



## Terms of Reference

*Development of a Project Document for an intervention on sustainable forest management practices and modern biomass production in two pilot areas in the Drin River Basin*

In the framework of the project

***“Promoting the Sustainable Management of Natural Resources in South-eastern Europe, through the use of the Nexus approach”***

*funded by the Austrian Development Agency (ADA),*

implemented by the Global Water Partnership-Mediterranean (GWP-Med)  
in partnership with the United Nations Economic Commission for Europe (UNECE)

January 2022

## 1. Introduction & Background

The Water-Energy-Food-Ecosystems Nexus (“Nexus”) approach has been introduced in the natural resources management agenda in order to enhance water, energy, and food security, while preserving ecosystems and their functions. The Nexus approach provides for an integrated and coordinated approach across sectors, with a view to reconciling potentially conflicting interests as they compete for the same scarce resources, while capturing existing opportunities and exploring emerging ones.

The Nexus approach is quite pertinent in South-East Europe (SEE), especially given the Region’s rich water and forest resources, the high share of hydropower in the energy mix, the key role of agriculture and the many pristine natural areas, as well as the commitment of the Economies in the Region towards sustainable development and integrated management of natural resources.

The overall aim of the “**SEE Nexus Project**”<sup>1</sup> is to introduce the Nexus approach in and catalyse action for its adoption and implementation in SEE. With activities focusing on the transboundary basins of the Drin and Drina rivers and in Albania, the Project facilitates Nexus Dialogue Processes involving a broad range of stakeholders, and the development of technical Nexus Assessments exploring cross-sectoral interlinkages, while enabling conditions for financing actions to address issues of priority.

Aiming to maximise its usefulness for the beneficiaries and lead to tangible outputs, the SEE Nexus Project supports the preparation of full Project Documents for the implementation of solutions addressing Nexus-related issues/challenges with cross-sectoral benefits. The individual issues have been identified in consultation with key institutions and stakeholders in the respective areas of focus, and based on the findings of the Nexus Assessments as well as on key strategic policy documents and action programmes.

More information on the Project and its activities is available at <https://gwp.org/seenexus>

## 2. Objective of the Assignment

To prepare a full Project Document -as described in detail below- for the development of sustainable forest management practices and small biomass plants to produce processed biomass products in 2 pilot areas in the Drin Basin. Viable opportunities for financing will also be identified.

One pilot area will be in North Macedonia and one in Montenegro<sup>2</sup>. The exact locations will be selected at the onset of the Inception Phase in coordination with national authorities and stakeholders.

## 3. Background, scope and aims of the proposed Project

### 3.1 The Drin coordinated action process and the Strategic Action Programme

Coordinated action for the sustainable management of the Drin Basin is driven by the related Memorandum of Understanding that was signed in 2011 by the Ministers of the water and environment management competent ministries of the Drin Riparians. The Drin Core Group (DCG), a joint body comprising of representatives of Water-related Ministries and Institutions of the Riparians has the mandate to coordinate actions for the implementation of the MoU. The DCG also serves as the Steering Committee for the activities of the SEE Nexus Project in the Drin basin.

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<sup>1</sup> Funded by the Austrian Development Agency (ADA) and implemented by the Global Water Partnership-Mediterranean (GWP-Med) in partnership with the United Nations Economic Commission for Europe (UNECE)

<sup>2</sup> As agreed by the DCG at its 22nd meeting on 25 November 2021

The Strategic Action Programme (SAP) for the sustainable management of the Extended Drin Basin<sup>3</sup> was endorsed on 24 April 2020 by Ministers and High-level representatives from the Drin Riparians. The development of the SAP, which comprises over 100 agreed policy and technical actions, was supported by the Global Environment Facility (GEF) “Drin Project”, which was designed to realize the 2011 MoU. The Drin SAP includes objectives and actions related to sustainable forestry and biomass, notably: Goal 2, Sub-Objectives 1.4, 1.6, 2.4 and Objective 3, and Goal 3, Objective 1.

### 3.2 Rationale and scope of the proposed Project

Forests have a key role in the Drin basin, covering 1/3 of its area, with another 1/3 covered by shrubs/open areas. The principal factor for unsustainable forest management in the region is overexploitation leading to deforestation, forest degradation and often increased erosion and floods with direct negative impacts on agriculture and infrastructure, including on reservoirs. More than 90% of the total wood harvest in the basin is wood biomass for energy (fuel wood and processed biomass), mainly used at household level for heating and cooking in traditional stoves. About 70% of all households in the Drin riparian countries are using fuelwood as an energy source.

