



together possible.

## **Terms of Reference for Consultant for analysing financial flows in cacao sector, NTFPs and wood from community's forest in Cameroon**

*WWF (The World Wide Fund for Nature) is an International Non-Governmental Organization that deals with conservation of nature. Our mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.*

### **1. Context**

Countries of the Congo Basin, with the world's second largest tropical rainforest, are largely dependent economically on natural resources including agriculture. Agriculture remains the main source of employment and livelihoods for rural populations. Most farmers practice traditional agriculture mixing food crop agriculture (cassava, plantains, yams, peanuts, maize, millet, rice) for subsistence and local market and cash crops (sugarcane, banana, peanuts, tobacco, cocoa, coffee, rubber, oil palm) for income. Smallholders dominate production and there are tremendous gaps between actual and potential production yields. With the falling prices of extractive resources like mineral oil, these countries are all now looking to agriculture as a potential lever for economic development. Cocoa is already an important export commodity for Cameroon. Cameroon is the 4th largest cocoa producing country in the world and the 3th largest in Africa with 290,000 MT in the latest cocoa season. The nation's ambition is to lift this to 640,000 MT per year by 2030. Cocoa plays an important role in the country's economy as it is the 2nd largest export product, with an average of USD 2 billion in export sales per year. However, over the last two decades, the quality of the Cameroon cocoa deteriorated due to a lack of sectoral support. As a result, the cocoa from Cameroon can no longer be sold on the premium market - it is now sold for a discounted price on the international conventional market. These developments have made cocoa farming an unattractive occupation, and younger generations are opting out to seek more lucrative employment elsewhere. While remaining cocoa smallholders seek other opportunities to increase their incomes by expanding cocoa cultivation into forests.

The total surface of planted cocoa area by 2018 in Cameroon is estimated at about 750 000 hectares, a doubling since 2000. The question is how would Cameroon attain this target without extensive new forest clearings and this is even further made complex with the ongoing socio-political crisis in the Southwest Region, one of Cameroon's major cocoa producing areas.

On the other hand, the 1994 Cameroon forest law gave the opportunity to local communities to participate to the management of the forest through sustainable management of community forest. In 2019, Cameroon count 653 communities forest covered a total land area of 2 351 267 ha. Wood processing in the community forest is done in partnership with local economic operators, who exploit very few authorized forest species, the wood is mainly intended for export very demanding in quality. Consequently, abandoned wood in the forest is very important and not valorized. In general income is low to meet the needs of the populations also the low reforestation of the forest cover does not guarantee the availability of the resource in the long term

For WWF, responsible cocoa and wood production in the Congo Basin offers an opportunity for sustainable development, enhancing the livelihood of the local communities that depend on it and minimizing its footprint on the environment and biodiversity. WWF believes that when forest and agricultural operations including cocoa production and wood harvesting are

sustainably managed, they can preserve and restore critical habitats, help protect watersheds, and improve soil health and water quality. Unsustainable wood harvesting and cocoa production, such as full sun practices with complete clearing of forestlands may on the contrary have serious impacts on people and the environment.

One of the emerging activities in this field is the Dutch government funded Mobilising More 4 Climate (MoMo4C) program. MoMo4C is a five-year program that aims to bring together entrepreneurs, firms, policymakers, investors and civil society organisations to make green business propositions that tackle the impacts and causes of climate change at a landscape level in developing countries, and to attract investments to implement these initiatives.

Mobilising More 4 Climate focuses on developing business propositions for climate-smart agriculture, sustainable water management, food security and ecosystem restoration solutions. These should contribute to climate-resilient development in the landscapes where they are proposed. Mobilising More 4 Climate will facilitate public-private collaboration and attract investments that will scale up such climate action projects. The overall objective of Mobilising More 4 Climate is to link entrepreneurs and companies with potential business cases for climate action to policymakers, investors and civil society organisations to further strengthen these business propositions and ensure a positive climate, environmental and social impact at a landscape level. In Cameroon, the MoMO4C program has identified cacao, community forestry and non-timber forest products (NTFPs) as the key sectors to focus on. As part of this work, WWF wants to have an overview of Financial Flows in the cacao and community forestry (wood/NTFPs) sectors in Cameroon. This will allow the program to identify the financial size of the sector, the main actors, the main funding systems in the sector and how they are interlinked. This will help to identify opportunities and further direct the focus of the program in developing pipelines of climate adaptation projects and by designing instruments that can attract public, private and/or blended finance.

## **2. Objectives**

The overall objective of this consultancy is to obtain a better understanding of the financial flows in the cacao and community forestry (wood/NTFPs) sectors in Cameroon which will help WWF develop a strategy to influence these sectors.

