

TERMS OF REFERENCE

Transfer of Czech Knowledge: Mapping and Assessment Ecosystems and their Services of Grassland and Forest in Montenegro (Project Title)

Project Objectives:

Czech Republic invested significant effort in quantifying what is the contribution of protected areas to national economy. During these processes undertaken by different institutions and organizations, several projects focused on mapping and assessing services provided by grassland and forests where implemented. These initiatives are contributing not only to disseminating the knowledge and understanding of value and importance of services provided by ecosystems but is directly contributing to global processes such as Intergovernmental Platform on Biodiversity and Ecosystem Services, The economics of Ecosystems and Biodiversity etc).

Taking in consideration that Montenegro is making first steps toward understanding and endorsing these initiatives and practice, through this project we would link these institutions with partner institutions from Montenegro, and establish linkages and partnerships that would be mutually beneficial. The main strength of the project would be focusing on learning by doing approach. Two pilot sites would be used as pilots for joint work of Czech and Montenegro experts in order to obtain detailed assessment of ecosystem services provided by forests and grasslands in these areas.

Czech experience will be amended to fit Montenegro legal and development framework, and set of recommendations will be developed, based on experiences gained in PES schemes design in two pilot sites. Sites are predefined as area of Komovi and Piva Mountain massif. In these two areas UNDP CO Montenegro is working on establishment of two new protected areas (level of regional parks, category III as per IUCN categorization).

Context / Background:

Mostly rural and semi-rural northern region of Montenegro represents, from biodiversity point, area to be considered as on one of the Europe biodiversity hot spots. Still pristine nature is increasingly under threat and pressure since at the same time human development levels in the mostly rural and semi-rural northern region of Montenegro lag behind national levels. The northern region makes up 53% of the territory, inhabited by 29% but contributes the GDP with only 18%. GDP per capita in the northern region is only 46.1% of the national product standard per capita clearly indicating the region's underdevelopment and compared with the GDP of the south region of 13.46% above the Montenegrin average national product per capita. The north faces economic hardship and development challenges in socio-economic, employment and educational opportunities, infrastructure and tourist accommodation quality facilities, quality public services and facilities, gender equality, migration, etc. Additionally, the privatisation is slow and the restructuring is carried out via labour retrenchment failing to provide social security and employment opportunities esp. for the hard to employ. Of total active age women 33% is unemployed i.e. 39% in the northern region while youth share in unemployment is 59,3. Women and youth are the highest represented groups in the informal/unregistered labour earning twice less and in

formal sector 20-30% less than man. Similarly, youth is one of the most excluded groups from the business while indicative is that only 20-23% of total SME's are based in the northern region.

Aside of investment shortage, entrepreneurship in the north is underdeveloped being an economic activity in its development only in the recent years. The regional development strategies, launched at central level, accompanied by constructive endeavors to reduce disparities between the country's regions have had a limited impact. The North benefits from a multicultural and multiethnic environment but this is also a challenge in terms of equal opportunities and social inclusion.

In parallel research shows ([The Economic Value of Protected Areas in Montenegro](#); UNDP study financed by GEF/UNDP project: Catalyzing Financial Sustainability of Protected Areas in Montenegro) that the value of recreational activities and other uses of PA lands (mainly situated in North part of the country) and resources, water supply services and watershed/flood protection services is estimated at just under €68 million in 2010.

Only in 2010, just under a half of PA values accrued to the general public (worth more than €32 million), more than a third generated earnings and cost savings to businesses and industries (€25 million), and around 15% earned revenues for the government (€11 million). PA goods and services supported the output of many different sectors of the economy, including tourism, energy, water, agriculture, and infrastructure and disaster risk reduction.

Despite the economic facts and benefits presented above incidence of human poverty in Northern Part of Montenegro is much higher and there is continued economic migration out of the region. The official poverty rate in the northern region is 10,3% (45.2% of the poor in Montenegro) i.e. the poverty rate is twice as high as the national average. The economic crisis has been decrease the investment in the region, increasing pressure on natural resources by local population. This is likely to undermine the quality and effectiveness of ecosystem services that are the basis for development and growth in the North. Years of illegal activities (poaching, logging, illegal building, uncontrolled forest products usage), disregard for pasture preservation etc. are leading to abandonment of traditional ways of resource usage, damaging sensitive and valuable systems and they capacity to provide services. This means that intuitive understanding of ecosystem services existing up to date, and more traditional usage of available resources (proved to be less damaging and more nature friendly than not) are being replaced by practices more oriented toward more intensive exploitation. This means that in many cases short term gain is providing long term damage, while services provided by ecosystems remains unaccounted for, although choosing to "invest in natural capital" implies a considerably higher level of public investment than continuing "business as usual", these expenditures are far outweighed by the economic benefits generated. Net benefits will more than double over the next 25 years, and PAs will generate a total return of almost €29 per €1 of public funds invested.