In the framework of the SEE Nexus Project, the Phase II Nexus Assessment in the Drin basin has been prepared. In the context of this Assessment, an analysis was prepared aiming at improving the understanding of inter-sectoral dynamics and implications of sustainable biomass and forest management and to inform coordination of policies and management practices, towards maximizing cross-sectoral benefits. The analysis among others recommends that measures are designed and implemented to support (a) forest restoration and Sustainable Forest Management (SFM) practices (b) sustainable wood harvest practices, (c) expanded production of processed biomass products (pellets, woodchips, briquettes) for local consumers (d) switching from firewood to processed biomass products. More info on this analysis is available [here](#).

Aiming to assist in the implementation of these recommendations, the proposed Project should describe the development in 2 pilot areas in the Drin Basin (one in North Macedonia and one in Montenegro) of sustainable forest management practices, as well as of small biomass plants for the production of processed biomass products (pellets, woodchips, briquettes) sourced from local forests, reforested areas and complementary biomass streams, to substitute the use of fuel wood in local communities.

### 3.3 Components of and activities for the preparation of the Project Document

The exact scope and focus of the intervention, as well as the location of the pilot areas, will be defined in consultation with key national stakeholders during the inception phase of the assignment, also based on data availability. In any case, the preparation of the Project Document is suggested to involve for each of the 2 pilots the basic components mentioned below (the consultant is expected to enrich and appropriately clearly define these as part of the Inception Report):

1. Mapping of related national and local strategies, plans and support schemes for forest management and biomass use
2. Assessment of forest resources in the broader pilot area, of related pressures (e.g. deforestation, soil erosion, nutrient leaching etc) and of current forest management practices
3. Assessment of current and projected local use of wood biomass for energy, and estimation for related need of forest resources per different management practices, fuel source and heating equipment options.

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<sup>3</sup> The Drin SAP is available here: <http://drincorda.iwlearn.org/gef-supported-drin-project/the-drin-strategic-action-programme>

4. Assessment of potential complementary biomass streams to be used for processed biomass products (e.g. from agricultural residues and/or biodegradable waste from communities and industry)
5. Identification of sites suitable for reforestation, taking into account soil properties (nutrients, moisture, groundwater, erosion), other environmental impacts (biodiversity, landscape, etc.) and appropriate tree species; exploration of options for integrating Forest Landscape Restoration with biomass harvesting; identification of concrete recommendations and steps towards more sustainable forest management practices
6. Determination of the type/technology and capacity of the small biomass plant to be designed as well as of basic technical and economic characteristics; options for business model (e.g. municipality-owned, local SME etc)
7. Estimation of the cost of and other requirements for switching the heating/cooking equipment from traditional fuelwood to efficient stoves for processed biomass products in a number of households
8. Enhancing capacities and awareness of all related stakeholders and professionals and facilitation of knowledge and experience sharing.

#### 4. Methodology and tasks

For the preparation of the Project Document, the consultant is expected to perform the following tasks:

**Task 1: Policy review, identification of stakeholders and potential financing sources, finalisation of structure of Project Document – Inception Report**

The consultant will:

- a. identify all the key stakeholders and beneficiaries that need to be engaged and/or consulted for the development of the Project Document; identify required data and information, and related sources; hold initial consultations with national authorities to identify the 2 locations for which the Project Document will be developed
- b. identify and review all national policy documents, strategies and action plans that are related to the issue to be addressed by the project proposal
- c. identify recent projects in the two countries and SEE overall, related to sustainable forest management and modern biomass and review their findings and recommendations
- d. identify key financing sources and instruments, including International Financing Institutions (IFIs), that could finance the proposed Project; explore their prerequisites in the context of an application for financing and suggest potential restructuring or supplementary materials in the content and structure of the Project Document (Annex 1) in order to fully align it with the specific requirements of the financing source/instrument
- e. suggest potential restructuring of the content and structure of the Project Document (Annex 1) as well as potential provision of supplementary materials, as necessary to address any needs arising from the technical nature of the project, and which are currently not covered in Annex 1.

The above will be captured in an **Inception Report** which will include among others:

- the information collected under (a), (b) and (c) above
- identification of the type/technology of the small biomass plants to be designed in the 2 locations, based on an assessment of available options
- a description of the approaches/methods to be followed for the development of the Project Document

- list of stakeholders to be consulted and draft plan of consultations
- information gaps that were identified and suggestions to overcome them
- key relevant financing sources and instruments
- suggestions to restructure the content and structure of the Project Document (Annex 1)
- detailed work plan for the preparation of the Project Document.

