



## Terms of reference to develop implementation for Payments for Ecosystems Services in Rwanda

### Background.

Sebeya Catchment, located in the Western part of Rwanda, is facing these social and environmental challenges. It has the steepest slopes, highest mountains and a population density exceeding the national average at 400 people/km<sup>2</sup>. These problems are exacerbated by climate change, unsustainable agricultural practices, and limited economic opportunities, access to finance, alternative sources of livelihoods, access to the markets. As a result, communities are heavily dependent on subsistence farming, which results in land degradation and loss of fertility. This, in turn, leads to increased food insecurity, reduced yields and a reduction of water provision services.

The Government of Rwanda (GoR) signed a partnership agreement and received funding from the Government of Netherlands (GoN) through the Embassy of the Kingdom of Netherlands (EKN) for landscape restoration and Integrated Water Resources Management (IWRM). The Project has the overall purpose of *“Increased livelihood and conservation Benefits in Sebeya and other catchments from restoration & improved local land management”*. The project will support initiatives by the GoR to implement IWRM for improved management of land and water resources, landscape restoration, catchment management planning and implementation of innovative financing mechanisms (such as Payment for Ecosystem services) to improve community household incomes. The project will provide opportunities for scaling up initiatives started under the Water for Growth project (W4GR) in other catchments of Rwanda.

The ambitious programme aims to achieve improved landscape management for sustainable socio-economic and climate-resilient development through:

- Reduced land degradation, river sedimentation and flooding;
- Improved incomes and resilience from sustainable use of landscape resources;
- Operational landscape governance and management institutions;
- Provide evidence-based guidelines on the landscape approach (through knowledge management).

Payments for Ecosystems Services (PES) represents a broad range of tools that can incentivise upstream users and managers of water catchments to adopt practices that reduce degradation, sedimentation and flooding. The most well-known mechanisms are direct payments to land users for certain sustainable land practices. Another mechanism that IUCN successfully piloted in Uganda and Kenya is the Community Environmental Conservation Fund (CECF) as an approach to catalyse restoration and improve livelihoods. CECF is a low-cost approach to incentivize restoration at micro-catchment and village levels as part of livelihood improvement. CECF involves providing financial grants to villages for farmers, based on criteria for each action type, which need to be identified and agreed to.

Over the past years, various stakeholders (Ministry of environment, Water for Growth project under RWFA, REMA, IUCN, and WCS) have carried out a number of high-level scoping studies to inform the



design of the PES Scheme in Rwanda. What is required now is a practical implementable design with a plan for its piloting and support.

**It is against this background that IUCN is looking for suitably qualified companies or individuals that can develop/design implementable PES scheme and support its implementation and monitoring tools.**

**The main outputs of the assignment include:**

1. Detailed implementable design of a Payment for Ecosystem Services (PES) scheme for Sebeya catchment. Develop a PES scheme in the Sebeya Catchment between private sector operations and villages. Based on existing reports and stakeholder experience (e.g. from tea estates, hydro plants, breweries) the study will:
  - a. Carry out a gap analysis regarding existing PES related information, existing high level reports or outline designs any further assessment work to fill any gaps.
  - b. Develop an overall framework of options for what the actual on the ground PES schemes could be operational for stakeholder consultation and decision-maker approval
  - c. Based on consultations identify the following:
    - i. Investigate potential operator interest and commitment to PES approaches.
    - ii. Suggest means by which PES could actually be implemented
    - iii. Agree on who the beneficiaries should be and why including contract arrangement and accountability mechanisms.
    - iv. Explore potential for Public Private Partnerships (PPPs) for catchment restoration and PPPs for value chain development.
    - v. Scope and Design how PES could be implemented in practical terms.
2. Design a Community approach to PES scheme development for engaging communities:
  - a. An approach to PES will be developed at the community that will build on the current government 'Community Approach' to catchment restoration and other rural development projects such as VUP and Feeder roads that works through community structures under performance contracts. Particularly important will be to develop incentives for micro-catchment plans and village land-use action plans that are existing or under development.
  - b. Design a community-level PES linked to grants-based scheme based on performance that builds on existing structures
  - c. Link village land-use action plans and micro-catchment plans with PES payments using appropriate methodology
  - d. Establish livelihood targets, restoration/protection targets & community's aspirations and provide mechanisms for monitoring these targets.
3. Design other appropriate PES type schemes that will support the overall architecture in the target catchments
4. Explore and develop other financing mechanism that can be developed or recommended to institutionalise the PES scheme including scale up road map through national environment and climate fund
5. Following out of the approved design, develop a regular support programme that will assist Communities, Private companies, RWFA, IUCN and other appropriate actors to implement the scheme.
6. Develop a risk management plan for PES scheme.



7. Review and finalise the PES scheme framework after piloting it on the ground and identifying its weakness and challenges.
8. Develop a monitoring scheme for PES in Rwanda

#### **Qualifications and Experience of Applicants.**

1. The applicant company should have an in-depth knowledge of a wide variety of PES and Conservation incentive schemes;
2. Proven experience of working with communities and private sector companies on these approaches;
3. The applicant should have a practical experience in East Africa and preferably Rwanda

**Duration: 4 months**

#### **How to Apply**

Send your Technical and Financial proposal to the address below:

International Union for Conservation of Nature, IUCN,  
Rwanda Country office  
E-mail: [rwanda@iucn.org](mailto:rwanda@iucn.org)

#### **Deadline for application**

15<sup>th</sup> February 2020.