

ECOSYSTEM CONSERVATION AND MANAGEMENT PROJECT (ESCAMP)
MINISTRY OF WILDLIFE AND FOREST CONSERVATION
Credit No.5792 LK, Project ID: P 156021

A new Forestry Sector Master Plan (2021-30) for Sri Lanka shall be formulated by the Forest Department under the Ministry of Forest and Wildlife Conservation with the support of Ecosystem Management and Conservation Project (ESCAMP) funded by the World Bank. Supporting its preparation process a National Consultant will be recruited to review the national policy and legal framework relevant to the forestry sector of Sri Lanka. This document sets the Terms of Reference (TOR) for this work assignment.

Context

With a population of 20+ million, Sri Lanka is the fourth most populated country in South Asia. Around 15% of the population live under the poverty line. Forests, natural resources, and ecosystem services provided by forest landscapes play a significant and irreplaceable role in the national economy and local livelihoods in Sri Lanka. The natural forest cover of the country is 29.2% of the total land area (2015). In addition, there are 99,961ha of forest plantations and 119,548ha of rubber plantations in the country. As per the FAO definition of forest cover which includes forest and rubber plantations together with natural forests, there is 31.7% of forest cover in Sri Lanka. Around 60% of natural forests of Sri Lanka are managed by the Forest Department, while the remaining are managed by Department of Wildlife Conservation. Land Reform Commission and private individuals also own a small proportion of natural forests and forest plantations.

Government of Sri Lanka (GoSL) has pledged to increase the forest cover up to 32% by 2030 as a Nationally Determined Contribution (NDC) to mitigation of climate change. Sustainable environmental management is one of the key policies of current government's National Policy Framework – Vistas of Prosperity and Splendor, which pledges to increase the forest cover up to 30% by 2025.

Economic value of forest resources: Forest landscapes generate significant resources for the national economy and benefits for the people. The gross value added generated by the production of major wood and wood products included in the national accounts was LKR 212.8 billion in 2019 (in constant 2010 prices).¹ All the natural forests are managed only for conservation purposes following the timber logging ban in 1989. Timber demand (1.6 million cm³, 2014) has been growing steadily, with about 10-15% of which had to be met by imports.² Other sectors of the economy directly supported by forest ecosystem services are: (i) tourism which brought in US\$ 3.6 billion in foreign exchange earnings in 2019; (ii) crop cultivation which contributed LKR 441 billion in GVA in 2019 (in constant 2010 prices), and (iii) hydropower generation which accounted for 37% of total electricity production in 2018. It is apparent that local forest user communities highly depend on Non-Timber Forest Products (NTFPs) – i.e. fruits, leafy vegetables,

¹ This figure includes forestry and logging (LKR 59.0 b), growing of rubber (LKR 21.8 b), manufacture of wood, wood products and cork (LKR 31.2 b), and manufacture of furniture (LKR 100.8 b), but excludes manufacture of rubber products since this is accounted for together with manufacture of plastic products. Source: Table 2.1. MOF 2020 [https://www.treasury.gov.lk/documents/budget/2021/FMRP-Report-2020-21-\(English\).pdf](https://www.treasury.gov.lk/documents/budget/2021/FMRP-Report-2020-21-(English).pdf)

² Available at: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.919.9687&rep=rep1&type=pdf>

medicines, bee honey, *Kithul* treacle, resin, firewood, etc. – on natural forests for consumption and retail selling which increases the pressure on natural forests. In 2008 the total value of three key non-timber forest ecosystem services, namely *non-wood forest products*, *water regulation*, and *recreation* was estimated at US\$ 231 million (in constant 2018 US\$). Of this, about US\$ 168 million or 73% is commanded by recreation ecosystem services, US\$51 million or 22% by water regulation services and the remainder by non-wood forest products. The per-hectare total non-timber ecosystem service value in 2018 was estimated at US\$113 (constant 2018 Dollars.) This value placed Sri Lanka nearly at par with Thailand (US\$114/ha), and significantly ahead of Malaysia (US\$46/ha) and Vietnam (US\$79/ha).³ The corresponding natural capital value was estimated at US\$ 5.6 billion in 2018 (constant 2018 Dollars).⁴

Deforestation and forest degradation: The natural forest cover has been decreasing over the last century continuously at a diminishing rate. The annual deforestation rate from 1999 to 2010 was 0.23%, whereas it was 0.76% from 1992 to 1999. The major causes of deforestation and forest degradation in Sri Lanka include planned conversion of forest lands into non forest land uses, slash and burn agriculture, illegal encroachments, forest fires, cattle grazing, and illegal extraction of gravel.

