

Terms of Reference

For

**Study of causes of deforestation and forest degradation in Ethiopia and the identification
and prioritization of strategic options to address those**



**THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF ENVIRONMENT and FOREST**

REDD+ Project Secretariat

Addis Ababa

Terms of Reference for Study of causes of deforestation and forest degradation in Ethiopia and the identification and prioritization of strategic options to address those

Background

Greenhouse gas emissions from deforestation and forest degradation have come to the forefront of the international discussions on climate change given its overall significance. Since 2005, REDD+ (Reducing Emissions from Deforestation and Forest Degradation, Enhancement of Forest Carbon Stocks, Sustainable Forest Management and Conservation) has been discussed in the context of the United Nations Framework Convention on Climate Change (UNFCCC).

The Forest Carbon Partnership Facility (FCPF) assists selected countries in their REDD+ efforts. It has the dual objectives of building capacity for REDD+ (the “Readiness Fund”), and testing a program of performance-based incentive payments in some pilot countries (the “Carbon Fund”). Assistance under the Readiness Fund includes support for: (i) developing a national reference scenario for REDD+; (ii) adopting a national socially and environmentally sound REDD+ strategy that would reduce emissions and at the same time conserve biodiversity, enhance the livelihoods of forest dependent peoples and other forest dwellers; (iii) setting up implementation management framework for the effective and efficient implementation of REDD+; and (iii) designing and implementing accurate measurements, monitoring and verification systems to enable countries to report on emissions from deforestation and forest degradation.

Ethiopia is committed to transforming the country’s economy while achieving a Climate Resilient and Green Economy (CRGE) by 2025. The Ministry of Environment and Forest, Forest Sector, is responsible for one of the four pillars of the CRGE Strategy: Forestry. In the forestry sector, the government is engaged in the REDD+ Readiness process, with support, among others, from the World Bank.

Ethiopia was selected as a REDD+ country participant in the FCPF in 2008. The Government started preparation of a Readiness Preparation Proposal (R-PP) in April 2010, involving various analyses of the current issues around forest cover loss in the country through a highly participatory process. The final R-PP of Ethiopia which was approved in Vietnam in March 2011 will cost about US\$14.12 to implement. The World Bank, as Trustee of the FCPF, has provided US\$3.6 million for the implementation of key activities identified in the R-PP Assessment Note leaving a financing gap of about US\$11 million that would have to be secured from other sources. The activities include support to the national readiness management arrangements, support to the design of the national REDD+ strategy and preparation of the national REDD+ implementation framework.

Ethiopia officially launched the implementation of the R-PP Assessment Note implementation in January 15, 2013. The preparation of the National REDD+ Strategy is one of the priority building blocks of the Readiness process. Hence, the National REDD+ Secretariat is requesting consultants’ services to fulfill the present assignment which should serve as the base for the REDD+ Strategy preparation.

1) Scope of the study

The study covers national level assessment with particular focus on key institutions relevant to REDD+ program at federal level. At regional level, it will be primarily focused on the four main regions (Oromia, Amhara, Tigray and Southern Nations Nationalities and Peoples Regions) and to emerging regions.

2) Objectives of the assignment

The overall objective of this study is to provide the building blocks for the preparation of Ethiopia's national REDD+ strategy. The specific objectives include a thorough identification and analysis of all direct and underlying causes and agents of deforestation and forest degradation in the country and the identification and prioritization of strategic options to address these causes. The study must evaluate the impact of drivers at all levels, look beyond the forest sector, including other sectoral policies and also consider their relationship to all land use activities. The study should also assess the potential for increased carbon removals through afforestation and reforestation. The consultants or firm should ensure the capacity for REDD+ strategy development is created nationally, particularly within the government, by providing training to experts working on REDD+ strategy.

