



APOI Investment Case, Ghana

Terms of Reference

July 2022

1.1 Purpose of this Request for Proposal

The purpose of this Request for Proposals (RFP) is to solicit technical and financial proposals from suppliers with expertise in investing in sustainable development to build on the Investment Case for Sustainable Palm Oil Production conducted in ten countries in West and Central Africa and to identify specific investment opportunities that could become a pilot to foster investments in the palm oil sector. This process will result in the selection of a supplier, who will be invited to enter a contracting phase to conduct the study in Ghana for a fixed pricing.

The selected vendor will build on the findings of the first phase of assessment conducted to identify the opportunities and challenges for investment in the oil palm sector in Ghana. The investment case resulting from this effort will be used to engage with government, development partners, investors, private sector companies and other relevant actors to attract investment in sustainable oil palm development into the country.

2.1 Supplier Requirements

The assignment must be carried out by suitably qualified consultants/consulting company, with appropriate background and experience in the sector and in Ghana. Key considerations for the team are:

- The supplier must have a proven track record of relevant research experience as well as expertise and experience in the palm oil sector in Ghana.
- Proposals must describe the proposed methodology and approach and identify key data sources.
- The supplier must have a proven track record of transparency and responsibility.
- The approach and result findings of the Case Study should be constructive, pragmatic and all recommendations clear and implementable.
- Demonstrable familiarity with investment in the tree crop sector in Ghana
- Proposal must show results achieved in similar assignments.

Proposal

The proposal for the Palm Oil Investment Case Study should contain the sections listed below.

- **Scope of Work:** The scope of work should include a description of the specific activities that will be performed in order to accomplish the required tasks and to deliver the expected output. This should include any proposed data and information collection methods, documents to be

reviewed, interviews, etc. The proposal should therefore demonstrate a clear understanding of the assignment and the proposed approach will deliver the desired result.

- Project team and qualifications: This should include the name of the principal consultants/staff members, and a brief description of their roles within the project team. Qualifications of staff should include relevant technical capabilities, specific previous project experience similar to this Project, specific in-country experience and knowledge, specific language skills etc.
- Estimated costs: A total lump sum cost estimate (not to be exceeded), in Swiss Franc, must be provided for the required scope of work. A breakdown of the estimated costs by task must also be presented (i.e. tabular format) and should include Direct Labour Costs (number of hours or days per staff and their associated unit costs) and Indirect Labour Costs (i.e. travel, per diem, sub-contractors, etc.).
- Conflicts of interest: As part of the proposal, the Consultant/Firm shall also confirm that they do not have a conflict of interest and that they are able in a position to provide an adequate, accurate and objective review.

Methodology

Prior to the commencement of the assessment, the supplier will produce an inception report/project plan outlining the methods, timelines and reporting, etc. in consultation with the Tropical Forest Alliance (TFA) and Proforest.

2.2 Scope of Work

Background

The Tropical Forest Alliance [Africa Palm Oil Initiative](#) (TFA APOI) was set up in early 2015, with a vision of a prosperous palm oil industry that brings jobs and wealth to local communities in a way that is environmentally and socially sustainable and protects the rich tropical forests of the region. The Initiative works with public and private sectors and civil society organizations in ten countries in West and Central Africa (Liberia, Ghana, Nigeria, Sierra Leone and Cote d'Ivoire in West Africa and Cameroon, Gabon, CAR, RoC and DRC in Central Africa). The goal of the Initiative is to develop and support the implementation of national and regional principles for responsible oil palm development that take account of the ambitious development plans of countries in Africa, while addressing environmental targets for reduced deforestation, land use and greenhouse gases, and social indicators on issues such as land tenure and the rights of indigenous peoples.

To demonstrate their commitment to responsible development of the oil palm sector, governments of several West and Central Africa [signed the Marrakesh Declaration for the Sustainable Development of the Oil Palm Sector in Africa](#) at COP 22 in Marrakesh, Morocco in November 2016. The signing of the Marrakesh Declaration was an important milestone of the TFA APOI process. It represents a public acknowledgement that, whilst investment in the oil palm sector in Africa has the potential to deliver economic benefits to the region, it also brings with it the potential risk of significant negative social and environmental impacts, including deforestation, land conflicts, human rights abuses and the destruction of High Conservation Value areas.

Five years on, at the just ended Conference of Parties held in Glasgow, on November 6, 2021, –seven African countries represented by ministers re-affirmed their country commitment to the principles of the Marrakesh Declaration on Responsible Palm Oil Development in Africa, signed at CoP22 in 2016 and called for technical and financial support required from the international community

having shown progress through policy and legislation, and by putting in place the framework and measures for a sustainable palm oil industry

It is recognized that the principles of the Marrakesh Declaration apply across many other forest-risk commodities and have committed to meet at CoP27 to share progress across the palm oil sector as well as other commodities.

