TERMS OF REFERENCE

UNITED NATIONS DEVELOPMENT PROGRAMME	UNDP *Empowered lives.* *Resilient nations.*

A. GENERAL INFORMATION

Title: Initial economic assessment of Covid-19 effects and scope of policy options in Belize
Project:
Type of Contract: Service Contract
Direct Supervisor: UNDP Deputy Resident Representative
Modality of Execution: DIM
Duty Station: Home-based
Estimated Start Date: June 8, 2020
Duration: 5 weeks

B. PROJECT DESCRIPTION OR BACKGROUND

During the month of March 2020, the spread of Covid-19 has generated an international public health crisis that will have a strong impact for the economies of countries worldwide. A rise in the number of daily confirmed cases of the new coronavirus internationally has led the World Health Organization (WHO) to declare its spread a global pandemic.

With an increasing number of affected countries, the COVID-19 outbreak is a new potential source of volatility, a threat to the macroeconomic stability and disrupting factor in terms of jobs and livelihoods of the people in the LAC region. Countries with fragile economies, lack of social protection mechanisms or weak health installed capacities to protect their most vulnerable citizens face the hardest challenges. Furthermore, most countries in the region are implementing serious containment measures to, amongst other things, reduce mobility and keep people in temporary isolation. These measures are already having an impact on economic activity and will affect more people who are already in a vulnerable situation.

For this reason, the UNDP country offices are producing initial assessment notes on the impact of the crisis with focus on the vulnerable population. In the cases required, a consultant with the necessary expertise is to be hired to analyze the situation in the current economic scenario and prepare evidence-based proposals that respond to the global emergency in a localized manner and according to the national context.

C. PURPOSE

Objective

Covid-19 and some of its ramifications, as well as the low levels of oil prices, have the potential to seriously impact the economies of Latin America and the Caribbean. This note should help understand in a concise and concrete way what are the effects of these shocks in Belize. Is it likely that Belize will experience a crisis, leading to a recession and a reversal in social progress. The Economic Advisory task force assigned to oversee economic recovery is predicting a 4 to 10% decline in GDP. Early figures indicate massive unemployment associated with country lockdown and its impacts on the tourism and allied sectors. By the 24th April, the Unemployment Relief Program which was opened for 3 weeks received over 81,000 applicants of which almost 35,000 were approved, illustrating the extent of job and livelihood losses. This is detrimental for a country such as Belize which already records 41% of its population amongst its poor and already registers high levels of inequalities. Belize's Economic Advisory Task Force in conjunction with the Central Bank of Belize is currently undertaking its preliminary macro-economic impact assessment looking at unemployment, the decline in key development sectors and impact to foreign exchange reserves among other areas. UNDP proposes a complementary study focusing on vulnerable population groups including rural residents; those operating within the informal economies; the long term unemployed; youth; female headed households; indigenous communities, etc. This work goes beyond the scope of the macro analysis currently being undertaken by the Government of Belize and provides greater insight to population vulnerabilities and informs greater targeted actions for response. It also assists Government in identifying longer term recovery policy options available to the country mitigating to the extent possible extended economic disruptions.

D. SCOPE OF WORK

Assessing the socioeconomic impact

1. **Identification of population groups whose livelihoods are potentially affected by lockdowns and other social distancing measures, ranking them from the most to the least vulnerable.**

Informal self-employed independent non-professional workers who derive their income on a day-to-day basis will be at the top of the list, followed probably by formal workers falling in the same category. Their human capital is unable to generate a return under confinement. Informal and formal employees in fields of work intensive in social contact will follow. As their employers are expected to lose revenues both in the short and medium terms with a higher probability than others, jobs in these sectors are at high risk. In some countries formal employees will be protected by unemployment insurance, so they are in a better condition of survival than their informal counterparts. Next are informal and formal employees in sectors of activity expected to be able to restart activity as soon as restrictions are lifted where, again, formal employees are in a better condition than informal. Households vulnerability to poverty will derive from the relative weight of their different income sources. For instance, a household deriving 100% of its income from the day-to-day activities of one informal independent worker is in a different situation than one deriving at least part of its income from a formal employed worker. These

are examples of the reflections to be made. They don't pretend to be all encompassing. Rankings may differ across countries.

- Which workers are most likely to lose their income during lockdowns? Are youth and women expected to take a harder blow? If so, why?
- Which sectors are likely to be most impacted by the COVID-19 crisis and how important are they for the country's economy? How would you characterize the level of (firm and labor) informality in those sectors? Is informality likely to increase?
- Are some sectors of activity expected to recover faster than others once the virus is under control?
- How important are remittances as a source of households' income?

2. **Identification of population groups potentially affected by lockdowns and other social distancing measures, through channels different than income loss, who should be the object of specific policy measures.** Children, teenagers and young adults whose schooling is challenged by lack of access to internet services and/or computing equipment; women and children whose exposure to domestic violence increases during confinement; ethnic minorities that will have differential access to health services and testing; LGBTI groups that may experience increased discrimination; and persons of mixed migration status who may suffer differential access to services as well as discrimination.

