

TC Document

I. Basic Information

▪ Country/Region:	Regional
▪ TC Name:	Assessing the impact of biodiversity policies in LAC
▪ TC Number:	RG-T2478
▪ Team Leader/Members:	Team leader: Michele Lemay (INE/RND); Team members: Ricardo Quiroga (RND/CAR); Maria Claudia Perazza (INE/RND); Onil Banerjee (INE/RND); Ashley Camhi (INE/RND); Javier Bedoya (LEG/SGO); Yolanda Valle (INE/RND).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Research & Dissemination
▪ Date of TC Abstract authorization:	04/24/14
▪ Beneficiary	Countries of Latin America and the Caribbean
▪ Executing Agency and contact name	IDB
▪ Donors providing funding:	Fund for Biodiversity and Ecosystem Services Special Program (GN-2703)
▪ IDB Funding Requested:	US\$350,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (which includes Execution period):	18 months
▪ Required start date:	June 2014
▪ Types of consultants (firm or individual consultants):	Firms and individual consultants
▪ Prepared by Unit:	INE/RND
▪ Unit of Disbursement Responsibility:	INE/RND
▪ TC Included in Country Strategy (y/n):	N/A
▪ TC included in CPD (y/n):	
▪ GCI-9 Sector Priority:	Poverty reduction and equity enhancement; climate change, sustainable (including renewable) energy, and environmental sustainability

II. Objectives and Justification of the TC

- 2.1 The general objectives of this TC are two-fold: (i) advance the institutionalization of the Bank's regulatory framework for environment and biodiversity conservation; and (ii) contribute to filling priority gaps in knowledge about biodiversity conservation and ecosystem services in LAC for the purposes of effective public policy. The specific objectives of the TC are as follows: (i) provide the necessary elements for the Environment and Biodiversity Sector Framework Document (SFD) recommended by Management to the Board as part of the Bank's new regulatory sector framework

(GN-2670-1); and (ii) contribute to a multi-year effort to undertake a biodiversity and ecosystem services flagship study.

- 2.2 Latin America and the Caribbean (LAC) is exceptionally biodiverse. It contains about half of the world's remaining tropical forests, nearly one-fifth of global coastal habitats, five of the world's 20 longest rivers, and some of the most productive agricultural and marine areas in the world.¹ With only 16% of the planet's land, the Region holds 40% of the world's biological diversity, including seven of the world's 25 biodiversity hotspots and six of the 17 "megadiverse" countries.²
- 2.3 LAC biodiversity directly underpins a broad range of human activities such as agriculture, fisheries, forestry, and nature tourism that generate goods and services sold on markets. These activities provide food, income, and employment to the people in the Region. LAC biodiversity is also responsible for human life support systems, generating a wide array of ecosystem services that are not normally bought and sold on markets including water purification, maintenance of soil productivity, waste decomposition, nutrient cycling, pest control, flood control, climatic control (e.g., climate moderation, carbon sequestration), pollination of crops and native vegetation, and provision of recreational opportunities. It is estimated that ecosystem services and other non-marketed goods and services account for more than 50% of the "GDP of the poor".³
- 2.4 Threats such as habitat loss and degradation, invasive species, overexploitation, and climate change are contributing to biodiversity loss and inhibiting the provisioning of valuable ecosystem services in the Region. Such threats are being observed at the regional scale and are affecting the status of LAC's key ecosystems such as the Amazon, the Atlantic Forest, the Tropical Andes, the Mesoamerican Corridor and Reef, and the Caribbean Islands with potentially significant economic implications.⁴ For instance, looking at regional forest cover statistics, the annual deforestation rate for LAC as a whole was 0.5% from 1990-2000 – more than double the global rate – and slightly lower, 0.4% from 2000-2010. Three of the ten countries in the world with the largest annual net loss of forest area from 2000-2010 were in South America (Brazil, Bolivia, Venezuela). Particularly troubling is the case of Central America, with the highest rate of deforestation in LAC (1.6% from 1990-2000 and 1.2% from 2000-2010), though the total forest area lost was smaller.⁵ The economic implications of such loss in terms of provisioning services (e.g., sustainable timber production, water supply for agriculture) and regulating services (e.g., carbon storage, nutrient cycling, flood and sediment control) are enormous and can be readily understood by simply looking at the value generated by these services in the Amazon and their role in maintaining the Amazon's hydrological system which sustains one of the most

¹ Blackman, A., Epachin-Niell, R., Siikamaki, J., Velez-Lopez, D. 2012. Prioritizing Policies for Biodiversity Conservation in Latin America and the Caribbean: A Rapid Assessment. Report to the IDB.

