

Terms of Reference – Study on the costs and benefits of timber legality assurance systems

1. Introduction

Timber Legality Assurance Systems (TLAS) are central to the implementation of Voluntary Partnership Agreements (VPAs) under the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. They enable partner countries to define legal timber, control the timber supply chain from forest to point of export, verify compliance with legal requirements, issue FLEGT licences for verified products, and ensure transparency and credibility through independent audits. These systems are designed to improve forest governance and promote legal trade, while also building trust with international markets.

The relevance and utility of TLAS extend well beyond the scope of FLEGT VPAs. A well-designed TLAS can serve as a national framework for legality verification that supports broader regulatory compliance, enhances transparency in domestic and international timber markets, and aligns with emerging due diligence obligations in consumer countries. By embedding TLAS into national forest governance structures, countries can strengthen law enforcement, reduce illegal logging, and improve the overall integrity of the forest sector. This positions TLAS not only as a licensing mechanism, but as a strategic tool for long-term institutional reform and sustainable forest management.

As interest in and commitments to assuring legality (and promoting sustainability) continue and grow within both VPA and non-VPA countries, stakeholders require a clear understanding of not only the investment and recurrent costs, but also the broader economic, social, environmental, and governance benefits that these systems can deliver. Such comprehensive analysis is essential to maximise the positive impacts of TLAS on forest sector integrity, regulatory compliance, stakeholder inclusion, and market access.

In this context, the European Forest Institute (EFI) is hiring a service provider to conduct a study (hereafter assignment) that will gather robust evidence from a range of VPA countries at different stages of TLAS development and implementation. By systematically assessing the costs and benefits, the study will inform future policy and investment decisions, highlight the conditions under which TLAS deliver net positive outcomes, and offer practical recommendations for decision-makers and donors.

The assignment will be among the first of a series of studies under the International Forest Governance Hub (IFGH). Through their implementation, these studies will help to identify and to build up a stable of experts who may, in future, be invited to respond to requests for analysis and guidance.

The Hub will provide impartial, on-demand advice, knowledge curation, and convening power to tropical forest countries and their partners. Supported by the UK FCDO's Forest Governance

Markets and Climate (FGMC2) programme and hosted by EFI and with guidance from the FGMC2 Programme Management Strategy and Support Team (PMSST), the Hub aims to amplify the impact of forest governance reforms, foster South-South and North-South learning, and support the development of robust, inclusive, and transparent forest governance systems at national and international levels.

2. Objectives of the assignment

The objective of this assignment is to quantify, qualify and analyse the investment and recurrent costs and of establishing and operating TLAS¹ in selected VPA countries, assess their economic, social, environmental and governance benefits, and identify conditions under which TLAS deliver net positive outcomes. The assignment will provide evidence-based recommendations for policy makers and donors on legality and sustainability assurance mechanisms.

3. Scope, tasks and outputs

Scope

The scope of this assignment includes:

- TLAS experiences in the following countries:
 - Operational FLEGT licensing systems (Ghana and Indonesia).
 - Roll out of timber traceability systems (Cameroon, Gabon and Liberia).
- Costs associated with the following: i) design of the TLAS; ii) development and testing/rollout of the TLAS (e.g. investments in capacity building, IT systems, verification and licensing procedures); iii) operationalisation of the TLAS (e.g. personnel, maintenance, mechanisms such as for independent auditing and monitoring); iv) TLAS specific aspects of the underlying regulatory and institutional framework.
- Incremental costs directly attributable to the TLAS, which could provide for comparisons of 'with TLAS' and 'without TLAS' scenarios. These costs may relate to institutional changes (e.g. establishment of new FLEGT licensing authority), additional staffing (e.g. for verification, enforcement) etc. Incremental costs must be clearly distinguished from broader forest governance or donor-funded reforms not specific to TLAS, to ensure a common approach across countries.
- TLAS funding models (e.g. state, donor, private/fee-based).
- Benefits across governance, economic, social, and environmental outcomes. Where possible, benefits should be assessed using quantitative or proxy indicators.²

¹ Taking account of the different approaches and starting points to TLAS design and implementation, and different country and forest sector contexts.