GWP-Med can assist in the identification of related policy documents, projects and/or stakeholders.

### **Task 2: Consultations and development of Concept Note**

The consultant is required to plan and conduct consultations (physical or virtual) with the key national and local stakeholders identified under Task 1. Overall, the consultations will assist the consultant to harvest and understand the needs and expectations of the stakeholders and beneficiaries related to the project proposal, so as these are reflected in the Project Document to be prepared.

Based on the outcomes of these consultations, as well as on the findings of activities under Task 1, a **Concept Note** will be prepared outlining how the Project Document will address the **components and activities** mentioned in Section 3.3 “Components of and activities for the preparation of the Project Document” above, and will have in an Annex a report on the consultations. The Concept Note will then be discussed with the beneficiaries and GWP-Med. Once finalised, it will be the basis for the development of the full Project Document (see next task).

Travel costs associated to the missions will be covered by the consultant (to be included in financial offer) at no additional expenses to the contractor.

### **Task 3: Development of the full Project Document and of a Note on Potential financing and partnership mobilisation**

Based on the results from Tasks 1 & 2, the consultant will draft the full Project Document. It should follow the required content and structure of the **Annotated Table of Contents for the Project Document (Annex 1 to the ToR)**. It should also include as Annexes **the LogFrame, the Workplan and the Budget** of the eventual Project. Templates for these are available as **Annexes 2-4** to the present ToR. Note that as indicated under Task 1, the documents included in Annexes 1-4 may be restructured, or supplementary materials may be included, following a related proposal of the consultant and agreement with GWP-Med.

The draft Project Document should be accompanied by a draft **Techno-economic Note** for each of the proposed solutions in the 2 locations.

The draft Project Document and accompanying material will be submitted to the beneficiaries for comments. The final Project Document and accompanying material should address all comments that may be received.

In parallel, the consultant will develop a **Note on Potential financing and partnership mobilisation**. In this Note, the consultant should:

- identify the most relevant available sources and instruments of financing (public, blended and private) which could support the eventual implementation of the Nature-based solution to be described in the Project Documentation
- propose viable partnerships with relevant technical and/or developmental institutions and organizations

For each of the key sources or instruments of financing identified under (i), the following information should -the least- be provided: Name/title, Structure, Objectives and Programmatic scope, geographic scope, selection criteria, Programme cycle, available budget, recent relevant projects, application

procedure and requirements, identification of gaps in terms of eligibility and/or required documentation.

In the Note, reference should also be made to relevant public-private partnerships (PPP) experience in the countries of focus, including on business support programmes.

## 5. Deliverables/Outputs

The deliverables/outputs of this assignment are:

1. **Inception report**, as described under Task 1 above
2. **Concept Note as a result of the desk study & consultations**, as described under Task 2 above, including as Annex the reports of the consultation meetings
3. **Draft full Project Document and Techno-economic Notes** as per the requirements described in Task 3 above, for commenting purposes.
4. **Note on Potential financing and partnership mobilisation**, as described under Task 3 above.
5. **Final version of the full Project Document and Techno-economic Notes** where comments are fully addressed.

## 6. Contract price, duration, schedule of deliverables and payments

The maximum fee for this assignment is **50,000 EUR**. This amount includes all other costs, income taxes and any other amount payable or cost that may be required for the completion of the work/service, including VAT.

The overall duration of the contract will be for a maximum of **5 months** after contract signature.

Payments will be made upon acceptance and verification of the related deliverables, as laid out in the table below.

*Table: Schedule of deliverables and payments*

Tasks	Deliverables	Deadline	Payment Schedule
1. Desk studies and identification of stakeholders – Inception Report	D1. Inception Report (See under “4. Methodology and tasks” for details)	1 month after contract signature	Tranche 1: 20%
2. Consultations and formulation of a concept note	D2. Concept Note, including reports of consultations (See under “4. Methodology and tasks” for details)	2 months after contract signature	Tranche 2: 30%
3. Development of the full Project Document and of a Note on Potential financing and partnership mobilisation	D3. Draft Project Document and Techno-economic Notes	3 months after contract signature	Tranche 3: 50%
	D4. Note on Potential financing and partnership mobilisation	3 months after contract signature	
	D5. Final Project Document and Techno-economic Notes	5 months after contract signature	

## 7. Selection Criteria (pass / fail)

Successful participant (Natural or Legal Person or Entity):

- Must have a record of minimum 4 projects over the last 10 years of comparable nature and degree of complexity related to the assessment or implementation of sustainable forest management practices.
- Must have a record of minimum 1 project in the last 5 years related to the production and use of modern processed biomass products (e.g. pellets, woodchips, briquettes)
- Must be enrolled in one of the official professional or trade Registries kept in their country of registration.
- Their average annual turnover for the last three financial years must be equivalent to the maximum amount of this call.

