Attachment 1

TERMS OF REFERENCE

Consultancy for a Cost Benefit Analysis of Establishing a Subregional Presence

Background

The 21st SPREP Meeting held in Madang, Papua New Guinea in September 2010, endorsed the concept of establishing a sub-regional presence for SPREP in the Pacific region and called for the Secretariat to investigate options. The rationale for establishing a regional presence is to further strengthen and better align SPREP member activities with the 2011 – 2015 SPREP Strategic Plan and fulfil its regional mandate which is: *"To promote cooperation in the Pacific region and to provide assistance in order to protect and improve its environment and ensure sustainable development for present and future generations"*

In July 2011 the terms of reference (TOR) for a consultant to undertake a study of the options concerning establishing a sub-regional presence for SPREP in the Pacific region were completed and a consultant appointed.

The process involved extensive consultation during field visits to 7 Member countries in 2 sub-regional areas of Melanesia and Micronesia. During the visits to the selected countries in Micronesia and Melanesia, consultations were held with relevant/key government officials of SPREP Members, donors and other partners and stakeholders. Additionally, follow up consultations were held with relevant CROP Agencies regarding the possibilities for co-location of SPREP staff and their experiences with decentralisation. Other consultations included discussions with SPREP Secretariat staff, as well as with relevant donors to ascertain options and interest in providing support for the establishment of a sub-regional presence for SPREP.

This report was tabled for discussion among members at the 22nd SPREP Meeting in September 2011. Members welcomed the initiative of establishing a sub-regional presence for SPREP in principal, but stated that a decision on whether to proceed with this initiative would have to be made in light of a comprehensive cost-benefit analysis of the options outlined in the report.

The Consultancy

Following the direction of SM22, the following broad approaches were identified as requiring further evaluation:

- Establishing a of sub-regional offices, including co-location with other CROP Agencies;
- Periodic sub-regional forums;
- Project-based regional presence;
- Country desk officers based at SPREP Headquarters; and
- Placement of SPREP staff in line agencies in-country.

The Meeting tasked the Secretariat to bring forward a Paper on 'Strengthening Regional Linkages' to the 23rd SPREP Meeting, which presents a detailed evaluation of options and seeks endorsement of a programme of action. The meeting identified the following elements as critical elements in moving forward:

- A formal consultation with all Members prior to SPREP's 2012 Meeting;
- Specific Proposals, along with the rationale for support, linked to the efficient and effective delivery of programs and strategic plan priorities;
- A small number of illustrative case studies of successful regional presences;
- Identification of the Pacific Island Countries that would be the focus for improving regional linkages, including specific programmes and projects requiring on-ground support;
- Robust assessment of the costs and benefits of the proposals;
- Identification of the implications of proposals particularly on delivery of services and advice into the future, including the financial impact on the core budget; and
- Identification of any factors, including external factors, likely to significantly impact on SPREP's delivery of services and advice over the term of the Strategic Plan.

Accordingly, the consultancy shall build on the general findings of the initial study and examine the cost implications of each option and benefits in light of the SPREP Strategic Plan 2011-2015. This will involve rigorous analysis of the costs and benefits of establishing a sub-regional presence based on tangible, readily quantifiable data. The analysis will use the existing headquarters situated in Apia as a baseline, and will articulate the benefits in terms of increased efficiency and effectiveness relative to SPREP's current institutional set up. It will assist Members in arriving at a decision of whether or not to proceed with sub-regional expansion and as such must contain clear analysis of the available options.

The consultant shall also identify other options for a sub-regional presence where appropriate and provide a cost-benefit analysis of those options. The report will identify the potential costs to SPREP in establishing a sub-regional presence along with the benefits in terms of better delivery of existing and future programmes in line with the SPREP Strategic Plan 2011-2015.

