



Procurement reference No. UA/IC-7

Terms of Reference

Establishment of the basics for economic regulation of biodiversity conservation in forests: Research on the economic evaluation of ecosystem services / services of biodiversity protection in forest ecosystems

A. Background

The Forest Law Enforcement and Governance (FLEG) II Program¹ is carried out over a four-year period 2012-2016, focusing on improving forest governance in seven countries that are included in the European Union's European Neighborhood and Partnership Instrument² (ENPI) East region: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, and the Russian Federation. The Program builds on and further develops initiatives and activities undertaken during implementation of the first EU funded FLEG Program (2008-2012).

The Program is supported by the European Union contributing to a trust fund administered by the World Bank (WB). Implementation of the Program is led by the World Bank, working in partnership with the International Union for Conservation of Nature and Natural Resources (IUCN) and the World Wide Fund for Nature (WWF) and in close coordination with governmental and nongovernmental stakeholders of the participating countries.

The **vision** for the end of the Program in 2016 is that the participating countries have clear sector policies and implementation capacity to fight against illegal logging and associated trade, take into account the full social, environmental and economic value of forests, state-of-the-art forest sector laws, and modern forest sector institutions.

The three specific **Program Development Objectives** are to:

- i. make progress implementing the 2005 St. Petersburg FLEG Ministerial Declaration in the participating countries and support the participating countries commit to a time-bound action plan to ensure its implementation and follow-up activities (regional level);
- ii. review or revise (or establish a time-bound action plan to review or revise) forest sector policies and legal and administrative structures; improve knowledge of and support for sustainable forest management and good forest governance (including the impact of related EU regulations) in the participating countries (national level); and,
- iii. test and demonstrate best practices for sustainable forest management and the feasibility of improved forest governance practices at the field-level on a pilot basis in all participating countries (sub-national level).

¹ <http://enpi-fleg.org/>

² <http://www.enpi-info.eu/>

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The Program supports the participating countries strengthen forest governance through improving implementation of relevant international processes, enhancing their forest policy, legislation and institutional arrangements, and developing, testing and evaluating sustainable forest management models at the local level on a pilot basis for future replication.

Present proposed assignment will help implementation of the 1.4 CWP project activity on the studies of economic evaluation for ecosystem services / services of biodiversity protection in forest ecosystems. The activity is part of the activities conducted by WWF DCP (hereinafter the Client) under the Country Work Plan (CWP) for Ukraine, plan which contains activities that will contribute to achieving Program Development Objectives and will support Ukraine in making progress in the implementation of the 2005 St. Petersburg FLEG Ministerial Declaration. The scope of the study will contribute to the existing IUCN ENPI FLEG II country project supported activity: “Establishment of the basics for economic regulation of biodiversity conservation in forests: Study on forest dependency of local population”, revealing general picture of forest ecosystem services provided at the state level.

B. Objectives

Objective of the assignment is to identify and apply the best existing methods in Forest Ecosystem Services Evaluation and to investigate the feasibility of applying the Payments for Ecosystem Services (PES) concept to securing a revenue stream for the maintenance, conservation and restoration of ecological services and functions encompassed by the Ukrainian forest.

C. Scope of Services

The Consultant tasks are:

- Analyze the international experience regarding the concepts of identification and payment for ecosystem service in forest sector and, based on the findings, select a few examples where relevant systems are well advanced and appropriate/similar to be used as a benchmark for Ukraine.
- Evaluate the types of ecosystem services provided by Ukrainian forests and their possible associated costs;
- Develop principles for mechanisms of payment for the ecosystem services provided by the national forest sector and promote them among stakeholders including recommendations for appropriate legislation;
- Support distribution of the activity results to broad public (webpage, media etc), through developing support information for at least 2 specialized press information, taking into consideration the FLEG II communications procedures Strategy.

D. Reporting and Approval Procedures

Reporting of the consultant is toward FLEG II Project Coordinator and Forest Expert in Ukraine.

Expected results of consultant’s work are:

- (1) **Interim Report** on the international experience and procedure/regulations of payments for ecosystem services (PES) concept in forest sector.

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(2) Final Report:

Report on the ecosystem services provided by the Ukrainian forests and proposals of payment mechanisms for ecosystem services including drafts of appropriate legislation changes.

The Consultant shall submit the reports into Ukrainian language (with extended English version of an executive summary) to the Client according to the description above.

The work is expected to be carried out over the period of 5 months.

Acceptance and approval of the Interim Report, and Final Report will be done by the Client through the FLEG II Project Coordinator and Forest Expert in Ukraine. The Country Project Coordinator will provide feedback to the consultant within 5 calendar days after receiving the reports (on expiration of this period, if no reply is received by the Consultant, then reports will be deemed as accepted otherwise the corrections are expected).

Project reports need to be sent by an e-mail address: bprots@wwfdcp.org and dkarabchuk@wwf.panda.org.

E. Institutional Arrangements

FLEG II Program coordinator in Ukraine for WWF DCP, Dr. Bohdan Prots and forest expert Dr. Dmytro Karabchuk (dkarabchuk@wwf.panda.org) will coordinate the execution of the proposed assignment.

WWF will provide to the selected Consultant support with the results of the previously analyze of the legal framework and initial proposal developed in the first year of activity implementation, as well as with the FLEG communications procedures.

F. Client's Input

The Consultant will perform the services using its own resources and equipment. The time-input from the consultant shall be no less than 50 working days. However, the Consultant may request additional data and assistance from the Client on the issues related to the implementation of the assignment. The Consultant is expected to participate actively in any additional public, media, workshop, round table and other professional meetings within the objective of this assignment and coordinate the necessary expert's involvement into the events.

G. Qualification Requirements

- At least 5 years required for consultant's experience in forestry areas;
- Biodiversity conservation or forest management studies (university degree). PhD or international education or experience is an advantage;
- Very good knowledge of the Ukrainian nature protection and forestry system and legislation;
- Experience in ecosystem services evaluation, biodiversity/forestry policy or management;
- Good knowledge of relevant international experience and legislation in ecosystem services evaluation;
- Written records and experience on ecosystem services evaluation;

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- Excellent communication skills;
- Good knowledge of Ukrainian and English, other EU languages is an advantage.

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