² Bovarnick, A., F. Alpizar, C. Schnell (eds.). 2010. Latin America and the Caribbean: A biodiversity superpower. United Nations Development Program (UNDP) and United Nations Environment Program (UNEP). 2010. Atlas of Our Changing Environment: Latin America and the Caribbean, UNEP.

³ TEEB. 2010. The Economics of Ecosystems and Biodiversity. Mainstreaming the Economics of Nature: a synthesis of the approach, conclusions and recommendations of TEEB.

⁴ Blackman, et al. 2012. Ibid.

⁵ FAO 2011

productive grain belts in the world and hydro-electric energy production that supports heavy industry, Brazil's engine of growth in the southeast.⁶

- 2.5 LAC countries have implemented a wide variety of policies to stem these threats, including for example co-management of protected areas, forest certification, payments for ecosystem services (PES), and biodiversity offsets. Despite considerable improvements in piloting and implementing some of these policies over the last decade, the lack of baseline information on biodiversity and ecosystem services, poorly understood economic incentives for compliance, and weak institutions represent significant constraints to conservation planning for LAC countries, and as raises critical questions for establishing lines of action for the Bank's work in sustainable development. Policy and programming would be more effective if the impact of biodiversity conservation policies and their contexts were better understood, including the factors that contributed to their effectiveness. Some of the main obstacles to understanding the impact of conservation policies include for example the tendency to target remote protected areas or already sustainability managed forests^{7 8}, inconsistent metrics for measuring and comparing results, poor monitoring and enforcement, duality in objectives and diverse property rights arrangements. The impact evaluations that do exist suggest that effectiveness depends on site-specific contextual factors, including technical, administrative and political aspects such as underlying drivers of land cover change, resource constraints, political will and leadership, and careful definition of property rights.⁹
- 2.6 The proposed TC will contribute to the following GCI-9 lending program priority targets: (i) poverty reduction and equity enhancement as improved environmental quality and governance can lead to greater opportunities for sustainable income generation for poorer segments of the population, particularly those directly dependent on the natural resource base; and (ii) climate change, sustainable (including renewable) energy, and environmental sustainability since strengthening of the evidence-base for informing environmental policy and implementation will help improve decision making with regards to climate change mitigation/adaptation and overall sustainability. In addition, the proposed TC will contribute to the Environment and Biodiversity sector priority, "Protect the environment, respond to climate change, promote renewable energy, and ensure food security." Lastly, the proposed TC supports the Biodiversity and Ecosystem Services Program, supporting the integration of biodiversity and ecosystem services into key economic sectors and strengthening environmental policy and governance in the Region.

III. Description of activities/components and budget

- 3.1 **Component 1: Analytical support for the Sector Framework Document (SFD) for Environment and Biodiversity.** This component will support the analyses

⁶ Nepstad, D. et al, 2007. The Costs and Benefits of Reducing Carbon Emissions from Deforestation and Forest Degradation in the Brazilian Amazon. The Woods Hole Research Center.

⁷ Blackman, et al., 2014. Does Forest Certification in Developing Countries Have Environmental Benefits? Insights from Mexican Corrective Action Requests. Resources for the Future Discussion Paper No. 16-06.

⁸ Blackman, A. 2014. Strict versus Mixed Used Protected Areas: Guatemala's Maya Biosphere Reserve. Resources for the Future Discussion Paper no. 14-03.

⁹ Blackman, et al. 2012. Ibid

required for developing the new SFD for Environment and Biodiversity which Management committed to presenting to the Board of Directors in late 2015. The SFD is intended to provide meaningful guidance to project teams and a clear sense of what the Bank seeks to accomplish in a given sector. Pursuant to the guidance provided in GN-2670-1, the SFD must define the development challenges of the sector and the problems the Bank is best positioned/seeks to address; explain the types of interventions that have proven to be effective and synthesize the empirical evidence that supports this assertion; define specific areas of uncertainty regarding their development effectiveness; identify the key knowledge and capacity building work underway and identify gaps pointing to potential future knowledge products, and; synthesize and articulate lessons learned in the sector through DEM analysis, OVE's evaluations, and other empirical evidence.