The specific objectives are to:

1. Identify the overall financial size of the cacao and community forestry (wood/NTFPs) sectors in Cameroon, the different main current actors (suppliers, buyers) in this sector, the size of their financial role in this sector and their financial interconnections;
2. Identify the major current and future actors in the private and finance sectors that invest, provide loans or insurance to sourcing and supplying in the cacao and community forestry (wood/NTFPs) sectors in Cameroon.
3. Determine to which extent the actors in the private and finance sectors have assessed the exposure to operational and financial risks associated with ecologic impacts of climate change to the cacao and community forestry (wood/NTFPs) sectors in Cameroon.
4. Identify potential pressure points with the key actors and potentially successful ways to engage with these actors.

## Activities:

- a. Revise approach and develop a detailed work plan
- b. Prepare an overview of the actors in the cacao and community forestry (wood/NTFPs) sectors in Cameroon. This overview will be presented in a short report which also includes an estimate of the accuracy (completeness) of the assessment of financial flows that can be done based on this data and advise on how to proceed with the steps c. to f. hereunder.
- c. Identify the overall financial size of the cacao and community forestry (wood/NTFPs) sectors in Cameroon and identify financial flows and their financial interconnections, focusing on the full supply chain: key companies (1st and 2nd tier suppliers) and their sourcing companies to identify approximately 75% of capital directed into the cacao and community forestry (wood/NTFPs) sectors in Cameroon. Identify the major current and future actors in the finance sector that invest, provide loans or insurance to sourcing and supplying in the cacao and community forestry (wood/NTFPs) sectors in Cameroon. By:
  - i. Gathering information through traditional financial sources and resources where available.
  - ii. Conduct interviews with local experts/informants from local producers, producer groups, industries, ministries and banks or with foreign institutions where necessary. On-site where possible, or by telephone/ZOOM.
  - iii. For each key actor quantify financial exposure to the cacao and community forestry (wood/NTFPs) sectors and to which extend the actors in the private and finance sectors have assessed the exposure to financial risks associated with ecologic impacts of climate change to the cacao and community forestry (wood/NTFPs) sectors in Cameroon.
- d. Synthesise data and compile lists of key actors.
- e. Recommendations on ways of engagement with these actors.
- f. Produce a report to document these findings.

## 3. Outputs

1. Proposed detailed work plan with defined timelines and research approach according to the present terms of reference
2. Report with an overview of available data, which includes an estimate of the accuracy of the assessment that can be done, based on this data. In other words; with what percentage of confidence can we indicate the 75% financial flows in the relevant sectors based on available data? Based on this estimate, the core team will decide to go ahead with steps c. to f. defined under the Activities section
3. One technical report with:
  - a. Identified financial flows, quantified if/when possible, related to key actors.
  - b. Identified key players from the private and finance sectors responsible for these financial flows (75% of capital directed to cacao and community forestry (wood/NTFPs) sectors) at present or in the future.
  - c. Profile of the leading public and private financial institutions and private sector actors identified, including:
    - Environmental and social criteria considered in their capital allocation, lending, and business decision making, going beyond project funding.
    - Main opportunities to bring them to sustainable finance.
    - Main barriers to their engagement with sustainable finance.

- d. Offer recommendations on how to engage with these actors and mainstream ecological impacts in their investment decisions and lending policies and promote investment that contributes to better management of natural systems and governance.
4. All primary information collected on investments and investors should be deposited in a file made accessible to the project.

#### **4. Required skills and experience**

1. Proven experience and knowledge of the cacao and community forestry (wood/NTFPs) sectors in general and of the business environment in Cameroon.
2. Network of contacts within the cacao and community forestry (wood/NTFPs) sectors in Cameroon preferred.
3. Robust networking abilities.
4. Excellent spoken and written French (provide report in French), good knowledge of English (able to read English documents).
5. Availability and readiness to travel.
6. Holder of at least a Masters degree in agriculture, business or development sciences.

#### **5. Timeframe**

The contract should be concluded within a period of 4 months from initiation.

#### **6. Expression of Interest**

All applications containing a Technical and Financial bids in ONE DOCUMENT should be sent to [recruit-cam@wwfcam.org](mailto:recruit-cam@wwfcam.org) in ONE EMAIL ONLY with the following:

- Comments demonstrating the understanding of the Terms of Reference;
- A clear methodology/procedure for implementing the assignment;
- Brief (2 page maximum) curriculum vitae highlighting experiences relevant for this assignment;
- A clear statement describing why the consultant is a suitable candidate.

The deadline for the reception of bids is **21<sup>st</sup> January 2021**.

For the email subject line, please use: “*Cacao and CF (wood/NTFPs) financial flows analysis Cameroon*”