- What are the likely impacts on the most vulnerable in Belize e.g. female headed households, the elderly, persons living with disabilities, children, other minorities and persons of mixed migration status?

3. **Identification of installed state capacity to provide a safety net to vulnerable groups while lockdowns and other social distancing measures are in place**. An inventory of contributory and non-contributory social protection policies and programs available, as well as of Conditional Cash Transfers programs and other poverty reduction programs, including their coverage and scope, will be useful to assess vulnerability to income loss of the different population groups identified.

- Are government programs (e.g., cash transfers) rapidly scalable? Can they be targeted to the individuals most impacted by the economic effects of Covid-19?
- Is it possible for the country to expand its social protection schemes such as the BOOST, Food Pantry and the Unemployment Relief Programs to reach the most vulnerable?
- Based on current programs, how might the GoB improve the reallocation of resources to address the impacts of COVID-19?

4. **Identification of policy response put in place**. An inventory of the measures already adopted by governments to protect households' incomes and employment, their targeting and scope, will be useful to assess vulnerability of the different population groups identified (after accounting for the safety nets in place) and to inform policy design.

5. **Identification of the sources available to produce information about the potentially affected groups.**

    - Are there representative household surveys, censuses and/or administrative registries of formal employment and business available?
    - Are there any information gaps? If so, could information be rapidly collected to fill them allowing an approximate assessment of impact?

6. **Microeconomic data processing to characterize labor markets and households, assess potential impacts of alternative policy measures, and quantify them.** To ensure usefulness for policy design, a minimum set of the statistics should ideally be produced from standard household surveys or censuses, including exercises to simulate potential impacts under different scenarios.

    - Where do workers most likely to lose their income during lockdowns fall on the income distribution and what are their characteristics (gender, schooling, ethnicity)? How would you describe the socioeconomic profile of those individuals likely to lose earnings as a result of Covid-19?
    - Which workers are likely to recover faster once the economic activity restarts and which are likely to experience a longer unemployment spell?
    - What are the sources of income of Belize's households? Do the vary across the income distribution? How are they expected to be hurt?
    - How much income are the poorer households losing because of the COVID-19 crisis? Will the size of government transfers be enough to compensate for the loss?
    - What is the expected effect on poverty? On extreme poverty?

7. **Microeconomic data processing to characterize vulnerability of formal businesses, assess potential impacts on employment and firm survival of alternative policy measures, and quantify them.** If firm-level employment data are available, quantitative analyses by sector of activity and firm-size will be informative. In particular they will allow to provide estimates of the required cashflows to sustain employment during lockdowns under different scenarios.

8. **Analysis of implementation challenges of the measures adopted.** Policy response effectiveness to contain the COVID-19 crisis will depend on the quality of policy design, on the capacity to provide support in the required amounts, and, critically, on the national and local government's implementation capacity.

9. **Assessment about potential social unrest.** Noting the recent state of emergency in sections of Belize due to thecrime situation and also the heightened political agitation due to the general elections expected by the end of 2020,

    - Could unstable initial conditions amplify the effects of the COVID-19 crisis leading to social unrest?
    - Could the pandemic lead to an increase in illicit activities based on prevailing conditions?

10. **Assessment of health systems' risk of collapse under the pressure of COVID-19, after accounting for efforts to scale up capacity.** Assessments considering the progress in testing and tracing capacities and of social distancing restrictions in place, will be useful to shape exiting strategies from generalized lockdowns, to allow restarting economic activity

11. **An assessment of the impact of COVID-19 on the environment.** Socioeconomic impact and response analyses are an opportunity to reflect on the potential power of small changes in behavioral patterns to build a more equitable and sustainable "new normal" after COVID-19. It is an opportunity for societies to take stock and consider transformative actions in key areas such as restoring the environment and stopping climate change

    - How have social isolation measures impacted the natural environment (i.e. closure of borders, staying and working from home, etc.)?
    - What behavioral patterns of firms and households could, if modified, result in lasting positive effects on the environment once the pandemic is under control?
    - Are there negative effects on the environment expected from the COVID-19 crisis? If so, what are they?

12. **Analysis of fiscal restrictions.** Understanding country-specific restrictions to scale up public expenditure in the light of the necessary effort to protect households and firms during the COVID-19 crisis is required to provide sound policy recommendations.

    - What was Belize's baseline fiscal health in February 2020, before the COVID-19 crisis started?
    - What are the channels of transmission of the COVID-19 crisis and how are they expected to affect Belize's fiscal accounts?
    - What is the expected effect of Covid-19 on GDP growth and inflation for the 2020/21 Financial Year?
    - What is the likely impact on the fiscal policies and framework established under the country's Economic Reform Program?
    - How long can palliative fiscal policies to contain poverty and unemployment realistically be sustained?

