



ANNEX 1



Support to finalization of project documents in value chain development and tourism development and in defining private sector actions in supporting the Sustainable Development Goals

TERMS OF REFERENCE



Empowered lives.
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I. Position Information

Title: International consultant (IC)

Purpose: The consultant will be technically responsible for three assignments: 1) project document finalization for the value chain development of fruit and vegetables in Nepal; 2) private sector engagement in SDG achievement; and 3) development of a project document for support to tourism. The scoping study includes research on the project economic analysis, gross margin analysis design, and optimal mechanism for monitoring and evaluation. Partnership building for private sector engagement to localize SDGs in Nepal will be also sought.

Reports to: Adviser on Livelihoods and Employment, UNDP.

Duty Station: UN House, Lalitpur, Nepal

Duration of Assignment: 85 days. The expected start date is 12 February 2018.

Expected Places of Travel: Within and outside Kathmandu Valley

Provision of Support Services:

Office space	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Equipment (laptop etc.)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Secretarial Services	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Other Assisting staff/s	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

II. Background Information

1. Value chain of fruit and vegetables in Nepal

Nepal's agriculture shows weak growth rates. Productivity and competitiveness are low, adoption of improved technology is limited and, even though most cultivated area is devoted to cereals, there is a growing food trade deficit and malnutrition is high. Some subsectors such as dairying, poultry, tea, vegetables, vegetable seed, and fisheries show dynamism, but overall, these positive signs are not yet

sufficient to lift a large number of people engaged in agriculture out of poverty, make a dramatic dent in malnutrition, and assure food security¹.

The government wants to increase domestic production of fruit and vegetables, in part for import substitution. Import penetration is strong because of tariff-free trade between India and Nepal (as a result of the 1996 Trade and Transits Treaty), while imports from China are also significant. In contrast, and given the scale of the Indian economy and the subsidies available to Indian farmers, Nepalese products are not competitive in Indian markets.

Nepal is a food importer with an agricultural trade deficit. This is mainly because domestic production has not kept pace with demand (with growth strongest in urban areas), leading to increased dependence on imports. In 2010, agricultural imports represented 250% of agricultural exports, with the agricultural trade deficit at NRs 350 million. This is despite substantial increases in Nepal's vegetable production area and, whereas the area under production in 1991 was some 140,500 ha, by 2014 it had increased to 255,000 ha. A summary of national production and trade of fruit and vegetables is at annex A.

The trade deficit is not solely a function of domestic production levels and, in some cases, there are imports even where domestic output is sufficient to cover demand. The reasons are low marketed volumes, as well as high rates of loss between the farm and the consumer. At the same time, low productivity is widespread in agriculture in Nepal, with yields well below potential. This is for a number of reasons including access to inputs, quality of extension packages, quality and reach of extension support, and access to finance. Commercialization is also held back by small farm size, with the average farm size about 0.7ha. Average farm size is also falling and in 1995/96, it was 1.1 ha².

Despite the widespread availability of new varieties, hybrids and production technology, technology for post-harvest management is much less developed. Post-harvest technology has been developed for tomato and cauliflower and, to a lesser extent, for apple, citrus, and banana.

Against this backdrop, UNDP Nepal has developed a project proposal with an objective of improving livelihoods through value chain development of fruit and vegetables. The proposal specifically proposes increased production and supply, reduced post-harvest losses, and improved marketing systems for selected fruit and vegetables. The proposal is being developed in the full project document.

2. Private sector engagement for SDG localization

On 25 September 2015, the UN General Assembly adopted the 2030 Agenda for sustainable development, along with a set of 17 Sustainable Development Goals (SDGs) as the new charter for global development for the next 15 years. This global promise presents a united front of countries for their willingness to sustainable and inclusive development.

However, there is a long way to go to actually turn aspirations into actions. There is about \$5-7 trillion annual funding gap in the world, while \$2.5 trillion in developing countries in key sectors related to SDGs. This has led to a growing consensus about the significance of private investment in development works. During the 2015 Financing for Development Conference in Ethiopia, creative and innovative solutions were emphasized. In October 2016, UNSG Ban announced the launch of a platform for scaling up innovative finance solutions to support the achievement of SDG by 2030.