Drivers of deforestation and forest degradation are linked with many social, economic, and political factors which are beyond the purview of forestry institutions. Identified main drivers are (i) encroachment into the forest by private agricultural ventures, (ii) infrastructure development projects, and (iii) a range of small-scale local drivers such as cultivation of spices, collection of fuelwood and non-timber forest products, cattle grazing, forest fires, gem mining, and illicit felling of timber.⁵ Therefore, collaborative efforts of other sectors such as agriculture, livestock and economic development are required to address this complex issue.

National Forest Policy 1995 and Forestry Sector Master Plan 1995-2020: Forestry Sector Development Project was started in 1993 with the support of FINNIDA, the British Overseas Development Agency (ODA, currently Department for International Development or DFID), the World Bank and the UNDP/FAO. Within this project, the 1986 Forestry Master Plan was reformulated as the Forestry Sector Master Plan (FSMP), with a revised National Forest Policy as its foundation, and both were approved by the parliament in 1995. FSMP was prepared by the Forestry Planning Unit of the Ministry of Agriculture, Lands and Forestry in 1995 to provide guidance to the forestry sector in sustainable management of forest resources of the country to assure provisioning of eco-system services to the Sri Lankan society. The two documents focus on participatory forest management and empowerment of the rural population for the conservation and sustainable management of forests and trees outside forests, agroforestry, bioenergy and NTFPs.

³ Source: World Bank (2021) “Changing Wealth of Nations 2021: Managing Assets for the Future” database.

⁴ Capitalized using an annual discount rate of 4% over a period of 100 years (World Bank 2020).

⁵ Fernando, S., A. Senaratna, N. Pallewatta, E. Lokupitiya, L., Manawadu L., U. Imbulana, I. De Silva, and Ranwala, S. 2015. (Co-authors). Assessment of key policies and measures to address the drivers of deforestation and forest degradation in Sri Lanka. Final report of a consultancy awarded to the Colombo Science and Technology Cell, Faculty of Science, University of Colombo, by The United Nations Development Programme for the Sri Lanka UN-REDD Programme.

Implementation of FSMP for past 25 years was successful to a greater extent. Based on FSMP many forestry investment programs were formulated and successfully implemented. Forest Resource Management Project (FRMP), Participatory Forestry Project (PFP), and Upper Watershed Management Project (UWMP) are few of such programs. Based on the guidelines provided by the FSMP Forest Ordinance was amended. Establishment of permanent forestry estate was initiated and yet to be completed. Active involvement of local communities in forest management has drastically increased. However, some of the targets set in FSMP could not be achieved due to various reasons such as financial constraints, lack of political interest, poor inter-agency linkages, conflicting mandates of various institutions and interest groups, lack of proper stakeholder engagement mechanism, etc.

In this context Hon. Minister decided in March 2021 for the Forest department to prepare a new FSMP 2021-30. The FSMP's proposed development objective is to identify strategic directions and facilitate the implementation of existing and new national forest policies, institutional, and investment programs in the forestry sector of Sri Lanka, considering current trends and scenarios.

Policies, Laws and Regulations Review: National and international policies directly and indirectly relevant to forestry and wildlife sectors and that have an impact on Forestry Sector Master Plan 1995-2020 and National Forest Policy 1995 have changed significantly over the years. National Forest Policy reflects the fundamental guidelines to formulate the FSMP objectives, strategies, and actions. The review will ensure that national PLRs guide the development of the new FSMP, by identifying overall pathway for the forestry sector and ensuring that the FSMP is aligned.

Objective

The key objective is to review and analyze the current policy and legal framework relevant to the forestry sector of Sri Lanka in order to ensure the development of new FSMP is aligned with the existing PLRs, identify gaps/potential obstacles to implement the FSMP, and to address them to find solutions within the FSMP.

Scope of Work

National Consultant will be working directly under an International Consultant who will be responsible for leading the process of new FSMP preparation.

Tasks and outputs are;

- 1) Inception Report: Upon selection, the National Consultant shall prepare an inception report. Inception report will include;
 - a. Finalized methodology (approach) and matrix or template to be used for the review (to be developed under the supervision of the International Consultant);
 - b. Draft list of national policies, laws, and regulations considered for the review; and
 - c. Detailed steps and finalized work plan for the assignment.

- 2) PLR Review Report: National Consultant shall conduct the PLR review using the agreed upon approach and existing literature under the guidance of the International Consultant supported by the Forest Department, ESCAMP and the World Bank where required. PLR review shall focus on analyzing the relevance and implications of national policies, laws, and regulations for developing the new FSMP. It will also identify any gap or weakness in the national PLR framework that may need to be addressed.