13. **Production of a concrete set of actionable policy recommendations, including their approximate costing based on findings from activities 1 to 11.**

    - What else can be done or what could be done differently in the short-term to effectively contain poverty and unemployment, including what can be done to allow economic activity to restart, without triggering the health system's collapse (with the associated death toll)?
    - What can be done in order to facilitate recovery once COVID-19 is under control?
    - What can be done to build back better and greener and transition to an inclusive green economy for resilience and sustainability?

E.   EXPECTED OUTPUTS / DELIVERABLES

Deliverable	Estimated Time to complete	Estimated Due Date	Percentage payment	Review and Approval *(Indicate the title of supervisor)*
Consolidated Data and Draft note	Three weeks	June 26	60%	UNDP
Final note	Five weeks	July 10	40%	UNDP and National Counterpart

F.   INSTITUTIONAL ARRANGEMENTS

UNDP supervision:

The selected contractor will report to the Deputy Resident Representative. There will be an initial briefing for the consultant as well as regular meetings with the supervisor.

The contractor will be home-based and, after the contract signing and prior to starting work, will be given access to relevant information necessary for execution of the tasks under this assignment by the UNDP Regional Hub.

G.   DURATION OF THE WORK

The contract is expected to require a commitment of approximately 5 weeks.
The expected date of commencement is 8 June.

H.   DUTY STATION

The contractor will be home-based.

I.   QUALIFICATIONS OF THE SUCCESSFUL CONTRACTOR

Team Member 1: Team Lead

Academic Qualifications/Required Skills and Experience:
- Advanced degree in Economics, Government or Public Policy
- Minimum of 5 years of experience in social and economic research, social and economic consulting, or government, in positions requiring knowledge of social and economic policies and strong analytical skills.
- Experience in microeconomic data collection and processing required.
- Experience working in Belize required
- Experience working with Belize's household survey desirable.
- Experience working with UN Agencies, similar multilateral agencies, government entities, academia, private sector desirable and/or civil society organizations desirable

Competencies and special skills requirement:
- Demonstrates excellent communication skills in English – orally and in writing to communicate complex, technical information to both technical and general audiences.
- Proficiency in Spanish an asset
- Demonstrates professional approach with strong work ethic
- Excellent time-management skills, ability to meet tight deadlines.
- Ability to produce clear and concise written reports.

Team Member 2: Project Manager

Academic Qualifications/Required Skills and Experience:
- Master's degree or higher in Social Sciences
  Required Skills and Experience:
- Minimum of 3 years of experience in social research, in positions requiring knowledge of social policies and strong analytical skills.
- Experience in collecting, processing and analysing social data, especially at the household level required
- Experience working with UN Agencies, similar multilateral agencies, government entities, private sector and/or civil society organizations desirable

Competencies and special skills requirements:
- Demonstrates excellent communication skills in English – orally and in writing to communicate complex, technical information to both technical and general audiences.
- Proficiency in Spanish an asset
- Demonstrates professional approach with strong work ethic
- Ability to produce clear and concise written reports.

J.   SCOPE OF BID PRICE AND SCHEDULE OF PAYMENTS

UNDP will pay the expert the fees specified in the contract.

The expert will receive payment of fees subject to approval of the deliverables agreed upon in the Terms of Reference and approval of the respective Certificate of Payment by the immediate supervisor.

Signed contracts in the individual agreement mode do not entail any advance fees either at the contract start date or at the start of the specific consulting periods.

K. RECOMMENDED PRESENTATION OF PROPOSAL AND OTHER RELEVANT INFORMATION

In order to be selected, the consultant must provide:

1. Curriculum vitae of key team members.
2. An annotated outline of the country-specific note they propose to prepare.

SUBMISSION OF APPLICATION PACKAGE:
Proposals are required to submit by email clearly labeled; **Proposal to conduct an Initial economic assessment of Covid-19 effects and scope of policy options in Belize**

United Nations Development Programme
Attn: Procurement Associate
3rd Floor, Lawrence Nicholas Building. Belmopan
Cayo District, Belize, C.A.
Tel: (501) 822-2688, 0467, 4228
Email: procurement.bz@undp.org

DEADLINE FOR APPLICATION: Friday, May 29, 2020 at 4:00p.m.

EVALUATION MATRIX

The technical and financial aspects of every proposal submitted will be evaluated using the following matrix:

TECHNICAL EVALUATION	MAXIMUM SCORE
Quality of the Proposal	

• *Annotated submitted outline expectation percentage for background paper:*
 	
    Up to 100% - 100 points
     Up to 75% - 75 points
     Up to 50% - 50 points
     Up to 25% - 25 points
	100

Academic Background	
• Master´s degree in Economics, Government or Public Policy 10 • Ph.D. degree in Economics, Government or Public Policy 20	20
General Experience	
• Minimum of 5 years of experience in academia / research institutions, economic consulting, or government in occupations requiring economic analysis skills.	20
• Solid track record on issues pertinent to the topics of the country note to be prepared, as shown by publications and work experience.	20
• Specific experience and exposure to the Latin America and the Caribbean region.	20
Required Languages	
• Excellent oral and written communication skills in Spanish and English.	20
TOTAL SCORE	*200*