



REPUBLIC OF UGANDA

Investing in Forests and Protected Areas for Climate-Smart Development (IFPA-CD) Project (170466)

Terms of Reference for Consultancy services: Support to Design and Management of Wood Processing Subsidy Scheme

1. INTRODUCTION

The Government of Uganda, through the Ministry of Water and Environment (MWE, the Lead Agency), Uganda Wildlife Authority (UWA), and National Forestry Authority (NFA), is executing the "Uganda – Investing in Forests and Protected Areas for Climate-Smart Development (IFPA-CD) Project." This project is financed through contributions from the World Bank and counterpart funding from the Government of Uganda.

Part of this project's budget (specifically under sub-component 2.2) is earmarked for support to the private sector to enhance their capacity in wood processing. Uganda's forestry sector is endowed with a wealth of biodiversity and natural assets and can significantly contribute to the nation's economic expansion, environmental preservation, and societal advancement with the right investments. Some of the bottlenecks within the sector include limited industrialization, limited market reach for forest-based products, and the suboptimal use of plantation forestry assets. Given the pivotal role that the forestry and wood processing sectors play in fostering economic growth, environmental stewardship, and employment generation, it is imperative to capitalize on this untapped potential through deliberate and strategic measures.

It is envisaged that such support will bolster the development of a vibrant wood-based processing industry. In order to achieve this, MWE, with project funding, aims to establish a scheme to provide technical assistance and financial assistance to the wood processing industries and forestry contractors.¹ The details for the scheme are to be designed by the Consultant to be selected, and the instruments may include, among others, matching grants and other tools to support investments in modern production capacity. Overall, the initiative aims at catalyzing investment in wood processing technologies, innovation, creating employment opportunities, and opening up new markets for Ugandan forest products both domestically and internationally. Ultimately, this will increase innovation, import substitution and export promotion of value-added wood products, transforming production forestry and wood processing into a robust and self-reliant economic sector.

¹ Contractors include firms and entrepreneurs that provide planting, tree cutting, transport and other forest management services to plantation owners and/or wood industry on a commercial basis.

The scheme seeks to identify viable pathways for leveraging private sector investment in wood processing infrastructure, enhancing the value chain of forest products, and promoting sustainable forest management practices.

The Ministry intends to hire a consultant to design, establish and operate such a scheme.

2. ASSIGNMENT OBJECTIVES

The objective of the consultant assignment will be to design and manage a subsidy scheme for wood processing industry and forestry contractors, based on the criteria and key principles described in these Terms of Reference, and in consultation with the MWE and approval of the Project Steering Committee.

The Consultant will be responsible for technical administration of the grant scheme (financial disbursements will be handled by the MWE directly) during the IFPA-CD project, provision of related training and extension support to the existing and aspiring wood processing industries and contractors, monitoring and technical assistance to facilities receiving project support under the subsidy, and monitoring of environmental and social compliance of the grantees. The Consultant will also develop and manage relevant information and data management systems.

3. DETAILED SCOPE AND TASKS

3.1 Coverage

The Scheme will be implemented in 28 target districts grouped into five geographic clusters, as shown in Table 1 below.

Table 1. Project Area Clusters

Cluster	Districts
Kigezi	Kabale, Kanungu, Rubanda, Rukiga, Rukungiri , Buhweju
Ankole	Bushenyi, Mitooma, Rubirizi
Rwenzori	Bunyangabu, Kabarole, Kamwenge, Kasese, Kitagwenda, Kyegegwa, Kyenjojo, Ntoroko
Kitara	Buliisa, Hoima, Kagadi, Kakumiro, Kibaale, Kikuube, Masindi
North-West	Arua, Kiryandongo, Nwoya, Zombo

The cluster approach is designed to enable the development of appropriate value chains and to assist smaller growers to access markets for plantation-grown timber. It is expected that the Scheme will be built, as relevant, on the experiences and lessons from the Sawlog Production Grant Scheme (SPGS) that has been operating in Uganda since 2004, especially the processing support that was included in SPGS III. It is expected that the grants provided through the scheme would contribute to the purchase of processing, harvesting, etc. equipment by the selected beneficiaries. The scheme will also serve as a knowledge hub on forest operations and wood processing, providing technical assistance to private sector operators engaged in these activities. The scheme aims to provide grants to a maximum six beneficiaries (for each cluster to have a processing hub where possible) to address the gaps in processing component as well as offer advisory technical assistance and training activities to beneficiaries.

3.2 Tasks

The consultant will be expected to deliver on the following tasks:

I) Scheme design and implementation

- a. Design the subsidy scheme, and its operational structures and processes (incl. information management systems) to support wood processing industries and forestry contractors.
- b. Develop detailed operating procedures, detailed eligibility, and performance assessment criteria and principles for the scheme. These will be subject to approval by the Project Steering Committee;
- c. Develop and implement the stakeholder engagement and communication plans
- d. Manage the issuance of calls for proposals and undertake initial screening of all received applications and make recommendation to the Subsidy Scheme Management Committee and Project Steering Committee for approval;
- e. Provide general advocacy of the subsidy scheme and provide guidance to interested applicants.

