

# **TERMS OF REFERENCE**

## **INSTITUTION-CENTERED STRATEGIC ENVIRONMENTAL ASSESSMENT OF THE NEW FOREST ACT**

---

### **BACKGROUND**

Majority of the country's predominantly rural populations live below the national poverty line. Its natural resources offer significant potential for agriculture and natural-resource based growth. Forests are an important natural resource, and its current and potential contribution to the economy is significant. The Government recognizes the importance of forests for production of direct consumable products such as timber and the impact that forest exploitation has on the environment and productivity of other sectors. However, a number of constraints hamper development of the forestry sector. These include inadequate policy, legal and institutional framework, inadequate community participation in management of natural resources and insufficient information on natural resources inventory.

The new Forest Bill has the potential to unlock opportunities for forest resources to contribute to economic development and poverty alleviation. It enables socially and environmentally sustainable forest management and conservation. It also aims to attract investment in the Forest Sector.

Having recently been approved, a challenge remains - ensuring that the implementation of the Forest Bill seizes newly created opportunities and results in sustainable resource use. Analytical work focused on some of the priority environmental and social issues associated with implementing the Bill and the institutional and financial regimes within which these will be addressed would contribute to effective implementation of the Bill. The shift towards participatory forest management and competitive arrangements for allocation of commercial plantations requires close examination of the partnership arrangements within which this will occur. It will be important to understand who makes decisions, who is consulted, which agencies are involved, the process by which decisions are made, and government capacity in these areas.

Addressing these questions would assist in identifying ways to reduce distortions in concession allocation, strengthen participatory forest management, and enable coordinated and strategic use of forest resources for national development. Timely analytical work would provide decision makers with key information on the social and environmental implications of alternative ways to implement the different policies and institutions established in the Forest Bill. Simultaneously, it would involve key stakeholders in defining and selecting these alternatives ensuring that their interests and concerns are adequately incorporated into the policy implementation process. This would prevent or mitigate potential environmental induced conflicts and tensions.

An institutions-centered strategic environmental assessment (I-SEA) is a tool to assess the institutional framework and governance needed for managing environmental and social effects of policies with broad development implications such as the new Forest Bill. For the new Forest Bill, an I-SEA would allow for identifying the arrangements that are needed for environmentally and socially sustainable forest management that can contribute to forest dependent livelihoods. The institutional and governance dimensions of I-SEAs are usually comprised of four key elements:

1. Identification of environmental priorities based on their effects on economic development and poverty reduction
2. Assessment of transmission mechanisms from the new Forest Bill to environmental priorities identified above
3. Participatory process that i) brings together different viewpoints and mechanisms for sharing the different opinions and reaching agreements and ii) ensure social accountability of policy makers, and national, sectoral and local authorities
4. Mechanism for monitoring the progress of the implementation activities and enabling adaptive learning regarding how to improve implementation.

## **OBJECTIVE OF STUDY**

The objective of this I-SEA is expected to inform and influence the process of implementing the Forest Bill, indirectly inform the policy dialogue regarding sustainable use of natural resources for national development and draw lessons to refine I-SEA applicable to natural resource management policies.

This I-SEA will contribute to:

- increased understanding of political economy factors on the Forest Bill and its implementation;
- identification of priority concerns, intersectoral linkages and opportunities from and environmental and poverty alleviation standpoint regarding implementation of the Forest Bill;
- establishing the institutional, governance and financial conditions needed for addressing these priority concerns and intersectoral linkages and taking advantage of these opportunities;
- formulation of proposals for addressing these priority concerns and intersectoral linkages and taking advantage of these opportunities;
- integration of analytical work associated with this I-SEA in the overall policy dialogue;
- formulation of a policy matrix for monitoring implementation of the Forest Bill; and,

The analysis and process associated with this I-SEA will be structured to enhance ownership of the assessment by actors involved in implementing the Forest Bill. It will also be designed to contribute to the policy dialogue on implementation of the Bill.

## **SCOPE OF WORK**

The scope of work for this project is detailed in distinct parts, however it is important to note that each of these parts inform the overall project and should not be viewed as a set of sequential activities.

The consultant<sup>1</sup> will:

- I. Assign a member(s) of their team to liaise with the appropriate government representatives and groups. This team member will inform the implementation process of the Forest Bill. The team member will also inform the I-SEA process with developments from the side of the government. This includes ensuring that all the relevant stakeholders in Government are informed of the I-SEA, its progress and findings.
- II. Conduct a rapid assessment of the political economy in which the Bill will be implemented and stocktaking of completed and ongoing activities and studies. The stocktaking, review of studies and assessment of the political economy of the Bill will provide a basis for identifying environmental and social considerations that have been and/or may need to be taken into account when translating the Bill into rules and regulations.
- III. Scope the key environmental and social priority concerns, intersectoral linkages and opportunities associated with the implementation of the Forest Bill. The purpose of this exercise is to identify key issues that will be addressed in greater detail through the analytical work of the I-SEA.
- IV. Conduct an institutional, governance and financial assessment, to examine how the services will be provided and management will be undertaken and identify any “financial gap” between the available budget for implementing the Bill and the cost and revenue resulting from the Bill. It will also identify the “capacity-gap” of the Forest Service to provide the needed services (both management and enforcement).
- V. Develop proposals for addressing environmental and social priority concerns and intersectoral linkages, and taking advantage of environmental and social opportunities.
- VI. Involve key stakeholders from central government, the forestry industry, forestry dependent communities, local governments, NGOs and relevant groups of interest of sectors strongly linked to the forestry sector in the scoping of priority concerns and opportunities, and the institutional, governance and financial assessment.
- VII. Formulate a policy matrix for monitoring implementation of the Bill and government support.

---

<sup>1</sup> In this document the term “consultant” refers to both an individual and a firm