

REFERENCE NO: MWE /SRVCS/14-15/00022

## **1. Background**

Global climate change threatens the livelihoods of people worldwide. Research has shown that a significant portion of the greenhouse gas emissions result from land-use and land use changes, particularly deforestation and forest degradation in tropical areas. The international community is developing a mechanism to provide positive incentives to help developing countries reduce emissions from deforestation and forest degradation and to support conservation, sustainable forest management, and the enhancement of forest carbon stocks i.e. REDD-plus (or REDD+). This mechanism is being discussed in the context of an international climate agreement under the UN Framework Convention on Climate Change (UNFCCC).

The Government of Uganda has opted to adopt the global mechanism for Reduced Emissions from Deforestation and Forest Degradation (REDD+) and is therefore actively participating in on-going international climate negotiations. In 2010, the country embarked on R-PP preparation phase. The undertaking involved an analysis and description of the actions necessary to get Uganda ready for REDD. In March 2011, the draft R-PP was presented for comments to the FCPF Participants' Committee (PC) and the Technical Advisory Panel (TAP). The final R-PP was approved during the ninth Participants' Committee meeting in Oslo on June 22, 2011 with comments. Uganda submitted an acceptable and updated R-PP in May 2012. The Readiness Preparation Grant Agreement was signed on **July 10, 2013** between the Government of Uganda represented by the Minister of Finance, Planning and Economic Development and the International Bank for Reconstruction and Development (acting as a trustee of the Readiness Fund of the Forest Carbon Partnership Facility)

Implementation of REDD+ is envisaged to generate benefits to all stakeholders involved in REDD+ activities. Therefore designing mechanisms for ensuring equitable distribution of the benefits is essential for the success of REDD+ implementation.

### **1.2. Contextualization of Benefit sharing**

Benefit sharing is not a concept that is unique to REDD+ (CIFOR 2013). Many natural resource sectors (e.g. mining, oil, and conservation and development projects) and most governments have dealt with benefit sharing through taxation and subsidies. There is much to be learned from these experiences. As has been the case in other sectors, the benefit sharing debate in REDD+ raises a number of issues, including the definition of benefits, the identification of legitimate beneficiaries, the efficient distribution of costs, the institutional structures needed for financial transfers and the processes for decision making and implementation. One study (Peskett 2012) made observations with implications to benefit sharing to the effect that:

- **Early analysis of rights to REDD+ benefits and their links to tenure.** Projects and programs need to begin with a careful review of different rights and interests in the land involved. Improving data on land records and land demarcation processes is likely to be key in supporting these processes. A range

of different tools have been developed to delineate and record complex and overlapping rights which could be useful in REDD+, including lower cost options for cadastral mapping, adjudication and participatory mapping processes (e.g., Knox et al., 2010).

- **Supporting institutions to administer benefit sharing systems:** Financial and technical support will need to be provided to national, regional and local institutions involved in administering benefit sharing. These will include: private and public finance institutions such as banks, ministries and NGOs handling REDD+ finance; administrative bodies such as regulatory authorities governing land titling, land records and monitoring land use; legal institutions involved in negotiating contracts and adjudicating disputes. In addition to building the technical capacity of local legal institutions, it will be important to support independent organizations as honest brokers that can help represent the interests of communities. This will be particularly important in cases where intermediary organizations participate as aggregators for a number of individual landowners within REDD+ schemes. Support for community groups themselves (e.g., forest user groups; women's groups that are managing forests) will also be important.
- **Development of clear national REDD+ regulations and definitions:** Seek clarity in national REDD+ regulations on revenue sharing between actors (different levels of government, private sector, NGOs and communities). These need to be informed by detailed and realistic cost-benefit analysis associated with programs and projects. Clarity will also be needed in definitions included in regulations, such as how 'affected stakeholders' or 'communities' are defined.
- **Use of mechanisms to isolate vulnerable beneficiaries from risks:** Various mechanisms could be used to ensure that the design of benefit sharing systems does not create risks for more vulnerable participants. For example:
  - Putting the burden of liability on buyers and governments in relation to accidental default (e.g., in the case of accidental loss of trees);
  - Establishment of stabilization funds at the national level and in agreements with communities or individual producers at the local level;
  - Inclusion of renegotiation clauses in contracts or enforceable investor commitments to buy at agreed prices;
  - In nested approaches it may be possible to build in sanctions for investors, such as the termination of contracts that do not meet national guidelines (Cotula, 2010);
  - Use of insurance instruments;
  - Considered timing of benefit distribution in order to ensure productive use of funds;
  - Information provision relating to likely scale of benefit flows, their duration and any associated management requirements. These could be supported by the application of methodologies to illicit likely opportunity costs for beneficiaries.
- **Introducing criteria to enhance the 'pro-poor' targeting of benefits:** Inclusion of criteria for targeting particular individuals and groups (e.g., women) could help to improve the equity of benefit distribution. However, these will need to be applied carefully to avoid unforeseen implications such as increased transaction costs or political bias. Financial instruments such as community funds could also help to distribute benefits beyond those formally involved in REDD+ schemes.

