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CALL FOR PROPOSALS

SOUTH AFRICAN RESEARCH TEAM (SART) LEADER: LAND SIZE AND EFFICIENCY SIMULATION PROJECT (LASES)

TERMS OF REFERENCE (TORs)

1. BACKGROUND

During his 2015 and 2016 State of the Nation Addresses, President Jacob Zuma announced the proposed Regulation of [Agricultural] Land Holding Bill (RALHB). The Bill's aim was to put ceilings on land ownership and prohibit foreign nationals from owning land in the country in order to redistribute agricultural land more equally by race and class, raise agricultural output and food security, and advance social justice and political stability by redistributing land and support services to small-medium farmers, thus encouraging productive employment for the poor.

To achieve land redistribution and racial redress RALHB requires and provides for the establishment and maintenance of a register of public and private agricultural land holdings. This needs to specify land location, quality, size, use, ownership by nationality, gender and race; declaration of present ownership and acquisition of private agricultural land; submission of information on public agricultural land; prohibition on the acquisition of agricultural land by a foreign person; and regulation of lease by foreign persons; determination of ceilings in respect of privately agricultural land; and redistribution of agricultural land.

For efficient and equitable implementation of RALHB, it is desirable to estimate the consequences of alternative distributions of farmland for six groups of TARGET VARIABLES, viz. land, water, and total-factor farm productivity and efficiency; farm and non-farm output; poverty; employment (including self-employment); and personal incomes, including numbers of gainers from redistributed land and levels of gain; ethnic and interpersonal distribution of income and businesses.

For this purpose, UNDP would like to recruit an expert who will be a research team leader and who will assist the Department of Rural Development and Land Reform (DRDLR) to develop **an economic simulation model on land size and efficiencies**.

2. OBJECTIVE

The objective of the assignment is to provide technical expertise in the planning, project implementation and development of Economic Simulation Model to test the implications of Regulation of Agricultural Land Holding Policy and Bill (RALHP) in the South African economy.

3. PROJECT DURATION

The project duration is 12 months with possible extension by 6 months, subject to performance review. All deliverables must be submitted by the SART Leader to UNDP by the final date of the contract.

4. SCOPE OF WORK AND EXPECTED OUTPUTS:

Scope of research to be undertaken is in three sequential (possibly overlapping) phases, preceded by a planning and inception Phase 0, and followed by a final report:

1. **AGRICULTURAL:** Establish how farm size, in main South African soil-water conditions, has direct agricultural impact on TARGET VARIABLES: farm output, productivity, efficiency; income of farm household and any employees; farm employment/self-employment; and hence ethnic and personal distribution of *farm* income and wealth. In this process, recommend *weightings* among South Africa's main farmland types by land-water potential, soil quality, etc. so that land ceilings (and floors for redistribution) will be equitable among different lands and locations.
Explore how main forms and levels of smallholder support, inputs and marketing (e.g. agri-parks) and research affect results.
2. **INTERSECTORAL:** Develop and/or construct a social accounting matrix-(SAM) and computable general equilibrium (CGE) model, of the South African economy, to show how the agricultural results of research above affect the economy via economic interaction between agriculture and other sectors - hence modifying the effects of RALHB on TARGET VARIABLES.
3. **MACRO-ECONOMIC:** Assess how changes under AGRICULTURE, directly and via INTERSECTORAL effects, feed into macro-aggregates (savings, investment, exports, imports, etc.) - hence further modifying the effects of RALHB on above mentioned TARGET VARIABLES.

During the above Research, the SART Team Leader will be responsible for:

- a) Prior to phase 1, developing detailed terms of reference for the SA Research Team (SART) to undertake this research, and assisting DRDLR and UNDP in recruiting, with appropriate expertise and spread, (i) South African researchers and supporting institutions for SART, (ii) non-South- African members of an International Support Team (IST).
- b) Prior to phase 2, developing and finalizing a plan for the Social Accounting Matrix (SAM) and corresponding CGE model
- c) Assisting DRDLR in planning the Landholding disclosures process, based on reading the Preservation and Development of Agricultural Land Framework (PDALF) and proposed Bill of Department of Agriculture, Forestry and Fisheries (DAFF) with the key purpose of providing (or recruiting outside LASES) the technical expertise for:
 - Ensuring that the text and administration of PDALF and the proposed associated Bill (see PDALB attached) are consistent with redistribution of agricultural lands under RALHB, with the creation of efficient smallholdings where feasible;
 - Planning the data framing to be collected for the land size and efficiency project;
 - Assisting information gathering as proposed by RALHB; and
 - Advising on a coordinated system to satisfy the RALHB information requirements and those of DAFF's PDALF