Concept of payments for ecosystem services (PES) can be traced back few decades, it is still a new instrument, and experience in this matter is almost inexistent in Montenegro. Although globally, PES is being introduced in more sectors (agriculture, water supply, carbon sequestration, biodiversity conservation, etc.) and in relation to more and more ecosystems (surface water, groundwater, forest, etc.) no similar initiative exists in Montenegro.

When considering nature protection the 'Spatial Plan of Montenegro until 2020' (2008), the 'National Strategy of Sustainable Development of Montenegro' (NSSD, 2007) and the 'Biodiversity Strategy and Action Plan' (NBSAP, 2009) establishes optimistic targets for the expansion of protected area system. The NSSD for example envisages an 'increase (of the PAS) to 10% of the territory, and protect(ion) (of) at least 10% of the coastal zone by 2009'. The NSSD, Spatial Plan and the 'Spatial Plan of the Special Purpose Area Public Maritime Domain' (2007) identify the following priority areas that would enable the country to achieve (and even surpass) this objective: (i) establishment of 2 new national

parks (Prokletije and Orjen); (ii) expansion of Durmitor national park to link it to proposed regional parks and to Sutjeska National Park in Bosnia and Herzegovina; (iii) 6 regional parks (Komovi, Bioc-Maglic-Volujak (Piva Regional Park), Ljubisnja, Sinjajevina, Rumija and Turjak-Hajla); (iv) coastal zone protected areas (Solila, Sasko Lake/Knete/Ada Bojana and Buljarica); and (v) 3 marine protected areas (Platamuni cliffs, Old Ulcinj-Ulcinj and Katici islands-Dubovica) and (vi) a number of monuments of nature. The NBSAP reinforces the above priorities and proposes a larger set of sites for protection, in particular for the categories of monuments of nature and areas of exceptional natural values. A rough estimation of all the areas considered for protection in the NBSAP comes to around 27% of the national territory.

UNDP Montenegro through the two GEF funded projects aiming at strengthening protected areas (PA) system in Montenegro, undertook activities to address the need for capacity building to plan and manage modern PA system, as identified in several national strategies (National training strategy, National Biodiversity Strategy with the Action Plan for the period 2010 – 2015). The project „Strengthening protected areas system in Montenegro” has the objective of ‘developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas’. One of the main project components is to, by working directly with the key stakeholder groups and local communities establish the first Regional/Nature Parks in Montenegro in the Komovi and Piva region.

UNDP in cooperation with partner organization will focus on an economic valuation of the protected area system in order to support the case for sustained public investment in protected area establishment and management. The goal is to provide information and data analysis which can be used to make a strong economic and development case to public sector decision-makers for investing in biodiversity and ecosystem conservation and sustainable use through the national PA system. Existing legislation and institutional framework should be more effective in executing duties and obligations in the area of biodiversity. Although the existing legal framework for environmental protection in Montenegro has been harmonized in many areas or is in the process of revision and harmonization with the EU requirements, these regulations are by inertia still poorly observed and implemented in practice.

The need to provide professional upgrading of the existing staff and employment to the new staff was identified in several areas of protection of biodiversity. Placing under protection and management of new protected areas of nature still represents a challenge. In order to facilitate process of professional upgrading of the existing staff and employment to the new staff with specific knowledge in PA management UNDP facilitated establishment of vocational training for park rangers with a goal to line these services with international standards. Educational courses at university level focusing on protected areas management enrolled and delivered of first generation of Master of Science level students under the course “Protected area management and rural development”. This means that in forthcoming period we will have professionals educated in accordance with high standards ready to contribute to improvement of management of Montenegro parks/protected areas.

Expected Output/Outcome:

Unlike grasslands or forestry goods such as timber, grass, herbs, forests products etc ecosystem services are far less tangible and cannot easily be marketed and priced. For this reason, most ecosystem services are inadequately paid for and therefore inadequately provided. Those who own or control these areas do not benefit fully from the value of these ecosystem services and therefore there is a lack of incentives to maintain them fully intact.