This exercise and costs benefit analysis will include, but not necessarily be limited to, the following areas:

- Establishment costs;
- Taxation and other fiscal implications;
- Location;
- Staffing costs (inc. insurance, healthcare provision, costs of living including relocation costs);
- Comparison of costs with SPREP's current work operating from its base in Apia;
- Overheads ;
- Availability and quality of infrastructure (e.g internet, telephony); and
- Consideration of alternatives, such as secondments to other CROP Agencies.

The benefits to SPREP Members will be articulated predominantly in terms of the SPREP Strategic Plan 2011-2015, which commits the Secretariat to:

- Deliver quality service to Members by expanding funding for the priorities identified in the Strategic Plan;
- Change management and institutional strengthening to ensure that programmes are relevant and viable; and
- Work in partnership with other organisations and stakeholders that support SPREP priorities.

The consultancy will give **clear and quantifiable** recommendations on the benefits of establishing a sub-regional presence which take account of the potential risks to the organization and its employees.

The final report will assist Members in reaching a decision regarding the most cost effective means of establishing a sub-regional presence for SPREP and will analyse the benefits of such a move to furthering the objectives outlined in the SPREP Strategic Plan 2011-2015.

The consultant shall actively engage Members in the consultancy and ensure that the outputs are produced as a result of close collaboration with relevant governments, CROP Agencies, SPREP Partner Agencies and SPREP Senior Management and Staff.

Outputs

In addition to the list of critical elements above:

(i) The consultant will prepare a cost benefit analysis of all options for establishing a sub-regional presence for SPREP, including co-locating staff at other CROP Agencies. The report will outline the financial, legal, fiscal and geographical implications of each option. The report will also contain a synthesis of the questionnaire responses of Members available at the time of publication.

(ii) The consultant shall prepare reports for each in-country consultation detailing the views of the individuals and organisations consulted, and options (where appropriate) available for establishing a sub-regional presence in that country. A full listing of all data used in the consultancy will also be prepared.

(iii) A presentation of this report will be made to Senior SPREP Management for their input before the SPREP Meeting in August 2012.

(iv) The Consultant shall attend the SPREP Meeting in Noumea, New Caledonia in August 2012 to be available to provide assistance or clarification to Members on the findings of the report, as required.

Specific Tasks

The specific tasks of the consultancy shall include, but will not necessarily be limited to:

(i) Collaboration with Pacific Island countries and Territories (PICTs) and Partners/ donors on the questionnaire to ensure that adequate and effective financial information is received;

(ii) Travel to selected Member countries and Territories in the Melanesia/Micronesia/Polynesia sub-regions and consult with relevant Government officials to conduct a cost-benefit analysis of establishing a sub-regional presence for SPREP;

(iii) Provide a synthesis of key inputs from consultations with SPREP Members, partners and donors;
(iv) Consult and work closely with the SPREP secretariat in finalising key inputs in the development of a draft report;
(v) Provide the SPREP Secretariat with a draft report/study containing a cost benefit analysis of all options for the establishment of a sub-regional presence for SPREP in the Pacific region including, but not limited to, those listed above;
(vi) Provide assistance and/or clarification of the report to SPREP Members at the 23nd SPREP Meeting in New Caledonia in August 2012, as required.

Consultant Competencies

Given the strong emphasis in the consultancy on financial and economic strategy analysis of the consultancy, the successful consultant will demonstrate the following characteristics:

1. Applicants should have a minimum qualification of a Masters degree in Accounting / Financial
   Management or related field (OR a Bachelor degree in lieu, with applied relevant work experience);
2. at least 7 years extensive experience in business/accounting / financial management preferably in the Pacific region, with at least 5 of those years in senior management and leadership roles within an international or regional organisations and/or government;
3. Expertise in analysis of institutional cost effectiveness and organizational efficiency;
4. Knowledge and understanding of SPREP in terms of its regional mandate and legal status; and
5. Experience in institutional design, especially in the context of international and regional civil service organisations.

Application

Interested candidates and organisations shall submit a full methodology and proposed budget IN US Dollars as part of the application specifically addressing the criteria above.