

Terms of Reference for the Revision of

Circular no. 80/2011/TT-BNNPTNT dated 23/11/2011 of MARD
on Methods guiding identification of PFES; and of

Circular no. 20/2012/TT-BNNPTNT dated 7/5/2012 of MARD
on guiding the PFES validation procedures

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. These circulars include: Circular no. 80/2011/TT-BNNPTNT dated 23/11/2011 of MARD on Methods guiding identification of PFES and Circular no. 20/2012/TT-BNNPTNT dated 7/5/2012 of MARD on guiding the PFES validation procedures. The goal is for these Circulars to be in line with amendments of the above-mentioned Articles 5, 11 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. Objectives of the consultancy

The objective of the consultancy is to develop and draft a replacement circular for the two Circulars 80/2011/TT-BNNPTNT dated 23/11/2011 and 20/2012/TT-BNNPTNT dated 7/5/2012. 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 two circulars 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 the circulars under revision, 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 no. 80 and Circular no. 20, with critical attention to issues of coherence, feasibility, barriers and effects.
 - Coordinate with VNFF and GIZ for survey design and follow-up
 - Based on above analysis of Circular 80/2011/TT-BNNPTNT, propose alternative formulations of the k-factors or other frameworks for accounting for forest quality in calculation of PFES rates
 - Based on above analysis of Circular 20/2012/TT-BNNPTNT, investigate scope of and develop alternative frameworks for validation and monitoring within Vietnam's PFES system
 - Propose additional amendments and additions to Circular no. 80 and Circular no. 20, 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 Circulars under review, 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 Circulars 80/2011/TT-BNNPTNT and 20/2012/TT-BNNPTNT)
 - 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, incl. plan and budget for field work | 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 80 and Circular 20 and Proposal for amendments (incl: 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. Circular no. 80/2011/TT-BNNPTNT dated 23/11/2011 of MARD;
3. Circular no. 20/2012/TT-BNNPTNT dated 7/5/2012 of MARD;
4. Report on 8 years of operating Forest protection and development fund and 5 years of implementing PFES (2016) of VNFF;
5. Report on 8 years of operating Forest protection and development fund and 5 years of implementing PFES (2016) of Provincial Funds.