UNDP CO Montenegro is seeking opportunity and support in transferring experience from Czech Republic in:

a) Inform responsible parties for policy making and policy implementation in policy areas dependent

on ecosystems and their services (e.g. contribution of protected areas to ecosystem services, priority setting for ecosystem restoration), territorial cohesion, agriculture, forestry.

This will be done by:

- reviewing regional and global practice in equivalent local PES schemes establishment, and documenting best practice and lessons learnt during similar processes in Czech Republic provide guidelines on processes and benefits from developing and using PES schemes.
- Organizing stakeholder workshops to allow for broader participation and engagement. Two thematic workshops (grasslands and forests) will be organized to allow for more in-depth discussion with different sectors and stakeholders.
- Working Group on Mapping and Assessment on Ecosystems and their Services will be formed by representatives from Montenegro institutions (line ministries, public and private sector, NGO sector)

Expected output:

Deliverable 1.	documenting best practice and lessons learnt during similar processes in Czech Republic provide guidelines on processes and benefits from developing and using PES schemes
Deliverable 2.	provide guidelines on processes and benefits from developing and using PES schemes
Deliverable 3.	Organize 2 workshops presenting relevant experience in development and establishment of PES schemes in the Montenegro context.

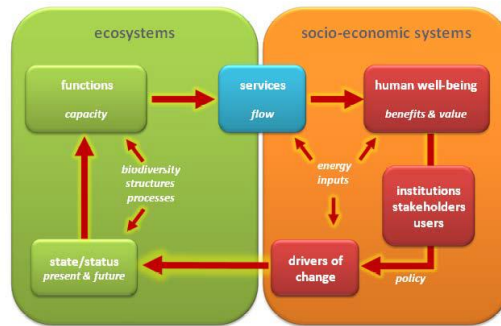
b) Piloting Mapping and Assessment Ecosystems and their services of Grassland and Forest in area of Piva and Komovi;

The study will focus on grasslands and forests due to their importance in the context of Europe from the perspective of economy as well as due to existing long tradition in use and management of these systems. The goal is to: develop a habitat-based ecosystem services assessment, assess ecosystem services provided by grasslands/forests, support ongoing ecosystem assessments (European level, MA follow-up, TEEB), test methodologies and techniques for a national-wide ecosystem assessment, mapping of integrated assessment of specific services delivered by a socio-ecological system

Deliverable 4.	develop a habitat-based ecosystem services assessment, assess ecosystem services provided by grasslands/forests, support ongoing ecosystem assessments (European level, MA follow-up, TEEB), test methodologies and techniques for a national-wide ecosystem assessment, mapping of integrated assessment of specific services delivered by a socio-ecological system
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c) Contribute to the assessment of the economic value of ecosystem services, and promote the integration of these values into accounting and reporting systems at local level;

This activity is designed to test the feasibility of capturing a revenue stream for an ecosystem service (grassland or forest) provided by the two Regional parks to beneficiaries. The goal is to create a mechanism within municipality to collect more revenues from forestry and grasslands. Establishing this fiduciary relationship also has the potential to enhance the perceived value of the park with local residents and businesses, and may encourage a more responsible relationship between the park and its neighboring communities. This pilot, if successful, could then provide an example of what could be possible elsewhere in Montenegro where ecosystem services are neither recognized by the marketplace nor by many decision-makers, and are thus undervalued and their management underfunded.



<p>Deliverable 5.</p>	<p>feasibility analysis of capturing a revenue stream for an ecosystem service (grassland or forest) provided by the two Regional parks to beneficiaries. The goal is to create a mechanism within municipality to collect more revenues from forestry and grasslands. Establishing this fiduciary relationship also has the potential to enhance the perceived value of the park with local residents and businesses, and may encourage a more responsible relationship between the park and its neighboring communities.</p>
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d) Facilitate information exchange between practitioners in Czech Republic and Montenegro (study tour)

The activity is planned as a way to advance research, training and programme development in fields of development and design of PES by building networks and encouraging cooperation through the transfer of knowledge between countries. Exchange study tour would be organized for 9 Montenegro representatives for 5 days of programme, preferably in May 2014.

Deliverable 6.	Study tour to Czech Republic would be organized for Montenegro representatives
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Study Tour

Develop a plan for the Study Tour in Czech Republic, including the study goals and expected results, agenda, list of entities to be met, basic information on the visits, sites, etc.

