TERMS OF REFERENCE

FOR INTERNATIONAL SPECIALIST CONSULTANT

POST TITLE: International Consultant to undertake activities related to Developing Sustainable Financing Mechanisms and Business Plans for Protected Areas within Savannakhet Province

AGENCY/PROJECT NAME: United Nations Development Programme (UNDP) / Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR (SAFE Ecosystems Project)

COUNTRY OF ASSIGNMENT: Lao PDR

LOCATION OF ASSIGNMENT: Vientiane and Savannakhet Province and 3 target districts (Phalanxay, Phin, Xonnabouly)

DURATION OF ASSIGNMENT: 80 days over a 6-month period

STARTING DATE: 18 November 2019, or as soon as possible

1) GENERAL BACKGROUND

The SAFE Ecosystems Project

The UNDP-GEF Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR Project (SAFE Ecosystems Project) aims to support the government of Lao PDR to facilitate a transformative shift towards sustainable land and forest management in the forested landscape of Savannakhet Province. This sustainable management will help to secure critical wildlife habitats, conserve biodiversity and maintain a continuous flow of multiple services such as the provision of quality water and flood prevention. The project will be implemented over a period of six-years from May 2016 to May 2022 by the Department of Forestry (DOF) under the Ministry of Agriculture and Forestry.

The Dry Dipterocarp Forest (DDF) ecosystems located in Savannakhet Province are recognized for being globally important as habitat for a number of globally significant and threatened species, and nationally important for their provision of numerous ecosystem services that benefit the people of Lao PDR. In recent decades, DDF ecosystems and the species within them have come under increasing threat from large-scale conversion of forest, degradation of forest ecosystem services, and species loss.

Recognizing their global and national importance, the Government of Lao PDR (GoL) has prioritized the conservation and sustainable management of the Dry Dipterocarp Forests landscape of Savannakhet province. As a measure of the GoL’s commitment to the DDF landscape, it has selected this area to be the site of the newest National Protected Area in the country, and as a demonstration site for testing the implementation of new national policies and processes related to Strategic Environmental Assessment, Integrated Spatial Planning, and High Conservation Value Forests. The GoL has also identified this landscape as suitable for the development and implementation of innovative financing mechanisms for sustainable forest management and protected area management, as well as community participation in protected areas management, ecotourism programs, and livelihoods programs linked to conservation outcomes through formal Conservation Agreement mechanisms.

This SAFE Ecosystems Project will seek to strengthen land and resource use planning capacities and procedures, and the policies and regulations that govern them, while simultaneously expanding and strengthening the management of resources on the ground by government agencies, local communities and private sector actors. Furthermore, the project is developing innovative financing mechanisms and programs (including ecotourism and livelihoods programs) that can ensure the sustainability of improved land use and resource management approaches.

Increased and Diversified Financing for Protected Areas
Financing of protected areas in Lao PDR depends primarily on government budget allocations (which are used primarily to pay provincial and district staff who have many responsibilities apart from PA management). In Savannakhet Province, current funding for National Protected Areas (Pas) is insufficient to cover minimal management requirements.

For this reason, the project will support strengthening existing financing mechanisms, development and implementation of new financing mechanisms to increase funding support for protected area management, and improvements in financial and budgetary planning, management and coordination at the site and system levels. Building on the capacity strengthening and PA management planning processes, the project will carry out a detailed assessment of existing financing needs through costing based on the PA management plans. The project also will review models for managing financing mechanisms, including the two examples in Lao PDR of PA units with dedicated financing mechanisms, namely the Na Kai National Protected Area (funded by hydropower at US$1 million/year), and the Nam Ha National Protected Area (which is expected to receive significant funding from ecotourism operations in the near future).

Based on these analyses, the project will support the creation of Business Plans for each selected PA site, building on Article 32 of the Decree of Protected Areas, which stipulates details concerning contributions to PA finance from business and projects such as hydropower projects, mining extraction, road construction, electricity transmission lines and other development projects; tourism operators; film projects, and; scientific research. The site-specific business plans will be used to develop an overall financing strategy for protected areas in the Dry Dipterocarp Forest landscape, which will also contemplate how protected areas can contribute to sustainable management beyond protected area boundaries.

