Terms of Reference (ToR) for a consultancy on developing a Reference Level and designing a MRV system for a REDD+ program in Oromia Regional State, Ethiopia

1. Background

The Government of Ethiopia (GoE) has developed a Climate Resilient Green Economy (CRGE) strategy. The CRGE vision aims to build a climate resilient green economy and to make the country carbon neutral by 2025. The Strategy identifies eight key sectors that play key roles in sustainable development: Reducing Emissions from Deforestation and forest Degradation (REDD+), soils, livestock, energy, buildings and cities, industry, transport and health.

In the agriculture sector, the Sustainable Land Management Project (SLMP) will be one of the main instruments for achieving some of the short-term mitigation and adaptation goals set out in the CRGE strategy.

To achieve the GoE's CRGE related goals on land use change and forestry, the Ministry of Environmental Protection and Forestry and the Ministry of Agriculture (MoA) are implementing a National REDD+ Readiness Program with support from various partners, including the Forest Carbon Partnership Facility. Included in the Readiness Program is the development of REDD+ pilot efforts at local and regional scale.

The jurisdiction-level REDD+ program covering Oromia Regional State has been identified by MoA as a pilot project to inform the REDD+ process and generate significant emissions reductions. The program will aim to address the main drivers of deforestation over this region through participatory forest management (PFM), climate smart agriculture, sustainable livestock management, sustainable land management practices, and policy changes. The Oromia REDD+ Program will be structured in the three phases: i) a design phase; ii) an implementation phase and iii) an emissions reductions payment phase.

The design phase of the program will be led by the Ministry of Agriculture and the Oromia Forest and Wildlife Enterprise (OFWE), with support from Farm Africa and others. MoA has already prepared a first concept and hosted a design workshop, which brought together different stakeholders. The design of the Oromia REDD+ pilot program will follow the emerging national REDD+ guidelines, and is expected to generate knowledge of high relevance to the national REDD+ process and the modes of operation of the CRGE Facility and/or other funds or facilities.

In the Implementation Phase, part of the Program investment will be provided through an innovative mechanism of results-based finance against clearly agreed upon outputs. These outputs should be identified during the design phase and they are expected to create the enabling conditions for future emissions reductions.

During the Emissions Reductions Payments phase, the Oromia REDD+ program will receive payments for monitored and verified Emission Reductions, based on a robust MRV system, against an agreed reference emissions level with appropriate safeguards in place.

2. Overall consultancy's objective

This assignment is expected to support the design phase of the Oromia REDD+ Program through:

a. Assisting in the development of the baseline (reference emissions level) of the Program;
b. Advising on the design of a monitoring and reporting system that will be used in the emissions reductions payment phase;
c. Assessing the possibilities to expand the emissions reductions payment phase beyond REDD+ by paying for emission reductions in other key sectors of the CRGE.

3. Scope of work

i) Tasks related to the development of the baseline (reference emissions level)

1. Assessment of data that is already available in Ethiopia that can be used for developing a baseline for the Oromia REDD+ program. The baseline should be based on historic average annual emissions. The assessment, where relevant, could build on the baseline work that has already been done for the Bale REDD+ project (a project in the region currently being developed as a VCS project) and work underway for the development of a carbon baseline for assisted natural regeneration activities in the Sustainable Land Management Program. In addition the assessment should collect other relevant data available that covers the geographical scope of the program. The assessment should identify major data gaps and propose a plan to address these gaps.
2. Develop a detailed workplan for developing the baseline based on historic average annual emissions taking into account the outcome of task 1. The work plan should be based on a "step-wise approach". This "step-wise approach" would consist of two steps:
    a. **Step 1:** development of a rapid initial baseline based on the following assumptions:
        i. The initial baseline would be developed using two forest strata: High Forests (including humid and dry forests) and Woodlands. Particularly important will be producing a historical deforestation map of the region, clearly indicating different trends in the major sub-regions;
        ii. The initial baseline would be based on default data and conservative assumptions, if better data are not available;
        iii. The initial baseline would only cover emissions from deforestation.
    b. **Step 2:** improvement of the baseline over time as the Oromia REDD+ program moves towards the Emissions Reductions Payments phase. The improved baseline should, as far as possible, be consistent with the emerging Methodological Framework for the FCPF Carbon Fund[1] and include degradation and enhancement of carbon stocks through assisted natural regeneration;

The work plan should be designed in such a way that the development of the baseline for the Oromia REDD+ program under step 1 and 2 is informed by and/or informs the development of a national Reference Level, and as far as possible is consistent with the national Reference Level in terms of data and methods used. Relevant technical personnel working at the national level should be consulted in the design process.