- d) Advising on research on the Design of a “Concerted Support System” for various categories of producers that will benefit from land reform:
- Various categories of farmers;
 - Methods including the forms and efficacy of an Incubation approach;
 - Approaches towards Support to:
 - Small scale producers, including family gardens; and
 - Raising output and productivity of subsistence and sub-subsistence farmers, especially as they receive reform land, and where appropriate helping them to become commercial smallholder farmers
- e) With help from the IST, preparing and coordinating an international seminar, to be held at an appropriate time during or after the substantive research, on the impacts of farm size and land redistribution in South Africa

EXPECTED RESULTS AND OUTCOME

- Develop and refine the LASES project workplan, timed to include the following items:
 - Setting up South African Research Team (SART) and International Support Team (IST)
- Establishing how farms of different sizes and types, in main South African soil-water conditions, vary in direct agricultural impact on TARGET VARIABLES.
- Constructing social accounting matrices (SAMs) and computable general equilibrium (CGE) models
- Investigating and report on Inter-sectoral and inter-regional impacts of alternative ceilings and beneficiary numbers (SAM/CGE)
- Investigate and reporting on impact of farm size options and land reform alternatives on macro-economic variables
- Drawing on the above work, preparing a final report on the impact, on the target variables, of alternative land redistributions in South Africa
- At an appropriate time during or after the research, co-ordinating an international seminar and compiling a book of the papers presented
- Project Management

5. PROJECT WORKPLAN

KEY OUTPUTS	OBJECTIVE	KEY ACTIVITIES
Phase 0: PLANNING AND INCEPTION		
Refined Project workplan	Define the scope of work to be undertaken	<ul style="list-style-type: none"> ◦ Work with International Support team (IST) and DRDLR to refine project scope and plan
Project Teams	For SART, identify and recruit two Agricultural/land/development Economists, two junior researchers and project administrator. For IST, identify 4-5 non-South African experts with	<ul style="list-style-type: none"> ◦ Define expertise and pre-requisite required from a project teams ◦ Recruitment and selection process ◦ Work with DRDLR to recruit Economists Junior Research officers and project administrator, and IST.

	international experience of assessing impacts of land reform and/or farm size.	
Project inception report	Report on planned research & relevance to land policy (jargon-free 3-5000 words).	<ul style="list-style-type: none"> ◦ Sketch Inception report: scoping exercise, refine ToRs, define agricultural land. ◦ Consulting DRDLR & IST for further research. ◦ Produce a 3-literature reviews- International and SA evidence, experience and methods. ◦ Plan and time international seminar (see Phase 1)
Phase 1: AGRICULTURAL		
Report: Impact of Land redistributions in South Africa	Assess in main SA land-water regimes, farm area needed, (minimum household agricultural livelihood, MHAL), sustainable value added at various farm sizes, employment, poverty, distribution effects of different farm sizes and parametrise for levels, types of farm service/input access.	<ul style="list-style-type: none"> ◦ Analyse and report, for main South African land-water regimes (MSALWRs), (i) "land weighting", i.e. sustainable net value added per hectare, (ii) implications of results for MHAL numbers created by alternative ceilings ◦ Compile Working Paper: analysis of impact of farm size on value added/hectare, efficiency and TARGET VARIABLES- by MSALWWRs
International seminar Edited book of seminar papers [May be later: during phase 0, SART leader consulting DRDLR, UNDP and IST, will decide phasing.]	Prepare & implement expert exchange on methods & tentative results of the above activities.	<ul style="list-style-type: none"> ◦ Select seminar objectives, content, length, possible dates, location invitees, papers. ◦ Approach invitees and Finalise the above ◦ Assist IST in travel logistics, accommodation and meeting venue ◦ Assist UNDP to compile seminar papers into a book.
Phase 2: INTERSECTORAL		
Working Paper: Land distribution impact: approach to SAM analysis Report: Inter-sectoral and inter-regional impacts of alternative ceilings and beneficiary numbers (SAM/CGE)	Through SAM, CGE or otherwise, simulate micro-trans-mitted impacts of direct agricultural impacts of alternative ceilings & beneficiary number in each region) on income, employment, distribution, poverty in all sectors/regions. [Note: SART will decide how to treat migration, often not included in SAM or CGE models]	<ul style="list-style-type: none"> ◦ Finalize plan for SAM/CGE work: (a) With Stats SA, identify (and if necessary update) latest appropriate SAM. (b) Select best feasible disaggregation to capture cross-sector/region impacts of land redistribution options. ◦ Select best feasible disaggregation's to capture cross-sector/region impacts of land redistribution options. ◦ Carry out SAM analysis as outlined above. Assess feasibility