**Exploration of New Financing Mechanisms for Sustainable Forest Management**

As a means to support the site-specific business plans the project will explore several different potential financing mechanisms that may be appropriate for Protected Area sites in Savannakhet. There are a number of financing mechanisms that may support PA management as well as broader forest management and conservation goals in the province. Such mechanisms that may be considered include (but not limited to):

**REDD+:** The potential for REDD+ initiatives within the Project area is generally considered low. Dry Dipterocarp Forest ecosystems harbour relatively low amounts of aboveground carbon (noting that below-ground carbon in these systems may be substantial), and the area is subject to relatively low deforestation rates (forest degradation rather than deforestation predominates in the project area, and the forest prospects of a REDD+ project based on forest degradation in the DDF landscape are very limited). In fact, almost all REDD+ related initiatives in the Lao PDR are now focused on the development of a national REDD+ framework rather than site-specific REDD+ investments.

**Ecotourism:** The Project will invest in ecotourism initiatives at four sites. The degree to which ecotourism can generate finance for sustainable management outside protected areas will be a function of the location of participating communities with respect to those protected areas. Communities around protected areas will be able to benefit from ecotourism activities through employment (as guides, for instance), sale of products (food, handicrafts), potentially through revenue from homestays, etc.

**Offset Payments:** Given the prominence of natural resource-based development in Lao, attention to prospects for social and environmental offsets is strongly warranted. However, there currently are no provisions in national laws and regulations for offsets from the productive sectors, other than compensation for deforestation caused within protected areas, so that at present the scope for offsets is limited to voluntary actions and contributions from mining companies.

**Payments for Ecosystem Services:** Payments for watershed services have been widely considered as a potential funding source for forest conservation and protected area management in the Lao PDR. However, the DDF landscape is characterized by relatively flat, low lying areas that do not yield high ecosystem service values in terms of watershed services that could constitute a viable PES system. There is some possibility for hydroelectric development upstream of the DDF landscape.

**National Financing Mechanisms:** The limited opportunities for site-level mechanisms noted above provide a compelling case for developing national financing mechanisms to support SFM and conservation activities in general. The Lao PDR has several factors that are conducive to the development of national financing mechanisms, including a high level commitment to development of a Green Economy, policy recognition of links between sustainable management and poverty reduction, an ambitious national land use planning process, emphasis on devolution of relevant management authority to local levels, and a group of supportive actors who already support national level perspectives (as evidenced in the national REDD+ process). Two important mechanisms, the Forest Resource Development Fund (FRDF) and the Environmental Protection Fund (EPF) already exist in the Lao PDR.

### 2) OBJECTIVES OF THE ASSIGNMENT

International expertise is required to (i) explore the feasibility of potential financing mechanisms that may be suitable for Protected Areas within Savannakhet Province; and (ii) develop on-site business plans utilizing potential financing mechanisms for
Dong Phou Vieng National Protected Area, Phou Xang He National Protected Area, and Se Ta Nouan-Phou Nak National Protection Forest, and the proposed Ong Mang Protected Area

For this assignment, the SAFE Ecosystems Project is seeking an **International Sustainable Financing Expert** to work in close consultation with the UNDP Lao PDR Country Office and relevant agencies of the Government of Lao PDR (DOF, PAFO, and 3 DAFOs of Savannakhet Province). The **International Sustainable Financing Expert** is also expected to work closely with and support the Project Ecotourism Specialist and the Livelihoods & Gender Specialist, whom are all currently based in Savannakhet Province and are tasked with engaging with PAFO, DAFO and local communities.

### 3) SCOPE OF WORK

Under supervision of the UNDP Head of Natural Resources Management and Climate Change Unit and the SAFE Ecosystems Project - National Project Director, the **International Sustainable Financing Expert** will be required to undertake the following duties:

1. **Initial scoping study:**
   - A literature review of relevant reference documents, in particular regional/ international information related to PA budget requirements and an overview on sustainable financing sources, including:
     - Legal Analysis on Sustainable Financing prepared by the Project International Environmental Lawyer and National Legal Specialist.
     - Management Plans for the Dong Phou Vieng National Protected Area, Phou Xang He National Protected Area, and Se Ta Nouan – Phou Nak National Protection Forest, as well as Ong Mang Sanctuary previously co-developed by the Project PA Management Plan Expert and Savannakhet PAFO.
     - PA Sustainable Financing outputs prepared by other stakeholders; most notably the ICBF Project (funded by KFW), the BCC Project (funded by ADB) and the LENS2 Project (funded by WB).
   - As a means to compliment the literature review, conduct interviews with relevant stakeholders – both government and development partners – regarding financing options for protected areas in Lao PDR.
   - Preparation of Analysis Report based on initial scoping study.

