



Building a Greener Economic Environment

Terms of Reference

for

CNVP Kosovo project “Sustainable Use of Natural Resources for Environment and Economic Development (SUNREED)”

Topic: Recruitment of local consultant to analyze Market System Development (MSD) opportunities for forest products and wood biomass

Contract period: 01.08.2022 – 31.12.2022

1. Background information:

CNVP Kosovo is implementing **Sustainable Use of Natural Resources for Environment and Economic Development (SUNREED)**. This project is funded by the Sweden International Development Cooperation Agency-Sida and it is being implemented during 2022-26.

Kosovo’s forestry sector has high potential to: produce forest products on a sustainable basis; contribute to rural economic development; and contribute to economic growth, job creation, income generation, and poverty reduction.

According to the Kosovo Agency of Statistics (KAS)¹, about 18% of Kosovo’s population live in poverty and are unable to meet basic human needs, while 5.1% live in extreme poverty and are unable to meet basic survival needs. The forestry sector is important for helping to reduce poverty rates.

The sector also has a vital role to play in environmental protection and climate change mitigation/adaptation. Sustainably managed, healthy, and growing forests will contribute to carbon sequestration and biodiversity. The sector will also be an important source of renewable energy to substitute for fuels that have higher greenhouse gas emissions.

Non-wood forest products (NWFPs) and medicinal & aromatic plants (MAPs) are an important source of income in rural and mountainous regions of Kosovo. For many rural households, particularly the poorer ones, their annual income comes from the collection of wild MAPs and the cultivation of MAPs on their own land.

The SUNREED project aims to contribute to poverty reduction through the generation of additional incomes and employment that are derived from sustainable forest management, promotion of biomass production for renewable energy, development of NWFP/MAPs, and

¹ Consumption Poverty in the Republic Kosovo, (2019)

increased carbon sequestration. This will be achieved by creating an enabling policy environment and providing supporting sustainable service delivery by the National Association of Private Forest Owners (NAPFO) and Private Forest Owner Associations (APFOs) at municipal level.

2. Market system development (MSD)²

MSD has emerged as a method of improving the delivery of large-scale, sustainable development impact to benefit poor and disadvantaged people. It provides a framework to understand the underlying institutional causes of negative development outcomes. It is also a method of intervening in market systems to achieve poverty reduction on a sustainable basis. Three important features differentiate MSD from more traditional development approaches:

1. Facilitation: MSD projects recognise that they are external players, standing outside the market system, the role of which is to stimulate and support changes in the way the market works. By doing this, project results are more likely to be sustainable.
2. Market system-centric: MSD intervention is based on the identification and analysis of how and why a market system is failing poor people and understanding what is causing the status quo.
3. Adaptation: MSD projects test hypotheses and learn from experience. Successful activities are scaled-up while unsuccessful interventions are either adjusted or stopped. Monitoring systems are designed to provide real-time information to help management improve project performance.

3. Objectives of the Assignment

The objective of the assignment will be to conduct MSD analysis of the main forest products to identify entry points (assistance and interventions) for the engagement of PFOs in the system, including the mapping of vulnerable communities (women and girls, as well as ethnic minorities, internally displaced people, people with disabilities, migrants, and refugees).

The MSD analysis should lead to an improved understanding of the constraints and opportunities for increased participation of vulnerable communities in forest product markets e.g. firewood and biomass production.

In addition, the assignment will provide examples of MSD interventions, including:

1. introducing technical assistance to local providers of specialist advice and training for PFOs, farmers, companies, and businesses;
2. providing market information;
3. introducing new business ideas and/or technologies;
4. linking different actors in a value-chain.

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https://www.sida.se/contentassets/bfe15e8902fa4dbb864bd478c2f14df1/2018_2a_evaluation_market_systems_dv_approach_vol-1.pdf

Acting as a facilitator of change, CNVP Kosovo will apply the MSD approach during project implementation to ensure it maximizes the positive impact on poorer people. This will involve partnering with a range of actors - private businesses, public agencies, and civil society organizations such as APFOs and NAPFO - seeking to bring about changes in their behavior and expertise, and improve participating households' access to forest product markets and incomes.

The project will contribute to: a) increasing incomes from sustainably managed private forests with attention to climate change adaptation and biodiversity and engagement in forest product market systems (**outcome 1**); and b) developing a market system for wood biomass (wood chips) to provide incentives for proper forest management, income generation for PFOs, and reduce greenhouse gas emissions (**outcome 2**).

This ToR is related to Outcomes 1 and 2 of SUNREED for 2022 as following:

- **Under output 1.1**- Increased and diversified production from sustainably managed forest land 1.1.5 Market system analysis for selected forest products. Market system analysis will also map vulnerable communities (including ethnic minorities, internally displaced people, people with disabilities, migrants, refugees, women, and girls). and identify constraints and potential for their inclusion in forest-related market systems;
- **Under output 2.1**: Development of a national roadmap on wood biomass production, marketing, and use 2.1.4 MSD study to develop a roadmap on wood biomass that will include an estimate for the demand for wood chips and the potential supply in Kosovo.

The project will hire an international and a local expert to conduct the MSD analysis. CNVP project staff will work on the identification of beneficiaries.

4. Main tasks and responsibilities

The local consultant will be responsible to support international expert and provide information to analyze and improve existing market systems for selected forest products, wood biomass products and identify areas for assistance and interventions.

To achieve the expected results, the local consultant will undertake the following tasks:

1. Carry out a desk review of: national policies on the forestry sector, reports, strategies, and studies prepared by local and international organizations;
2. Organize meetings and conduct interviews with relevant stakeholders at local and national levels; APFOs, NAPFO, private forest owners and women and youth producer groups (WYPGs);
3. Organize meetings with private companies as sawmillers, pellet producers, woodchips producers, heating system companies, forestry exploitation companies and other stakeholders in the scope of forest products supply and demand.
4. provide and share information with IE to understand the underlying institutional causes of negative development outcomes, and methods of intervening in market systems to achieve poverty reduction on a sustainable basis;

5. jointly with IE analyze how the existing market system is failing poor people, and analyze what is causing the failure;
6. jointly with IE to identify market trends of forest products, changes and risks, as well as identify how to adapt interventions that can quickly respond to any change in market conditions;
7. support to develop a monitoring system to provide project management with real-time information with which to improve project performance.
8. Contribute to the preparation and dissemination of all knowledge transfer materials;
9. Ensure all project activities are implemented on time, including monitoring, evaluation, and reporting;
10. Contribute to meeting the project implementation milestones identified for the remainder of the project.
11. Other duties as deemed necessary

5. Deliverables

Expected results of project's targeted markets, sectors and/or value chains

Jointly with international expert, develop and present final report findings and recommendations covering:

- ***MSD analysis for selected forest products.***
- ***MSD analysis on wood biomass.***

6. Time frame

The contract will begin on 01.08.2022 and terminate on 31.12.2022. The local consultant will be contracted for up to 60 working days during this period from the date of signing the contract.