The REDD+ strategy should be fully in line with the CRGE Vision, particularly the Green Economy strategy for the land use sector, including forestry, agriculture and crops. It is expected that this strategy will also contribute to the preparation of Investment Plans to REDD+, following the procedures set by the CRGE Facility.

3) Specific Tasks

Conduct an in-depth comprehensive spatial and socio-economic analysis of **proximate and underlying causes of deforestation and forest degradation** in Ethiopia, drawing on and complementing the 2010 "Effort on Green Growth", conducted by the Ethiopia Development Research Institute (EDRI).

This analysis should be **spatially disaggregated** by regions and types of forests, and should calculate the **quantitative contribution** of each proximate cause to overall deforestation and forest degradation and to national GHG emissions, to the extent possible. Of particular importance will be the analysis of forest conversion into commercial and subsistence agriculture and forest degradation related to fuel wood collection. Analysis should also include the impact of development activities including road infrastructure and settlement on deforestation and forest degradation. The consultants should also consider policies in other sectors that may cause deforestation including, for example, policies related to trade (customs, tariffs, etc.), housing, transport, institutional and governance structures and regimes. Attention must be paid to social development issues such as exclusivity behaviors by federal and sub-national structures, dis-empowerment, inequitable

and unfair distribution of benefits, lack of incentive and reward systems, etc. that may contribute to deforestation and forest degradation, or the lack of the sense of stewardship needed to safeguard forests or to increase stocks. The consultants should take a look at how a neglect of these social issues could impact adversely on forests and land use. Further, the consultants should consider other exogenous factors such as external trade (tariffs, customs, pricing, etc.) in wood products, bio-prospecting, etc. and how they affect forests in the country. The consultants may consider the use of field visits to deforestation hotspots to better understand the local socio-economic dynamics leading to forest cover loss.

The main **agents** of deforestation and forest degradation should be identified, along with a socio-economic analysis of their engagement in those activities leading to forest cover reduction. The analysis should clearly distinguish between commercial and subsistence activities, particularly in the agriculture sector. Particular attention should be paid to the role of local communities in deforestation and forest degradation with an analysis of their degree of dependency on forest resources. Commercial agriculture and other commercial drivers of deforestation, including future pressure from foreign investors, should also be analyzed. Particular attention should be given to addressing the conversion of forests into agricultural land.

Conduct a comprehensive analysis of the **underlying causes of deforestation and forest degradation**, establishing, to the extent possible, the link between these underlying causes and the identified proximate causes. To a minimum, this analysis should consider the role of the following variables in encouraging (or discouraging) deforestation and forest degradation: i) rule of law and associated deforestation, ii) land tenure, iii) law enforcement and government capacity on the ground, iv) demographics evolution, internal including migration patterns; v) macroeconomic context; vi) government policies, particularly those related to trade, the Growth and Transformation Plan and the Master Land Use Planning (zoning); vii) land licensing process.

Assess the current **enabling environment with regards to REDD+**. Identify policy, legal and institutional gaps that would hinder effectiveness of REDD+ implementation, and identify strategies to address these gaps.

Assess the likely **future scenarios of the main drivers of deforestation and forest degradation** identified under different options, and assess whether there is any other driver likely to have an important role in the future. The study should analyze the current Government's ambitious plans in different sectors, most importantly in the agriculture, infrastructure and energy sectors and estimate the likely impact on future deforestation and forest degradation. As already mentioned earlier, this effort should complement the preliminary prospective assessment conducted in 2010 by the EDRI.

Assess the potential for increased carbon removal through reforestation and afforestation of previously degraded lands. Given the overall low forest cover in the country, this may be an important part of the future emission reduction scheme.

