

## Terms of Reference for:

### **A combined National Consultant to develop national REDD+ strategy for Bhutan along with Identifying Options for a REDD+ Compliant Benefit Distribution System and Development of Anti-Corruption Measures towards National REDD+ Readiness Process**

#### **I. Brief note on the consultancy**

This consultancy combines three aspects of work to be carried out by a national consultant viz., development of a draft national REDD+ for Bhutan, identification and development of a benefit distribution system from REDD+ regimes and development of an anti-corruption measures towards Bhutan's REDD+ readiness. The consultancy is for a period of ~~eight~~ fifteen months from August 2012. While the preparation of a draft national REDD+ strategy will spread over a period of four months, the other two which shall form part of the input into the strategy itself, shall be carried out in two months each.

Detailed TOR for each consultancy work is provided in the following sections.

#### **1. TOR for the Consultancy on REDD+ strategy development**

##### **1.1 Background**

As part of its commitment to REDD+, Bhutan requested admission to the UN-REDD Programme and was formally approved as a partner country in April, 2010. While funding for new national programmes in partner countries is not currently available through UN-REDD core resources, the participating UN Agencies are committed to assisting the Royal Government of Bhutan (RGoB) to mobilize funds to support the REDD+ readiness process in Bhutan.

Efforts in this regard began with a joint programming mission undertaken by the UNDP/UN-REDD and FAO/UN-REDD Regional Coordinators in June, 2010, to meet with government and other stakeholders, and to discuss national needs for REDD+ readiness in relation to UN-REDD comparative advantages. The programming mission generated a number of recommendations, including the recruitment of a “*Working Group Facilitator*” to facilitate and encourage members of the national REDD+ working group to contribute to [progress on REDD+ readiness]”. This was followed by a joint mission in April, 2012, by technical advisors from all three UN-REDD Agencies, to support a national workshop on REDD+ in Thimphu. However, the Department of Forests & Parks Services felt the urgent need of a national consultant to develop a draft national REDD+ strategy. Therefore, hiring of a consultant to support drafting of the national REDD+ strategy has been accorded priority over hiring of a working group facilitator

##### **1.2 Responsibilities**

The Consultant will support the work of the Chief, WMD and REDD+ Focal Officer, WMD, in relation to the following:

- Assist with preparation, management, and updating as required of an integrated workplan for REDD+ readiness activities supported from all sources of funding, with a particular focus on generating information required to complete the National REDD+ Strategy, according to a structure and Table of Contents approved by the National REDD+ Technical Working Group (TWG);
- Active participation in the meetings of the TWG, and of any sub-groups that the TWG might establish;
- Compiling all such information as it becomes available into the National REDD+ Strategy structure, as approved by the TWG; editing the content to ensure complementarity of style; and arranging for technical review as determined by the TWG, Chief of WMD, and/or REDD+ Focal Officer, WMD;
- Preparation ( Drafting) of a REDD+ strategy
- Development of a comprehensive plan for consultations with all relevant stakeholder groups, for the “zero draft” of the National REDD+ Strategy; and revision to the draft plan based on reviews received from the TWG, Chief of WMD, REDD+ Focal Officer, WMD, or others;
- Management of the implementation of the consultation plan once the “zero draft” is available, including organization of consultation meetings, and recording and dissemination of comments received at each meeting;
- Managing revisions to the “zero draft”, based on comments received through stakeholder consultations;
- Preparation and submission of a “first draft” of the National REDD+ Strategy for review by the National Climate Change Council (NCCC), and of any amendments required on the basis of comments received from the NCCC;
- Other relevant duties, as determined by the Chief of WMD, and/or REDD+ Focal Officer, WMD.

### **1.3 Outputs**

- Progress reports on all REDD+ readiness activities, and on progress in formulation of the National REDD+ Strategy, as determined by the TWG, Chief of WMD, and/or REDD+ Focal Officer, WMD;
- Drafts of parts or all of the National REDD+ Strategy for review by the TWG, as requested, including a “zero draft” for broad stakeholder consultation;
- A draft consultation plan, and modification to the draft, based on reviews by various actors;
- Minutes, reports and other products of all meetings organized in implementing the consultation plan;
- A “first draft” of the National REDD+ Strategy for presentation to the NCCC;
- Revisions of the draft National REDD+ Strategy, as required by the NCCC.

