SPOTT

Consultant Terms of Reference (ToR): Future trends in timber & risk mapping

1. Introduction

This ToR outlines the responsibilities and deliverables for a consultancy opportunity with ZSL's SPOTT Programme, to support the development of two reports to identify material trends and shifts in timber and pulp consumption, in order to reduce the impacts of production and trade, including:

- A 'business case' for sustainable timber, which will aim to present the case to investors, buyers and companies that forests should be sustainably managed.
- An in-depth research paper on rising timber demand, and increasing use of timber in mass construction, packaging and clothing.

2. Description of the service

The consultant will provide a report of 20 pages or more to inform two separate reports produced by the SPOTT team.

2.1. Data Analysis - New uses of timber (c. 10 pages)

The Consultant should identify and present reliable and robust analysis of international trade data for the following timber products:

- o Dissolving pulp and other wood-based inputs used for **viscose** manufacture
- o Wood pellets, chips, shavings and other wood-based inputs used for **biomass**
- o Pulp, paper, cardboard and other wood-based inputs used for **paper and card packaging** manufacture
- o Timber and other wood-based inputs used for prefabricated building and mass timber **construction**

The Consultant should also suggest **at least two** other wood-based commodities for analysis (such as other textiles or pulp-based bioplastics), to be agreed with ZSL. These wood-based commodities should be materially relevant to trends in timber and pulp production and trade patterns.

The Consultant should use the compiled data to carry out a detailed market analysis based on international trade flows between exporting and importing countries. Specifically, where possible, the consultant should present their findings on the following topics:

Global data:

- o **Global supply and demand figures** for each commodity sector (viscose, biomass, packaging, construction) by volume and value for the latest available year.
- o **Global trend data** for each commodity sector by volume and value over the last 10 years.

Country data:

- o **The top 10 producing, exporting and importing countries** for each timber commodity group by volume and value (in GBP)

2.2. Scenario analysis (c.5 pages)

The Consultant will provide scenario analyses of the below, based on future market demand for the timber products outlined in 2.a suggested by existing market forecasts and analyses. Where possible, the Consultant should conduct interviews with leading analysts in the sector in order to provide insight and support their analysis.

- o **Estimated growth in timber product markets over the next 5, 10 and 20 years** for viscose, biomass, packaging, construction products (by volume and value)? An estimate based on extrapolating existing trends should be provided as well as a high and low growth estimate.
- o **Top 10 countries where demand is expected to grow most significantly** based on current trend data and expert insights.
- o What factors would significantly positively or negatively affect growth?

Where possible, the consultant should also provide a best estimate of the environmental and trade impacts based on these different scenario analyses, for example:

- What volume and/or number of stems will be needed to satisfy demand?
- What hectarage of production forest (if any) will be required to satisfy demand?
- Does required production forest area exceed forecast area in each scenario?
- What would be the likely impacts on other wood-product sectors (e.g. displacement of other forest industries)

2.3. Risk analysis and case studies (5 pages)

The consultant will provide at least one case study for each of the following risk categories for timber companies or importers (either natural forest or plantation timber) plus a longlist of pertinent cases which may be useful for ZSL purposes in future. The Consultant should provide a concise (no more than one side of A4 per case), factual account of companies' who have encountered the following risks.

- **Disassociation** from FSC/PEFC (reputational/operational/financial)
- **Public campaigns** from national and international NGOs (reputational, financial)
- **Litigation** brought against a company/trader by NGOs at national (ie country Supreme Court) or regional level, (e.g Inter American Court of Human Rights) (legal, reputational, operational)
- **Negative screening** or divestment from buyers/investors i.e. Pension funds, import bans (financial)
- **Direct action** and **boycotts** – for example, blockades of logging roads, or concerted efforts by groups to boycott company products (reputational/financial/operational)
- **Compliance risk** – for example, being prosecuted under the EU Timber Regulation, Australian Illegal Logging Prohibition Act (AILPA) or US Lacey Act.