1 http://www.moad.gov.np/downloadfile/ADS%20Final%20Report%20%20as%20of%2023%20september,%202014_1411534253.pdf

2 NLSS-III 2011, Government of Nepal, National Planning Commission Secretariat, Central Bureau of Statistics

Sustainable development is a shared value for both public and private sector. Companies begin to realize that inclusive and sustainable vibe of the society can bring them growth and prosperity, while social and income inequality and environmental damages affect their supply chain, capital flows, and productivity. For the public development partners, private sector will become a large source of fund and innovative knowledge for solutions.

In 2015, the Government of Nepal published the preliminary national report on SDGs to examine each goal's relevance in the national contexts and providing inputs for national planning, dialogue, and implementation. The government also mainstreamed SDGs in the 14th plan (2016-2018). It calls for private sector engagement recognition of its contribution to job creations and social inclusion. However, the mechanism to involve the private sector has yet to be developed. Nepal needs huge investment to materialize SDGs indicators and government alone will not be in position to finance the funding requirement.

Against this backdrop, UNDP Nepal and KOICA Nepal organized two series of conferences in 2016 and 2017 on the role of private sector for the sustainable development in Nepal. Discussions at the conference covered raising Nepal's long run growth rate above 4%, engaging the private sector in sharpening Nepal's development programme, improving the business environment, and facilitating collaboration between government, private sector, civil society organizations, and development partners. The immediate result was the formation of the business coalition for SDGs. Now there is a growing demand for tangible and practical follow up actions.

3. Tourism development

Support to tourism development is currently under design with the planned outcome of growth of the local economy and in employment in selected tourism and pilgrimage 'gateways'. 'Gateways' are defined as small urban centres and their immediate periphery where pilgrims and adventure tourists stay at the start, end or during their visit. As such, gateways are the point from which tourists and pilgrims get access to the main reason for their visit. The gateways to be addressed potentially form a focus for Tourism Development Areas.

The intention would be that tourists and pilgrims would stay at the gateway for a longer period rather than the minimum necessary before they begin the main part of their visit. Getting them to stay longer idea requires better quality accommodation and for the gateway itself to offer attractions such that it becomes a destination.

Target audiences in the selected gateways include both Nepalis and foreigners (including Indians and other foreigners). Pilgrimage tourism is dominated by Nepalis and Indians, but also includes visitors from majority Buddhist countries in the region (including Sri Lanka, Myanmar and Thailand). Indian tourists are of great importance to Nepal, making up 23% of tourists arriving by air, although this underestimates their number since many travel by road and are not enumerated. The characteristics of a pilgrimage visit vary sharply, with some pilgrims travelling with their provisions and staying cheaply, thereby keeping expenditure to a minimum. Others look for better quality accommodation and food.

A concept note is close to finalisation and, once the approach has been agreed, a project document will be prepared. This will, as one element, require definition, costing and phasing of activities.

III. Purpose and Objectives of the Assignment

Description of assignment

The consultant will be responsible for providing technical supports to two assignments.

Value chain development of fruit and vegetables in Nepal: the objective of the assignment is to help finalize the project document in collaboration with KOICA Nepal office and to provide analytical inputs on the project economic analysis, gross margin analysis for targeting commodities, and monitoring and evaluation mechanisms. S/he will coordinate and communicate with KOICA Nepal and government agencies for the finalization of project document and agreement. As the scoping study, the consultant will develop the economic analysis and gross margin analysis. A review and suggestion on the optimal monitoring and evaluation arrangement will be also made.

Private sector engagement for SDG localization: the consultant in collaboration with UNDP Nepal will devise an approach for the issue, identify potential partner(s), and support activities to translate what was discussed during the conferences on the role of private sector in sustainable development.