- **Use of rigorous consultation and social impact assessment processes:** Such activities will need to be supported by information provision in appropriate formats and sustained over time. Processes could include:
  - Open public debate before REDD+ schemes commence and provision of accessible information at all levels. Communities need to clearly understand the potential costs of being involved in REDD+;
  - Public input into planning and contract negotiation;
  - Applying procedural rights to investments, for example in terms of freedom of information;
  - Alignment with voluntary initiatives such as the extractive industries transparency initiative; and
  - Strengthened legal institutions and dedicated dispute resolution mechanisms.
- **Development of monitoring systems for assessing the impacts of benefit sharing system on communities.** These need to be rigorous enough to determine how and whether benefits are being distributed across different actors within the same project or program (e.g. women; indigenous peoples).
- **Development of social standards** to help ensure that the recommendations suggested above are implemented. These could include safeguards and guidelines mandated within an international REDD+ agreement; voluntary international standards; standards defined by funders; and country defined social standards. These need to be well coordinated to ensure that they are efficiently implemented.

### 1.3. **Objectives of the assignment:**

The main objective of this assignment is to review and analyze the existing benefit sharing<sup>1</sup> systems in the country and in the region for use under REDD+; recommending possible options for adapting the existing system for REDD+; and consult (using Uganda's C&P) and validate these at sub-national/district level. This activity will also include analysis of carbon rights.

Specifically the consultant will:

- Assess the effectiveness, efficiency and equity of the existing benefit sharing mechanisms;
- Identify Policy, legal provisions and Regulatory frameworks, and political discourses influencing REDD+ benefit sharing;
- Propose weighted Options of benefit sharing mechanisms; and feasibility of adapting the existing system for REDD+ to fit into the optimal ones; including delivery mechanisms;
- Propose weighted Options for allocation of rights to actors within the proposed benefit sharing mechanisms;
- Link closely with SESA and other safeguards coordinating units in assessing the risks associated with the successful application of the options proposed

## 2. SCOPE OF WORK / ACTIVITIES

In order to achieve the above-mentioned objectives, the Consultant will:

**Phase 1:** Conduct an in-depth literature review, with a particular focus on (non-inclusive list)

- Mapping institutional and legal framework for REDD+ implementation and recommendations

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<sup>1</sup> Benefit sharing arrangements are understood in a broad sense, denoting individual and collective benefits, monetary and non-monetary benefits, and dimensions of participatory REDD+ funds management, carbon rights, and REDD+ revenues distribution

- Linkages between carbon rights, and land and tree tenure and mechanisms on how to address the allocation of derived rights and their allocation (for tenant farmers and share croppers)
- Review of current benefit sharing and incentive programs promoting forest management and conservation in Uganda
- Lessons learned from other sectors, most particularly from Uganda Wildlife Authority, Collaborative Forestry Management under National Forestry Authority and/or others;

**Phase 2:** Develop Options Paper on benefit sharing mechanisms and social accountability for Uganda taking into consideration the analysis conducted under (1) In preparing this document the Consultant shall analyze key issues and present overall guidance on how to establish such benefit sharing arrangements, reflecting on:

- Different potential schemes for sharing benefits and how these would link to the proposed REDD+ Strategy options for Uganda;
- Risks of elite capture at the local level;
- The level of organization of communities and the administration at local level and how these benefit sharing schemes would fit into existing institutional structures;
- Risks of inter- and intra-community conflicts arising from REDD+ benefits;
- Key governance risks and recommendations for gaps to be addressed for a functional benefit sharing system.

