

TERMS OF REFERENCE**ENVIRONMENTAL AND SOCIAL SAFEGUARD POLICY GUIDELINES FOR THE FUND TO PROMOTE INDUSTRIALIZATION OF AGRICULTURAL PRODUCTS (FUNPI)****GUINEA BISSAU PRIVATE SECTOR REHABILITATION AND AGRIBUSINESS DEVELOPMENT PROJECT (PSRADP)****INTERNATIONAL CONSULTANT****A. Context**

1. Cashew is Guinea Bissau's most important agricultural product. It is grown by close to 55 percent of all agricultural households (mostly small holders) and employs, directly or indirectly, 80 percent of the population. Cashew nuts currently represent over 90 percent of the country's export revenues and are the main source of cash revenue for agricultural households, which are the poorest in the country (rural poverty is close to 80 percent). Guinea-Bissau is currently the world's fifth largest producer of cashew, after India, Cote d'Ivoire, Vietnam and Brazil, and its nuts are considered of relatively high quality.

2. Despite very favorable agro-climatic conditions, expanding production levels of good quality nuts, the sector faces serious challenges. Although yields are acceptable at 500-600 kg/ha they are nevertheless low compared to their potential due to poor quality planting material and weak agronomic practices. Harvest and post-harvest techniques are also inadequate generating losses in quantity and quality of nuts. In addition, in-country processing is very low; less than one percent of the approximately 200,000 tons of nuts produced in 2011.

3. The government's National Agricultural Development Program and National Program for Agricultural Investment (PNIA) target sectors holding the greatest promise for a significant impact over the next 10 years in terms of economic growth, export earnings, food security, employment and poverty reduction. Cashew is one of the two critical high impact sectors identified. The Government aims to develop the sector by encouraging increased production, improved product quality and support for local processing; promoting the equitable distribution of this value-added to all actors of the value chain; and harnessing the economic value of the sector to facilitate development and diversification of the entire agricultural sector. The Government's vision is to produce more 350,000 tons of cashew nuts by 2020, of which at least 30 percent or 100,000 tons will be processed locally, creating about 35,000 full time jobs in rural areas.

B. Fund to Promote Industrialization of Agricultural Products (FUNPI).

4. To help achieve this vision, a development fund for financing private or collective activities critical for the agricultural sector, FUNPI, was created in May 2011: Decret No. 19/2001. It is a public-private institution funded by a parafiscal levy collected on the export of raw cashew nuts, resources from the government or other external sources. The Fund's objective is to promote the development of all agricultural value chains, however, in the short-to-medium term a large part of its activities will be targeted at the cashew sector, which will also be contributing most of the Funds resources.

5. In October 2013, FUNPI's statutes were formally adopted, establishing a 30/70 split in the usage of its funds, with 30 percent being allocated to the private sector and public agencies, and the remaining 70 percent towards direct financing of activities in agribusiness and other industries. In line with the national environmental legal framework, one of the key operational principles central to this discussion includes ensuring that FUNPI financed activities do not give rise to any significant adverse environmental and social impacts. To this end, a specific environmental and social policy as well as the associated implementation guidelines will be prepared for FUNPI. Both the overarching policy and the specific guidelines will take into account and address the particularities of each of the FUNPI financing windows and will be operationalized through the incorporation of appropriate screening and impact assessment procedures into the FUNPI Operational Manual.

C. National Environmental and Social Management Framework and Capacity.

6. Over the past decade, environmental assessment has gained increasing national recognition as a means of promoting sustainable development. In light of environmental challenges, Guinea Bissau has endorsed the principle that a healthy environment is a human right. This concern is manifested by the creation of many institutions (State Secretariat for Environment and Sustainable Development - SEADD, Institute for Biodiversity and Protected Areas - IBAP, Environmental Impact Evaluation Unit - CAIA, etc.) for managing environmental issues. Despite the growing importance given to these issues the in-country capacity to manage them is still limited. An Environmental Framework Law and a national Environmental Assessment Law were both promulgated in 2010, which provide the overarching legislative framework for environmental and social management and protection in the country. Detailed regulations for their implementation are not yet fully in place. The Environmental Impact Evaluation Unit (CAIA) responsible for oversight of implementation of the EIA Law has been established with a small two person team supported by a network of "Sectoral Antennae" or focal points in each technical ministry. The institutional and human resource capacity of these to fulfil their roles and responsibilities is low.

D. Objective and scope of work

7. The objective of this consultancy is to assist FUNPI to develop environmental and social policy guidelines to ensure that the activities it finances do not give rise to significant adverse environmental and social impacts.