Provide potential **strategic options** to address the identified present and future causes of deforestation and forest degradation and for increased carbon removals. These strategic options should consist of policies programs and activities and be coherent with the identified causes. These options should, to the extent possible, be based on national or international best practices on policies / programs and activities targeted at reducing deforestation and forest degradation. Particular attention should be paid to the national experiences in addressing deforestation, including the promotion of Participatory Forest Management and Assisted Natural Regeneration, efforts to rehabilitate degraded lands, use of alternative energy or energy efficient technologies, and intensification of agriculture or promotion of new agriculture practices such as conservation agriculture and agro forestry. The strategic options should be guided by the principles of effectiveness, efficiency, fairness, transparency and accountability.

Provide **cost estimates** for each of the identified strategic option and build a cost curve for the different options identified. The cost analysis should include implementation, transaction and opportunity costs.

Identify the **main policies** that should be implemented to create an enabling environment for REDD+ to be achieved, particularly those policies related to land tenure and land user rights clarification, command and control activities and law enforcement, promotion of incentives for the provision of environmental services such as PES schemes and land use planning.

Propose **criteria for prioritizing the identified strategic options** and classify them according to these criteria (social, feasibility, risks, costs, etc.)

Conduct a **SWOT analysis of the priority options identified**, and detail how these could be implemented on the ground, including possible institutional arrangements to implement them.

Assess how the proposed strategic options fit into and contribute to the **overall CRGE** vision and Green Economy Strategy.

Propose a **roadmap for the finalization of the National REDD+ Strategy**, identifying the main gaps for that and suggesting ways to address those.

Facilitate and actively support capacity building activities on REDD+ strategy development.

4) **Deliverables**

An inception report detailing the methodology adopted and the timeline for conducting the study in the presence of the Technical Working Group;

A mid-term progress report. At this stage, the identification of drivers of deforestation and forest degradation should be completed;
Policy briefs leading to policy formulation;
Workshop reports relevant to the study;
Manuals and guidelines to support to the national capacity building activities related to REDD+ strategy
A framework for the national REDD+ strategy focusing on substantive contents of the strategy
A draft report
A final report clearly presenting the strategic REDD+ options in a prioritized way using the criteria proposed and proposing a roadmap for the finalization of the National REDD+ Strategy and linkages to the SRM(Sectoral Reduction Mechanism) process and CRGE Facility. This final report should also contain the detailed reports from all public consultations held.

5) **Methodology**

This analysis should draw on and expand the analysis of deforestation and forest degradation in Ethiopia's Readiness Preparation Proposal;
Literature review of existing work on drivers of deforestation and forest degradation in Ethiopia. An impressive body of work already exists and should be assessed prior to launching any field work¹;
Spatial analysis of land use change in Ethiopia, seeking to correlate land use change to specific drivers of deforestation and forest degradation and their socio-economic context;
Field visits to deforestation and forest degradation hotspots and focus group discussions with local stakeholders;
Use of an internationally recognized framework for identifying and reporting on the drivers of deforestation. Use of an internationally recognized framework to assess the costs of the proposed strategic options;
Hold targeted multi-stakeholder consultations throughout the study. It will be particularly important that forest-dependent communities are well represented in these consultations, which should be held in close coordination with the REDD+ Secretariat;
Undertake capacity building activities and ensure transfer of knowledge to local experts working on REDD+ issues;

The Consultants or firm will ensure that there are efforts to link up with the SESA process, whenever possible. The SESA study will seek to identify the social and environmental risks of the proposed strategic options and propose mitigation actions through the preparation of an Environmental and Social Management Framework (ESMF).

¹ The R-PP identifies the following studies on deforestation and forest degradation: DerejeTadesse, 2007; GessesseDessie and Kleman, 2007; KebedeSeifu, 1998; FiteGetaneh, 2008; Tekle and Hedlund, 2000; Van Muysen et al., 1998; GeteZelege and Hurni, 2001; Reusing, 1998; WBISPP, 2004).

Duration of the assignment

The overall assignment is expected to be finalized within six (6) months after contract signature. The inception report should be delivered fifteen (15) days after contract signature; the mid-term progress report within two (2) months of contract signature; a draft report within five (5) months, and the final report within six (6) months of contract signature. The total expert months expected is about 24.