## 8. Qualification and Experience

Participants in the call are required to have solid experience in developing and managing complex projects in the field related to the tasks described in the ToR. This needs to be demonstrated in the **Technical Offer** to be submitted as part of the application.

The Technical Offer Form consists of the following sections:

- Section 1: Expertise and work experience
- Section 2: Approach and Methodology

Regarding Section 1: Expertise and work experience:

The scope of work requires an interdisciplinary team of skilled experts with previous experience in activities similar to those that this assignment entails.

The required and desired qualifications for all experts, including the Team Leader, to be engaged in this assignment are presented in Table 1 below. The inclusion of experts so as the team responds to every area of expertise defined in the table below is mandatory. Qualifications additional to the minimum requested per category will receive additional score under the evaluation process as described in the section Evaluation Process and Awarding Criterion. In addition, the Participant may propose -as they deem appropriate- additional experts covering other specific areas of expertise.

**Failure to provide the minimum required qualifications is considered ground for disqualification.**

*Table 1 – Required and desired qualifications for the Team of Experts*

Expert #	Qualifications
1. Team Leader	<ul style="list-style-type: none"><li>○ At least University diploma (MSc or equivalent) in a field relevant to the Assignment (e.g. Land Management or Forest Policy or Natural Resources Management or any other directly related subject) <b>(Required)</b></li><li>○ Minimum 10 years of professional experience and 4 assignments / projects related to sustainable forest management and/or modern biomass production and use. <b>(Required)</b></li></ul>

2. Expert 1	<ul style="list-style-type: none"> <li>○ At least University degree in a field relevant to the Assignment (e.g. Land Management or Forest Policy or Natural Resources Management or any other directly related subject) <b>(Required)</b></li> <li>○ Minimum 7 years of professional experience related to sustainable forest management and/or modern biomass production and use. <b>(Required)</b></li> <li>○ Related experience in Montenegro <b>(Desired)</b></li> </ul>
3. Expert 3	<ul style="list-style-type: none"> <li>○ At least University degree in a field relevant to the Assignment (e.g. Land Management or Forest Policy or Natural Resources Management or any other directly related subject) <b>(Required)</b></li> <li>○ Minimum 7 years of professional experience related to sustainable forest management and/or modern biomass production and use. <b>(Required)</b></li> <li>○ Related experience in North Macedonia <b>(Desired)</b></li> </ul>

## 9. Evaluation Process and Awarding Criterion

The Award criterion is the most economically advantageous tender on the basis of best price / quality ratio.

Offers qualified in terms of exclusion grounds and selection criteria will be further evaluated on the basis of the requirements presented under section “Qualification and Experience”, as follows:

(1) Criterion	(2) Weighting (w)	(3) Points of criterion (c)	(4) Score = (2) x (3)
<b>Section 1: Expertise and work experience</b>	<b>65% total</b>		
<b>Team Leader</b>			
<b>(Required)</b> At least University diploma (MSc or equivalent) in a field relevant to the Assignment (e.g. Land Management or Forest Policy or Natural Resources Management or any other directly related subject).	5		
<b>(Required)</b> Minimum 10 years of professional experience and 4 assignments / projects related to sustainable forest management and/or modern biomass production and use.	20		
<b>Expert 1</b>			
<b>(Required)</b> At least University degree in a field relevant to the Assignment (e.g. Land Management or Forest Policy or Natural Resources Management or any other directly related subject)	5		
<b>(Required)</b> Minimum 7 years of professional experience related to sustainable forest management and/or modern biomass production and use	10		
<b>(Desired)</b> Minimum 2 projects in Montenegro directly relevant to this Assignment	5		
<b>Expert 2</b>			