II) Training

- f. Conduct a training needs assessment among scheme potential beneficiaries, and other wood industry operators.
- g. Plan and provide training in efficient and safe wood harvesting, transport and wood industry practices, in machinery use and other relevant topics to operators/practitioners (incl., “training-of-trainers”-approach). This may happen both by the Consultant or in collaboration with the Nyabyeya Forestry College (NFC)².
- h. Training will be an essential element of the Consultant assignment and training needs will be assessed at the beginning of the assignment and a training plan prepared. It can be expected that each year at least six (6) dedicated three-day training sessions for approximately 20 people need to be organized, at the minimum³. These can be both on-site or in centralized locations (key cluster towns, NFC, etc.). In addition, the Consultant needs to provide targeted training/demonstration sessions on as-needed - basis to smaller groups in the field on such topics as OHS, machine maintenance, process optimization, etc.

III) Knowledge and technical assistance

- a. Provide technical support to improve and maintain required quality and safety standards by the beneficiaries and provide advice on various operational aspects as deemed necessary;⁴

² Some training may also be provided in collaboration with the plantation support scheme.

³ Details will be agreed in the work program and after the training needs assessment has been conducted.

⁴ Technical support and advice, though not financing, may also be made available to operators that have been established prior or unrelated to IFPA-CD grant support.

- b. Monitor periodically the performance-based contracts, including quality assurance and compliance with agreed management and business plans, training on and compliance with environmental and social standards, including labor management procedures and occupational and health standards;
- c. Establish and manage a computerized Information Management System with georeferenced data on the beneficiaries and scheme activities;
- d. Undertake data collection and publication of statistical and other information about the plantations⁵;
- e. Ensure provision of training and extension support on relevant environmental and social standards, including labor and operational health and safety to the scheme beneficiaries and, as may be applicable, other wood processing operators;
- f. Support and liaise with the NFC, as agreed with the Client and NFC, and
- g. Advise the Government of Uganda in developing systems to support the wood production and processing sector after project closure⁶.

4. QUALIFICATIONS AND EXPERIENCE

4.1 *General Qualifications and Experience of the Consultant*

The Consultant firm(s)⁷ should demonstrate that they meet the following minimum standards:

- a. *Qualifications of the firm:* The consultant firm should have extensive experience in developing and supporting the wood processing industries. It must have the capability to assemble a team (for team composition, see Section 5.2 below) that is knowledgeable and practically skilled in various aspects of wood products development, wood processing technologies, and forest products marketing, and in training in these fields.
- b. *Managerial and technical capabilities:* Sufficient organizational, managerial and staffing capacity to operate across diverse landscapes with a program of consistent quality as well ability to train the beneficiary grantees.

4.2 *Expertise Required*

The Consultant will be required to provide a team of experts with the following qualifications and experience.⁸ All experts need to have excellent command of spoken and written English:

- **Forest Engineering/Wood Technology expert (Team leader):** Master's degree in forestry, forestry processing technology or a related field, with sound knowledge of harvesting and logistics. Working experience of at least 10 years of field-based commercial operations in wood processing and demonstrated team leadership experience. Knowledge of machinery maintenance is added advantage.

⁵ If national authorities produce national statistics, the Consultant will provide relevant data for the national statistics.

⁶ The advice needs to include, among others, training in managing the information and monitoring systems developed by the Consultant.

⁷ Consultant firms may associate to form a consortium in order to enhance their competitiveness.

⁸ The team as a whole needs to cover the listed expertise, though individual experts' profiles may be different from those listed.

- **Wood Utilization Expert:** Bachelor's degree in wood technology, forestry or a related field, with specializations in forest utilization and wood-based value chains. Working experience of at least 10 years in the field, of which at least 5 years at supervisory/management level.
- **Business Development Expert:** Bachelor's degree (Master's preferred) in business administration, management, economics, or a related field. At least 10 years of demonstrated experience related to any of the following: business development, organizational development of grantees, market development, and institutional promotion. Experience in the wood processing sector is strongly preferred
- **Environmental and Social Safeguards Expert:** Bachelor's degree in environment, forestry or natural resources management, or in social sciences with extensive experience in the forest sector. This will include attention to health and occupational safety aspects. Specialized training in social and environmental safeguards. Working experience of 8 years in assessment or monitoring or supporting compliance with environmental and social safeguards. Familiarity with World Bank Environmental and Social Framework (ESF) is required. Ability to communicate in both English and the local languages in the project areas is added advantage.

The Team needs to have members with experience in planning and providing technical training in the field of the assignment.

The Consultant is expected to provide other staff as necessary to execute the assignment successfully (incl. specialists to provide training defined in the training plan).

5. REPORTING REQUIREMENTS

5.1 Supervision

The Consultant is required to establish a detailed work program at the outset for the duration of the assignment, taking into consideration the estimated person-month requirements. This should be guided by professional judgment of the assignment's requirements and knowledge of local conditions and needs. The work program may be revised and updated periodically with the Client.