**Phase 3:** Consultation on potential options with key Stakeholders and preparation of the final report, including an Annex presenting proposals for a national architecture of benefit sharing for REDD+ in Uganda. The Consultant is expected to identify main risks and provide concrete suggestions on how the Government can move forward in creating a national framework for sharing benefits from REDD+ (regardless of the source of REDD+ financing and to suggest locally-appropriate types of payments / compensation for REDD programs and projects.

### 3. **Methodology:**

The Consultant shall:

- Examine the REDD+ Readiness Preparation Proposal (R-PP) thoroughly and conduct desktop research on REDD+ and related issues.
- Review various documents and reports on other benefit sharing, tree tenure and carbon rights initiatives.
- Adopt a participatory approach and organize regular consultations with key stakeholders (as outlined in R-PP) all along the activity.

The work shall be supervised by the REDD+ Secretariat and the Consultant will work in close coordination with the Ministry of Lands and Physical Planning, Ministry of Agriculture Animal Industry and Fisheries. Given that there are several aspects of benefit sharing related work in Uganda, the consultant/s will need to work very closely with other initiatives to leverage on findings.

The consultant (firm) shall also work closely with the Consultant/s that will lead the Development of the REDD+ Strategy, the Strategic Environmental and Social Assessment (SESA) and other safeguards, to analyze the existing benefit sharing aspects.

#### 4. **Deliverables and Outputs:**

The Consultant will be required to submit the following deliverables:

1. **Inception report:** The consultant will be expected to submit a comprehensive inception report. The report shall outline the Consultant's mobilization, the work plan, strategy, methodology, activities and their schedule. The inception report should also have a quality assurance plan that includes the following (i) A quality policy statement setting out the objectives of the plan and (ii) The personnel who will implement the plan, their responsibilities and authority.
2. **Stakeholder engagement Report:** This will include the methodology for stakeholder identification and mobilization and results of stakeholder consultation. The final Stakeholder Engagement Report will be finalized at the end of the assignment based on experience on the ground.
3. **Draft Benefit Sharing report:** The draft benefit sharing report will be presented to the stakeholders for their views which will be incorporated into the final report
4. **Final Benefit Sharing report:** A final report, subject to approval by the Expanded Climate Change Policy Committee shall be submitted to the Forestry Sector Support Department/National REDD-Plus secretariat. The report shall include the following sections: an Executive Summary, Methodology, Key findings as well as an Annex presenting proposals for a national architecture of benefit sharing for REDD-Plus in Uganda. The report shall also include a dissemination strategy with recommended outlets and media for reaching the public and audiences identified.

The Consultant shall submit all deliverables and outputs to the REDD-Plus National Focal Point as scheduled as per the contract and will liaise with the National REDD-Plus Secretariat on all matters relating to the assignment.

#### 5. **Delivery and payment schedule**

<b><u>Delivery and payment schedule</u></b> <b>Output</b>	<b>Payment (%)</b>
Inception report	10
Stakeholder engagement Report	20
Draft Benefit Sharing Report	40
Final Benefit Sharing report	30

#### 6. **Reporting requirements – Specific reports**

The Consultancy for the Preparation of the REDD-Plus Benefit sharing mechanisms will be undertaken in twenty four (24) weeks.

It is however the responsibility of the Consultant to establish a detailed work program within the above time frame, taking into consideration the estimated man-month requirements. This should be guided by his professional judgment of the assignment's requirements and knowledge of the local conditions and needs. The Consultant (firm) will also be required to submit monthly progress reports.