## **2. TOR for Consultancy on Identifying Options for a REDD+ Compliant Benefit Distribution System**

### **2.1 Background**

Determining how best to allocate benefits from efforts for reducing emissions from deforestation and forest degradation (REDD+) is one of the fundamental components underlying an incentive based mechanism such as REDD+. The design of Benefit Distribution Systems (BDS) for REDD+ describes the process of allocating international finances that flow into a developing country, down to local communities, households and other stakeholders involved in undertaking REDD+ activities. The aim is to ensure that REDD+ incentives reach actors involved in driving deforestation and compensate actors that may incur costs from implementing REDD+ activities that, for example, may restrict use of forest resources.

How this process is designed and implemented is crucial for the success of a REDD+ mechanism, as it links to effectiveness in reducing emissions and the equity outcomes of REDD+. There is clear rationale for benefit sharing in REDD+, including:

- *Sharing of benefits can help to enhance sustainability:* In many instances, careful attention to the distribution of benefits between stakeholders and the encouragement of local-level stewardship of natural resources has been essential to achieve sustainable development

objectives (Wells and Brandon, 1992; Fisher et al., 2005). Moreover, in some contexts high levels of poverty can create pressure on forests, so sharing benefits with poor and marginalized people can help enhance sustainability (Soriaga and Walpole, 2007).

- *Improved participation and reduced conflict:* From the perspective of affected communities, it allows them to become partners in projects and potentially empowers them in decisions that affect them. From a government perspective benefit sharing is a practical policy tool to achieve greater social inclusiveness and balance social, economic and environmental factors in planning, design, implementation and operation of REDD+ projects. From an investor perspective, benefit sharing could help to reduce risks associated with the project (e.g. non-permanence). (IIED, 2009).
- *Clear benefit sharing arrangements in REDD+ could help to address past shortcomings in financial management linked to forests and increase trust.* For example, there are frequent cases surrounding the failure of investors and governments to honour financial commitments over the long term (IIED, 2009).
- *Responding to the Cancun safeguards and the requirements of international REDD+ funds:* The Cancun REDD+ safeguards require countries to demonstrate *inter alia* “full and effective participation of relevant stakeholders”, “transparent and effective national forest governance structures” and “actions to address the risk of reversals” in their national REDD+ systems. All of these are linked to effective BDS. Most donors providing start up finance for REDD+ also include objectives to promote equitable benefit sharing, and such criteria could be included in future REDD+ funding mechanisms such as the Green Climate Fund.

The UN-REDD Programme has integrated activities on benefit distribution as a core element of its five year Programme Strategy<sup>1</sup>, supported by its Global programme Framework Document 2011-2015<sup>2</sup>, with UNDP the lead agency. The general approach is to clarify key issues related to benefit-sharing systems in terms of three main questions (Peskett, 2011<sup>3</sup>).

1. What are the benefits being shared? [i.e. *what* is being shared?]
2. Who are the actors sharing the benefits and particularly, who are those receiving the benefits? (i.e. *who* are the [eligible] beneficiaries?)
3. What are the rules governing how benefits are shared? [i.e. *how* are benefits shared?]

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<sup>1</sup> Five Year Strategy, UN-REDD Programme, 2011-2015. Available at

[http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=4598&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=4598&Itemid=53)

<sup>2</sup> « Support to National REDD+ Action : Global Programme Framework Document – 2011-2015 », UN-REDD Programme, 2011, Available at [http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=5534&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=5534&Itemid=53)

<sup>3</sup> Peskett, L. 2011. Benefit Sharing in REDD+. Washington D.C.: World Bank.

