

AGRICULTURAL POLICY, FISHERIES AND CLIMATE CHANGE ANALYSIS IN LATIN AMERICA AND THE CARIBBEAN

RG-T3434

TERMS OF REFERENCE

INDIVIDUAL CONSULTANT – COORDINATOR TECHNICAL COOPERATION

I. GENERAL BACKGROUND

- 1.1 For the past thirty years, the significant effect that policy support has on agricultural competitiveness and productivity has been demonstrated (Anriquez et al., 2016), as well as the environmental impacts associated with production practices and natural resource use. In addition, the relevance of the agricultural sector for climate change actions in LAC countries is highlighted in their National Determined Contributions (NDCs). Moreover, as reviewed by Gurria et al. (2016), direct support to farmers in the LAC countries amounted to US\$27.2 billion, according to the most recent available data, plus US\$5.8 billion (or 4% of agricultural GDP) spent on agricultural public goods and services, demonstrating that LAC countries (as other emerging economies) have shifted from taxing their agricultural sector in the 1990s decade to providing positive levels of support in the present century. However, levels of support still fall short in comparison to OECD countries, especially in terms of support provided as public goods and general services.
- 1.2 On the other hand, the LAC region has increased its share in global agricultural trade, holding a larger portion of agricultural commodities' market than in the past (10% in average this decade, in comparison to 8% in the 1990s). An analysis conducted by Nin-Pratt et al (2015) suggests an increase in regional output per worker and total factor productivity for the LAC agricultural sector (up to 82 and 45% respectively). However, technological change and productivity growth have had unequal development within the region, and several differences can be encountered in the performance of Latin American and Caribbean countries. Hence, the need to keep efficient agricultural policies that encourage productivity increases and generate conditions for growth in the sector while promoting sustainable development.
- 1.3 The objective of the Technical Cooperation (TC) is to contribute sustainable development by generating policy recommendations for a more efficient allocation of fiscal resources in the agricultural and fisheries sectors in selected Latin America and the Caribbean (LAC) countries. Specifically, the TC will focus on analyzing the current structure and levels of policy support to these sectors to identify forms of support that are the most efficient and consistent with economic, social and environmental goals.
- 1.4 To achieve its objective, the TC will finance studies in the following areas: (i) trends in agricultural prices, production, trade and consumption; (ii) structure and levels of support to the agricultural and fisheries sectors in the region (iii) econometric analysis of the forms

of budgetary support on agricultural productivity, including the contrast between the support to private beneficiaries with support for general public services among others; (iv) analysis of the effects of agricultural policy on greenhouse gas (GHG) emissions and on the status of food security in the region; and (v) analysis of the relationship between agricultural policy and climate change adaptation. Also, the TC will finance the dissemination of the findings through trainings and workshops for government officials in selected countries.

- 1.5 The results will be disseminated through national workshops which will focus on addressing the specific structural/policy bottlenecks at the national level as well as one regional workshop which would ensure that the implemented policy reforms are consistent for the region as a whole. The results will also propose policy reforms for public expenditure and policies aimed at achieving a more efficient allocation of fiscal resources and public goods investments in the countries object of this TC.

II. OBJECTIVE

2.1 The main objective of the proposed consultancy is to coordinate the Technical Cooperation and monitor its execution. The specific objectives of the consultancy are:

- a) To follow up on the execution of the studies and trainings in the countries object of this TC.
- b) To use the studies for further analysis of key policy issues, such as food security, competitiveness, trade integration and climate change.
- c) To participate in the social media marketing strategy using tools such as email lists, blogs and tweets, to increase awareness of the studies conducted; and
- d) To generate the policy dialogue in the region and dissemination of results participating in regional training workshops and dissemination activities.

III. ACTIVITIES

3.1 During the time of the consultancy, the consultant will perform the following activities:

- a) Coordination of country studies. Supervise the contracting and work of national consultants to update the PSE estimates for the Latin American and Caribbean region. Maintain and strengthen the network of consultant "links" to update and ensure the quality of information by country. Provide technical comments to the consultants and compile suggestions from the IDB team (country specialists and country economists) to improve the quality of the results.
- b) Control quality, standardization and preparation of documentation (excel files, reports, presentations, and cookbooks) of information in line with the estimates of the OECD methodology.

