

TERMS OF REFERENCE **INTERNATIONAL CONSULTANT**

Name of assignment	Analysis of opportunity costs.
Country of the assignment	Viet Nam
Project ID and titles	UN-REDD Viet Nam Programme
Duration of the Assignment	60 days in the period September to December 2010

1. GENERAL INFORMATION

The UNFCCC recognizes Viet Nam as one of the top five most affected countries in the world as a result of climate change. Although not suffering from excessive levels of deforestation typical of some other countries in the region, deforestation is locally significant in Viet Nam, especially in the Central Highlands. Furthermore, natural forests continue to be more fragmented and degraded and its quality is therefore declining. Over two-thirds of Viet Nam's natural forests are considered poor or regenerating, while rich and closed-canopy forest constitutes only 4.6 percent (in 2004) of the total. Fast economic growth within the country and the drive to export commodities is an underlying driver of the deforestation and forest degradation within Viet Nam. There are growing efforts by the authorities to combat these problems but the pressures are intensifying. If the value of the forest is able to compare with that of the alternatives, then this could act as a strong incentive to arrest these trends.

The UN-REDD Viet Nam Programme seeks to address deforestation and forest degradation through capacity building at national and local levels. Firstly, it builds capacity at the national level to permit the Government of Viet Nam to coordinate and manage the process of implementing a National REDD Programme. Secondly, it will build capacity at local levels through pilots in two districts in Lam Dong province that demonstrate effective approaches to planning and implementing measures to reduce emissions.

The Objective of the UN-REDD Viet Nam Programme is *“To assist the Government of Viet Nam in developing an effective REDD regime in Viet Nam and to contribute to reduction of regional displacement of emissions.”* This will contribute to the broader goal of ensuring that *“by the end of 2012 Viet Nam is REDD-ready and able to contribute to reducing emissions from deforestation and forest degradation nationally and regionally.”*

2. OBJECTIVES

The main objective of this assignment is to develop an assessment framework for opportunity costs given REDD credits relative to alternative economic uses of the forest. Implementation of REDD requires changes in the management of forest resources. Managers of forest resources are faced with choices with regards to current productive use of the forest, REDD and alternative income-generating uses of the forest. Of special interest is the “stacking” of environmental services that may

yield income through the Payments for Forest Ecosystems Services that is currently considered. The consultant will undertake an analysis of opportunity costs of REDD, taking into consideration current and potential uses of forests and forest resources, including alternative income possibilities outside of the forest sector.

The emergence of the REDD mechanism and its viability relative to alternative uses of forests and forest land has important implications for the new land-use plans. The consultant will liaise closely with the provincial and district authorities in Lam Dong province to ensure proper consideration of the REDD mechanism and alternative land uses. Particular attention has to be given to REDD in combination with or in relation to tree-based crops (e.g. plantations for timber or pulp, rubber plantations, coffee with shade trees). The consultant will directly advise the relevant authorities on these issues.

The consultant will provide on-the-job training to staff of the government agencies to enable them to assess how opportunity costs influence the choices of owners of forest land and the impacts that this may have on the district-level land-use process. This should include resource and socio-economic assessment, evaluation of economic opportunities and monitoring and assessment of decisions of forest land owners. Training will be fully compliant with national and international guidance on aspects of the REDD mechanism.

3. MILESTONES & FINAL PRODUCTS

Expected delivery milestones and final products:

	Products	Deadline of submission
1.	Interim report, with specific emphasis on: <ul style="list-style-type: none"> • Description of guidelines on integrating the analysis of opportunity costs in district-level land-use planning. • A report on current human resources capacity in support of analysis of opportunity costs for district-level land-use planning. • Description of human capacity building efforts required. On-the-job training plan for staff in provincial and district offices. 	After 2 months
2.	Final report with full documentation on: <ul style="list-style-type: none"> • The process of opportunity cost analysis in district-level land-use planning. • Final guidelines on integrating the analysis of opportunity costs in district-level land-use planning. • On-the-job training, workshops and seminars 	After 4 months

Notes: All reports should be made available in English.

4. SCOPE OF WORK

The consultant needs to carry out the tasks as follows:

- Capacity needs assessment to assess human capacity for undertaking opportunity cost analysis for REDD versus alternative forest land uses, with application to the preparation of district-level land-use plans.

- Organization of workshops or other events to present and discuss the process of opportunity cost analysis and how this impacts district socio-economic and land-use plans.
- On-the-job training of staff of local authorities and other stakeholders in opportunity cost analysis and integration thereof in district land-use planning. The training shall address all aspects of opportunity cost analysis, development of economic alternatives and its integration into district-level land-use plans (participants for individual sessions to be selected based on responsibility in the process).
- Consult relevant agencies, to be agreed with the UN-REDD Viet Nam Programme, to discuss options for opportunity cost analysis in the development of district land-use plans.
- Organize consultative meetings with experts and stakeholders to discuss and determine appropriate guidelines for successful adoption of opportunity cost analysis for REDD in district land-use plans.
- Prepare guidelines for general application of opportunity cost analysis for REDD. These guidelines shall specifically address stacking of Payments for Environmental Services, multiple forest resource uses in combination with REDD, value-chain development, alternatives for income generation outside of the forest sector, among other relevant issues.

5. DURATION OF THE ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

Duty station:

Ha Noi and travel to Lam Dong province.

Duration of the assignment:

September to December 2010.

6. PROVISION OF MONITORING AND PROGRESS CONTROL

The consultant will perform the tasks as required under the direct supervision of the UN-REDD Viet Nam Programme, and will be subjected to report on the progress of the assignment whenever required by the Programme. After the signing of the contract, the consultant and the Programme will have a meeting to determine and agree on how the work progress should be reported, where detail regulations on progress control, progress reporting and timeline will be developed and agreed between the Programme and the consultant.

7. SUPPLEMENTARY DOCUMENTS AND REFERENCES

Below are some of the documents that are relevant to the assignment:

- UN-REDD Programme documents on Viet Nam. Available online from: <http://www.un-redd.org/UNREDDProgramme/CountryActions/VietNam/tabid/1025/language/en-US/Default.aspx>.
- UNFCCC documents on REDD. Available online at the REDD web platform: http://unfccc.int/methods_science/redd/items/4531.php.
- Various UNFCCC decisions and SBSTA and AWG-LCA documents. Available online through the document search engine at: <http://unfccc.int/documentation/items/2643.php>.

8. REQUIRED SKILLS AND EXPERIENCE

- Advanced University degree in Agricultural Economics, Forest Economics, Natural Resource Economics, or similar.
- At least 6 years professional experience, with special reference to work in developing countries. Experience in Viet Nam is an asset.
- Excellent knowledge of the REDD mechanism under the UNFCCC and the Vietnamese proposals for a National REDD Programme.
- At least two years of experience with capacity building in developing countries.
- Experience with economic alternative and value-chain development.
- Fluent in spoken and written English. Knowledge of Vietnamese is an asset.
- Ability to travel to and work in remote places.