		of, and to extent feasible do, CGE estimation.
PHASE 3: MACRO-ECONOMIC		
Aggregate and macro-economic impacts of alternative ceilings and beneficiary numbers, given, but additional to results of phase 1 and 2. 10-page working paper. Phase 3 Report	Estimate effects of phase 1 results directly and via phase 2 results on macro-aggregates, including savings/investment, imports/exports, etc. and hence on target variables	<ul style="list-style-type: none"> ◦ Review South African and world evidence on aggregate/ macro-impacts on savings/investments, exports/imports of different land size distributions and redistributions with and without technical progress in agriculture. ◦ Develop test model of how such macro-impacts in South Africa may alter quantitative effect (alternative) land and redistributions on TARGET VARIABLES ◦ Phase 3 Report -Macro-economics of land ceilings and redistribution options in South Africa: recommendations to improve macro-mediated impact on TARGET VARIABLES.
FINAL REPORT		
Summative advisories; socio-economic impact of land reform and farm support alternatives and recommendations.	Final Report based on phase 1-3 considering full results, consultations in South Africa and International Support Team (IST) response.	<ul style="list-style-type: none"> ◦ Review on how phase 3 results may modify phase 2 recommendations and then how phase 2 and 3 affect phase 1 recommendations. ◦ Draft chapters of final report based on phase 1, 2 & 3 reports, emphasizing policy options within land redistribution and to improve sustainable impact on TARGET VARIABLES.
CONTINUOUS TASK: FROM PHASE 0-FINAL REPORT		
Project Management	People and operations management.	<ul style="list-style-type: none"> ◦ Supervise project teams ◦ Manage and monitor project implementation. ◦ Assist DRDLR and others as shown above in section 4, final paragraph.

6. EXPERTISE AND COMPETENCIES REQUIRED

Team Leader must fulfil the following selection criteria:

- **Education:** PhD degree in Agricultural Economics or Economics and Advanced econometrics course.
- **Research:** Strong research background on issues of land, agriculture and economic development.
- **Experience:** More than 20 years of consulting experience on the topic of land reform and development and developing economic models.
- **Knowledge:** Knowledge of CGE Model; Project Management; Peoples Management
- Extensive **intellectual contribution** to the discourse on land reform and development internationally.

7. PROJECT IMPLEMENTATION REPORTING

- The SA Research Team (SART) Leader will be required to provide brief progress reports to the UNDP on bi-monthly basis for the duration of the project as agreed.
- The SART Leader shall submit progress reports which clearly present work undertaken outlining activities and outputs thereof. Any proposed deviations from the original project implementation plan shall be explained to the UNDP in writing and be approved by the UNDP Senior Management.
- The project report (s) must be submitted in electronic formats. All such materials shall become the property of the UNDP, and no document may be reproduced, copied or distributed without prior written consent of UNDP.

3. INSTITUTIONAL ARRANGEMENTS

- The South African Research Team (SART) Leader will be:
 - Working with International Support Team (IST). S/he will be briefed by Chief Director Policy Research & Development- DRDLR and UNDP Project Manager at the start of the assignment, and will henceforth report regularly to CD PR&D- DRDLR and UNDP Project Manager throughout the assignment.
 - Jointly supervised by the Chief Director PR&D- DRDLR and UNDP Project Manager.
- Will report progress to the Chief Director PR&D and the UNDP Project Manager
- Project monitoring, control and evaluation will be jointly done by UNDP and the DRDLR.
- The SART leader will be expected to observe the highest professional and ethical standards throughout project implementation.

4. RELEVANT INFORMATION/DOCUMENTATION

- Information and related documents will be available on request from Chief Directorate: PR&D in the DRDLR and all relevant role players.
- The UNDP Senior Management will be available for consultation regarding related issues, progress briefings and any other matters related to smooth execution of the project and success thereof.

5. CONFIDENTIALITY

All information, discussions, documents and reports that arise from this project must be regarded as confidential by the Research Team Leader. Only UNDP, or its partner, shall have the right to make public the findings of this project.

6. APPLICATION REQUIREMENTS

Interested experts are invited to submit proposals to provide the above-mentioned services. The proposal should focus on addressing the consultant's ability to provide the services outlined in the Scope of Work and Expected Outputs. Please include the following:

- Cover letter
- Detailed CV(s) indicating qualifications and relevant experience
- A proposal indicating a description of the proposed approach to the scope of work, preliminary work plan with timelines and detailed budget.

7. CONTACT PERSON AND DETAILS

For any queries regarding the contents of these TORs, please send them to the following email address: procurement.za@undp.org and all other inquiries to procurement as per the advert requirements.