² Examples of proxies may include export price premiums, reduced processing delays, stakeholder satisfaction surveys, sex-disaggregated labour data, participation of women and Indigenous Peoples in decision making,...).

Tasks

The assignment will include the following tasks:

1. Conduct and document a literature review of academic, policy, and grey literature on TLAS and VPA costs and benefits. The review should identify existing analyses, methodologies, and data relevant to assessing both financial and non-financial implications and outcomes of TLAS implementation.
2. Identify: i) gaps in information and data in line with the objectives and scope of the assignment; and ii) key informants and institutions in Cameroon, Ghana and Indonesia to be consulted in follow-up case studies in order to fill identified gaps and enhance understanding of TLAS maturity/stage, scale, and context.
3. Develop a methodology and plan for conducting the case studies to fill identified gaps in information and data. This will include coordination with EFI and PMSST to facilitate introductions and secure the interest and cooperation of the concerned governments for participation in the exercise.
4. Conduct and document case studies to identify and assess TLAS costs, funding models, and benefits based on new information and data from a balanced range of national stakeholders (policymakers, private sector, civil society, donors, and TLAS operators).
5. Prepare a slide deck summarising each case study and highlighting the main findings, lessons learned, and key messages of the final report.
6. Prepare a report integrating evidence of the literature review and case studies, presenting a balanced analysis of costs and benefits, and providing practical, evidence-based, and actionable recommendations for policy makers, practitioners and donors involved in TLAS development and implementation.

Outputs

The expected outputs of this assignment are:

- A. Methodology and work plan.
- B. Literature review report.
- C. Slide deck.
- D. Comprehensive report providing a quantitative and qualitative assessment of costs and benefits of TLAS taking account of the different: i) approaches to TLAS design and implementation; ii) country and forest sector contexts; iii) starting points (i.e. some TLAS elements may have pre-existed or needed enhancing).

The report should be accompanied by:

- 2–5 page fiches for each case study, including cost/benefit tables and key lessons;
- an annex with data tables, proxy indicators, and methodological tools used;
- a consolidated bibliography of all sources reviewed and cited; and
- a short reflection on gender equality and social inclusion (GESI) providing practical recommendations for making TLAS more inclusive.

4. Methodology

The assignment shall i) use a mixed-methods approach with qualitative and quantitative research; ii) apply a systematic review of existing literature alongside structured in-country data collection through interviews and consultations; and iii) generate credible, balanced, and policy-relevant evidence across multiple country contexts.

Selection criteria for case studies should be made explicit (e.g. maturity of TLAS, data availability, diversity of funding models, willingness of stakeholders to engage, ...).

The assignment shall include the following stages and methodological considerations:

1. Overall methodology and work plan
 - Refined methodology: details on case selection, data collection approach, sampling strategy, and ethical considerations if relevant. This should include a common typology of TLAS (elements, stage, scope, funding model, etc).
 - Work plan and timeline: sequencing of desk review, interviews, analysis, reporting.
 - Risks and mitigation measures: e.g. access, political sensitivities, etc.
2. Desk based literature review
 - The service provider shall review existing literature, reports, legislation, evaluations, and academic studies relevant to the topic. Sources should include international and national research as well as grey literature (an initial and indicative set of literature sources are provided in Annex 1).
 - The review should apply a simple systematic protocol (search strings, inclusion/exclusion criteria) and utilise Excel for the consistent and coded capture of cost/benefit evidence.
 - Where feasible, the review should include an evidence-gap map to identify where data on costs and benefits are weak or missing.
3. Design of case study methodology
 - The service provider shall design and implement a case study methodology to ensure that interviews and fact-finding are credible, inclusive, and generate a balance of perspectives.
 - Case study design should explicitly distinguish investment from recurrent costs, and identify and apply a common set of indicators for benefits (this should include proxies that are appropriate to broader economic, social, environmental, and governance benefits).
 - The methodology should follow good practice in qualitative social research, with attention to the following requirements:
 - Diversity of perspectives: interviews must cover different categories of actors and not focus only on one group (e.g. government or industry). Stakeholders should include government authorities, private sector (large and small), civil society organisations and other groups directly affected by the TLAS.