2. **Coordinate and work with Lao Government Focal Points and other Consultants:**
   - Coordinate with key agencies including DOF (National Protected Area Division; Legislation and Forest Technical Standards Division), PAFO and DAFO among other identified stakeholders (particularly local communities).
     - Focal Points from these divisions will be assigned to work with this consultancy.
   - Coordinate with Project Ecotourism Specialist and the Livelihoods & Gender Specialist, whom are all currently based in Savannakhet Province and are tasked with engaging with PAFO, DAFO and local communities.
   - During this consultancy, there are separate, yet complimentary consultancies being implemented in parallel; these consultancies are: (i) **National Consultant to undertake Analysis of Ecosystem Services Values and a Costs and Benefits Analysis of Production Systems within the Dry Dipterocarp Forest Landscape of Savannakhet Province**, and (ii) **International Consultant to undertake activities related to the review and support of Sustainable Financing through Ecotourism Development within Savannakhet Province**
     - It will be expected that there will be some level of coordination and cooperation with these two Consultancies.
     - Review and comment on outputs being derived by these consultancies.

3. **Field Mission to project site:**
   - Conduct field mission to all 3 NPAs, as well as Ong Mang Sanctuary with DOF, PAFO and DAFO to verify and confirm findings of the scoping study and collect further data.
   - Establish if there are existing Business Plans (if available) for the 3 NPAs, as well as Ong Mang Sanctuary to determine level of inputs required for updating or revising.
   - Stakeholder analysis and assessment relevant to these 3 NPAs, Ong Mang Sanctuary, as well as the wider Dipterocarp Forest Ecosystems of Savannakhet Province.
     - Co-facilitate meetings (with DOF, PAFO, DAFO) and conduct interviews/consultations with key stakeholders (government, NGOs, ecotourism enterprises, local communities, researchers, private sector) to understand current strategies, opportunities and barriers with respect to developing PA business plans.
   - Determine natural resource and biodiversity values, as well as other important features of these 3 NPAs, as well as Ong Mang Sanctuary (this will likely be in coordination with the National Ecosystem Services Valuation Consultancy).
   - Analyse past/ current financing sources for the three supported PAs, based on available documents and local consultations (e.g. Government, private sector), along with estimating funding requirements.
   - Identify potential sources for sustainable financing to increase funding, and briefly describing /ranking site-specific potential financing options.
   - Determine potential national financing sources for protected area management and biodiversity conservation in Lao PD.
4. Develop Business Plans for all 3 NPAs, as well as Ong Mang Sanctuary:
   - Coordinate with key agencies including DOF (National Protected Area Division; Legislation and Forest Technical Standards Division), PAFO and DAFO among other identified stakeholders (particularly local communities) to establish technical working sections and the management team to develop a vision and targets of PA Business Plans to be achieved by a designated year.
   - Recommend priority options to DOF, PAFO and DAFO to ensure that the most feasible sustainable financing options are established and contribute to the future financing.
   - Development of a business model for long term sustainable financing for all 3 NPAs, as well as Ong Mang Sanctuary:
     o Provide clear guidance on the sustainable financing mechanisms to be utilized to support the PAs.
     o Formulation and finalization of an optimal business management scheme in accordance with the site’s Management Plans.
     o Technical guidance on identification of financial strategy that ensures multi-stakeholder inclusion and participation.
     o Identification of potential investors (private sector) for impact investment scheme, that will match the sites’ business model and Management Plans;
   - Ensure buy-in of all relevant stakeholders through co-facilitating a final meeting presenting the business plan options for each PA.

4) DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

This is an 80-day (over a 6-month period) consultancy service, starting from November 2019. The International Consultant is expected to primarily function out of Vientiane and Savannakhet, Lao PDR with travels to the project site (DDF Ecosystems in the five target districts in Savannakhet Province) in close consultation with the UNDP Lao PDR Country Office and the Project Implementation Partner of the Government of Lao PDR (DOF, PAFO and 5 DAFOs of Savannakhet).

The International Consultant will also work closely with UNDP Natural Resource Management and Climate Change Unit, the SAFE Ecosystems Project Management Team, the UNDP Technical Specialist, the Project National Ecotourism Specialist and relevant Government of Lao officers at provincial and district level within the target areas.

5) FINAL PRODUCTS

Output 1: Submission of a methodology and workplan within one week after the contract is signed. The methodology and workplan should provide proposed activities and timeframe to complete the tasks and achieve outputs.
   (i) The methodology and workplan should be for 80 days only and include:
      a. It is expected that at minimum of 40 days (50%) of this consultancy will be implemented in Lao PDR in close consultation with the Project Implementation Partner of the Government of Lao PDR (DOF, PAFO and 5 DAFOs of Savannakhet).
      b. Within 1 month after the signing of the contract, an initial field mission of a minimum of 10 days with meetings and visit to the 3 NPAs, as well as Ong Mang Sanctuary;
      c. Within 4 months after the signing of the contract, a second field mission (minimum of 15 days).
      d. Within 6 months after the signing of the contract, a third and final field mission (minimum of 15 days).
      e. A maximum of 40 days for report writing of Analysis Report from Initial Scoping Study (Output 2), Field Mission Report (Output 3) and Final Business Plans for the 3 NPAs, as well as Ong Mang Sanctuary (Output 4). During the report writing period, be available for communications with the Government Focal Points and the Project Team.

