguela Current Convention Secretariat
Swakopmund

Both inside envelopes shall indicate your firm's name and address. The first inner envelope shall be marked Technical Proposal and contain the Technical Component of your proposal (both hard copy and electronic versions). The second inner envelope shall be marked Financial Component and include your financial proposal" (both hard copy and electronic versions).

The Financial Proposal should remain **valid for 90 (ninety) days** from the tender closing date.

The BCC may decide to reserve the right to annul the tendering process and not award the contracts.

APPENDIX A - TECHNICAL PROPOSAL

Bidders must address all the issues and requirements which appear in this Appendix A.

1. UNDERSTANDING OF THE ASSIGNMENT

A detailed proposal indicating a clear understanding of the Terms of Reference and the methodology to be applied will be required.

2. TECHNICAL REQUIREMENTS

- i. A one-page letter of introduction identifying the bidder and signed by the person(s) authorised to bind the bidder to statements made in the proposal.
- ii. Complete CV, certified qualifications and other documentation in support of the CV.
- iii. Proof of technical knowledge or qualifications or experience of staff that will carry out the work as specified in the deliverables
- iv. A Profile of the Company / Consultancy Firm / Consortium / Individual.
- v. All bidders are required to clearly state the name of the Primary Party with whom the BCC Secretariat will enter into an Agreement. In the event of a consortium, or group of companies jointly delivering a response, full details are required of each of the legal entities involved.
- vi. Description of role or element of the proposal to be fulfilled by any third-party and the full contact details of any third-parties involved in the proposal (if applicable).

3. REFERENCES

- i. A record of previous similar assignments undertaken by the bidder.
- ii. Bidders must provide a minimum of three (3) clients (names, addresses and telephone numbers) who may be contacted for references in connection with the scope of work.
- iii. These references should be current, stipulate the nature of work undertaken, the financial value of the Services offered and where the work was executed.

- iv. The BCC Secretariat reserves the right to undertake a full background check on all references submitted prior to awarding the contract.

APPENDIX B - FINANCIAL PROPOSAL

Bidders must address all the issues and requirements which appear in this Appendix B.

1. SCHEDULE OF COSTS/FINANCIAL PROPOSAL

The schedule must take the following format:

- i. All costs must be quoted in Namibian Dollars (NAD).
- ii. The total cost of the proposal (best and final offer).
- iii. All prices must be quoted including VAT.
- iv. The BCC shall cover all workshops, travel and subsistence costs
- v. A breakdown of the pricing and cost components for Services set out in this invitation to tender should be in line with the given timelines.

2. GENERAL INFORMATION

- i. Bidders are solely responsible for their own costs in preparing the tender.
- ii. Payments for all products and services (professional fees and reimbursements) covered by this project shall be made within 30 (thirty) days subject to receipt of appropriate invoices, the satisfactory completion of work, and adherence to BCC policies.
- iii. The BCC shall not be liable for any losses, damages, costs, charges or expenses caused by defects or damage to the service provider's equipment and supplies.
- iv. The BCC may decide to reserve the right to add, modify or omit certain portions of the proposal.