For the case studies, it is preferred that the consultant provides information on estimated loss of earnings associated with the producer or trader identified in the case study incurred through, *inter alia,* **withdrawal of investors, fall in stock price, legal fines, remedy,** and **loss of access to key markets**. This may be found in company's annual reports if not publicly listed.

It is preferred that the consultant provides case studies of as broad a selection of examples as possible, including a balance of:

- Producers/traders
- SPOTT-assessed and non-assessed companies
- Geographies
- Natural forest and plantation forest management organisations

3.   Outputs

The Consultant is expected to provide the following deliverables:

1. Conduct at least one virtual meeting with ZSL staff to understand the motivations for conducting the research and discuss the overall study approach.

2. A protocol for conducting the data analysis, scenario analyses and case studies prior to commencing the study. The protocol will include information on the project background, aims and objectives, and methods for conducting the study

3. A draft report (20-30 pages, excluding any annexes) which includes the following: 1) Background; 2) Aims & objectives; 3) Methods; 4) Search results; 5) Details of datasets and studies included in the review; 6) Synthesis of results; 7) Conclusions & recommendations; and 8) References

4. A final report incorporating comments from ZSL staff on the draft report, as well as a synthesis document (max 4 pages) summarising the key findings from the study.

5. Cleaned data files including raw data used for trade data analysis and any analysis conducted (preferably in excel format). This should include data disaggregated by HS code, country, etc.

4.   Timeframe and cost

The Consultant is expected to conduct the research in September and October 2020, with the draft report submitted by 19th October 2020, and the final report by 26th October 2020.

- The total fee for this consultancy should not exceed **£14,000 (incl VAT).**
- ZSL welcomes proposals covering either:
    - the entire ToR;
    - A proposal not encompassing the entire proposal but focusing solely on (a) Sections 2.1/2.2 or (b) Section 2.3. **Please note that Sections 2.1/2.2 must be completed as part of the same proposal.**
- ZSL also welcomes joint or consortium proposals. **However, a joint or consortium bid <u>must cover</u> all of the Description of service (2.1, 2.2, 2.3).** ZSL shall form an agreement with only one lead consultant for the services.
- The total fee allocated for this consultancy is inclusive of all costs incurred by the Consultant, including the sourcing of scientific literature or market data.
- The total fee allocated for this consultancy includes VAT. As part of their application, providers should state whether they are required to charge ZSL VAT for services associated with this tender.

5.   Proposals

Proposals in response to these Terms of Reference must be submitted by email to charlie.hammans@zsl.org and oliver.cupit@zsl.org by midnight (BST) on **7th September 2020.**

As part of proposals, consultants should provide a brief overview of data constraints and confounding factors which may make analysis of trade data for sections 2.1 and 2.2 of this proposal difficult, as well as any solutions to overcome such issues based on previous experience.

About SPOTT

Developed by the Zoological Society of London (ZSL), SPOTT is an online platform supporting sustainable commodity production and trade. By tracking transparency, SPOTT incentivises the implementation of corporate best practice.

SPOTT assesses commodity producers and traders on their public disclosure regarding their organisation, policies and practices related to environmental, social and governance (ESG) issues. SPOTT scores companies annually against sector-specific indicators, allowing them to benchmark their progress over time. Investors, buyers and other key influencers can use SPOTT assessments to inform stakeholder engagement, manage risk, and increase industry transparency.

For more information, visit **SPOTT.org**.

About ZSL

ZSL (Zoological Society of London) is an international conservation charity working to create a world where wildlife thrives. From investigating the health threats facing animals to helping people and wildlife live alongside each other, ZSL is committed to bringing wildlife back from the brink of extinction. Our work is realised through our ground-breaking science, our field conservation around the world and engaging millions of people through our two zoos, ZSL London Zoo and ZSL Whipsnade Zoo. For more information, visit **www.zsl.org**