The detailed schedule for the required reporting is contained in Table below.

ITEM	REPORT/DOCUMENT TITLE	TIMING AFTER COMMENCEMENT	CONTENT	NO. OF COPIES
A.1	Inception Report	Week 4	The report shall outline the Consultant's mobilization, the work plan, strategy, methodology, a quality assurance plan and timetable for deliverables. The quality assurance plan shall include the following (i) A quality policy statement setting out the objectives of the plan and (ii) The personnel who will implement the plan, their responsibilities and authority.	4 to NRS
	Final Inception Report	Week 5	The final inception report shall incorporate comments that have been received by the consultant from the stakeholder workshop where the draft report was presented.	4 to NRS
A.2	Stakeholder Engagement Report	Week 17	This will include methodology for stakeholder identification and mobilization, results of stakeholder consultation. The final Stakeholder Engagement Report will be finalized at the end of the assignment based on experience on the ground.	6 to NRS
A.3	Draft Benefit Sharing Mechanism Document	Week 21		
A.4	3 Workshops	Periodically	At end of Inception Phase, after submission of Stakeholder engagement report and after submission of draft Benefit sharing Mechanisms Report.	10 to the NRS
A.5	Final Benefit Sharing	Week 24		

	Mechanism Document			
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The consultant is encouraged to assess the appropriateness of the suggested milestones and comment upon realistic expectations, especially with regard to the allocated time frames for the activities in the comments to the ToRs.,

All reports have to be submitted in both soft (*unlocked MS Word, PDF*) and hard copy. The reports should be clearly labeled i.e. title of the report indicated, for easy identification and documentation purposes. All reports shall be prepared in English language.

The Client will provide comments on each report within two (2) weeks of submission, and the consultant will only proceed thereafter.

Please note that the Consultant will be expected within **three (3) weeks** of submission of some reports to conduct presentations to the Client during the national workshops. **Three workshops** will be organized by the Client. The Consultant will further be required to include a provisional sum of 60,000 USD to meet costs of holding the workshops. The workshops will be convened and managed by the Client and technically facilitated by the Consultant.

The first workshop will be conducted at the end of the inception phase. The second will be organized after submission of the Stakeholder Engagement Report to discuss the reports produced to that point with stakeholders and set the scene for developing the different benefit sharing arrangements / options. The third workshop will be organized after submission of the draft Benefit Sharing Mechanisms Report..

The workshops will be facilitated by the Client. At each workshop, the consultants will make Power Point presentations, provide concise background documents for discussion and prepare workshop reports to document the proceedings.

In addition to the national workshops described above, the consultant will be expected to conduct informal stakeholder engagement sessions (workshops, meetings, etc.) throughout the duration of the assignment.

## 6.2. DURATION OF THE ASSIGNMENT

The assignment shall be completed in 6 months and shall take place between April and July 2015. Phase 2 should be completed by the mid-term of the assignment in order to allow for sufficient time for the consultation as well as the preparation of the draft final report. The first draft report shall be sent to the National REDD+ Secretariat by the end of the 8<sup>th</sup> week of the assignment for a formal presentation to the Climate Change Policy Committee and the Technical Coordination Committee during the ninth week. The final Report shall be submitted to the REDD+ Secretariat not later than three weeks after receiving comments on the draft.

## 7. CONSULTANT KEY PERSONNEL

Ministry of Water and Environment is conducting a number of assignments, if a consultant submits the same personnel for more than one assignment, the key personnel will be considered available for the proposal submitted first, and considered unavailable for the second proposal and disqualified on that basis. The consultants should note this and ensure conformity.

Consultants should propose teams that are complete in all respects to deliver the required services. The staffing schedule should be in a manner that makes it clear as to which personnel will be involved in a specific activity. A staff organogram reflecting the envisioned activities should therefore be presented.

