

## Terms of Reference for the Revision of

### **Joint Circular no. 62/2012/TTLT-BNNPTNT-BTC** dated 09/11/2012 of MARD and MOF on **Instructions on the mechanism of managing and using PFES**

*Candidates are requested to submit a proposal that outlines their relevant qualifications, prior experience, as well as how they intend to approach this consultancy conceptually and methodologically. The selection will be jointly conducted by GIZ and VNFF.*

**Program/ project:** "Program on Conservation, sustainable use of forest biodiversity and ecosystem services in Viet Nam"

**Director:** Dr. Trần Thế Liên, VNForest, MARD

**CTA:** Kirsten Hegener, GIZ

**Type of consultancy:** short-term;

**Time frame:** 30 workdays, from February to June 2017

**Start date:** February 2017

**Application deadline:** 16 January 2017

#### **1. Background**

Vietnam's Payment for Forest Environmental Services (PFES) policy was established with Decree 99/2010/NĐ-CP dated 24/9/2010, and its implementation has since been guided by several subsequent policy directives, including the Circular that is to be amended through this consultancy (Circular 62/2012/TTLT-BNNPTNT-BTC dated 09/11/2012 of MARD and MOF on Instructions on the mechanism of managing and using PFES). After 5 years of implementation (2010-2015), PFES generates annual revenues of over 60 million USD, and has garnered international attention as an innovative forest financing mechanism.

However, certain shortcomings of the PFES policy framework and its implementation have also become evident. On 2 November 2016, Decree 147/2016/NĐ-CP was promulgated, replacing Decree 99/2010/NĐ-CP, and amending several of its articles, including: Article 5. Principles for making PFES; Article 8. PFES beneficiaries; Article 11. Payment rate and payment amount verification; Article 15. Using PFES money; Article 22. Administrative procedures.

Given the above amendments, the circulars guiding the implementation of Decree 99 are also in need of revision to guide the implementation of the new Decree 147. This includes Circular 62/2012/TTLT-BNNPTNT-BTC dated 09/11/2012 of MARD and MoF on Instructions on the mechanism of managing and using PFES. The goal is for this new Circular to be in line with amendments of the above-mentioned Articles 5, 8, 11, 15 and 22 in the former Decree 99, while potentially proposing further amendments that could increase the effectiveness and efficiency of Vietnam's PFES system.

#### **2. Objective of the consultancy**

The objective of the consultancy is to develop and draft a replacement circular for Circular 62/2012/TTLT-BNNPTNT-BTC dated 09/11/2012 of MARD and MOF on Instructions on

the mechanism of managing and using PFES. The new circular should be in accordance with, and guide the effective implementation of the new Decree no. 147/2016/NĐ-CP dated 2 Nov. 2016 (which replaced Decree no. 99/2010/NĐ-CP dated 24/9/2010). Following directions from VNFF and GIZ, the consultant will study the circular under revision, develop potential amendments, investigate their potential affects, and draft a new circular to be submitted to MARD for acceptance. The overarching aim is to develop a policy framework that can be feasibly implemented, and will contribute to enhance the effectiveness of Vietnam's PFES system to achieve its objectives of forest protection and poverty alleviation.

### **3. Key tasks of consultant**

- 1) Draft an outline of how the above objectives and the following tasks will be achieved, indicating the methodology and time line for all steps and events, including data collection and analysis. Submit outline for approval by VNFF and GIZ, amending work plan to incorporate any feedback received.
- 2) Policy analysis, development, and impact study (Phase 1):
  - Study Circular 62/2012/TTLT-BNNPTNT-BTC and other relevant policy and legal documents, including Decree 147/2016/NĐ-CP.
  - Design and conduct a survey of provincial FPDFs to investigate implementation of Circular 62, with critical attention to issues of coherence, feasibility, barriers and effects.
  - Coordinate with VNFF and GIZ for survey design and follow-up
  - Propose amendments and additions to Circular 62, in coordination with VNFF and GIZ
  - Investigate feasibility of implementing different policy amendments, as well as potential effects.
  - Draft report on above activities, analysing desk study and survey results; proposed options for policy amendments, and their potential effects.
- 3) National workshop (Phase 2):
  - Support VNFF in the organization of a national consultation workshop
  - Produce a PowerPoint presentation based on above study, synthesizing implementation of Circular 62, as well as proposed amendments and potential effects
  - Circulate report on Phase 1 and PowerPoint presentation to GIZ and VNFF
  - Present PowerPoint presentation at national consultation workshop, incorporating feedback received prior by GIZ and VNFF.
- 4) Final revisions of draft circular and submission for approval (Phase 3):
  - Incorporate further feedback received during and after the workshop into final report and final draft of new Circular (to replace Circular 62)
  - Support VNFF in submitting draft Circular for approval by MARD and further amending it as necessary

### **4. Implementation arrangements**

VNFF is the primary management authority for this consultancy. Both VNFF and GIZ will appoint national and international staff as focal points for this consultancy, and the consultant will work in close cooperation with both parties, integrating their expertise and revisions of key deliverables (see below). Specifically, the scheduling and the funding of this consultancy and the national workshop are contingent upon the approval of the PowerPoint presentation and study report by both VNFF and GIZ.

## 5. Time frame

Within a maximum of 30 work days, this consultancy is to be undertaken between November 2016 and February 2017.

## 6. Deliverables

The Consultant shall submit the following deliverables in Vietnamese language for acceptance of VNFF and GIZ. The timeline seeks to provide sufficient time for translation and revision of the deliverables, as well as their revisions, as needed.

No	Deliverables (in Vietnamese)	Deadline
1	Study methodology and work plan (including work plan for field visit and cost estimation to the field)	10 days after signing contract
2	Draft survey for provincial Forest Protection and Development Funds (FPDFs)	10 days before circulating survey
3	Draft report on implementation of Circular 62 and Proposal for amendments (including: revised contents and Draft outline, structure of the new Circular)	15 days before the national consultation workshop
4	PowerPoint presentation for national workshop	15 days before the national consultation workshop
5	Draft version of new Circular	15 days before the national consultation workshop
6	Finalized draft circular after consultation workshop, together with final report	10 days after the national consultation workshop

## 7. Requirements for experience and qualification of consultant

The successful candidate applying to conduct this consultancy is expected to: hold a Master or higher degree in economics, finance, public policy, or a related field; have significant and relevant experience in legislative and policy development in the forestry sector; have gained expertise in Vietnam's PFES program through prior professional experience; be skilful in analyzing, synthesizing, reporting and presenting study findings; be skilful in communicating and connecting with stakeholders; be fluent in both Vietnamese and English

### Annex: Reference documents

1. Decree no. 147/2016/NĐ-CP dated 2 Nov. 2016 of the GoV;
2. Joint circular no. 62/2012/TTLT-BNNPTNT-BTC dated 09/11/2012 of MARD and MOF on guiding for managing and using PFES money;
3. Report on 8 years of operating Forest protection and development fund and 5 years of implementing PFES (2016) of VNFF;
4. Report on 8 years of operating Forest protection and development fund and 5 years of implementing PFES (2016) of Provincial Funds.