- Facilitate and provide the logistic of the study tour including identifying and booking suitable accommodation, organizing local transportation services, interpretation, communication, meeting rooms/facilities, etc.
- Organize all meetings during the study tour, including one orientation/introductory meeting for participants at the beginning of the study tour, follow the agreed agenda to the point and conclude with a debriefing meeting.
- Prepare a Study Tour Report covering the topics discussed and institutions visited.

e) Documenting lessons learned and recommendation preparation.

With the purpose of securing dissemination of lessons learned during the project implantation the lessons learned document will be developed. The purpose is to capture the project's lessons learned in a formal document for use by other working on similar future projects. The contents of the lessons learned document should also be determined ahead of time. They should be detailed enough to provide value for future use.

Deliverable 7.	With the purpose of securing dissemination of lessons learned during the project implantation the lessons learned document will be developed. The purpose is to capture the project's lessons learned in a formal document for use by other working on similar future projects. The contents of the lessons learned document should also be determined ahead of time. They should be detailed enough to provide value for future use.
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Expected result from the complete implementation of contract:

- Montenegro line ministries and institutions are informed, familiar and supportive toward ongoing ecosystem assessments (European level, National level, MA follow-up, TEEB etc)
- Mapping and Assessment Ecosystems and their services of Grassland and Forest in area of Piva and Komovi
- Established cooperation between in biodiversity conservation area between Montenegro and Czech Republic

- Documenting lessons learned and recommendation preparation.
- Mechanism of capturing a revenue stream for an ecosystem service (grassland or forest) provided by the two Regional parks to beneficiaries designed.

Reporting

1. Report documenting best practice and lessons learnt in Czech Republic (incl. provided guidelines on processes and benefits from developing and using PES schemes and taking into consideration Montenegrin context); with a summary, approx. length 10-15 pages.
2. Draft presentation in PowerPoint on establishment of PES schemes in Montenegrin context.
3. Assessment on habitat-based ecosystem services. Habitat-based ecosystem services should be identified and prioritized.
4. Feasibility analysis of capturing a revenue stream for an ecosystem service provided by the two Regional parks to beneficiaries (based on desk work).
5. Preliminary report on study tour in Czech Republic
6. Final report including all the previous deliverables as annexes, and final brief report on study tour.

Payment

Outputs	Percentage (% of contracted price);	Timing	Condition for Payment Release
Report on best practice and Draft presentation	20	One month upon contract signing	a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider. c)
Assessment on ecosystems services	30	By October 2014	
Feasibility Study	30	By November 2014	
Final report, incl. report on study tour and all deliverables as annexes.	20	One month prior contract ending	

Qualification requirements:

- The Contractor should have the following qualifications:
 - Officially registered legal entity or consortium of legal entities.
 - At least 3 years of experience in implementing similar activities in ECIS countries (experience in South Caucasus countries preferred); work for UNDP/UN agencies/major multilateral/bilateral programmes an advantage
 - Track record of previous experience in this field of work (i.e. validation of ecosystem services, PA financial management and planning, or related field), minimum of 3 similar assignments.
 - Experience in developing and implementing capacity building and training programmes for national institutions (Govt staff, scientific institutions, NGOs etc.), minimum of 3 similar assignments

- Qualified Project Manager with:
 - University degree in the areas relevant for the assignment (e.g. Environment, Economics, Law, Public Administration, or similar), or equivalent. A higher degree shall be considered as an asset.
 - At least 3 years of experience of project management in similar projects, international experience is an asset (projects in the region are preferred)
 - Working experience with UNDP is an advantage.
 - Excellent communication skills in English (both written and spoken). ECIS languages are an asset.
 - Knowledge and skills of MS Office, including Word, Excel, PowerPoint.

- Qualified Biodiversity Finance Expert with:
 - University degree in the areas relevant for the assignment (e.g. Environment, Economics, Law, Public Administration, or similar) or an equivalent. A higher degree shall be considered as an asset.
 - At least 3 years of experience of project management in similar projects (namely ecosystem validation, financing nature conservation, PA management and planning, or similar), international experience is an asset (projects in the region are preferred)
 - Working experience with UNDP is an advantage.
 - Excellent communication skills in English (both written and spoken). ECIS languages are an asset.
 - Knowledge and skills of MS Office, including Word, Excel, PowerPoint.