While the consultant should propose the best team they can to meet the anticipated needs, we provide below a basic indicative team composition which the consultants should propose as key experts:

- (a) **Team Leader** –A senior consultant with at least 15 years’ experience in Natural Resource Management with a good understanding of the REDD+ agenda and particularly the related social issues. Experience in Africa region is a requirement (in Uganda would be highly appreciated). Part of the experience should be in designing benefit sharing strategies. He should have experience in project planning and technical assistance including capacity building. The Team leader should have, at minimum, a Master’s degree in Natural Resources, planning or a related field. Knowledge and experience in working with World Bank Projects.
- (b) **Senior Social Scientist** – A specialist in social assessment, stakeholder identification and analysis, mobilization and facilitating stakeholder consultation. The specialist should also have experience in undertaking social assessments, social impact assessments. The social scientist must have, at minimum, a Master’s degree in Sociology or a related field and at least 10 years of relevant work experience. Knowledge of World Bank safe guards policies is desirable.
- (c) **A Legal Expert** – A team member with requisite expertise in legal issues related to benefit sharing schemes. He should also have expertise in land related laws and policies. He/she should have at least 5 years of experience legal practice in land matters. He/she must have a minimum of a Master’s degree in Law or a related field and at least 8-10 years of relevant work experience.
- (d) **Agricultural Specialist:** An agricultural specialist with at least 8years demonstrated experience in agricultural land use. The agricultural specialist should have a master’s degree in Agriculture as a minimum qualification.

## 8. CAPACITY BUILDING AND TRANSFER OF KNOWLEDGE

The Consultant shall train designated REDD+ Secretariat staff, WSDFs, The Benefit sharing task force and where applicable district staff with the aim of developing capacity and knowledge transfer. The consultants should include in their proposal a training approach and plan.

The consultant is further advised that all the services described in these Terms of Reference shall be performed in close co-operation with the National REDD+ Secretariat and Forestry Sector Support Department staff, The REDD+ National Technical Committee and representatives of key stakeholders as may be applicable.

## 9. Useful Documents and References

The Table below has some of the documents that, together with other documents, records and literature, could form the basis for ideas relevant to the assignment

Document	Author	Location
Uganda R-PP & Appendices	Government of Uganda	FSSD, Uganda and FCPF Website: <a href="https://www.forestcarbonpartnership.org/uganda">https://www.forestcarbonpartnership.org/uganda</a>
Uganda Country Progress Sheets	REDD+ Secretariat (FSSD), Uganda	FSSD, Uganda and FCPF Website: <a href="https://www.forestcarbonpartnership.org/uganda">https://www.forestcarbonpartnership.org/uganda</a>
Readiness Preparation Grant – Grant Agreement (June 2013)	World Bank	FCPF, Website: <a href="https://www.forestcarbonpartnership.org/uganda">https://www.forestcarbonpartnership.org/uganda</a>
Agreement No. 2299-02/2013 between G.o.U and the Austrian Development Agency (ADC)	ADC	Ministry of Finance, Planning and Economic Development (Uganda) and ADC Offices
Readiness Preparation Grant – Integrated Safeguards Data Sheet	World Bank	FCPF, Website: <a href="https://www.forestcarbonpartnership.org/uganda">https://www.forestcarbonpartnership.org/uganda</a>
Readiness Preparation Grant – Project Information Document	World Bank	FCPF, Website: <a href="https://www.forestcarbonpartnership.org/uganda">https://www.forestcarbonpartnership.org/uganda</a>
R-PP Assessment Note	World Bank	FCPF, Website: <a href="https://www.forestcarbonpartnership.org/uganda">https://www.forestcarbonpartnership.org/uganda</a>
Analysing REDD+: Challenges and choices. CIFOR, Bogor, Indonesia	Angelsen, A., Brockhaus, M., Sunderlin, W.D. and Verchot, L.V. (eds) 2012	CIFOR

<b>Document</b>	<b>Author</b>	<b>Location</b>
Benefit Sharing in RE DD+ Exploring the Implications for Poor and Vulnerable People	Leo Peskett	For more information, visit: <a href="http://www.redd-net.org">www.redd-net.org</a> or <a href="http://www.worldbank.org/sdcc">www.worldbank.org/sdcc</a>