- c) Preparation of policy brief publications and technical notes on the PSE, FSE and Greenhouse Gases Emissions related to agricultural policies, to be published. Specifically, reviewing future PSE, FSE and GHG related publications for content and accuracy.
- d) Participation in future studies using the knowledge created by the studies for the analysis of issues such as climate change, regional integration, food security, and competitiveness.
- e) Preparation of inputs to blogs, twitter and other social media activities.
- f) Respond to the expected demand for information and analysis from external and internal users of the studies.
- g) Development of presentations of results in workshops at Headquarters and in field supporting the policy dialogue in the region and the dissemination of results of the PSE, FSE and GHG studies for Latin America and the Caribbean.
- h) Support Regional workshops regarding the PSE studies. This may include travel to the region.
- i) Develop TCs for regional studies on Food Security in Latin America and the Caribbean or from other funding sources such as Regional Public Goods.

IV. REPORTS/OUTPUTS

4.1. The consultant will deliver the following products:

- a) Report on the status of updates of the PSE studies in the region, with recommendations about how to address problems that may be identified.
- b) A summary of support provided to conduct agricultural policy research and analysis in the countries object of the TC.
- c) A summary of activities to support the social media strategy to promote the studies.
- d) One or more funding proposals for further studies.

V. COORDINATION

5.1. The coordinating unit will be CSD/RND and the coordination will be under the responsibility of Carmine Paolo De Salvo (CSD/RND) and Gonzalo Munoz (RND/CDR).

VI. CHARACTERISTICS OF THE CONSULTANCY

Type: Individual Consultant

Starting date and duration: from July 1, 2020 to December 31, 2021.

Place: Washington, DC

VII. QUALIFICATIONS

7.1 The consultant will meet the following characteristics:

- a) A Master of Science in Economics or International Relations.
- b) A minimum 5 years of professional experience as consultant in Multilateral Development Institutions.
- c) Prior experience in working with PSE's over the past decade, and expand the coverage to other areas of LAC.
- d) Proficiency in English and Spanish.
- e) Proficiency in software package: SPSS, STATA, Microsoft Office, Microsoft Excel

AGRICULTURAL POLICY, FISHERIES AND CLIMATE CHANGE ANALYSIS IN LATIN AMERICA AND THE CARIBBEAN

RG-T3434

TERMS OF REFERENCE

PRODUCER SUPPORT ESTIMATES AND AGRICULTURAL POLICY ANALYSIS

I. GENERAL BACKGROUND

- 1.1 For the past thirty years, the significant effect that policy support has on agricultural competitiveness and productivity has been demonstrated (Anriquez et al., 2016), as well as the environmental impacts associated with production practices and natural resource use. In addition, the relevance of the agricultural sector for climate change actions in LAC countries is highlighted in their National Determined Contributions (NDCs). Moreover, as reviewed by Gurria et al. (2016), direct support to farmers in the LAC countries amounted to US\$27.2 billion, according to the most recent available data, plus US\$5.8 billion (or 4% of agricultural GDP) spent on agricultural public goods and services, demonstrating that LAC countries (as other emerging economies) have shifted from taxing their agricultural sector in the 1990s decade to providing positive levels of support in the present century. However, levels of support still fall short in comparison to OECD countries, especially in terms of support provided as public goods and general services.
- 1.2 On the other hand, the LAC region has increased its share in global agricultural trade, holding a larger portion of agricultural commodities' market than in the past (10% in average this decade, in comparison to 8% in the 1990s). An analysis conducted by Nin-Pratt et al (2015) suggests an increase in regional output per worker and total factor productivity for the LAC agricultural sector (up to 82 and 45% respectively). However, technological change and productivity growth have had unequal development within the region, and several differences can be encountered in the performance of Latin American and Caribbean countries. Hence, the need to keep efficient agricultural policies that encourage productivity increases and generate conditions for growth in the sector while promoting sustainable development.
- 1.3 The objective of the Technical Cooperation (TC) is to contribute to sustainable development by generating policy recommendations for a more efficient allocation of fiscal resources in the agricultural and fisheries sectors in selected Latin America and the Caribbean (LAC) countries. Specifically, the TC will focus on analyzing the current structure and levels of policy support to these sectors to identify forms of support that are the most efficient and consistent with economic, social and environmental goals.
- 1.4 To achieve its objective, the TC will finance studies in the following areas: (i) trends in agricultural prices, production, trade and consumption; (ii) structure and levels of support to the agricultural and fisheries sectors in the region (iii) econometric analysis of the forms of budgetary support on agricultural productivity, including the contrast between the

