

# Terms of reference



## GENERAL INFORMATION

**Title:** Consultant for Economic Valuation of Forested Area outside the State Forest

**Project Name:** Strengthening Forest Area Planning and Management in Kalimantan (KALFOR Project)

**Reports to:** NPM of KALFOR Project

**Duty Station:** Ministry of Environment and Forestry (KALFOR Project Office), Jakarta

**Travel Plan:** Ketapang, Sintang, Kutim, and Kobar District

**Duration of Assignment:** 60 working days within November 2020 – January 2021

## REQUIRED DOCUMENT FROM HIRING UNIT

	TERMS OF REFERENCE
	<b>CONFIRMATION OF CATEGORY OF LOCAL CONSULTANT, please select:</b>
	(1) Junior Consultant
	(2) Support Consultant
	(3) Support Specialist
	(4) Senior Specialist
	(5) <u>Expert/ Advisor</u>
	<b>CATEGORY OF INTERNATIONAL CONSULTANT, please select:</b>
	(6) Junior Specialist
7	<b>(7) Specialist</b>
	(8) Senior Specialist
	APPROVED e-requisition

## REQUIRED DOCUMENTATION FROM CONSULTANT

x	P11 or CV with three referees
x	Copy of education certificate
x	Completed financial proposal
X	Completed technical proposal

### ***Need for presence of IC consultant in office:***

- ☐ partial (explain)
- ☒ intermittent (regular coordination with KALFOR Project)
- ☐ full time/office based (needs justification from the Requesting Unit)

### **Provision of Support Services:**

Office space: ☒ Yes ☐ No

Equipment (laptop etc): ☐ Yes ☒ No

Secretarial Services ☐ Yes ☒ No

If yes has been checked, indicate here who will be responsible for providing the support services:  
KALFOR Project

## I. BACKGROUND

*UNDP Indonesia's mission is to be an agent for change in the human and social development of Indonesia. We aim to be a bridge between Indonesia and all donors as well as a trusted partner to all stakeholders. We work in four key areas of development: Governance Reforms, Pro-Poor Policy Reforms, Conflict Prevention and Recovery, and Environment Management, with the overarching aim of reducing poverty in Indonesia. Besides the four priority areas, UNDP Indonesia is also engaged in a variety of crosscutting initiatives focused on HIV/AIDS, gender equality, and information and technology for development."*

The UNDP Indonesia and the Government of Indonesia collaborate to run a project entitled "Strengthening Forest Area Planning and Management in Kalimantan (Kalfor)". The project is focused on the Kalimantan island. The island has to suffer from habitat loss, habitat degradation, overexploitation of biological resources and pollution. This is due to high demand on land or area for agricultural activities. Forest land conversion for palm oil production is blamed to be the highest portion in the process of forest land conversion. It is estimated that the conversion may exceed 9 million hectares, accounting for 26% of deforestation between 2005 and 2010. In the last 10 years, the average deforestation rate associated with palm oil production has been 300,000 ha/year. Expansion potential of oil palm plantation is estimated to be 24.5 million hectares of which 10.3 million hectares will be in Kalimantan up from the current planted area of 3.164 million hectares.

Researchers calculated that 47% of oil palm plantation development from 1990 to 2010 in Kalimantan was at the expense of intact forests, 22% at secondary or logged forests, and 21% at agro-forests, a mix of agricultural land and forests. Only 10% of expansion occurred in non-forested areas. It is estimated that by 2020, under current development scenario, it would convert 9,384,400 hectare of Kalimantan's forest of which approximately 90% is forested lands with 41% intact forests, leading to massive carbon emissions.

Palm oil land areas have very low biodiversity values and their expansion causes near total loss of habitat value and habitat fragmentation and degradation, heavily impacting on biodiversity and ecosystem services on the island. Furthermore, oil palm monoculture contains lower biodiversity value due to the absence of the major components of forest vegetation, including forest trees, lianas and epiphytic orchids. Palm oil plantations were also reported to have caused water supply problems at downstream as a result of water use and fertilizer and pesticide application. These threats pose not only a negative impact on biodiversity and ecosystem services, but also have a significant economic cost to the provinces and the nation, from loss of natural capital. These are considered underlying causes include population growth, poverty, unclear land titles and tenure rights and weak natural resource governance.

In order to safeguard Kalimantan's globally significant biodiversity, it is critical for Indonesia to pursue a green economic growth path. Indonesia needs to define, plan for and create a better balance between the development and management of major estate crops such as rubber, coffee, and oil palm, and the need for improved forest protection. Improvement in palm oil siting and forest landscape planning and management in Kalimantan is one of the most important components for achieving the green development vision. To implement this issue, UNDP is working closely with the Ministry of Environment and Forestry - KLHK to run the Kalfor project.