In a preliminary assessment, Forest Department has identified the following list of national policies⁶;

- Coastal zone management policy
- National wildlife policy
- National Solid waste management
- National Environmental policy
- National watershed management policy
- National wetlands policy
- National biosafety policy
- National elephant conservation and management policy
- National land use policy
- National climate change policy
- National policy on sand as a resource for construction industry
- Mangrove conservation policy
- Sustainable Development Policy
- Other related policies (i.e. policies related to landscape management)

National Consultant shall support the International Consultant to analyze the synergies and/or differences between national PLR and relevant international conventions, protocols, and agreements.

National Consultant shall identify and analyze the laws and regulations – including and beyond the Forest Ordinance (FO) and Fauna and Flora Protection Ordinance (FFPO) – applicable and relevant to the effective, efficient and participatory forest conservation and management in alignment with the FSMP preparation requirements. PLR analysis shall emphasize the synergies and conflicts in the national legal framework affecting the forestry sector in Sri Lanka.

- 3) Where applicable, National Consultant will review the PLR gaps and weaknesses in relation to successful implementation of 9 investment programs.

Forest Department has identified the following tentative list of investment programs that are proposed to be included in the new FSMP;

1. Sustainable forest management, including;
 - a. forest inventory and monitoring
 - b. silviculture and restoration practices
 - c. forest landscapes in physical spatial planning

⁶ This is not an exhaustive list.

- d. forestry research
 - e. forestry education
 - f. forest protection
 - g. biodiversity and wildlife conservation
 - h. forest economics, valuation, and sustainable financing
2. Urban forestry
 3. Social forestry (plantations, home gardens, roadside tree plantations)
 4. Forest private partnerships
 5. Nature-based tourism / ecotourism
 6. Climate and disaster resilience through forestry
 7. Sustainable timber supply
 8. Timber-based Small and Medium Enterprises (SMEs)
 9. Forest policy and institutions
- 4) Upon completion of the review, National Consultant shall support the International Consultant to integrate the findings into the new FSMP.

Output 1: Inception Report

Output 2: Draft PLR Review Report

Output 3: Finalized PLR Review Report

Output 4: FSMP section integrating PLR review findings (together with the International Consultant)

Proposed Outline of the PLR Analysis

1. Identification of relevant PLRs – list of PLRs applicable/relevant for forestry sector in Sri Lanka.
2. Scope: Scope of application and/or degree of overlapping with forest and wildlife resources of relevant policy/law/regulation.
3. Institutional arrangement: Authority / institutional responsibilities and (if there any) overlapping with FD / DWC.
4. Synergies with forestry sector: Complementarity to FD / DWC regulations – what the policy adds on top of FD / DWC regulations.
5. Conflicts with forestry sector: Contradictions – areas where the policy contradicts with FD / DWC regulations, with which specifically, and how to resolve.
6. Coordination and recommendations: Practical means to streamline the policy with FD / DWC regulations and better coordinate the monitoring and enforcement of both.

Contract Duration

3 months.

Responsibilities of the Consultant

The National Consultant is responsible for;

- Planning the consultancy to achieve the tasks described in this TOR, and deliver the outputs within the agreed dates (for each deliverable),
- Work closely with the International Consultant to align his/her work with the FSMP preparation,
- Work closely with the Forest Department, ESCAMP and the World Bank where necessary,
- Support other tasks (related to PLR review) relevant to FSMP preparation as may be specified by the International Consultant or Project Director.

Deliverables and Payments

Outputs	Deliverables	Due date	Payment
1	Inception Report	1 st month	10%
2	Draft PLR Review Report	4 rd month	
3	Finalized PLR Review Report	5 th month	
4	FSMP section integrating PLR review findings (together with the International Consultant)	5 th month	

Expertise and Qualifications

- Advanced degree in Law, Natural Resource Management, or in any related field.
- 7+ years professional experience in policy/legislation review/research, forestry and natural resource management policy research or in any other relevant field.
- Strong professional experience working with government, non-government, private sector, and community level stakeholders.
- Excellent communications and organizational skills.
- Ability to work with multi-disciplinary and multi-cultural teams.

Submission of Proposal

Interested individuals should submit a proposal in response to the TOR that should include the following;

- Cover letter

- CV
- Technical proposal
- Financial proposal – an estimated lump sum fee for the completion of the assignment with a break down (inclusive of per diem, consultancy fee, travel cost (if applies), other miscellaneous costs).

Project Director

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