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## TERMS OF REFERENCES

### A. PROJECT TITLE

**“2014/07/RFP: Reform of the National Ecological Fund in Moldova: Study tour to Czech Republic”**

### B. PROJECT DESCRIPTION

#### **General Background:**

The Project “Strengthening capacities to undertake environmental fiscal reform to meet national and global environmental priorities” is financed by the Global Environment Facility (GEF), with UNDP Moldova as GEF Implementing Agency and the Ministry of Environment of the Republic of Moldova as Executing Partner. The overall objective of the project is to build capacities for implementing environmental fiscal reforms (EFR) that will produce increased national and global environmental benefits through the adoption of selected economic and fiscal instruments. The reform of the NEF (National Ecological Fund), representing the major financing tool for the implementation of environmental policies, is part of this effort. Its reform also aims at positioning the Fund as key future instrument to leverage financial sources required for implementation of EU environmental acquis in Moldova to meet the commitments under the EU-Moldova Association Agreement.

The development and implementation of environmental policies in Moldova still faces a lot of challenges, including weaknesses in the legal and institutional framework, lack of capacities for the elaboration of sound environmental and economic analysis for policy priorities and elaboration of programmes and plans, as well as securing substantive financing sources for implementation of approved environmental programs and projects. Given the realities of the Republic of Moldova, environment protection still doesn't represent a top priority for the Government. The environmental sector's budget in Moldova is very limited and constitutes 0.2% of the total national budget. Moreover, most of this funding covers staff costs and does not allow the Ministry of Environment (MoE) to implement its core activities nor to promote necessary policies.

The NEF, created in 1998, is a key instrument for financing the implementation of environmental policies in Moldova. In 2012, the Ministry of Environment, with the support of the United Nations, initiated a comprehensive reform of the National Ecological Fund, in view of ensuring the sustainability and functionality of the Fund as an effective tool for financing the implementation of environmental policies and strategic priorities in Moldova. The new draft Regulation and Operational Manual shall adopt best international practices for public environmental expenditure and project cycle management.

Currently, existing environmental pollution charges earmarked in the Law on Payment for Environmental Pollution, constituting the main revenue source of the NEF National and Local Environmental Funds mobilize yearly approximately 16 mln USD. Compared to the investment needs in the sector these sources are rather limited and don't allow for the implementation of national and local environmental policies. Resources of the NEF are distributed on a competitive basis, providing grants to local authorities, businesses and the civil society. 250 projects were approved and financed during 2011. Although during the past years several modifications were made to the current regulatory framework of the Fund, an extensive reform of its governance structure and management practices are required in order to increase transparency and participation in the decision making process and ensure a better collaboration with other state institutions, as well as to improve the operational

procedures and project management cycle in order to ensure targeted and efficient use of the available financial resources.

### **Specific Background:**

Against the background described above, UNDP Moldova through the GEF Environmental Fiscal Reform Project (EFRP) currently provides assistance to the Ministry of Environment NEF and other governmental stakeholders to improve the management and operational procedures of NEF, in view of increased efficiency and transparency. A new improved Fund Regulation and Operational Manual is being drafted, based on best practices in the region/internationally. At the same time, the spending priorities of the NEF will be aligned with the environmental protection priorities set in sector policy documents and according to Moldova's international commitments. The priority in 2014 will be on finalizing and adopting the new regulatory and operational framework of the Fund and supporting their introduction and application, including the associated capacity development of the decision makers and NEF staff involved.

The study tour to the Czech Republic will support this reform process by providing the Moldovan decision makers and practitioners with first-hand experience and lessons learned which will feed into the further reform development and implementation.

Experience from EU candidate countries and new member states, including the Czech Republic, showed that the environmental sector investment needed to implement the EU environment acquis would amount to several percent of GDP over more than a decade. After these data had been published, a political debate started in the EU and all affected candidate countries. This debate focused on how estimated costs could be covered. The discussion eventually led to the allocation of significant additional funds for the environmental sector in all concerned countries, including increased allocations from the European Union, increased national budget allocations and in most cases, higher capitalization of National Environmental Funds for managing dedicated public environmental expenditure programs. Typically, Fund capitalization was achieved with earmarked revenues from environmental taxes. Eventually, all new EU Member States from Central and Eastern Europe have made extensive use of Environmental Funds to manage public environmental expenditure programs in support of financing the implementation of the EU environmental legislation, and Moldova wants to follow and learn from this practice.