The scope of the SFD for Environment and Biodiversity is expected to complement rather than duplicate Bank policies (OP-703) and other sector frameworks (for example GN-2709-2). The value added of this SFD arises from its emphasis on environmental economics and the economics of biodiversity and ecosystem services in particular as the point of departure for harnessing the potential of LAC's natural capital to contribute to the sustainable development of the Region. To this end, this component will finance three analytical studies in support of the SFD: (i) a regional assessment of policy interventions in environmental management and biodiversity conservation that have proven effective and the supporting empirical evidence; (ii) an analysis of gaps and areas of uncertainty regarding development effectiveness of regulatory and market-based approaches for environmental management and biodiversity conservation; and (iii) an inventory and analysis of key knowledge development and capacity building initiatives underway in the field of applied environmental economics (with a focus on ecosystem services and biodiversity) to be carried out through online surveys and interviews. The work encompasses all member countries of the Bank.

- 3.2 **Component 2: Scoping of a flagship study on the effectiveness of public policies in environmental management and biodiversity conservation.** This component will support the initial scoping and development of a proposal for a flagship study in environmental management and biodiversity conservation in LAC. A flagship study is an opportunity to undertake new research that responds to policymakers' demands and, in this particular context, will address the knowledge gaps or areas of uncertainty pertaining to the development effectiveness of policy instruments and types of interventions identified in the development of the SFD in Component 1 of this TC. This will be the first such study to be developed by the Bank for this sector. Preliminary diagnosis of research topics of relevance to decision makers range from the conservation impact of subsidy reforms (in agriculture, fisheries and water for instance), the integration of environmental and economic modelling for impact evaluation to the targeting of conservation investments. Activities to be financed under this component include: (i) mobilization of an external Advisory Committee of high-level experts; (ii) consultation workshops to validate the scope of the flagship study; (iii) development of a proposal and presentation with the support of expert advisory services in environmental economics.

- 3.3 Both the elements for the SFD and the flagship study will build on the rapid assessment that was done by Resources for the Future (RFF), “Prioritizing Policies for Biodiversity Conservation in Latin American and the Caribbean”, which fed into the design of the Biodiversity and Ecosystem Services Program. The analyses to be undertaken in support of the Environment and Biodiversity SFD and the work for the flagship study will be undertaken as a partnership between IDB staff across Bank Departments and country offices and a small group of external experts in environmental policy and environmental and resource economics. To ensure relevance, a process will be established whereby the country offices will engage with policy makers in the region to capture their perspectives on the relevance and effectiveness of various types of environmental interventions and policies, areas of uncertainty with respect to development effectiveness, and opportunities for future research and investment. This TC will provide a timely contribution to the Bank’s work in environment and biodiversity, including: (i) an improved empirical base for the design of Bank-financed interventions in environment and biodiversity in LAC; and (ii) the identification of opportunities for future loans and knowledge products in the sector.

Indicative Results Matrix

ACTIVITY	DESCRIPTION	EXPECTED OUTPUTS	EXPECTED RESULTS
1. Support to the Environment and Biodiversity Sector Framework	Analytical studies for the preparation of the SFD include: 1) regional assessment of policy interventions in environment and biodiversity that have proven effective and supporting empirical evidence; 2) review of contribution to IDB institutional priorities; 3) definition of gaps and areas of uncertainty regarding development effectiveness; 4) inventory and review of key knowledge and capacity building underway; 5) synthesize and articulate lessons learned in the sector through DEM analysis, OVE’s evaluations and other empirical evidence.	Regional assessment/supporting empirical evidence Gap analysis Inventory of related research and capacity building	Knowledge product and Sector Framework reflecting improved understanding of the impact of biodiversity policies
2. BES Flagship Proposal Preparation	Preparation of the BES flagship proposal would consist of 3 activities: 1) Day long workshop with IDB staff and experts from the Region. 2) Creation of a presentation to be presented to INE/INE, RES, and the INE/RND Division Chief on the proposed topics for the flagship and 3) Creation of a draft outline of the chapters or papers that would make up the flagship study.	Detailed list of topics as well as identification of external experts that will contribute to the BES flagship. Presentation on the proposal for the flagship study Proposed outline for the flagship study	

- 3.4 The total budget for this technical cooperation has been estimated at US\$350,000 as shown in the following table:

Indicative Budget

Activity/Component	Description	IDB/Fund Funding US\$	Counterpart Funding	Total Funding US\$
Activities				
1. Support to the Environment and Biodiversity Sector Framework	Analytical studies: 1. Regional assessment 2. Gap analysis 3. Inventory of work underway	100,000 100,000 50,000		250,000
2. BES Flagship Proposal Preparation	1. Kick-off workshop 2. Proposal development	40,000 60,000		100,000
TOTAL		350,000		350,000

IV. Executing agency and execution structure

- 4.1 Given the strategic corporate objectives of the TC in contributing to the Bank's own regulatory framework for environment and biodiversity and institutionalizing the best practice of the Biodiversity and Ecosystem Services Program, the TC will be executed by the Bank. The Bank has the regional convening capacity for obtaining cooperation and broad consensus from policy makers across the Region on priority knowledge gaps and the most effective ways to address them. The Bank also has the capacity to ensure effective regional dissemination of best practices developed by this TC throughout LAC. Since some of the activities such as regional consultation workshops will take place in the territories of the member countries, the Bank will obtain a letter of non-objection from the corresponding country previous to initiating any activity in such country.
- 4.2 For the contracting of consulting firms and non-consulting services, the project team will observe Corporate Procurement Policy and procedures (GN-2303-20) and, in the case of individual consultants, the Human Resources selection procedures (AM-650).
- 4.3 INE/RND will have responsibility for the execution of this TC. The monitoring and supervision of the TC will be carried out by INE/RND with the support of RND specialists in the country offices of participating countries.

V. Major issues

- 5.1 The risk exists of a lack of the information generated from the flagship study not being utilized by policymakers. This risk will be mitigated by directly involving key policymakers in determining the scope and substance of the flagship study and by widely promoting the study throughout the Region upon its completion.

VI. Exceptions to Bank policy

6.1 None.

VII. Environmental and Social Strategy

7.1 It is not anticipated that the activities to be financed in this TC will have negative direct or indirect social or environmental effects. According to the Bank's Safeguards Screening Toolkit, this operation is classified with "C": (i) no environmental or social risks; (ii) direct contribution to solve an environmental issue. See [Safeguard Policy Report](#).

Required Annexes:

- Terms of Reference (IDBDOCS [#38805369](#), [#38805375](#))
- Procurement Plan (IDBDOCS [#38805394](#))

REGIONAL

Analytical support for the Sector Framework Document (SFD) for Environment and Biodiversity

Terms of Reference

I. BACKGROUND

- 1.1 According to UNEP (United Nations Environment Program), the Latin-America and Caribbean region (LAC) is among the richest regions in biodiversity worldwide. South America alone accounts for half of the terrestrial biodiversity in the world, and the region includes some of the world's most biologically diverse countries including Brazil, Colombia, Ecuador, Mexico, Peru and Venezuela and the most biologically diverse area, the eastern slope of the Andes. Twenty percent of the protected areas worldwide are located in LAC and 54% of the Caribbean flora cannot be found anywhere else on the globe. Additionally, the region contains close to 800 million hectares of forested areas, 570 million hectares of wild savannas, 700 million hectares of agriculturally productive lands and 27% of the planet's available drinking water. Biodiversity is one of the region's most valuable assets and of strategic importance for overcoming poverty and achieving LAC's sustainable development potential.
- 1.2 LAC biodiversity directly underpins a broad range of human activities such as agriculture, fisheries, forestry, and nature tourism that generate goods and services sold on markets. These activities provide food, income, and employment to the people in the Region. LAC biodiversity also generates a wide array of ecosystem services that are not normally bought and sold on markets including water purification, maintenance of soil productivity, waste decomposition, nutrient cycling, pest control, flood control, climatic control (e.g., climate moderation, carbon sequestration), pollination of crops and native vegetation, and provision of recreational opportunities. It is estimated that ecosystem services and other non-marketed goods account for more than 50% of the "GDP of the poor".¹
- 1.3 Threats such as habitat loss and degradation, invasive species, overexploitation, and climate change are contributing to biodiversity loss and inhibiting the provisioning of valuable ecosystem services in the Region. Such threats are being observed at the regional scale and are affecting the status of LAC's key ecosystems such as the Amazon, the Atlantic Forest, the Tropical Andes, the Mesoamerican Corridor and Reef and the Caribbean Islands with potentially significant economic implications.²
- 1.4 LAC countries have used a wide variety of policies to stem these threats, including for example co-management of protected areas, forest certification, payments for ecosystem services (PES), and biodiversity offsets. Despite considerable improvements in piloting and implementing some of these policies over the last decade, the lack of baseline information on biodiversity and ecosystem services, poorly understood economic incentives for compliance, and weak institutions represent significant constraints to conservation planning for LAC countries as well as raises questions in establishing lines of action for the Bank's work in sustainable development. Considerable gains could be made if the impact of biodiversity conservation policies under specific circumstances was better understood and if the factors contributing to effectiveness were established.
- 1.5 The Bank's new regulatory framework (GN-2670-1) provides an unprecedented opportunity to review and assess the main factors contributing to the effectiveness of public policy and regulatory environments in LAC and developing guidance for project teams in designing effective loans and knowledge products.