UN-REDD is supporting Bhutan through a package of Targeted Support activities during 2012. Under the UNDP component of these activities, one focus is on the development of options for benefit distribution. This will build on activities and analyses already undertaken by UN-REDD in Asia-Pacific on this issue. Since one of the objectives of the UN-REDD Programme is to learn lessons that may be more widely applicable, activities undertaken in Bhutan will be coordinated with similar activities in other countries in South Asia.

Furthermore, two UN-REDD agencies, UNDP and UNEP are also collaborating in implementing the “Poverty-Environment Initiative” (PEI) in Bhutan. Among the main activities of the PEI in Bhutan is environment-climate-poverty mainstreaming in policies and plans; and development of pro-poor benefit sharing mechanisms and guidelines (including a watershed management plan in Wang Watershed and Punatsangchhu basin; and a study outlining benefit sharing mechanisms on eco-tourism, hydro-power, and drinking water).

## **2.2 Objective of consultancy**

The Objective of the consultancy is to develop proposals that will ensure that the initial National REDD+ Strategy in Bhutan incorporates effective measures for sharing REDD+ benefits in an effective, efficient, transparent and equitable manner, and in a way that fully reflect national and international requirements; and to develop pro-poor benefit sharing mechanisms and guidelines so as to promote environment-climate-poverty mainstreaming in policies and plans.

## **2.3 Tasks to be performed**

In order to achieve the stated Objective, the following indicative activities are anticipated:

### Task 1:

- 1 (a). Work with the WMD and UNDP (UN-REDD) Regional Coordinator on Benefit Distribution to ensure that activities undertaken in Bhutan are coordinated with activities in other countries so as to add value to and generate lessons from analyses undertaken in Bhutan;
- 1 (b). Plan and undertake an analysis of options for an efficient, transparent and equitable REDD+ benefit distribution in Bhutan that will be consistent with benefit distribution for other ecosystem services – utilizing the questions provided in Annex 2 as a guide;
- 1 (c). Prepare an initial report on options for REDD+ benefit distribution (integrated with benefit distribution for other ecosystem services), and identifying policy and institutional issues that need to be resolved;
- 1 (d). Design and implement a wide stakeholder consultation process to review and validate the results of the initial assessment (this may be combined with work being undertaken in parallel on anti-corruption measures);

- 1 (e). Based on results from the consultation, prepare a final report describing options for REDD+ benefit distribution (integrated with benefit distribution for other ecosystem services); a preliminary budget for further activities to resolve policy and institutional issues; and extracting lessons that may be applicable in other countries.
- 1 (f). Incorporate BDS proposals from this consultancy into the national REDD+ strategy document.

## Task 2:

- 2 (a). Review existing reports and analyses of payment for ecosystem services in Bhutan (especially in relation to the Wang Watershed<sup>4</sup>) and benefit distribution systems in all sectors – utilizing the questions provided in Annex 1 as a guide;
- 2 (b). Develop an initial proposal for an efficient, transparent and equitable benefit distribution system for the Wang Watershed that is consistent with options being developed for REDD+ benefit distribution;
- 2 (c). Design and implement a stakeholder consultation process, including both national level consultation (which may be combined with activities 1 (d) above), and local consultations in the Punatsangchhu basin to review the initial proposal;
- 2 (d). Based on results from the consultation, prepare a final report describing proposal for an efficient, transparent and equitable benefit distribution system in the Wang Watershed that is consistent with options being developed for REDD+ benefit distribution.

## **2.4 Outputs**

The outputs will consist of:

- A preliminary report (under activity 1 (c), above) to be used as the basis for broad consultation;
- A preliminary proposal (under activity 2 (b), above) to be used as the basis for broad consultation;
- A final report, incorporating feedback generated through the consultation process, describing options for REDD+ benefit distribution (integrated with benefit distribution

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<sup>4</sup> See, in particular, "Designing a National PES Approach in Bhutan: Feasibility Assessment and Proposal"; FAO Multi-Donor Partnership Programme

for other ecosystem services); a preliminary budget for further activities to resolve policy and institutional issues; and

- A final proposal (under activity 2 (d), above), incorporating feedback generated through the consultation process, for an efficient, transparent and equitable benefit distribution system in the Wang Watershed that is consistent with options being developed for REDD+ benefit distribution.