[1] Available at www.forestcarbonpartnership.org

3. Based on discussions with relevant stakeholders, identify the entity or entities that are best placed to implement the work plan proposed in task 2 and assess their capacity. Identify gaps in capacity and suggest ways of addressing those, either through in-house (training) or by outsourcing needed capacity. In the identification of the entity/entities, special emphasis should be placed on ensuring the link between the baseline for the Oromia REDD+ program and the national Reference Level.
4. Support the entity/entities identified with the implementation of step 1 of the work plan. Supportcould consist of assistance in collecting data (including field work where relevant), providing training and other support required, and assisting in calculations.
5. Provide required training and capacity building activities to prepare the entity/entities for implementing step 2 of the work plan.

ii) Tasks related to the design of a monitoring and reporting system

6. Review the [latest draft of the] national MRV roadmap developed as part of the national REDD+ readiness process and assess how a monitoring and reporting system for the Oromia REDD+ Program can be integrated in the national MRV system that will be developed.
7. Based on the analysis of the national MRV Roadmap, develop a design for a monitoring and reporting system for the Emissions Reductions Payments phase of the Oromia REDD+ Program that is consistent with the developing national MRV setup for REDD+.The design, at a minimum should address:
    a. Data and Parameters to be Monitored;
    b. Source of data or measurement methods and procedures to be applied. Where relevant, identify opportunities where the system can start with a simple and less sophisticated approach that could evolve over time, as capacity is built within the program's implementing institutions;
    c. Frequency of monitoring/recording;
    d. QA/QC procedures to be applied;
    e. If calculations or estimations are required: calculation method;
    f. Organizational structure, responsibilities and competencies;
    g. Methods for generating, recording, storing, aggregating, collating and reporting data on monitored parameters.

    The design for a monitoring and reporting system for the Emissions Reductions Payments phase of the Oromia REDD+ Program should allow for it to be integrated in the national MRV system, and as far as possible be consistent in terms of data and methods used. Relevant technical personnel working at the national level should be consulted in the design process.
8. Based on discussions with relevant stakeholders, identify the entity(ies) that are best placed to implement the proposed monitoring system. Assestheir capacity on the ground and identify capacity gaps. Propose an approach to address these gaps or where necessary alternative arrangements. Assess how thisMRV system relates to the Monitoring & Evaluation Framework elaborated by the Ministry of Agriculture in the context of the SLMP.
9. Prepare a thorough work plan for the implementation of the proposed monitoring and reporting system. The workplan should include:
    a. **Actions and activities**: Identification of the actions and activities, including capacity building activities, that need to be undertaken to implement the monitoring and reporting system
    b. **Implementation arrangements**. The most adequate institutional arrangements for the implementation of the monitoring and reporting system, taking into account

capacity on the ground, potential partners to the Program, activities to be implemented, etc.;

c. **Timeline.** A realistic timeline for the deployment of the monitoring and reporting system.
d. Costs. Identify the estimated costs for implementing the monitoring and reporting system.

10. Provide required training and capacity building activities to prepare the entity/entities for implementing the work plan for the implementation of the proposed monitoring and reporting system.

iii) <u>Tasks related to assessing the possibilities to expand the emissions reductions payment phase to other sectors</u>

11. Assess how the REDD+ program could be expanded to include other key sectors of the CRGE, in particular soils, livestock and biomass based energy, and how direct emission reductions payments could be made for activities in these sectors. Identify possible steps and actions to be taken to expand the baseline and the monitoring and reporting system to allow for emission reduction payments in these sectors.

4. Expected deliverables

The consultancy is expected to be performed in 2 stages.

1. **Preparation and analyticalstage:** The deliverables for the stage are the expected outcomes of tasks 1,2,3 and 6 as identified above and include:
    a. Analysis of available data for developing the baseline and identification of data gaps;
    b. Detailed work plan for developing the baseline;
    c. Identification of the entity or entities that are best placed to develop the baseline, identification of capacity gaps and ways of addressing those gaps;
    d. Assessment of how a monitoring and reporting system for the Oromia REDD+ Program can be integrated in the national MRV system

Upon agreement by the World Bank and its partners of the deliverables from the preparation and analytical stage, the implementation and capacity building stage will start

2. **Implementation and capacity building stage:** The deliverables for the stage are the expected outcomes of tasks 4,5,7,8,9,10 and 11 as identified above and include:
    a. A rapid initial baseline for the Oromia REDD+ program;
    b. Training and capacity building activities for improvement of the baseline;
    c. Design for a monitoring and reporting system for the Emissions Reductions Payments phase of the Oromia REDD+ Program;
    d. Identification of the entity(ies) that are best placed to implement the proposed monitoring system;
    e. Work plan for the implementation of the proposed monitoring and reporting system;
    f. Training and capacity building activities to prepare for the execution of the work plan for the implementation of the proposed monitoring and reporting system;

g. Assessment how the baseline and the monitoring and reporting system of the Oromia REDD+ program could be expanded to include other key sectors of the CRGE.

5. Qualification of the consultant

i) Lead consultant with extensive international experience preferably in African countries in designing and developing baselines and monitoring systems for REDD or land use activities. M.sc./ PhD level academic qualifications in relevant fields of Environmental sciences, natural resources management, soil sciences.
ii) Strong presence of national expertise in the team. International & national consortia are encouraged.
iii) Consultancy team members with Msc./BSc degrees in remote sensing or GIS.
iv) Proved on-the-ground experience in preparing and implementing carbon finance projects in the land use sector in Ethiopia or elsewhere, particularly in East Africa.

6. Timeline for assignment

The assignment is expected to be completed within nine months of contract signature.

Draft deliverables of the preparation and analytical stage	Within two months of contract's signature
Final deliverables of the preparation and analytical stage	Within three months of contract's signature
Draft deliverables of the implementation and capacity building stage	Within eight months of contract's signature
Final deliverables of the implementation and capacity building stage	Within nine months of contract's signature

7. Reporting and Other Contract Conditions

- The draft technical report(s) should be presented to the World Bank / BioCarbon Fund and its partners review. Draft and final deliverables have to be validated by the Oromia REDD+ Technical Working Group.

- Vehicle and other required field work supporting materials for the field work will be arranged by consultants.

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