¹ TEEB. 2010. The Economics of Ecosystems and Biodiversity. Mainstreaming the Economics of Nature: a synthesis of the approach, conclusions and recommendations of TEEB.

² Blackman, et al. 2012. Ibid.

- 1.6 A series of analytical studies are required for developing the new SFD for Environment and Biodiversity which Management committed to present to the Board of Directors in late 2015. The SFD is intended to provide meaningful guidance to project teams and a clear sense of what the Bank seeks to accomplish in a given sector. Pursuant to the guidance provided in GN-2670-1, the SFD must define the development challenges of the sector and the problems the Bank is best positioned/seeks to address; explain the types of interventions that have proven to be effective and synthesize the empirical evidence that supports this assertion; define specific areas of uncertainty regarding their development effectiveness; identify the key knowledge and capacity building work underway and identify gaps pointing to potential future knowledge products, and; synthesize and articulate lessons learned in the sector through DEM analysis, OVE's evaluations, and other empirical evidence. The scope of the SFD for Environment and Biodiversity is expected to complement rather than duplicate Bank policies (OP-703) and other sector frameworks (for example GN-2709-2), with the particular value added of this SFD resulting from the emphasis on environmental economics, and the economics of biodiversity and ecosystem services in particular as the point of departure for taking full advantage of LAC's natural capital for sustainable development.
- 1.7 IDB is seeking an firm, consortium, or specialized research institution of international standing to carry out the analytical studies providing the foundation to the SFD in Environment and Biodiversity.

II. OBJECTIVE

- 2.1 The specific objective of the consultancy is to provide the necessary elements for the Environment and Biodiversity Sector Framework Document (SFD) recommended by Management to the Board as part of the Bank's new regulatory sector framework (GN-2670-1).
- 2.2 The analyses in support of the Environment and Biodiversity SFD will be undertaken as a partnership between the IDB project team assigned to coordinate the consultancy, IDB staff across Bank Departments in Headquarters and country offices, and a small group of external experts in environmental policy and environmental and resource economics. The BES External Advisory Committee will serve as the technical committee for the consultancy. To ensure relevance, a process will be established whereby the country offices will engage with policy makers in the region to capture their perspectives on the relevance and effectiveness of various types of environmental interventions and policies, areas of uncertainty with respect to development effectiveness and priorities for future research and investment. Because this information is to be developed for the Bank's own regulatory framework, the consulting firm will be expected to work closely with the IDB Project Team formed for the purpose of overseeing the analyses. The work encompasses all member countries of the Bank.

III. ACTIVITIES

- 3.1 To comply with the objectives of this consultancy, the consulting firm will perform the following tasks:
- 3.2 Task 1: Regional assessment of policy interventions:
 - Hold a scoping meeting with the IDB project team to agree on the thematic and geographic scope of the regional assessment. The rapid assessment that was done by Resources for the Future (RFF), "Prioritizing Policies for Biodiversity Conservation in Latin American and the Caribbean", which fed into the design of the Biodiversity and Ecosystem Services Program, will be used as a starting point to define the scope. Following this meeting, the IDB project team will establish the scope and thematic areas to be pursued by providing a summary table of the development challenges of the sector and the problems the Bank is best positioned/seeks to address.

- Conduct/update the literature review of policy interventions in environmental management and biodiversity conservation that have proven effective and compile supporting empirical evidence of development effectiveness and factors (general and contextual) determining effectiveness. The review will encompass an exhaustive assessment of the results and quality of impact evaluations on public sector policies and market based approaches to biodiversity conservation in the region.
- Prepare and present to the IDB project team and the BES Advisory Committee a first interim report summarizing the findings of the regional assessment.