### **3. TOR for National Consultant on Development of Anti-corruption Measures**

#### **3.1 Background**

Corruption hinders efforts to achieve the MDGs by reducing access to services and diverting resources away from investments in infrastructure, institutions and social services. Success in meeting the MDGs will therefore largely depend on the ‘quality’ of governance and the level of effectiveness, efficiency and equity in resource generation, allocation and management.

Under the UN framework Convention for Climate Change (UNFCCC), REDD+ (reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable management of forest and enhancement of forest carbon stocks) is an international financial mechanism that will compensate developing countries for cutting carbon emissions from their forest sector, through the conservation of standing forests and more sustainable forest activities. REDD+ was first proposed as part of the UNFCCC Bali Action plan in 2007, and in December 2010 an agreement on a general REDD+ framework was reached by Parties to the UNFCCC in Cancun. Developing countries are getting ready for REDD+ with bilateral and multilateral support, including the UN-REDD Programme<sup>5</sup>.

While REDD+ is attracting momentum and interest, concerns are also being raised because REDD+ countries often face a number of governance challenges, inside and outside the forestry sector. The overall risks of corruption in REDD+, and possible mitigation measures for these risks, were examined during a workshop organized by UNDP with GTZ (now GIZ) at the 14<sup>th</sup> International Anti-corruption Conference in Bangkok in November 2010. These risks and strategies were also detailed in a UNDP-commissioned report<sup>6</sup> in November 2010, and addressed in Transparency International’s Global Report on Corruption in Climate Change, among other reports. In 2011 the UN-REDD Programme, UNDP’s Global Programme on Anti-Corruption for Development Effectiveness (PACDE) and the Asia Pacific Regional Centre organized two regional workshops in Nepal and Thailand, targeting anti corruption and REDD+ practitioners, to

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<sup>5</sup> The UN-REDD Programme is a partnership of FAO, UNDP and UNEP, established in 2008. See [www.un-redd.org](http://www.un-redd.org)

<sup>6</sup> « Staying on Track : Tackling Corruption Risks in Climate Change », UNDP, 2010. Available at [http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=3790&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=3790&Itemid=53)

raise awareness on the risks of corruption specifically associated with REDD+ in Asia and the Pacific countries and on tools and approaches to counter these risks.

The UN-REDD Programme has integrated activities on anti-corruption as a core element of its five-year Programme Strategy<sup>7</sup>, supported by its Global programme Framework Document 2011-2015<sup>8</sup>, with UNDP the lead agency. These activities are implemented together with PACDE. They include guidance on institutional frameworks for equitable, transparent and accountable benefit distribution systems in REDD+; strengthening the integrity of fiduciary systems for receiving and disbursement of funds, coordinating anti-corruption activities at the national, regional and international level; and supporting the capacity of multiple stakeholders to jointly mitigate corruption risks.

The UN-REDD Programme is supporting Bhutan through a package of Targeted Support activities to be completed in 2012. Under the UNDP component of these activities, the focus is on the development of anti-corruption measures. This will build on activities and analyses already undertaken by the UN-REDD Programme in Asia-Pacific on this issue. Since one of the objectives of the UN-REDD Programme is to learn lessons that may be more widely applicable, activities undertaken in Bhutan will be coordinated with similar activities in other countries in South Asia.

### **3.2 Objective of consultancy**

The Objective of the consultancy is to develop proposals that will ensure that the initial National REDD+ Strategy in Bhutan incorporates effective measures to address REDD+ corruption risks that fully reflect national and international requirements.

### **3.3 Tasks to be performed**

In order to achieve the stated Objective, the following indicative activities are anticipated:

- Work with the WMD, UN-REDD Regional Advisor, UNDP Regional Anti-Corruption Specialist and UNDP Global Specialist on anti-corruption and REDD+ to ensure coordination and methodological consistency of the activities undertaken in Bhutan with those undertaken in Bangladesh and Nepal so as to allow for comparative data and generate lessons from analyses undertaken in Bhutan;
- Develop a contextualized corruption risk assessment methodology building on existing frameworks/tools including UN REDD programmes, TI's Forest Governance Integrity Risk Assessment manual, etc. in consultation with national UN REDD and the Bhutan Anti-Corruption Commission.

