**REGIONAL**

**Environment, Rural Development and Disaster Risk Management Division**

**Developing PES Guidelines for the Amazon Region through the experiences of the Bolsa Floresta PES Program (RG-T2545)**

**INDICATIVE Terms of Reference**

1. **Background** 
   1. The general objective of the operation “Developing PES Guidelines for the Amazon Region through the experiences of the *Bolsa Floresta* PES Program” (RG-T2545) is improving and expanding the knowledge basis on Payment for Ecosystem Services (PES) in LAC as a viable tool for biodiversity conservation and reducing environmental degradation. The specific objectives are: (i) to design a set of tools and procedures for implementing, monitoring and evaluating viable public-private proven-based PES schemes tailored to the Amazon region; and (ii) to disseminate to present and future PES program managers the field-proven strategies, guidelines and best practices for PES in similar underlying conditions.
   2. Payment for Ecosystem Services (PES) are market-based instruments used for biodiversity conservation in LAC, which involve cash transfers from users of ecosystem services to providers of those services, conditional on continued provision. The market failure to recognize and compensate landowners for the environmental services that forests in their lands provide to society has been – since at least the mid-90s – considered a significant underlying cause of forest loss.[[1]](#footnote-1) Therefore, PES is envisioned as a market-based mechanism through which this market failure could be addressed.[[2]](#footnote-2) In its most simple form, PES are voluntary transactions in which a well-defined environmental service (or land use likely to deliver that service) is bought by at least one buyer from at least one provider of the environmental service under the condition that the provider secures the provision of the environmental service or desired land use.[[3]](#footnote-3)
   3. In spite of its relative straight-forward definition, monitoring the effectiveness of PES schemes to ascertain the provision of environmental services has been challenging. Many PES initiatives have been tested and implemented in Latin America targeting deforestation, watershed and biodiversity protection. There have been some efforts on mapping and analyzing PES initiatives, and also their relation to public policies on climate change, across Latin America[[4]](#footnote-4),[[5]](#footnote-5),. Furthermore, CIFOR vast and solid research on PES mechanisms[[6]](#footnote-6) and Forest Trends PES matrix[[7]](#footnote-7) are a step further of such efforts and could contribute towards a network to promote experience exchange.
   4. Nevertheless, many of these PES schemes, particularly public payment schemes for private landowners and communities in developing countries, have been implemented without the establishment of well-defined baselines and monitoring mechanisms that could have enabled sound performance assessments over time[[8]](#footnote-8),[[9]](#footnote-9). The establishment of baselines and monitoring mechanisms of PES schemes to determine additionality and enforce conditionality has been inconsistent in many cases. This inconsistency is attributed partly to lack of financial and human resources, and political will, but also to lack of proper guidance on how to design, establish and monitor PES schemes[[10]](#footnote-10). Few guidelines have been developed to establish and conduct PES schemes[[11]](#footnote-11). However, in order to provide innovative, practical PES schemes in LAC beyond the market approach, a closer look is needed into the process of adapting PES schemes to local circumstances and issues relevant for their design, establishment and monitoring, taking into account institutional and cultural diversity, and issues such as equity and fairness that are key for long-term success of PES schemes in regions such as the Amazon.[[12]](#footnote-12)
   5. A recent study was conducted on a large-scale and fully implemented public‑private PES scheme in the Amazon region - the *Bolsa Floresta* PES Program (BFP)[[13]](#footnote-13). The BFP may contribute to reduce deforestation within its target areas while maintaining livelihood strategies of local communities, although the findings are preliminary and non-conclusive since the sample was small and not representative. Nevertheless, the study lays out the foundation to undertake an in-depth analysis of the BFP, and derive lessons for the establishment of future PES schemes in the Amazon Region.
   6. The IDB is seeking the services of an internationally-recognized organization with demonstrated experience in the design, implementation and monitoring of public-private funded Payments for Ecosystem Services programs in the Amazon region. The firm will conduct an evaluation of the performance of the *Bolsa Floresta* PES Program and, based on the results of this evaluation, will develop guidelines for the design, implementation, monitoring and evaluation of PES programs tailored to the Amazon Region.
2. **Consultancy objectives** 
   1. This project aims at advancing PES programs in LAC by providing a stepwise and tested approach of PES implementation within the Amazonian context of relatively low internal land use change pressure, low to moderate external pressure for land use change, which is likely to increase contingent on infrastructure development (particularly roads). Therefore this project could contribute to expand implementation of preventive measures in areas bound to soon be impacted by agricultural frontiers, which is the case in many places in the Amazon, enabling others to adapt and replicate such strategies to their contexts.
   2. The overall objective of this consultancy is to assess experiences in PES schemes, particularly the Bolsa Floresta Program, and develop a stepwise and tested approach of PES implementation in the context of the Amazon region. The specific objectives are to: (i) review state of the art in PES schemes in LAC and assess the results and effectiveness of the 6-year experience of Bolsa Floresta Program, to identify lessons learned and best practices; (ii) to develop guidelines for the design, implementation, monitoring and evaluation of public-private PES schemes tailored to the Amazon region; and (iii) to devise and implement a strategy to disseminate to present and future PES program managers the field-proven strategies, guidelines and best practices for PES in similar underlying conditions.
3. **Main activities**
   1. **Task 1. Assessment of BFP’s performance**. This activity foresees an independent evaluation of BFP’s performance and effectiveness of its 6-year operations, that will entail the identification and description of: (i) the program’s goals, (ii) expected results and approaches, and (iii) an analysis of how the program has impacted (or is impacting) people and the forest. Undertake a critical evaluation of its achievements and shortcomings, including the effectiveness of allocating financial resources towards securing forest areas, which, without a PES scheme, would have been degraded or lost. The assessment will take full account of the methodological approach and results of the study in Börner *et al*., 2013 on the BFP.[[14]](#footnote-14) The activities related to this task include:
      1. An external evaluation of the *Bolsa Floresta* PES Program performance considering:
         * Additionality assessment:
         * Remote sensing analysis of recruited areas
         * Relevant areas targeted before the PES program started (ex-ante assessment)
         * Areas recruited after the PES program started (ex-post assessment)
         * “Ground truthing” to assess image accuracy
         * Socioeconomic impact of the PES program (representative sample of beneficiaries)
         * Financing of PES scheme and payment arrangements
         * Interviews with participating stakeholders, negotiations and conflict resolution
      2. External peer review process to validate external evaluation document of Bolsa Floresta’s performance
   2. **Task 2.** **Development of Toolbox.** Building on the results of the previous Task, the consultant will develop and produce a set of guidelines and procedures (toolbox): a stepwise approach for the organization of strategies to design and implement a PES program in the Amazon region and the provision of guidelines to monitor and assess its performance. This task include, but not limited to, the following activities:
      1. Development of a toolbox/guidelines for the design, implementation, monitoring and evaluation of PES programs in the Amazon region including:

* Identifying target areas
* Establishing baselines
* Setting up innovative payment schemes (e.g. public-private financial arrangements)
* Negotiating with actors, addressing conflict resolution
* Monitoring, reporting and verifying results (from remote sensing to participatory mapping)
* Adaptive planning to approximate expected results
* Community empowerment and leadership
  + 1. Conduct workshops to obtain inputs and validate:
       - The development of toolbox/guidelines for the design, implementation, monitoring and evaluation of PES programs in the amazon region.
  1. **Task 3. Outreach and dissemination**. In coordination with the Bank, design and conduct outreach and dissemination activities about the evaluation and the toolbox to key stakeholders. The task entails but is not limited to the following activities:
  + Develop content for publication of the toolbox and its components in three languages - English, Spanish and Portuguese- in both electronic (pdf) and printed formats;
  + Develop presentation materials and organize/participate in up to three (3) international, regional and local events and workshops to showcase and disseminate the results and experience in PES schemes in the Amazon (to be previously agreed upon with the Bank).[[15]](#footnote-15)
  + Customize a web-based platform on SDSN-Amazonia and IDB/BIO website for upload all project products; and
  + Assist the Bank in liaising with the press, specialized websites and blogs including the IDB BIO blog, as well as organizing launch events with several stakeholders in LAC region.