6) Required firm's qualifications

The firm to be contracted is expected to bring together a balanced level of national and international expertise. The team should be composed, to a minimum, of master-level experts in the fields below:

- A specialized expertise on institutional development, forest governance and law who will possibly be leading the study team;
- An expert with expertise in social development (e.g., a social scientist);
- Forestry expert with knowledge of land use dynamics in East Africa and Ethiopia in particular
- Expert on rural economy with experience in Africa;
- Expert on natural resources governance;
- Experience on REDD+, particularly on the economics of REDD+;
- Expert on spatial analysis.

Experience working on land use in East Africa is desired.

Among others, the Consultant should propose the following expertise:

No	Title	Qualification	Qty	Experience
1.	Project Manager (Team Leader)	Masters or above in Forestry or on natural resource management	1	At least 10 years of which 5 years as forest Project management and administration
2	Natural resources specialist/Forestry & land use	Masters or above in Forestry and natural resource mgt	1	10 years of experience in forest development ,forest management plan, forest land use and forest resource

				assessment
3	GIS/RS expert	Masters or above in GIS/RS or related fields	1	6 years of experience in land use, land cover classification, developing land use Map, mapping of Different forest treats
4	Economist (ecological economist/sustainable development specialist)	Masters or above in Economics or natural resource economist	1	10 years of experience in socio economics survey, Cost estimation of natural resource degradation, experience on economic analysis of natural resource degradation

7) Services, Facilities and Materials to be provided by the Client

The Ministry of Environment and Forest will provide counterpart personnel to work with the Consultants. The REDD+ Secretariat and the World Bank will facilitate the work by making all relevant background documents available, while facilitating contact of the Consultants with key stakeholders including government representatives at federal and regional level, private sector, research and academia, civil society and donors. It is envisaged that the Lead Consultant will organize vehicle and work space.

8) Supervision and reporting

The firm will be under the direct oversight of the National REDD+ Coordinator, working in close collaboration with the REDD+ Secretariat and also the CRGE Case team. The three main deliverables (inception report, mid-term report and final report) should be validated by the National REDD+ Technical Working Group through technical workshops to be organized by the REDD+ Secretariat.

9. DUTY STATION

The consultant is expected to execute its assignments stationed in Addis Ababa, Ethiopia, with frequent travelling to relevant sites to collect data at various regions in Ethiopia. All costs for the travel will be covered by the consultant

9) EVALUATION CRITERIA

Main Criteria for evaluation of proposals will be as follows:

S.N	Criteria/Sub-criteria	Points to Sub-criteria	Points to criteria
(i)	<i>Specific experience of the Consultants relevant to the assignment:</i>		10
(ii)	<i>Adequacy of the proposed methodology and work plan in responding to the Terms of Reference:</i>		
a)	Technical approach and methodology	15	
b)	Work plan	10	
c)	Organization and staffing	10	
	<i>Total points for criterion (ii):</i>		35
(iii)	<i>Key professional staff qualifications and competence for the assignment(PhD/MSc):</i>		
a)	Project Manager/Team Leader	15	
b)	Forester with experience on forest policy and natural resource mgt	10	
c)	GIS/RS expert with experience on land use planning	10	
d)	Ecological Economist with knowledge on economics of REDD+)	10	
	<i>Total points for criterion (iii):</i>		45
	The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three sub criteria and relevant percentage weights:		
a)	General qualifications	30%	
b)	Adequacy for the assignment	60%	
c)	Experience in region and language	10%	
	Total percentage weight:	100%	

(iv)	Proposed Client's staff Capacity Building and Knowledge Transfer Training on assessment of drivers of deforestation and forest degradation and identification of strategic options		5
(v)	Participation by national experts and experience in the region (east Africa, preferably Ethiopia) on land use or related issues		5
	Total points of the criteria:		100