The Opportunity

Although oil palm is native to West Africa, Africa accounts for just 3.5% of global production despite consuming close to 10%, making the continent a net importer of palm oil and there is growing recognition by African governments to address the production-consumption deficit through responsible investment in the sector.

In this context, TFA in collaboration with Proforest commissioned research and analysis of investment situation in the oil palm sector in the ten APOI countries with the objective of building an investment case and better risk-adjusted returns for oil palm development that creates jobs, protects the environment and improves rural development and livelihoods.

The findings from this effort will be used to identify specific investment opportunities that could become a pilot to attract investment into sustainable oil palm development in the country. The investment case is expected to serve as a robust component for private sector resource mobilization and external financing crowding.

Scope

APOI Country: Ghana, West Africa

Core Components of the Investment Case

The final deliverable will be an Investment Case for Sustainable Palm Oil Production in Ghana, West Africa. The supplier will provide the TFA and Proforest with a structured proposal encompassing the following components:

- Overview of palm oil investment in Ghana.
- Identify existing and potential opportunities for investment in sustainable oil palm production in country.
- Assessing investment readiness of country, investment risks and develop a business case that is investable in the short term.
- A brief overview of existing foreign and domestic investment into palm oil production in Ghana.
- Identify local and potential international investors in the sustainable oil palm sector.
- Specific challenges for channeling investment to sustainable oil palm.
- Incentives and challenges for potential international investors.
- Mapping of value chain actors with specific investment needs.

- Identify specific investment opportunities in sustainable oil palm including details of needs, opportunities and challenges of each identified opportunity.
- Detailed stakeholder mapping of key value chain actors including development partners, investors, farmer groups or aggregators, etc.
- Analysis of opportunities and challenges for attracting investment for smallholder oil palm development (drawing on existing examples of investment in smallholder development).
- Analysis of legal and regulatory framework for oil palm development in Ghana.
- Considering the unique economic, political and agricultural context in Ghana, the investment case must address risks and opportunities for Ghana.
- Assess funding opportunities for identified opportunities.
- Consider national and regional variables that could prove critical as to assure an adequate level of competitiveness of sustainable oil palm in Ghana.

The Investment Case should also:

- Identify the objectives, goals and targets of national and sub-national oil palm development strategies or plans
- Describe the institutional roles, responsibilities and capacities for implementation of policies, programmes, plans and actions
- Document in-country resources, support and/or enabling conditions available to implement the policies, programmes, plans and actions including:
 - Public Sector—e.g. historical, current and planned national/sub-national budget allocations /programs, bilateral or multilateral official development assistance and equivalent support
 - Private Sector / Investment Climate—e.g. domestic and foreign sources of private sector financing across asset classes and inclusive of both commercial and concessional financing; investment and/or financing levels (if available); current financing institutions, intermediaries, etc.; examples of relevant specific loans, investments, and grants, which organizations are involved, how much is invested, etc.
 - Political will —e.g. policy statements, national and international commitments, targets for sustainable palm oil production, forest and land use
 - Technical capacity —e.g. government departments, private sector, in-country consultants
 - Incentives—e.g. tax holidays, rebates, or forgiveness programs for actions, and extent of funding/implementation
 - Supporting legal framework —e.g. laws and regulations concerning land and resource rights, contracting, asset ownership, including but not limited to ownership and transferability of non-traditional resources (e.g. carbon), existing laws/regulations/programs on payment for ecosystem services (PES) etc.
 - Smallholder development with highlight of specific opportunities and challenges facing smallholder development
 - Clarity of roles and responsibilities of different institutions
- Document any impediments to the success of the policies, plans and actions e.g.
 - Financial constraints
 - Conflicting policies
 - Technical capacity constraints
 - Legal constraints —e.g. insecurity of land and resource tenure, laws that require “productivity” of land areas
 - Barriers to implementing incentive measures
 - Institutional arrangements that are not conducive to successful implementation
 - Fiscal disincentives -taxes, subsidies,
 - Trade barriers/tariffs or trade-driven demand

2.3. Description of the Deliverables

The final deliverable is the Investment Case for Sustainable Palm Oil Production for Ghana, West Africa, with detail analysis of the national and/or subnational investment readiness with respect to sustainable oil palm sector development strategies and plans.

The service provider will provide to TFA and Proforest:

1. An overall inception report / project plan with milestones and timelines by August 18th, 2022.
2. Regularly scheduled progress check-ins with the project team.
3. A preliminary draft by November 15th, 2022
4. A final draft by December 20th, 2022
5. The final Invest Case by December 30th, 2022.

2.4 Timeline

Proposals are due on Monday 1st August 2022 at 4:00pm GMT and should be sent to Afua@proforest.net. Award will be made in August 2022. The final investment case should be completed by December 30th, 2022.