The Bank will be responsible for developing the layout for publication of the final toolbox product.

1. **Outputs/deliverables** 
   1. The consultant will deliver the following outputs
   2. Output 1 - Work plan and methodology for Tasks 1 and 2 to be delivered 30 days after contract signature.
   3. Output 2 - Peer-reviewed report on the external evaluation of the *Bolsa Floresta* PES Program. The document will be available in English and in electronic format, including Minutes of external peer-review feedback on the document. It is expected to be delivered eight (8) months after signing of the contract.
   4. Output 3 – web-based platform to publish and disseminate project products to be delivered eight (8) months after signing of the contract.
   5. Output 4 – Draft Guidelines (toolbox) for the design, implementation, monitoring and evaluation of public-private funded PES programs in the Amazon, which shall include Minutes of internal and community workshops and interviews. The toolbox document may be delivered in electronic formats in Portuguese, and is expected to be delivered 15 months after signing of the contract.
   6. Output 5 – Final report on toolbox, including content for publication of the toolbox and its components in three languages - English, Spanish and Portuguese, to be delivered two months after delivery of Output 4.
   7. Output 6 – PPT presentations, Minutes, workshop proceedings and reports of events targeted for dissemination, including: (i) Workshop proceedings related to the consultation and validation of Toolbox; and (ii) Reports of events/meeting or round tables organized and/or conducted for dissemination of the main project outputs to be delivered two months after delivery of Output 4.

All outputs must be delivered to the IDB in electronic form, with clear indication of the authorship and versions of each.[[16]](#footnote-16)

1. **Payment Schedule**

5.1 The consultancy services will be contracted for a lump-sum (by output) and will be paid in the following manner:

* 40% upon signing of the contract
* 30% upon approval of deliverables 1 and 2
* 30% upon approval of deliverables 3 through 6

1. **Qualifications** 
   * Specialized non-profit organization or research center/institute with demonstrated experience and in-depth expertise in topics related to: (i) Design and implementation of payments for ecosystem services programs (PES), including REDD projects and other market-based tools for biodiversity conservation and development in the context of tropical forests, particularly in the Amazon; (ii) Monitoring, evaluation, and critical assessment of PES schemes; and (iii) foster partnerships and cooperation among countries. Fluency in English and Portuguese is required.
2. **Characteristics of the consultancy**
   * Consultancy Category & Modality: Products and External Services Contractual, Lump Sum.
   * Contract Duration: Work will begin in May 2015. The duration of this project is 18 months (or until completion of final output).
   * Places of work: place of origin, as well as State of Amazonas, Brazil and location of workshops(s).
   * Team leader/coordinator: Maria Claudia Perazza, Natural Resources Lead Specialist (INE/RND) [mariacp@iadb.org](mailto:mariacp@iadb.org). It is expected that the firm keeps the project coordinator informed of the progress of the work. This may be through emails, and/or phone calls.

**Payment and Conditions:** Remuneration will be determined in accordance with Bank regulations and criteria.

**Consanguinity**: Individuals with relatives working for the IDB within, and including the fourth degree of consanguinity and the second degree of affinity are not eligible for employment as staff or contractual. Candidates must be citizens of a member country of the Inter-American Development Bank.

**Diversity:** The IDB is committed to diversity and inclusion and to providing equal opportunities in employment. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDs status. We encourage women, Afro‑descendants and persons of indigenous origins to apply.