The experience of the Czech Republic in establishing, developing and managing Environmental Funds is considered best practice and is highly relevant for the ongoing reform of the Moldova NEF, also in view of Moldova's EU integration aspirations. The Czech State Environmental Fund was established in 1992 and similar to the Moldovan Fund. Its major revenue sources are earmarked pollution/emission taxes. Grants and soft loans are the key instruments applied. Of particular interest to Moldovan decision makers are the experiences, practices and lessons learned of the Czech State Environmental Fund in view of (but not limited to):

- Governance models and decision making structures
- Accessing/managing EU funding and funds from other donors via Environmental Funds;
- Implementing call for projects/tenders according to EU regulations;
- Project selection/appraisal procedures for different sectors;
- Project implementation monitoring;
- Procedures in case of project default;
- Procedures and document/templates for soft loans;
- Management of public relations and performance reporting.

### **C. SCOPE OF SERVICES, EXPECTED OUTPUTS AND TARGET COMPLETION**

EFRP seeks specialized Czech organization (hereinafter Service Provider) that have the capacity to prepare and organize a Study Tour on managing Environmental Funds in Czech Republic for 6 representatives from Moldova (representatives of the National Environmental Fund, Ministry of Environment, Ministry of Finance, State Chancellery and Parliament).

The **Overall Objective** of the assignment is enhance the capacities of NEF and Ministry of Environment staff to reform and apply improved management and operational procedures of the Fund based on international best practices.

More specifically, the requested consultancy services will consist in the following:

- facilitating knowledge transfer to NEF and MoE staff on major topics of NEF governance, management and operation according to feed into the Moldovan Fund's new Regulation and Operational Manual;
- enhancing the professional capacities of NEF and MoF personnel to adopt and implement a regulatory, institutional and operational framework for the NEF of Moldova
- contribution to positioning the NEF as key instrument in meeting the environmental sector funding needs;
- strengthening the non-formal partnerships and cooperation between Moldova and Czech Republic actors in environmental sectors.

**Main topics to be covered during the study visit:**

- National Legal framework in the field of Environmental Fund in Czech Republic
- Governance models and decision making structures
- Accessing/managing EU funding and funds from other donors via Environmental Funds;
- Implementing call for projects/tenders according to EU regulations;
- Project selection/appraisal procedures for different sectors;
- Project implementation monitoring;
- Procedures in case of project default;
- Procedures and document/templates for soft loans;
- Management of public relations and performance reporting;
- Lessons learnt.

The assignment will require the completion of the following tasks:

#	DELIVERABLES	INDICATIVE ACTIVITIES
<b>Stage I: Preparatory Activities (approx. May 2014)</b>		
1.	<p><b>Output 1.1:</b> Endorsed final Study Tour Agenda</p> <p><b>Output 1.2:</b> Support in getting visa for the participants</p> <p><b>Output 1.3:</b> Ensured all related logistical arrangements (accommodation, materials, site visits confirmation, etc.)</p>	<p><b>Develop the final draft of agenda</b></p> <ul style="list-style-type: none"> <li>• Propose priority areas of the Study Tour (topics and case selection justification, detailed description of the topics to be covered and the modality of presenting the information)</li> <li>• Formal arrangements with the institutions to be visited and experts/officials/actors to be consulted</li> <li>• Development of study tour materials, documents and guidelines (translated into Romanian) for handing out to the participants</li> <li>• Propose a social events programme (e.g. dinner, sightseeing or similar) and other activities (informal meetings,</li> </ul>