<b>(Required)</b> At least University degree in a field relevant to the Assignment (e.g. Land Management or Forest Policy or Natural Resources Management or any other directly related subject)	5		
<b>(Required)</b> Minimum 7 years of professional experience related to sustainable forest management and/or modern biomass production and use	10		
<b>(Desired)</b> Minimum 2 projects in North Macedonia directly relevant to this Assignment	5		
<b>Section 2: Approach and Methodology</b>	<b>35% total</b>		
Approach to the requested Assignment: detailed description of the methodology how the Participant will achieve all objectives and tasks and deliver all outputs as described in the Terms of Reference of the assignment, keeping in mind the appropriateness to local conditions.	25%		
Risks / Mitigation Measures: description of the potential risks for the implementation of this assignment that may impact achievement and timely completion of expected results as well as their quality. Describe measures that will be put in place to mitigate these risks.	10%		

**Failure to provide the minimum required qualifications is considered ground for disqualification.**

**Scoring** for each evaluated section will be made as following:

**Section 1** – Expertise and work experience: For Section 1 score starts at 100 points (when minimum requirements are met) and can reach 150 points depending on the description of the participant and the number of projects implemented in excess of those required as a minimum. (100p Base +10p for extra criteria over base up to 50 additional points)

**Section 2** – Approach and Methodology: For Section 2, score starts at 100 points and can reach 150 points depending on the length, detail, depth, and structure of the information provided.

Each Section/evaluation criterion is evaluated autonomously. The final scoring of each evaluation criterion is the outcome of its scoring multiplied by the corresponding weighting factor. The overall score of the technical offer is the sum of the final scoring of all the Sections/evaluation criteria.

The overall score of the technical offer is calculated on the basis of the following formula:

$$B_i = w_1 \times c_1 + w_2 \times c_2 + \dots$$

For the overall score which will determine the ranking of offers, technical evaluation will be weighted with 80%, and the financial offer with 20%.

The final listing of the most advantageous offers will be made on the basis of the following formula:

$$\Lambda_i = 0.8 * (B_i/B_{max}) + 0.2 * (K_{min}/K_i).$$

Where:

- B<sub>max</sub>: the max score received by the best of the technical offers received
- B<sub>i</sub>: the score of the technical offer
- K<sub>min</sub>: The cost of the financial offer with the minimum price offered.

- Ki: The cost of the financial offer

The most advantageous offers is the one with the greater value of  $\Lambda$ .

In case of equality of overall scores, the winning proposal is the one whose corresponding technical proposal received the highest rating.

## 10. Monitoring and Progress Controls

Mr. Tassos Krommydas, Senior Programme Officer and Mr. Meivis Struga, Programme Officer at GWP-Med, will be providing oversight and guidance from the side of the Project Team. Coordination calls between the consultant and the Project Team will be held at least monthly, to monitor the progress with regard to the workplan submitted with the Inception Report.

Services will be rendered to the Senior Programme Officer Mr. Tassos Krommydas and will be considered completed upon approval of the deliverables by the Senior Programme Officer and the Project Coordinator.

## 11. Place of Performance

This assignment is home based, with possible field missions for consultations. The tasks will be carried out from a place of the Consultant's preference.

## 12. Terms and Conditions

- *Language*

The language of the deliverables/outputs is English.

- *Data and information*

GWP-Med can assist in the identification of related policy documents, projects and/or stakeholders.

The consultant is responsible to collect all additional information and data necessary for the completion of this assignment. Missing information (from any side) would not be considered as eligible reason for not completing the tasks.

- *Submission of data, reports and other material produced*

All primary data, reports, and other documentation produced during this assignment shall be made available to the Project Team in electronic format. All data acquired, and products developed during the assignment will be in the ownership of the SEE Nexus Project and cannot be used by the Consultant and its team without prior written permission.

- *Cooperation requirements*

The Consultant is expected to work closely with the Project Team and the beneficiaries (visited during the field missions).

- *Review and quality assurance*

Review of the work carried out by the Consultant throughout the implementation of the assignment as well as review of the deliverables may be carried out by an independent external expert or expert team.

Review of the project final deliverables may be carried out by relevant experts or Expert Working Groups of the beneficiaries.

All relevant comments and suggestions made by the reviewer(s) will have to be taken into consideration by the Consultant and integrated in the final versions of the deliverables.

- *Public consultations / meetings*

The responsibility for organizing any required workshops or working meetings will be shared between the Consultant and the Project Team. The Consultant shall be responsible for: preparation of working material invitations, agenda, technical specifications etc. ensuring participation of the key team members as required, preparation of minutes etc. The Project Team will be responsible for: distributing the invitations and enabling participation.

## **13. Annexes**

Annex 1 – Annotated Table of Contents of the Project Document

Annex 2 – LogFrame Matrix template (for the Project Document)

Annex 3 – Workplan template (for the Project Document)

Annex 4 – Budget template (for the Project Document)