1. Pearce, D. 1996. Global Environmental Value and the Tropical Forests: Demonstration and Capture. In: W. L. Adamowicz, P. Boxall, M. K. Luckert, W. E. Phillips and W. A. White. *Forestry, Economics and the Environment*,pp. 11-48. CAB International. Wallingford. [↑](#footnote-ref-1)
2. Gómez-Baggethun, E., R. de Groot, P. L. Lomas and C. Montes. 2010. "The history of ecosystem services in economic theory and practice: From early notions to markets and payment schemes." *Ecological Economics* 69(6): 1209-1218. [↑](#footnote-ref-2)
3. Wunder, S. 2005. Payments for environmental services: Some nuts and bolts. Occasional Paper No. 42. CIFOR. Bogor. [↑](#footnote-ref-3)
4. <http://idesam.org.br/wp-content/uploads/2013/04/Guia-de-Projetos-de-REDD+-na-America-Latina.pdf> [↑](#footnote-ref-4)
5. <http://www.imazon.org.br/publicacoes/livros/marco-regulatorio-sobre-pagamento-por-servicos-ambientais-no-brasil> [↑](#footnote-ref-5)
6. See the most important publications at: <http://www.cifor.org/pes/_ref/publications/all_publications.htm>. [↑](#footnote-ref-6)
7. Further information at: <http://community.forest-trends.org/about/brazil_matrix>. [↑](#footnote-ref-7)
8. Tacconi, L. 2012. "Redefining payments for environmental services." *Ecological Economics* 73: 29-36. [↑](#footnote-ref-8)
9. Ferraro, P. J. and S. K. Pattanayak. 2006. "Money for nothing? A call for empirical evaluation of biodiversity conservation investments " *PLOS Biology* 4(4): e105. [↑](#footnote-ref-9)
10. Wunder, S., S. Engel and S. Pagiola. 2008. "Taking stock: A comparative analysis of payments for environmental services programs in developed and developing countries." *Ecological Economics* 65(4): 834-852. [↑](#footnote-ref-10)
11. Waage, S., C. Bracer and M. Inbar. 2008. Payments for Ecosystem Services. Getting Started: A Primer. Forest Trends, The Katoomba Group, UNEP. Nairobi. Available from: http://www.unep.org/pdf/PaymentsForEcosystemServices\_en.pdf. [↑](#footnote-ref-11)
12. Corbera, E., K. Brown and W. N. Adger. 2007. "The Equity and Legitimacy of Markets for Ecosystem Services." *Development and Change* 38(4): 587-613. [↑](#footnote-ref-12)
13. Börner, J., S. Wunder, F. Reimer, R. K. Bakkegaard, V. Viana, J. Tezza, T. Pinto, L. Lima and S. Marostica. 2013. Promoting forest stewardship in the Bolsa Floresta Programme: Local livelihood strategies and preliminary impacts. Center for International Forestry Research (CIFOR). Manaus, Brazil: Fundação Amazonas Sustentável (FAS). Bonn, Germany: Zentrum für Entwicklungsforschung (ZEF), University of Bonn. Rio de Janeiro, Brazil. www.cifor.org/publications/pdf\_files/Books/BBorner1301.pdf. [↑](#footnote-ref-13)
14. Börner, J., S. Wunder, F. Reimer, R. K. Bakkegaard, V. Viana, J. Tezza, T. Pinto, L. Lima and S. Marostica. 2013. Promoting forest stewardship in the Bolsa Floresta Programme: Local livelihood strategies and preliminary impacts. Center for International Forestry Research (CIFOR). Manaus, Brazil: Fundação Amazonas Sustentável (FAS). Bonn, Germany: Zentrum für Entwicklungsforschung (ZEF), University of Bonn. Rio de Janeiro, Brazil. [↑](#footnote-ref-14)
15. Events eligible for IDB financing must take place in IDB member countries. [↑](#footnote-ref-15)
16. Minutes and workshop proceedings and reports of events targeted for dissemination of products will be accepted in Portuguese. [↑](#footnote-ref-16)