The Kalfor project is designed to develop and implement various approaches to enhance protection of forested areas in non-national state forest land (APL), as well as lands within the convertible forest (HPK) category, both of which are subject to potential conversion (administratively and/or physically) to estate crops and other land uses. The project thus focuses on creating more effective land allocations and management of forest areas with high biodiversity and ecosystem services in the context of potential estate crop development in Kalimantan and particularly in the Heart of Borneo (HoB) area. Competing priorities between the country's targeted increase in palm oil production and associated growth and employment targets for the sector need to be reconciled

with commitments at both national and international levels to reducing rates of deforestation, forest fires and associated GHG emissions and biodiversity loss.

The project intervention will be focused on three pilot provinces: West Kalimantan, Central Kalimantan and East Kalimantan. The project aims to strengthen the capacity of the Ministry of Environment and Forestry (MoEF) and other key government institutions such as the National Planning Authority (Bappenas), the National Land Board (BPN) and Province/district governments as well as relevant sub-national government institutions to protect areas with retained forest cover from conversion to other landuses including estate crops. The project is structured into four components, with each component comprising a complementary suite of two to three outputs:

- i) Component 1: Mainstreaming of forest ecosystem service and biodiversity considerations into national, provincial, and district policies and decision-making processes for forest area planning and management;
- ii) Component 2: Strengthened and expanded implementation of best practises in the estate crops sector in maintaining biodiversity and ecosystem services in four target landscapes in Kalimantan;
- iii) Component 3: Creation of incentives system to safeguard forests, including biodiversity and ecosystem services, from estate crop sector;
- iv) Component 4: Knowledge management and M&E.

Concrete practices designed to consider and take account of biodiversity and ecosystem services will be mainstreamed into policies and practices for forest area planning and management and into land allocation decision-making for strategic plantations/commodities siting. In relation to this, the Kalfor project seeks a professional consultant to provide technical assistance on implementation of Forest Ecosystem Services and Economic Valuation spatial model within APL in Kalimantan.

### **General Objectives**

The overall objective of this consultancy is to deliver a set of recommendations on applicability of the spatial model of an Economic and Ecosystems Services Valuation (EESV) of the natural resources, particularly forested land within APL area in Kalimantan.

## **II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES**

### **Scope of Work**

The scope of work should include:

1. Develop spatial model of EESV based on KalFor's formula endorsed by DG PKTL.
2. Provide technical assistance to implement the model on the field.
3. Develop recommendation to the project on lesson learned of the implementation.

This consultancy is expected to deliver recommendations as a result of lesson learned from the implementation of the developed spatial model of an Economic and Ecosystem Services Valuation (EESV) for forested land in an APL area. In conducting the consultancy service, the consultant should coordinate with National Project Manager, Chief Technical Advisor of the Kalfor or the Kalfor PMU Team, and the Monev Team of the PKTL and invite other relevant experts. In collaboration with Kalfor PMU, a transfer of knowledge through a video conference and/or face to face workshop (if applicable) should be conducted by the consultant to the selected company who will implement the economic valuation and should be participated by key stakeholders from the pilot provinces and district pilots.

**Activities**

Under the overall supervision of Kalfor NPM, and the Monev team of the PKTL, the Consultant will undertake a desk review of relevant EESV for valuing forested land at APL area. The specific tasks for the consultant to include:

- Conduct desk review of available methodologies for EESV measurements in term of their applicability on the field.
- Conduct situation analysis of forest at APL of the Kalfor's pilot districts.
- Briefly explain and highlight the context and reality of forest at APL in West Kalimantan, Central Kalimantan, and East Kalimantan provinces and in Kalfor's district pilots.
- Conduct simulation of the spatial model to ensure the applicability on the field based on available data.
- Determine suitable site for implementation of the spatial model in the Kalfor's project area.
- Implement the tested spatial model selected site.
- Highlight lesson learned, challenges and solution recommendation in the use of the methodology for management of forest at APL landscape.
- Work in close relation with related topic consultants/company/NGO of the Kalfor Project partners.

**Deliverables**

The service provider is expected to deliver the following listed deliverables:

- Develop workplan and its milestones and presented to the PKTL Monev Team and Kalfor Project Management. The report should cover the revised approach and methodologies, workplan, and milestones.
- Evaluate the strength and the weakness of application of the EESV spatial model in terms of its applicability (spatial and non-spatial data).
- Conduct consultation with PKTL Monev team, Kalfor Management and related expert
- Under PMU Budget, conduct a workshop / seminar either face to face or video conference on the result of the review.
- Develop a set of recommendations on appropriate methodology of EESV to be implemented on the field approve by PKTL
- Technical assistance to selected third party for implementation.