Output 2: Submission of an Analysis Report for the Initial Scoping Study:
   (i) Partly based upon the initial 10-day field mission.
   (ii) A literature review of relevant reference documents, in particular regional/ international information related to PA budget requirements and an overview on sustainable financing sources, including:
      a. Legal Analysis on Sustainable Financing prepared by the Project International Environmental Lawyer and National Legal Specialist.
      b. Management Plans for the Dong Phou Vieng National Protected Area, Phou Xang He National Protected Area, and Se Ta Nouan – Phou Nak National Protection Forest, as well as Ong Mang Sanctuary previously co-developed by the Project PA Management Plan Expert and Savannakhet PAFO.
      c. PA Sustainable Financing outputs prepared by other stakeholders; most notably the ICBF Project (funded by KFW), the BCC Project (funded by ADB) and the LENS2 Project (funded by WB).
   (iii) As a means to compliment the literature review, conduct interviews with relevant stakeholders – both government
and development partners – regarding financing options for protected areas in Lao PDR.

(iv) Coordination with relevant National Focal Points and Consultants as indicated in Point 2 of Section 3 (Scope of Work) of this TOR.

Output 3: Submission of Field Mission Report:

(i) Based upon the second Field Mission to Savannakhet Province.
(ii) Establish if there are existing Business Plans (if available) for the 3 NPAs, as well as Ong Mang Sanctuary to determine level of inputs required for updating or revising.
(iii) Stakeholder analysis and assessment relevant to these 3 NPAs, Ong Mang Sanctuary, as well as the wider Dipterocarp Forest Ecosystems of Savannakhet Province.
(iv) Co-facilitate meetings (with DOF, PAFO, DAFO) and conduct interviews/consultations with key stakeholders (government, NGOs, ecotourism enterprises, local communities, researchers, private sector) to understand current strategies, opportunities and barriers with respect to developing PA business plans.
(v) Determine natural resource and biodiversity values, as well as other important features of these 3 NPAs, as well as Ong Mang Sanctuary (this will likely be in coordination with the National Ecosystem Services Valuation Consultancy).
(vi) Analyse past/ current financing sources for the three supported PAs, based on available documents and local consultations (e.g. Government, private sector), along with estimating funding requirements.
(vii) Identify potential sources for sustainable financing to increase funding, and briefly describing /rankings site-specific potential financing options.
(viii) Determine potential national financing sources for protected area management and biodiversity conservation in Lao PD.
(ix) Coordination with relevant National Focal Points and Consultants as indicated in Point 2 of Section 3 (Scope of Work) of this TOR.

Output 4: Submission of Business Plans for Dong Phou Vieng National Protected Area, Phou Xang He National Protected Area, and Se Ta Nouan-Phou Nak National Protection Forest, as well as the proposed Ong Mang Protected Area:

(i) Upon completion of the third and final Field Mission to Savannakhet Province.
(ii) Coordinate with key agencies including DOF (National Protected Area Division; Legislation and Forest Technical Standards Division), PAFO and DAFO among other identified stakeholders (particularly local communities) to establish technical working sections and the management team to develop a vision and targets of PA Business Plans to be achieved by a designated year.
(iii) Recommend priority options to DOF, PAFO and DAFO to ensure that the most feasible sustainable financing options are established and contribute to the future financing.
(iv) Development of a business model for long term sustainable financing for all 3 NPAs, as well as Ong Mang Sanctuary:
(v) Provide clear guidance on the sustainable financing mechanisms to be utilized to support the PAs.
(vi) Formulation and finalization of an optimal business management scheme in accordance with the site’s Management Plans.
(vii) Technical guidance on identification of financial strategy that ensures multi-stakeholder inclusion and participation.
(viii) Identification of potential investors (private sector) for impact investment scheme, that will match the sites’ business model and Management Plans;
(ix) Ensure buy-in of all relevant stakeholders through co-facilitating a final meeting presenting the business plan options for each Protected Area.

6) PROVISION OF MONITORING AND PROGRESS CONTROLS

The International Consultant will report/communicate to: (i) the UNDP Team Leader for Natural Resource Management and Climate Change Unit and (ii) the SAFE Ecosystems Project National Project Director, while copying the (iii) UNDP Programme Analyst, (iv) Project Manager, (v) Assistant Project Manager and (vi) UNDP Technical Specialist. The consultant is required to have regular meetings to report on the progress with the UNDP team and the DOF (implementing partner).