The Consultant team – represented by the Team Leader – will report to the National Project Coordinator, through the designated Contract Management Team. The Consultant will be required to participate in relevant coordination, supervision and monitoring meetings organized by MWE. The Consultant and the Contract Management Team and the National Project Coordinator will have periodic (for example, monthly) progress review meetings, as agreed at the beginning of the assignment.

Table 2: Deliverables

ID	Deliverable	Time (months) after commencement	Comments	Copies
1	Inception Report, including a detailed work plan for the assignment.	2 months	<p>The inception Report should include:</p> <ul style="list-style-type: none"> a. Outline of the proposed approach/methods b. Stakeholder/Grantees Engagement Plan c. Safeguards standards and guidelines for wood industry development d. Communication Strategy and Plan e. List of outputs, schedule for their delivery and detailed work plan f. Summary description of priority issues for consideration to ensure an efficient Grant scheme. g. Draft scheme design based on existing examples and interaction with the industry players and stakeholders 	5 perfect bound
2	Design of the Wood processing Grant Scheme and Implementation of the scheme	3 months	<p>Final scheme design with input from inception incorporated covering:</p> <ul style="list-style-type: none"> a. Establishment of the Grant Scheme operating structures and operating procedures b. Eligibility principles c. Performance assessment criteria and principles d. List of stakeholders and prospective grantees engaged (to engage) at national and field level 	5 Perfect bound

			<p>e. Report on awareness raising of stakeholders and prospective grantees to understand and appreciate the Grant Scheme (objectives, operating procedures, eligibility principles, performance assessment and principles, etc.)</p> <p>f. Report on sensitization of stakeholders /prospective grantees on the safeguard standards and guidelines.</p>	
3	Training needs assessment, training plan and Execution of the training	3 months, with updates every six months	The plan needs to be reviewed and, if needed, updated at least every six months to address new and emerging training needs	
4	Reports on Knowledge, Learning and Technical assistance and compliance monitoring to the grant recipients for wood processing	Every 6 months	<p>Reports on the knowledge learnings and technical assistance</p> <p>Reports on the performance of the grant beneficiaries</p>	
4	Semi-annual Progress Reports	6, 12,18	Includes, among others, report on beneficiaries, technology supported and installed as well as training provided during the reporting period,	5 perfect bound
6	End of Assignment Report.	20	Comprehensive report as above plus lessons learnt and guidance for future related projects.	5 perfect bound
7a	Other Technical reports as agreed with the Client.	Variable	For example, products and markets created, training material, innovations promoted, etc.	TBD
7b	Training materials	Variable	Based on the identified training needs	TBD

Cost of production (preparation and printing) of all required training materials shall be borne by the Consultant and should be included in the financial proposal. All reports will be prepared in English language and submitted in draft as electronic copies (on a flash disc/CD and by email) for review and comments before finalization.

Final versions need to be professionally copy-edited and, for publications with public dissemination, the layout professionally designed (by the Consultant).

A Powerpoint presentation summarizing key content needs to be prepared for each deliverable.

All final documents must be submitted in both hardcopy and softcopy formats (MS-Word/Powerpoint/Excel and PDF and, when needed, appropriate GIS-file formats). The Consultant will submit 5 hard bound copies (where appropriate) and 1 CD/flash disk copies of the final deliverables.

All documents shall be submitted to the client at the following address:

The Permanent Secretary, Ministry of Water & Environment
Attn: National Project Coordinator/ IFPA-CD Project
Telephone: +256 772 470 023
E-mail: margathieno@gmail.com with a copy to Contract Manager (to be designated)
Ministry of Water and Environment
Plot 3-7 Kabalega Crescent
P. O. Box 20026
Kampala – Uganda

The consultant(s) shall honor invitation by the Client to attend and or facilitate discussion in various fora regarding this assignment and deliverables, as appropriate.

At the end of the assignment, the Consultant cannot claim any right of authorship or design patent of the reports and other deliverables submitted as part of this assignment.

6. DURATION AND LEVEL OF EFFORT

The Consultant will be expected to accomplish this assignment over a period of not more than 20 months and a minimum of combined 200 man-days spread over 20 months for all the Consultant team members (see section 4.2 above). The consultant will propose the allocation of consultant time among the team members.

7. FACILITIES AND INFORMATION TO BE PROVIDED BY THE CLIENT

The Client will provide to the short-listed firms the following documents for reference: 1) wood processing and value addition reports for Nyabyeya hub; and 2) detailed information on SPGS, including documents regarding scheme operation and selection criteria. by.

The Client shall also provide or facilitate the Consultant to access relevant information including but not limited to documentation from SPGS II and SPGS III, Forestry Sector Support Department (FSSD) and other sources such as NFA, National Environment Management Authority (NEMA), District Local Governments and Ministry of Lands, Housing and Urban Development (MLHUD), among others.

8. OTHER

It will be the responsibility of the Consultant to secure appropriate office space and equipment. The scheme management office needs to provide workspace for most team members, and it needs to have facilities to receive visitors interested in Scheme activities⁹. The Consultant will be responsible for their own transportation.

The Team needs to be available for brief *ad hoc* communication and guidance through office visits, virtually or other appropriate means also between activities agreed in the work plan and schedule.

⁹ For example, extensive remote working arrangements with no “fixed address” are not accepted.