#	DELIVERABLES	INDICATIVE ACTIVITIES
		discussions, etc.)  <b>Logistical preparation for the study tour</b> <ul style="list-style-type: none"> <li>• Assistance with visa procedures (invitation letters)</li> <li>• Airport pick up arrangements</li> <li>• Accommodation arrangements (3 stars and more, single rooms)</li> <li>• Domestic transportation arrangements</li> <li>• Lunch and dinner arrangements for the whole study tour (3 meals per day)</li> <li>• Interpretation arrangements (translation of materials and simultaneous translation into Russian)</li> </ul>
<b>Stage II: Organization of the Study Tour (approx. May/June 2014)</b>		
2.	<b>Output 2:</b> Study tour, one week (4 working days + 1,5 days related to arrival/departure) of study tour programme	<b>Organization of the study tour (for 6 participants) in accordance with the endorsed agenda</b> <ul style="list-style-type: none"> <li>• Pick up from the airport and transportation to the hotel</li> <li>• Agenda implementation: travel to agreed institutions, site visits, presentations/lectures, social events, etc.</li> <li>• Final roundtable to discuss the study visit results, including evaluation</li> <li>• Transportation to airport</li> </ul>
<b>Stage III: Project Implementation Reporting (approx. May/June 2014)</b>		
3.	<b>Output 3.1:</b> Final report	<b>Preparation of database of Czech experts and relevant institutions which can be used for further consultations and networking</b>  <b>Elaboration and submitting to EFRP of the final progress report</b> <ul style="list-style-type: none"> <li>• Submission of Final report in English and with the electronic copy. In addition to the final report all training and study visit materials and participants' evaluation should be submitted</li> </ul>

#### D. DURATION OF WORK

The implementation of all activities (preparation, implementation and reporting) should not exceed 3 months.

#### E. LOCATION OF WORK

Czech Republic: Prague (for learning national legal and strategic framework) and rural municipalities (to visit the proposed implemented best cases projects)

#### F. INSTITUTIONAL ARRANGEMENT

All deliverables shall be endorsed by EFRP Manager. The Service provider will activate under the guidance of the EFRP Manager and supervised by UNDP Programme Analyst and UNDP Czech Trust Fund Manager. The progress reports will be presented on a 'deliverable base' and at the requirement of the EFRP/UNDP.

## **G. QUALIFICATIONS OF THE SUCCESSFUL SERVICE PROVIDER AT VARIOUS LEVELS**

- The organization should have the following qualifications:
  - Officially registered legal entity or consortium of legal entities.
  - At least 5 years of experience in preparation and facilitation of study tours and trainings
  - Previous experience of cooperation with international organization on implementing technical assistance projects
  - Possesses technical and human resources for successful implementation of the assignment and/or has capacities to subcontract external consultants or NGOs/companies.
  - Track record of at least three relevant projects

The project team must include:

- A qualified Project Manager with:
  - University degree in the areas relevant for the assignment (e.g. political studies, Environment, Economics, Law, Public Administration). A higher degree shall be considered as an asset
  - At least 5 years of experience of project management in similar projects (including familiarity with projects on environment sector).
  - Good communication skills of the staff in English (both written and spoken). Knowledge of Russian or Romanian will be considered as an asset.
  - Knowledge and skills of MS Office, including Word, Excel, PowerPoint.
- A qualified Expert with:
  - Advanced degree in Economics, Environment, Law or similar field.
  - Minimum five years of working experience on environment issues
  - Proven record of undertaking consultancy services/training/facilitation in the field of accessing/managing funds from Environmental Funds and other donors
  - Excellent communication and facilitation skills as well as reporting experience
  - Communication and interpersonal skills required for collaboration with central/local public administration representatives and service providers.
  - Knowledge and skills of MS Office, including Word, Excel, PowerPoint.
  - Excellent command of English language. Knowledge of Romanian or Russian will be considered as an asset.

## **H. RECOMMENDED PRESENTATION OF TECHNICAL PROPOSAL** (see also the respective Section of the solicitation documents.

Technical proposal should include the following:

- Information regarding the organization
- Complete programme study visit – including topics to be covered in theoretical part (lectures, presentations, discussions, etc.), experts to be consulted, visits to selected institutions with brief reasoning of selection of the respective institution, other proposed activities (informal meetings, roundtables, discussions, etc.) and social event (e.g. dinner, sightseeing, or similar);
- Proposed time schedule for the activities to be carried out as per the ToR;
- Description of topics and areas to be covered in study materials, guidelines, etc. for handing over to the participants;
- Methodology of training and study tour evaluation;

- Description of general logistics – what type of transport (public transport, rented mini/bus,...) will be used, type of accommodation (single rooms are required) and other services provided, including type of premises for lectures, technical equipment, refreshments, etc.;
- CVs of project team and invited experts;

In addition to the hard copy, please also provide all the information on CD-R. Two separate CDs are required for technical proposal and financial proposal.