- Inclusion of underrepresented voices: special effort must be made to hear from groups that are often excluded from decision-making or studies, including smallholders, women, Indigenous Peoples, and local communities. This should include the use of data collection tools to capture diverse experiences and barriers.
 - Interviews should be adapted to local circumstances, languages, cultural norms and ensure gender-sensitive approaches. Care should be taken to create a safe and respectful environment where participants feel comfortable sharing their views.
 - Cross-checking and triangulation: using multiple data sources and perspectives to ensure robustness and consistency of findings.
 - Ethical Standards: Informed consent, confidentiality, and inclusion of underrepresented voices.
4. Case study conduct – this step will not require validation per country/case.
 5. Analysis phase.
 6. Preparation of final report and slide deck.

The preparation of reports and the slide deck will involve review, feedback and revision rounds with EFI and PMSST at points in time to be agreed with EFI.

5. Personnel for the assignment

The assignment shall be undertaken by a team of experts, which must meet or preferably exceed the following criteria.

Each team member must have:

- University degree in social science, forestry, economics, business studies, or a closely related discipline relevant to the scope of the assignment.
- A minimum of five years' experience in qualitative and quantitative research and/or assessments related to forest sector.
- Proficiency in English or French, meaning that the expert can understand, speak and write English or French as demanded with respect to all tasks covered by the Terms of Reference. The team as a whole must have proficiency in both languages.

The team collectively should have (not necessarily all within a single individual/member):

- Postgraduate degree (Master's level or higher) social science, forestry, economics, business studies, or a closely related discipline relevant to the scope of the assignment.
- A minimum of ten years' forest sector experience in tropical forest countries, part of which includes experience in Cameroon, Ghana and Indonesia.
- A strong background in economics or business finance, capable of compiling, interpreting and assessing cost and benefit information from both government and private sector, including institutional and budgetary implications of TLAS design, implementation and operation.

- A minimum of three years' experience in TLAS design and/or implementation.
- Ability to engage diverse stakeholders at officer, manager and leadership levels.
- Experience in coordinating knowledge capture processes targeting multiple sources and countries.
- Adept at producing high-quality technical, analytical, and comparative studies, reports and presentations, especially those informing policy and practice in the forest sector.

Gender and geographical balance within the team are strongly encouraged.

6. Timetable and milestones

The tasks are to be performed over a period of up to four months.

The service provider will deliver the outputs and carry out the associated activities according to the following timetable:

1. Methodology and work plan	Within 2 weeks of contract signing
2. Verbal or email updates to EFI on progress with the assignment.	Every 2 weeks
3. Coordination calls with EFI and PMSST	As needed
4. Literature review report	Within six weeks of contract signing
5. Final report and slide deck	Within 27 March 2026

7. Budget

Budget not to exceed EUR 60,000.

Contract type: Global price contract. The budget should cover all costs to complete the assignment.

Annex 1. Indicative literature sources (non-exhaustive)

The service provider is expected to expand this list and include additional academic, policy, and grey literature as relevant.

- EU FLEGT Facility, 2011. Costing Voluntary Partnership Agreements – Internal Briefing Note (PDF) and VPA Costing Tools (Excel)
- EU FLEGT Facility, 2012. Short-Term Technical Assistance to the Republic of Cameroon for the development of a technical-financial proposal on the implementation of the Legality Verification System (SVL)
- FLEGT VPA Implementation Support Project, 2017. Update of the 2013 EFI/TEREA study on the assessment of LAS implementation costs and identification of potential financing methods.
- EFI internal document, 19.12.2017. Summary of VPA cost estimates
- EFI internal document. Ball park estimate of VPA negotiation and implementation support needs 2017-2021
- WWF, 2022. [Timber legality assurance system assessment framework](#)
- EU FLEGT Facility, 2012. Assistance Technique Court Terme auprès de la République du Cameroun pour le développement d'une proposition technico-financière sur la mise en oeuvre du Système de la Vérification de la Légalité (SVL)
- PMSST-studies on TLAS