support to private beneficiaries with support for general public services among others; (iv) analysis of the effects of agricultural policy on greenhouse gas (GHG) emissions and on the status of food security in the region; and (v) analysis of the relationship between agricultural policy and climate change adaptation. Also, the TC will finance the dissemination of the findings through trainings and workshops for government officials in selected countries.

- 1.5 The results will be disseminated through national workshops which will focus on addressing the specific structural/policy bottlenecks at the national level as well as one regional workshop which would ensure that the implemented policy reforms are consistent for the region as a whole. The results will also propose policy reforms for public expenditure and policies aimed at achieving a more efficient allocation of fiscal resources and public goods investments in the countries object of this TC.
- 1.6 These Terms of Reference refer to the services of an individual consultant in order to promote the use of the PSE methodology, including supporting its application for agricultural policy analysis to improve food security, competitiveness and adaptation to climate change in the Region.

II. OBJECTIVES OF THE CONSULTANCY

- 2.1 The objectives of this consultancy are:
 - a. To update, review and analyze Producer Support Estimates (PSE) and related indicators
 - b. To conduct Value Chain Analyses for the same agricultural products analyzed with the PSE methodology, developing Nominal Rate of Protection (NRP) and Effective Rate of Protection (ERP) indicators for each of those products

III. MAIN ACTIVITIES

- 3.1 The main activities of the consultancy will be:
 - a. Data Collection: Collect the data required to perform the PSE analysis following the OECD Manual. These information requirements include: (i) Domestic market information: value and volume of production information for individual commodities and total agriculture at the farm gate level, producer (farm gate) prices, consumption data and quantities of product used for feed use in the livestock sector, international prices and transportation costs; and (ii) Trade information: values and volumes for both exports (FOB) and imports (CIF) of agricultural commodities and products and tariff schedule for the country; (iii) data on budget support: subsidies and other transfers across a range of the most significant supply chains both for domestic and export production, including information on preferential interest rates for estimation of support based on revenue foregone. Information should be collected on public expenditure for a) the most recent period available for the *executed* budget as well as b) the budget *approved* for the current period. Including current budget information

- will expedite updating the expenditure information for future years, and also is very important in identifying and adjusting current spending priorities to support key sector priorities, including potential IDB lending programs.
- b. Calculate the Producer Support Estimates: (PSEs), Consumer Support Estimates (CSE) and other indicators following the OECD methodology, for the range of products selected. Two steps will be followed: A) Preparation of the PSE indicators for the most recent year for which data is available, and B) Review and correct the PSE historical data and calculation of PSE and related indicators, according to updated information that may have become available on production, prices and expenditure levels.
 - c. Conduct Value Chain Analyses for the same agricultural products analyzed with the PSE methodology, developing Nominal Rate of Protection (NRP) and Effective Rate of Protection (ERP) indicators for each of those products.
 - d. Institutional Development and Dissemination: The consultant will be expected to work in coordination with RND staff and the Ministry of Agriculture, to clarify inconsistencies, gather accurate information and identify better ways to present the results. The consultant shall also disseminate PSE calculations for the region and incorporate these results into national and sector policy analyses.
 - e. PSE Country Technical Note: The consultant will prepare a technical note with information supporting the PSE indicators and results, including: a) the basis for the calculations to support the PSE indicators, b) reference to significant policy or programmatic changes during the year, and c) the main conclusions regarding the structure of support in the country. The Bank will provide the consultant with an outline to facilitate preparation of the final document.

