



Building a Greener Economic Environment

Terms of Reference

for

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

Topic: Analyse market system development (MSD) opportunities for forest products, NWFPs, chestnuts/hazelnuts, MAPs, and wood biomass products

Contract period: 10.05.2022 – 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 Embassy of Sweden in Prishtina/Sweden International Development Aid (Sida). 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.

¹ Consumption Poverty in the Republic Kosovo, (2019)

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 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. NWFPs, chestnuts/hazelnuts, MAPs, and forest fruits.

The assignment will also conduct an MSD study on wood biomass to provide information on a roadmap for its development, including an estimate of the demand for wood chips and the potential supply, including the mapping of vulnerable communities.

²

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

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.

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 1.3:** Women and youth living in rural areas engaged in forest-related market systems 1.3.2 MSD analysis to understand better the constraints and opportunities for increased participation of women (and youth) including vulnerable communities in forest product markets such as: NWFPS, chestnuts / hazelnuts, MAPs and forest fruits, and identify areas for assistance and interventions;
- **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 national expert to conduct the MSD analysis. CNVP project staff will work on the identification of beneficiaries.

4. Main tasks and responsibilities

The international consultant will be responsible for helping to improve existing market systems for selected forest products, NWFPS, chestnuts / hazelnuts, MAPs, forest fruits, and wood biomass products, and identify areas for assistance and interventions. The MSD advisor

will guide the CNVP team through the steps involved in putting the MSD approach into practice.

A. Support the development and implementation of project interventions

The international consultant will work and collaborate with the SUNREED team and other international/local experts to achieve quality results in the following areas:

- Supporting the establishment of partnerships with market actors. This will involve assisting the team in the identification and assessment of potential partners and supporting them in the negotiations of the terms of these partnerships, particularly the nature and extent of support which the project will provide and the milestones which partners will be expected to achieve to access this support; (note that payments to partners will be contingent on the achievement of clearly defined and agreed deliverables or results);
- Growing the project's portfolio of interventions through continuous research and analysis to identify new intervention opportunities;
- Promoting collaboration and resource sharing with other donor-funded programmes.

To achieve these results, the international expert is expected to undertake the following tasks:

1. Carry out a desk review of: national policies, reports, strategies, and gender studies prepared by local and international organizations;
2. Conduct interviews with relevant stakeholders at local and national levels; APFOs, NAPFO, and women and youth producer groups (WYPGs);
3. Provide advice concerning how to achieve a sustainable development impact for poor and disadvantaged people through the promotion of financially viable market-related activities **for selected forest products, NWFPs, chestnuts / hazelnuts, MAPs, forest fruits, and wood biomass products, and identify areas for assistance and interventions** using market system models, working in cooperation with private sector stakeholders in the targeted value chains; this will require the international consultant to help CNVP Kosovo to:
 - a. understand the underlying institutional causes of negative development outcomes, and methods of intervening in market systems to achieve poverty reduction on a sustainable basis;
 - b. analyse how the existing market system is failing poor people, and analyze what is causing the failure;
 - c. identify market trends, changes and risks, as well as identify how to adapt interventions that can quickly respond to any change in market conditions;
 - d. test hypotheses and learn from experience so that successful activities can be scaled-up whilst unsuccessful activities can be either adjusted or closed down;
 - e. develop a monitoring system to provide project management with real-time information with which to improve project performance.
4. Provide coaching to project stakeholders that emphasizes strategic collaboration/partnership and behavioral change among market actors;
5. Identify and establish strategic partnerships within the targeted areas for producers and private sector stakeholders;

6. Work closely with producers' groups to develop strategies, work plans, and interventions that are focused on market systems, and based on market analysis/assessments;
7. Ensure information and lessons learned from project activities are shared with key stakeholders;
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.

B. Capacity development

- Coach continuously the SUNREED project staff on the practical application of the MSD approach;
- Organize regular formal training sessions with the SUNREED team on different topics and themes within MSD;
- Promote knowledge sharing with, and learning from, similar programmes inside/outside Kosovo;
- Support the creation of a culture of learning within the project.

C. Data collection and reporting

- Organize regular field exercises to collect the data required to assess the impact of the project's interventions;
- Lead on the drafting of progress reports to Sida;
- Lead on the development of communications' products (case studies, blogs, articles etc.) to showcase the impact of the project and lessons learned from implementation.

5. Deliverables

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

Develop and present final report findings and recommendations covering:

- ***MSD analysis for selected forest products;***
- ***MSD analysis for NWFP/MAPs;***
- ***MSD analysis on wood biomass.***

6. Time frame

The contract will begin on 10.05.2022 and terminate on 31.12.2022. The International expert will be contracted for up to 90 working days during this period from the date of signing the contract.

7. Skills:

The international consultant will have at least 10 years' experience in the following areas:

1. implementing MSD projects in the Balkans and/or internationally;

2. creating sustainable development impacts for poor and disadvantaged people through the promotion of financially viable **forest products, NWFPs, chestnuts / hazelnuts, MAPs and forest fruits, and wood biomass production** value chain models;
3. having an in-depth understanding of at least two of the following: private sector development; approaches to inclusive MSD, including markets for the poor with a gender focus; enterprise assessment/support; and commercial analysis;
4. implementing project activities covering rural development, community engagement and social impact assessment, using participatory methods;
5. developing monitoring systems to provide real-time information for management with which to improve project performance;
6. designing and delivering knowledge transfer activities, including workshops, training materials, pilot activities etc.;
7. being fully computer literate and fluent in the English language.