8. To this end, the consultant will work with the government and other FUNPI stakeholders (e.g., CCIAS, INCA, CNC, CAIA, MSC, INPA, producers, processors, exporters, FUNDEI) to: (i) define an overarching policy statement for FUNPI vis-à-vis environmental and social protection, covering each of the three financing windows, (ii) detail specific environmental and social due diligence guidelines identifying the likely impacts of FUNPI financed activities under each financing window, propose proportionally appropriate mitigation measures and assess capacity gaps as well as make recommendations to address them, and (iii) liaise with the consultant team preparing the FUNPI Operational Manual (under a separate consultancy contract) to design the detailed business processes and procedures necessary to appropriately integrate and monitor the application of these guidelines within the FUNPI project cycle.

E. Reporting arrangements

9. The International Consultant will exercise his/her duties under the direct supervision of the team overseeing the preparation/implementation of the PSRAD project, led by the Ministry of Economy and Regional Integration) and the Cell for Environmental Impact Assessment (CAIA). The Ministry of Economy and Regional Integration, supported by the Project Coordination Unit once established, will ensure adequate involvement of other key stakeholders, including *inter alia*: CCIAS, SNV, FUNPI, associations and individual stakeholder representatives along the entire value chain, including production, processing, exporting, monitoring and quality control of products and services.

10. The international consultant will be supported by a national consultant with extensive experience in similar fields. The local consultant will be supervised by the international consultant so as to increase local capacity.

F. Deliverables

11. Key deliverables will include:

- Inception Report, including the proposed analytical framework and detailed report outline
- Draft and Final Report (s) including:
 - (i) An environmental and social policy statement for FUNPI, governing all FUNPI financing windows,
 - (ii) a comprehensive set of environmental and social policy guidelines to guide FUNPI's work and due diligence with respect to environmental and social impacts of the works/activities to be financed under each of the windows, and
 - (iii) a comprehensive chapter on environmental and social issues (including the policy statement and guidelines in (i) and (ii) above) which clearly delineates roles and responsibilities of the implementing entities for each window responsible for ensuring proper application of the guidelines and ongoing monitoring of the activities to ensure full compliance with the guidelines.

12. Draft and Final Report(s), will be presented in the form of an Environmental and social safeguards chapter for the FUNPI Operational Manual. The preparation of the chapter will be closely coordinated with the consultant team responsible for preparing the overarching Operational Manual.

G. Duration

13. The estimated number of working days to perform the services described shall be twenty-five (25) days to be worked over a period of two (2) months. This will include a + / - fourteen (14) day in-country visit. The work schedule may be adjusted by mutual agreement between the client and consultant during contract negotiations.

H. Qualifications

14. The international consultant should have:

- a graduate degree in a relevant field such as environmental and social management/assessments, agriculture/agribusiness, environmental engineering, economics or international development
- a minimum of 10 years relevant experience in areas such as policy development, environmental and social safeguard implementation, sustainable development and development finance
- country and sector experience, knowledge of World Bank's safeguard policies, and experience with producing operations manuals for financial institutions would be an advantage
- strong interpersonal communication and team work skills
- an ability to work in Portuguese, Spanish or French
- willingness to travel

I. Recommended background documents

15. Project Background:

- Private Sector Rehabilitation and Agribusiness Development Project (World Bank) Project Appraisal Document/Project Information Document (PID) and Integrated Safeguards Datasheet (ISDS)
- Country Economic Memorandum (CEM) (World Bank)
- Guinea Bissau Poverty Reduction Strategy Paper (PRSP)

FUNPI:

- FUNPI relevant decrees: Decree No. 3 / 2005 of April 26, Decree No. 19/20011 of May 3
- Presentations from the November 2011 workshop on CEM Cashew Chapter and FUNPI

Cashew:

- Cashew Institutional Framework Report and Recommendations (under preparation)
- Selected agribusiness project documents e.g., technical and feasibility studies for processing, storage, etc..

Safeguard:

- National Environmental Management Plan (2004)
- National Environmental Framework Law (2010)
- National Environmental Assessment Law (2010)
- Decree for the creation of the Unit for Environmental Impact Assessment (CAIA)
- Environmental and social safeguard policies of World Bank /IFC
- World Bank Environmental and Social Management Framework Toolkit
- Environmental and social management frameworks and procedures for the Local Environmental Initiatives Fund (FIAL), the Rural Community Driven Development Project/Participatory Development Project (RCDDP/PRDP), FUNDEI, and other national funds

J. Form of presentation of the product

16. All products will be delivered in three (3) hard copies and electronic version on two (2) CD-ROMs, the latter compatible with Microsoft Office 97. Drafts of each deliverable will be submitted for review and approval at least two (2) weeks in advance of the deadline for delivery of final products.

K. Property Rights

17. All results of the contracted services, including original documentation, specifications, and sources compiled programs, databases, files, tables, graphics, photos, memories of calculation, and all information obtained and methods developed in the context of the subject contract will be Property of the Client.