3.3 Task 2: Gap analysis:

- Hold a scoping meeting with the IDB project team to agree on the thematic and geographic scope of the gap analysis. This will encompass criteria for research priorities for future Bank consideration to serve in the scoping of a flagship study.
- Based on the findings of the regional assessment undertaken in Task 1 and the comments provided by the IDB project team, conduct an analysis of gaps and areas of uncertainty regarding development effectiveness of regulatory and market-based policies for environmental management and biodiversity conservation;
- Identify potential research priorities for future Bank consideration.
- Prepare and present to the IDB project team and the BES Advisory Committee a second interim report summarizing the findings of the gap analysis and research priorities.

3.4 Task 3: Review of capacity building and knowledge development

- Hold a scoping meeting with the IDB project team to agree on the thematic and geographic scope of the review of capacity building and knowledge development initiatives.
- Carry out the review of key knowledge development and capacity building work underway, pointing out gaps and opportunities for future knowledge products.
- Prepare and present to the IDB project team and the BES Advisory Committee the draft final report summarizing the findings of the analyses undertaken under Tasks 1, 2 and 3.
- Serve as resource experts in a regional validation workshop to be organized by the IDB on the SFD.

IV. DELIVERABLES

4.1 The consulting firm will produce the following documents:

- Work plan presenting the methodology, timeline and responsibilities for all tasks
- Interim report 1: summarizing the findings of Task 1 and including a complete bibliography
- Interim report 2: summarizing the findings of Task 3 including recommendations for research priorities for future IDB consideration
- Draft final report: consolidating the findings of Task 1,2,3

- Final report: including an Executive Summary, presentation of consolidated findings incorporating IDB project team comments, bibliography.
- Presentation to IDB project team and BES External Advisory Committee.

4.2 All documents must be delivered to the IDB in electronic form. The final report should include a cover page, a table of contents, the main text and annexes. Estimated length should not exceed 40 pages. Standard bibliographic practices for the attribution of information to its sources should be observed. The IDB reserves the right to publish final reports, under its own name on its website or in print, with or without changes to the content of the document presented by the consultant.

V. PAYMENTS

- 5.1 The consultancy services will be contracted for a lump-sum and will be paid in the following manner:
- 30% upon signature of the Consultancy Contract
 - 30% upon satisfactory delivery of interim report 1
 - 30% upon satisfactory delivery of draft final report
 - 10% upon satisfactory delivery of final report

VI. COORDINATION

- 6.1 Responsibility for coordination of the Consultancy will rest with Michele Lemay (michelel@iadb.org), lead natural resource specialist (INE/RND) with the support of Onil Banerjee (INE/RND) (onilb@iadb.org).

VII. CHARACTERISTICS OF THE CONSULTANCY

- 7.1 Type of Consultancy: Firm and Lump sum
- 7.2 Duration: TBD
- 7.3 Place of work: Washington DC

VIII. MINIMUM REQUIREMENTS

- 8.1 Qualifications: Firm, consortium, or specialized research institution of international standing with demonstrated experience and in-depth expertise in topics related to biodiversity conservation, environment and economic development policy, particularly in LAC. This includes aspects related to: (i) natural resource economics; (ii) policy and governance; (iii) science; (iv) finance; and (iv) markets for biodiversity. Previous experience with multilateral institutions and projects is desirable. Extensive knowledge of the global and regional context for biodiversity including threats to its preservation and opportunities for its conservation is necessary.
- 8.2 Language: Consultants should be fluent in English and Spanish, with abilities in Portuguese, particularly written matter.
- 8.3 Expertise required on team: expert(s) in natural resource/environmental economics; expert(s) in ecology, or related science; expert(s) in impact evaluation in natural resources management sector; expert(s) in the economic valuation of biodiversity and ecosystem services; expert(s) in measuring the stocks and flows of ecosystem services; and expert(s) in structured expert judgment survey methods, multi-criteria analysis, or other related structured decision-making methodologies.