<b>Deliverables/ Outputs</b>	<b>Estimated number of working days</b>	<b>Review and Approvals Required</b>
1. Develop the revised approach and methodologies, work plan, the milestones, and presentation	10 working days	Payment will be made upon approval of each deliverable by NPM of KALFOR Project
2. Submit the first draft of report and presentation on implementation of the spatial modelling implementation	10 working days	
3. Submit the the final consultancy report and presentation to include: a. Report of technical assistance on implementation of the usable and appropriate spatial modelling for conducting EESV for forested land in APL,	40 working days	

approved by PKTL (Implementing Agency)		
b. A set of recommendation to the PKTL based on the technical assistance result for policy development inputs.		

### III. WORKING ARRANGEMENTS

#### Institutional Arrangement

The consultant will work closely with KALFOR Project NPM and PMU.

The Consultant is expected to liaise/interact/collaborate/meet with other UNDP operation unit.

#### Duration of the Work

60 working days

#### Duty Station

Ministry of Environment and Forestry (KALFOR Project Office), Jakarta

#### TRAVEL Plan

All travel will be subject to approval from NPM Kalfor Project, however the expense should be part of financial proposal.

Cost Component	Unit of Measure	Quantity
<b>Travel (lump sum)</b>		
Jakarta - Sintang	Roundtrip	2
Living Allowance	Days	10
Travel Allowance CGK	Times	4
Travel Allowance PTK	Times	4
Jakarta - Ketapang	Roundtrip	2
Living Allowance	Days	10
Travel Allowance CGK	Times	4
Travel Allowance PTK	Times	4
Jakarta – Kobar	Roundtrip	2
Living Allowance	Days	10
Travel Allowance CGK	Times	4
Travel Allowance PKY	Times	4
Jakarta - Kutim	Roundtrip	2
Living Allowance	Days	10
Travel Allowance CGK	Times	4
Travel Allowance SRI	Times	4

#### IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

##### Academic Qualifications:

Master's degree or higher in Forestry, Environment, Spatial Analysis, B/C Analysis, Economics, Finance, or Financial Management, in Environmental Management, Natural Resources Management or another relevant field.

##### List of Experience:

- 7-10 years relevant work experience in development economics and/or business with proven ability to design projects in environmental economics, ecosystems valuation and cooperation for development at the international level.
- Experience in ecosystem services valuation of a forested land. Particular experience in land management and development planning issues in developing countries.
- Experience in publishing at least 3 documents on Economic Valuation
- Experience working with International Organizations
- Experience working in Indonesia is advantage

##### Competencies and special skills requirement:

- Fluently speak English and Bahasa Indonesia is preferable.
- Outstanding time-management, organizational and interpersonal skills.
- Determination and focus on goals and results
- Sound management and effective facilitation skills
- Ability to work under pressure in challenging environments
- Strong analytical skills, initiative, and demonstrated problem – solving skills.
- Familiarity with monitoring and evaluation for projects related to biodiversity, environment, and social in the Indonesia.
- Solid knowledge on land management and development planning issues.
- Strong skills in Statistical Analysis, Spatial (Mapping, GIS, and modelling) analysis, and Training and Capacity Development
- Good understanding of local policies and practices in APL and state-forest areas management

#### V. EVALUATION METHOD AND CRITERIA

Individual consultants will be evaluated based on the following methodology: Cumulative analysis

When using this weighted scoring method, the award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and
- b) having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

\* Technical Criteria weight; [70%]

\* Financial Criteria weight; [30%]

Only candidates obtaining a minimum of 70 point would be considered for the Financial Evaluation.

Criteria	Weight	Maximum Point
<u>Technical</u>	70%	
<b>Criteria A: qualification requirements as per TOR:</b> <ul style="list-style-type: none"><li>• Master degree or higher in Forestry, Environment, Spatial Analysis, B/C Analysis, Economics, Finance, or Financial Management,</li></ul>	70	20

<p>in Environmental Management, Natural Resources Management or other relevant field.</p> <ul style="list-style-type: none"> <li>• At least eight (8) years relevant work experience in development economics and/or business with proven ability to design projects in environmental economics, ecosystems valuation and cooperation for development at the international level.</li> <li>• Experience in ecosystem services valuation of a forested land. Particular experience in land management and development planning issues in developing countries.</li> <li>• Experience in publishing at least 3 documents on Economic Valuation</li> <li>• Experience working with International Organizations and Government</li> <li>• Experience working in Indonesia is advantage</li> </ul>		<p>10</p> <p>10</p> <p>10</p> <p>10</p> <p>10</p>
<p><b>Criteria B: Brief Description of Approach to Assignment</b></p> <ul style="list-style-type: none"> <li>• Understanding to the TOR</li> <li>• Proposed approach and methodology</li> </ul>	30	<p>15</p> <p>15</p>