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<sup>7</sup> Five Year Strategy, UN-REDD Programme, 2011-2015. Available at [http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=4598&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=4598&Itemid=53)

<sup>8</sup> « Support to National REDD+ Action : Global Programme Framework Document – 2011-2015 », UN-REDD Programme, 2011, Available at [http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=5534&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=5534&Itemid=53)



- Plan and undertake an assessment of corruption risks for REDD+ in Bhutan, with inputs from key forestry, REDD+ and anti-corruption practitioners in the country, including local communities living in forest areas;
- Prepare an initial report on corruption risks, including initial proposals for measures to mitigate those risks;
- Design and implement wide stakeholder consultation process, including a number of sub-national workshops (nominally three), leading to a national consultation workshop, to review and validate the results of the initial assessment (this may be combined with parallel work being undertaken by UNDP/UNREDD on benefit distribution in Bhutan);
- Based on results from the consultation, prepare a final report (for circulation to all stakeholders) that includes: a prioritized list of corruption risks in REDD+ in Bhutan; proposed measures to mitigate the risks that have been identified as most likely and most detrimental in the short, medium and long term; a preliminary budget and identified responsibilities for implementation of those measures; and extracting lessons that may be applicable in other countries.
- Incorporate anti-corruption measures into the national REDD+ strategy document.

### 3.4 Output

The outputs will consist of:

- A preliminary report (under activity 3, above) to be used as the basis for broad consultation
- A final report, incorporating feedback generate through the consultation process, describing corruption risks, proposed measures to mitigate those risks; a preliminary budget for implementation of those measures; and extracting lessons that may be applicable in other countries.

## II. Duration, Timing and Qualification requirement for consultancy

	National consultant for REDD+ strategy development	Identifying Options for a REDD+ Compliant Benefit Distribution System	National Consultant on Development of Anti-corruption Measures
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Duration	<p><u>A total of fifteen months. Of this time, ten months is expected to be spent on coordination of the preparation of the REDD+ strategy. Three months is expected to be spent on the BDS work; and two months on the anti-corruption work. For the BDS work, the first two outputs will be due after 30 working days, and the last two outputs after 55 working days, with an additional 5 days for final revisions and other activities. For the anti-corruption work, the first output will be due after 35 working days, and the second output after 55 working days, with an additional 5 days for final revisions and other activities.:</u> <del>The assignment may be extended, subject to availability of funds. The consultant will work within the offices of the WMD, on a full-time basis.</del></p> <p><del>Three months: The first two outputs will be due after 30 working days, and the last two outputs after 55 working days, with an additional 5 days for final revisions and other activities.</del></p> <p><del>Two months: The first output will be due after 35 working days, and the second output after 55 working days, with an additional 5 days for final revisions and other activities.</del></p>
Qualification	<ul style="list-style-type: none"> <li>• Masters degree in Physical or Human Geography, Forestry, Natural Resources Management, or a closely-related field;</li> <li>• Minimum of 5 years practical experience in Bhutan on environment and natural resources issues;</li> <li>• A good understanding of the various forestry stakeholders in Bhutan;</li> <li>• A good understanding of the REDD+ agenda in the context of UNFCCC negotiations, the challenges and opportunities;</li> <li>• Experience with project development, implementation and management;</li> <li>• Experience in the policy development processes in the natural resource sectors;</li> <li>• Excellent knowledge of the English and Dzongka languages, including writing, presentation and communication skills;</li> <li>• The priority will be given to consultants with relevant experience in practice or research in the area of participatory management of forests or other natural resources.</li> <li>• The priority will be given to a consultant with relevant experience in practice or research in the area of participatory management of forests or other natural resources. Demonstrated ability in conducting and managing risk assessments preferably related to corruption, integrity, etc. in the environment sector is an asset.</li> <li>• Must have relevant experience in conducting and managing benefit distribution system.</li> </ul>