7) DEGREE OF EXPERTISE AND QUALIFICATIONS

- Holds a Masters’ Degree or higher related to Environmental Economics, Sustainable Financing, Natural Resource Management, Protected Areas Financing, Business Administration, or similar. A Bachelor’s Degree in combination with a minimum of 10 additional years of qualifying experience may be accepted in lieu of the advanced degree.
- At least 7-years working experience in Environmental Economics, Sustainable Financing, Natural Resource Management, Protected Areas Financing, or similar within a Low-Income Country.
- Expert knowledge and experience with conducting Sustainable Financing research and analysis, as well as developing...
Business Plans for Protected Areas within Lao PDR or within neighbouring countries in Southeast Asia.

- Excellent communication and consultation skills to liaise with a range of stakeholders including provincial and district authorities, local communities, etc. and ability and experience to conduct training.
- Ability to lead and work with teams to achieve quality outputs under tight timelines.
- Ability and willingness to travel within Lao PDR.
- Experience working within Lao PDR (or within neighboring countries in Southeast Asia) government counterparts and local rural communities.
- Excellent working knowledge of written and spoken English is required; ability to write or speak Lao is highly desirable.
- Knowledge of UNDP and the UN system is an advantage.

8) REVIEW TIME REQUIRED

Payment schedule will be on an agreed output-basis. UNDP / SAFE Ecosystems Project require at least two weeks for review and approval of delivered outputs before issuing payments.

9) SCOPE OF BID PRICE AND SCHEDULE OF PAYMENT

This is an “80 working days” assignment spread over 6 months. Fixed lump sum output-based fees will be paid as per agreed timeframe and satisfactory certification of receipt of outputs by the UNDP/GEF SAFE Ecosystems Project under the Department of Forestry, MAF.

Total amount for professional service fee, DSA, air transportation, ground transportation from Vientiane Capital to/from the Project site (Phalanxay, Phin, Xonnabouly Districts, Savannakhet Province), communication costs and miscellaneous are to be included in the lump sum amount. Any costs related to workshops, meetings, etc. are to be covered by the Project.

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<thead>
<tr>
<th>Deliverables/Description of payment</th>
<th>Deliverable timeframe</th>
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<tbody>
<tr>
<td>25% of the professional fees shall be paid upon submission and acceptant of below outputs:</td>
<td></td>
</tr>
<tr>
<td>1. Output 1: Submission of a methodology and workplan within one week after the contract is signed. The methodology and workplan should provide proposed activities and timeframe to complete the tasks and achieve outputs.</td>
<td>Within 1 week after the signing date of the contract.</td>
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<tr>
<td>25% of the professional fees shall be paid upon submission and acceptant of below outputs:</td>
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<tr>
<td>2. Output 2: Submission of an Analysis Report for the Initial Scoping Study.</td>
<td>Within 1 month after the signing date of the contract.</td>
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<tr>
<td>a. Partly based upon the initial 10-day field mission.</td>
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<tr>
<td>25% of the professional fees shall be paid upon submission of below outputs:</td>
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<tr>
<td>a. Based upon the second Field Mission to Savannakhet Province for coaching and advisory support for the National Ecotourism Specialist and the Provincial Department of Information, Culture and Tourism.</td>
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<tr>
<td>25% of the professional fees shall be paid upon submission of below outputs:</td>
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<td>4. Output 4: Submission of Business Plans for Dong Phou Vieng National Protected Area, Phou Xang He National Protected Area, and Se Ta Nouan-Phou Nak National Protection Forest, as well as the proposed Ong Mang Protected Area</td>
<td>Within 6 months after the signing date of the contract.</td>
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<tr>
<td>a. Upon completion of the third and final Field Mission to Savannakhet Province.</td>
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10) PRESENCE OF THE CONSULTANT ON DUTY STATION

If the assignment requires full time presence on UNDP premises, a sound justification on why a full time presence is required.

- [ ] NONE
- [ ] PARTIAL
- x INTERMITTENT
- [ ] FULL-TIME
### 11) ANNEXES TO TOR

This TOR is approved by:

<table>
<thead>
<tr>
<th>For National Project Director:</th>
<th>For UNDP:</th>
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This page appears to be a template for recording the approval of a TOR (Terms of Reference) document. The template includes fields for the signatures and details of the National Project Director and UNDP, as well as spaces for the date of signing. This section is typically used to formalize the approval process and ensure that the TOR is endorsed by the appropriate authorities.