IV. REPORTS/OUTPUTS

4.1 The Consultant will be responsible for the following deliverables:

- a. Work Program: A detailed work program to be presented to the Bank within 5 working days of the start date of the contract.
- b. An Intermediate PSE Report including the following deliverables: (i) PSE calculations and a preliminary data base of the PSE, structured according to OECD methodology and IDB templates including updated information; (ii) an Intermediate Value Chain Analysis for all the products covered in the PSE analysis, with NRP and ERP for each of those products.
- c. A Final PSE Report including the following deliverables: (i) final data base of the PSE, including updated information to be migrated to the IDB web system. The consultant will provide the final calculations of PSE and related indicators in OECD format to be migrated to the IDB web system; (ii) report to be uploaded in the IDB web system "Document Center" with the main conclusions and in publishable IDB format agreed with the Bank, activity 4; (iii) a Value Chain Analysis for all the products covered in the PSE analysis, with NRP and ERP for each of those products; and (iv) Information

for Power Point presentation. The consultant will provide inputs for a power point presentation with the information required by IDB Team for a policy dialogue. All the final products will incorporate the comments and suggestions received by the IDB team on the basis of the intermediate reports.

V. SCHEDULE OF PAYMENT

- 30% of the contract's value, upon acceptance of deliverable 1, specified in paragraph 4.1.a, detailed work program
- 30% of contract's value, upon acceptance of deliverables 2, specified in paragraph 4.1.b
- 40% of contract's value, upon acceptance by the Bank of deliverables 3, specified in paragraph 4.1.c

VI. COORDINATION

- *Team Leader or Coordinator:* Carmine Paolo De Salvo, CSD/RND and Gonzalo Munoz (RND/CDR)
- *Department/Division:* Environment, Rural Development Disaster Risk Management Division

VII. CHARACTERISTICS OF THE CONSULTANCY

- **Consultancy Category & Modality:** Individual consultancy, Lump Sum.
- **Dates:** July 1 to December 1, 2020
- **Place(s) of work:** Country of interest and consultant's residence

VIII. QUALIFICATIONS

- a. An economist and/or agricultural economist with proven experience in the implementation of the PSE methodology (at least five country case studies in the past ten years).
- b. Language: Fluency in English
- c. Areas of expertise: Agricultural Policy Analysis.

REGIONAL**AGRICULTURAL POLICY, FISHERIES AND CLIMATE CHANGE ANALYSIS
IN LATIN AMERICA AND THE CARIBBEAN****RG-T3434****TERMS OF REFERENCE****QUALITY CONTROL AND PRODUCT DEVELOPMENT****IX. GENERAL BACKGROUND**

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- 1.3 The objective of the Technical Cooperation (TC) is to contribute sustainable development by generating policy recommendations for a more efficient allocation of fiscal resources in the agricultural and fisheries sectors in selected Latin America and the Caribbean (LAC) countries. Specifically, the TC will focus on analyzing the current structure and levels of policy support to these sectors to identify forms of support that are the most efficient and consistent with economic, social and environmental goals.
- 1.4 To achieve its objective, the TC will finance studies in the following areas: (i) trends in agricultural prices, production, trade and consumption; (ii) structure and levels of support to

the agricultural and fisheries sectors in the region (iii) econometric analysis of the forms of budgetary support on agricultural productivity, including the contrast between the support to private beneficiaries with support for general public services among others; (iv) analysis of the effects of agricultural policy on greenhouse gas (GHG) emissions and on the status of food security in the region; and (v) analysis of the relationship between agricultural policy and climate change adaptation. Also, the TC will finance the dissemination of the findings through trainings and workshops for government officials in selected countries.

- 1.5 The results will be disseminated through national workshops which will focus on addressing the specific structural/policy bottlenecks at the national level as well as one regional workshop which would ensure that the implemented policy reforms are consistent for the region as a whole. The results will also propose policy reforms for public expenditure and policies aimed at achieving a more efficient allocation of fiscal resources and public goods investments in the countries object of this TC.