REGIONAL

Expert advisory services (environmental economics) for the development of a flagship study

Terms of Reference

I. BACKGROUND

- 1.1 According to UNEP (United Nations Environment Program), the Latin-America and Caribbean region (LAC) is among the richest regions in biodiversity worldwide. South America alone accounts for half of the terrestrial biodiversity in the world, and the region includes some of the world's most biologically diverse countries including Brazil, Colombia, Ecuador, Mexico, Peru and Venezuela and the most biologically diverse area, the eastern slope of the Andes. Twenty percent of the protected areas worldwide are located in LAC and 54% of the Caribbean flora cannot be found anywhere else on the globe. Additionally, the region contains close to 800 million hectares of forested areas, 570 million hectares of wild savannas, 700 million hectares of agriculturally productive lands and 27% of the planet's available drinking water. Biodiversity is one of the region's most valuable assets and of strategic importance for overcoming poverty and achieving LAC's sustainable development potential.
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- 1.4 LAC countries have used a wide variety of policies to stem these threats, including for example co-management of protected areas, forest certification, payments for ecosystem services (PES), and biodiversity offsets. Despite considerable improvements in piloting and implementing some of these policies over the last decade, the lack of baseline information on biodiversity and ecosystem services, poorly understood economic incentives for compliance, and weak institutions represent significant constraints to conservation planning for LAC countries as well as raises questions in establishing lines of action for the Bank's work in sustainable development. Considerable gains could be made if the impact of biodiversity conservation policies under specific circumstances was better understood and if the factors contributing to effectiveness were established.
- 1.5 The Bank's new regulatory framework (GN-2670-1) provides an unprecedented opportunity to review and assess the main factors contributing to the effectiveness of public policy and regulatory environments in LAC and developing guidance for project teams in designing effective loans and knowledge products.
- 1.6 Using as a point of departure the gap analysis to be undertaken for the new Sector Framework Document (SFD) for Environment and Biodiversity which Management committed to present to the

¹ TEEB. 2010. The Economics of Ecosystems and Biodiversity. Mainstreaming the Economics of Nature: a synthesis of the approach, conclusions and recommendations of TEEB.

² Blackman, et al. 2012. Ibid.

Board of Directors in late 2015, the Bank requires an individual consultant to serve as an expert advisor in the development of a proposal for a flagship study in environmental economics. A flagship study is an opportunity to undertake new research that responds to policymakers' demands and, in this particular context, will address the knowledge gaps or areas of uncertainty pertaining to the development effectiveness of policy instruments and types of interventions identified in the development of the SFD. This will be the first such study to be developed by the Bank for this sector. Preliminary diagnosis of research topics of relevance to decision makers range from the conservation impact of subsidy reforms (in agriculture, fisheries and water for instance), the integration of environmental and economic modelling for impact evaluation to the targeting of conservation investments. Activities to be financed under this component include: (i) mobilization of an external Advisory Committee of high-level experts; (ii) consultation workshops to validate the scope of the flagship study; (iii) development of a proposal and presentation with the support of expert advisory services in environmental economics.

II. OBJECTIVE

- 2.1 The specific objective of the individual consultancy is to provide expert advisory services in scoping and developing an initial proposal for a flagship study focusing on new research that responds to policymakers' demands and, in this particular context, addressing the knowledge gaps or areas of uncertainty pertaining to the development effectiveness of policy instruments and types of interventions identified in the development of the SFD for the Environment and Biodiversity Sector Framework Document (SFD) recommended by Management to the Board as part of the Bank's new regulatory sector framework (GN-2670-1).
- 2.2 The work in support of the flagship study will be undertaken as a partnership between the IDB project team assigned to coordinate the consultancy, IDB staff across Bank Departments in Headquarters and country offices, and a small group of external experts in environmental policy and environmental and resource economics. The BES External Advisory Committee will serve as the technical committee for the consultancy. To ensure relevance, a process will be established whereby the country offices will engage with policy makers in the region to capture their perspectives on the relevance and effectiveness of various types of environmental interventions and policies, areas of uncertainty with respect to development effectiveness and priorities for future research and investment.

III. ACTIVITIES

- 3.1 To comply with the objectives of this consultancy, the consulting firm will perform the following tasks:
- 3.2 Task 1: Scoping workshop:
 - Contribute to the agenda for a scoping workshop on the flagship study based on the results of the analytical studies of the SFD.
 - Prepare and consolidate background materials for the scoping workshop
 - Participate in the scoping workshop
 - Prepare and present to the IDB project team and the BES Advisory Committee a first interim report summarizing the findings of the scoping workshop, including a justification for the scope proposed for the flagship study.
- 3.3 Task 2: Development of a proposal for flagship study:
 - Based on the results of the flagship workshop, develop an initial proposal for the flagship study.