Tourism development: the task will embrace finalisation of the project document for the support and assist in presentations to stakeholders in the target areas and partners who might finance the support.

Duties and Responsibilities

The consultant will have the following responsibilities:

1. Value chain development of fruit and vegetables in Nepal

1.1.Support to project document finalization and launch

- Provide technical inputs to project document to ensure that the document format responds to both UNDP and KOICA's project document standards
- Review Annual Work Plans, monitoring and evaluation system, reporting arrangement, and project management
- Engage relevant government officials for reviewing the project document
- Support the agreement making process
- Coordinate and communicate with KOICA Nepal for project document and agreement finalization
- Respond to inquiries from KOICA Nepal and HQ
- Organize consultation meetings if need be
- Perform any other duty as assigned

1.2.Scoping study for the economic analysis, gross margin analysis, and monitoring mechanism

- Economic analysis: Define a comprehensive approach to conduct a project economic analysis by developing the methodology, reviewing and summarizing the economic analysis for agriculture projects, compiling examples of economic analysis done, extracting examples' specific methodologies, compiling a list of relevant data sources, condensing findings, and identifying methodologies and specifying corresponding data requirements.
- Gross margin analysis: Collect available data on gross margin analysis, identify institutions and organizations working on gross margin in Nepal, review other agriculture projects' gross margin analysis, and identify constraints and opportunities for gross margin analysis in Nepal. The finding will be then used for designing the gross margin analysis for the project.

- Monitoring and evaluation review: Compile monitoring and evaluation cases of similar agriculture projects, extract specific methodologies, develop a stakeholder analysis, and suggest an optimal monitoring and evaluation mechanism for the project.
- Produce a scoping study report covering three agenda

2. Private sector engagement in SDG localization

- Identify potential partner(s)
- define activities with partner(s)
- Follow up on planned activities
- Produce a progress report

3. Tourism development

- Prepare the project document for the assistance
- Organise and prepare presentations to stakeholders.

Deliverables

By the end of the assignment period, the consultant will deliver the following:

Value chain development of fruit and vegetables in Nepal: (a) final project document; and (b) proposals for monitoring and evaluation.

Private sector engagement for SDG localization: progress report (covering identification of partner organizations and agreed activities).

Tourism development: draft project document.

VI. Consultant Inputs and Time frame

The assignment will be of a total of 85 working days. The expected start date is 12 February 2018. Proposed tasks to be accomplished within the time frame for the assignments are as follows:

Activity	Number of Days
<u>Value chain development of fruit and vegetables in Nepal</u> : (a) final project document; and (b) proposals for monitoring and evaluation.	35 days
<u>Private sector engagement for SDG localization</u> : progress report (covering identification of partner organizations and agreed activities).	15 days
<u>Tourism development</u> : draft project document.	35 days
Total	85 days

Mode of Payment to the Expert*:

Upon completion of deliverables as indicated above.

Recruitment Qualification and Competencies:

Education

- Completion of Master's Degree in agriculture, economics, development studies, public policy, business or any other relevant areas

Language Proficiency

- Fluency in written and spoken in English. Writing ability in English should be such that materials can be considered final with minimal or no subsequent editing.
- Capability in written and spoken Korean would be an advantage.

Competencies

- Good practical knowledge of the agriculture sector in Nepal and value chain, private sector development, and SDGs
- Ability in designing and executing high quality documentation,
- Ability to go beyond established procedures and models, propose new approaches which expand the range of projects,
- Consistently approaches work with energy and a positive, constructive attitude;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- Ability to work in a multi-cultural team environment with a positive attitude;

Experience:

- 5 years of relevant work experience in the field of value chain, natural resources, inclusive economic growth, poverty reduction, and private sector development (an working experience in Nepal would be an asset)
- Strong background in research and project development
- Thorough knowledge of Nepal's agriculture and private sector
- Knowledge of and experience working with government ministries, private sector and development agencies/partners (working experience with donor agency would add value)
- Advanced computer application skills, data management, reporting and presentation skills are essential for the functions of the job.