II. OBJECTIVES OF THE CONSULTANCY

- 2.1 The main objective of the proposed consultancy is to support the standardization of information and analysis of agricultural policies. The specific objectives of the consultancy are: a) to filter and review data sources, methodology, results and reports of PSE studies for individual countries ready in order to ensure accuracy and homogeneity of calculations, sources and data; b) to support the training on the PSE methodology in the region; and c) to support the policy dialogue in the region and dissemination of results participating in regional workshops and dissemination activities.

III. MAIN ACTIVITIES

- 3.1 The consultant will:

- a) Support the PSE data compilation from the countries to provide accurate information for migration. Carefully review data sources, methodology, results and reports of individual countries in order to ensure accuracy and homogeneity of procedures, sources and data.
- b) Coordinate, provide technical support, review and revise PSE calculations. National or local consultants will be hired by IADB in order to generate the PSE's main indicators. This consultancy will advise the national consultants in: a) information required; b) organization and PSE estimations; c) country "cookbooks" which explain data sources and procedures and d) power point presentations and reports.
- c) Follow up on the migration of all the results(data) of the PSE indicators; revise and monitor the maintenance module.

- d) Support the publication of policy brief and technical notes. In addition, in coordination with the PSE team provide technical comments and review the documentation to be published.
- e) Support the development of an interactive application such as a newsletter or blog.
- f) Support regional workshops and trainings (CIAT, RUTA, CEMA, CARDI) regarding the PSE methodology and results, and policy discussions providing technical comments.
- g) Support the establishment of an enhanced public expenditure review system at the budget planning stage using PSE/GSSE classification of budget expenses.

IV. REPORTS/OUTPUTS

4.1 By conducting these activities, the contractual is committed to deliver the following products:

- a) Intermediate products by August 15, 2020, including:
 1. Written comments on the support and advice on data collection, analysis and findings on the PSE calculations for each country.
 2. Reviews and provision of quality control for the 2019/2020 information. This also includes written comments.
 3. Written comments on the “cook books’ for the countries to be updated.
 4. Written comments on the “Special Topics” sections on a) climate change, b) food security, c) competitiveness and d) trade integration.

- b) Intermediate product, by October 31, 2020:
 1. Written comments on the support and advice on data collection, analysis and findings on the PSE calculations.
 2. Written comments on advice to develop a blog on Latin American and Caribbean PSE studies.
 3. Materials to disseminate the results for external users to be included in on line training sessions.
 4. Training sessions on the PSE methodology applications and at least one executed to different demands and users (consultants, IDB staff and policy makers).
 5. Identification of areas of complementarity between the contractual’s data bases and expertise in value chain analysis and PSE studies.

- c) Final product by December 15, 2020:

1. Reviews and quality control for the information to be uploaded in 2020.
2. Written comments on the data collection, analysis and findings on the PSE calculations, for the selected countries.
3. Reviews and quality control for the studies. This includes reviewing results and providing evaluation on training sessions.
4. Final Report including description of all activities.

V. SCHEDULE OF PAYMENT

5.1 The payment schedule will be as follows:

- a) Twenty percent (20%) of the total payment after contract signing;
- b) Twenty percent (20%) after submission and approval of the deliverables described in section 4 (a) above;
- c) Twenty percent(20%) after submission and approval of the deliverables described in section 4 (b) above;
- d) Forty percent (40%) percent will be paid after the submission and approval of the deliverables described in section 4 (c) above.

VI. CHARACTERISTICS OF THE CONSULTANCY

- a) Type: Individual Consultant
- b) Starting date and duration: from July 1, 2020 to December 31, 2020.
- c) Place: Contractual place. The contractual will have constant interaction with IDB staff in Washington, DC.

VII. COORDINATION

- a) Team Leader or Coordinator: Paolo De Salvo, CSD/RND and Gonzalo Munoz (RND/CDR)
- b) Department/Division: CSD/RND

VIII. QUALIFICATIONS

8.1 The consultants will consist of a team of professionals that meet the following characteristics:

- a) A post graduate degree in Agricultural Economics or related areas
- b) A minimum 5 years of professional experience in OECD PSE indicators.
- c) Experience working with PSEs over the past decade and expanding the coverage to other areas of LAC.
- d) Proficiency in English and Spanish