- Present the initial proposal for discussion to the IDB Project Team and BES Advisory Committee.

IV. DELIVERABLES

- 4.1 The individual consultant will produce the following documents:
- Agenda for the scoping meeting
 - Initial proposal
 - Presentations to IDB project team and BES External Advisory Committee.
- 4.2 All documents must be delivered to the IDB in electronic form. The final report should include a cover page, a table of contents, the main text and annexes. Estimated length should not exceed 40 pages. Standard bibliographic practices for the attribution of information to its sources should be observed. The IDB reserves the right to publish final reports, under its own name on its website or in print, with or without changes to the content of the document presented by the consultant.

V. PAYMENTS

- 5.1 The consultancy services will be contracted for a lump-sum and will be paid in the following manner:
- 40% upon signature of the Consultancy Contract
 - 30% upon satisfactory delivery of interim report 1
 - 30% upon satisfactory delivery of final report

VI. COORDINATION

- 6.1 Responsibility for coordination of the Consultancy will rest with Michele Lemay (michelel@iadb.org), lead natural resource specialist (INE/RND) with the support of Onil Banerjee (INE/RND) (onilb@iadb.org).

VII. CHARACTERISTICS OF THE CONSULTANCY

- 7.1 Type of Consultancy: Firm and Lump sum
- 7.2 Duration: TBD
- 7.3 Place of work: Washington DC

VIII. MINIMUM REQUIREMENTS

- 8.1 Qualifications: Internationally recognized individual expert consultant with demonstrated experience and in-depth expertise in topics related to biodiversity conservation, environment and economic development policy, particularly in LAC. This includes aspects related to: (i) natural resource economics; (ii) policy and governance; (iii) science; (iv) finance; and (iv) markets for biodiversity. Previous experience with multilateral institutions and projects is desirable. Extensive knowledge of the global and regional context for biodiversity including threats to its preservation and opportunities for its conservation is necessary.
- 8.2 Language: Consultants should be fluent in English and Spanish.

PROCUREMENT PLAN FOR NON-REIMBURSABLE TECHNICAL COOPERATIONS										
Country: Regional						Executing agency: IDB			Public or private sector: (indicate which applies)	
Project number: RG-T2578						Title of Project: Assessing the impact of biodiversity policies in LAC				
Period covered by the plan: 18 months										
Threshold for ex-post review of procurements:				Goods and services (in US\$):				Consulting services(in US\$):		
Item Nº	Ref. AWP	Description (1)	Estimated contract cost (US\$)	Procurement Method (2)	Review of procurement (ex ante or ex-post) (3)	Source of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB/MIF %	Local/other %			
		Goods								
		Good 1 (brief description)								
		Non consulting services								
		Regional scoping workshop for flagship	40000	PC	ex-post	100%		1/15/2015	No	
		Consulting services								
		Three analytical studies for Sector Framework Document	250000	QBS	ex-post	100%	0%	9/1/2014	Yes	
		Individual consultants								
		Expert advisory services in environmental economics for scoping and development of initial flagship study proposal	60000	IICQ	ex-post	100%	0%	10/1/2014	Yes	
3		Project Execution Unit								
		Operating expenses								
Total			350000	Prepared by: Michele Lemay			Date: 05/10/14			
(1) Grouping together of similar procurement is recommended, such as computer hardware, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value od US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and X1".										
(2) Goods and works: CB: Competitive bidding; PC: Price comparison; DC: Direct contracting.										
(2) Consulting firms: CQS: Selection Based on the Consultants' Qualifications; QCBS: Quality and cost-based selection; LCS: Least Cost Selection; FBS: Selection nder a Fixed Budget; SSS: Single Source Selection; QBS: Quality Based selection.										
(2) Individual consultants: IICQ: International Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection.										
(3) Ex-ante/ex-post review: In general, depending on the institutional capacity and level of risk associated with the procurement, ex-post review is the standard modality. Ex-ante review can be specified for critical or complex process.										
(4) Technical review: The PTL will use this column to define those procurement he/she considers "critical"or "complex"that require ex ante review of the terms of reference, technical specifications, reports, outputs, or other items.										