



INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

International Individual Consultant Assessment of Consequences of Agricultural Incentives¹ (Subsidy) on Biodiversity

Reference No.: UNDP/PN/03/2021

Date: 09 February 2021

Country: NEPAL

Description of the assignment: As per the attached Terms of Reference (ToR) – Annex 1.

Project/Unit name: The Biodiversity Finance Initiative in Nepal (BIOFIN Nepal)

No. of Consultant: 1 (one)

Period of assignment/services (if applicable): 15 effective person-days during March 2021 – June. The assignment will be home-based, with one mission (5 days) in Kathmandu, Nepal (Subject to the withdrawal of travel restriction from government, planned during the first week of May 2020)

Proposal should be submitted by email to **procurement.np@undp.org** not later than **1730 hours (Nepal Standard Time) on 19 February 2021** mentioning reference No. **UNDP/PN/03/2021 – International Individual Consultant for Assessment of Consequences of Agricultural Incentives (Subsidy) on Biodiversity.**

Any request for clarification must be sent in writing, or by standard electronic communication to the e-mail: query.procurement.np@undp.org mentioning Procurement Notice Ref: **UNDP/PN/03/2021 - International Individual Consultant for Assessment of Consequences of Agricultural Incentives (Subsidy) on Biodiversity**, on or before **12 February 2021**. The procurement unit will respond in writing, including an explanation of the query without identifying the source of inquiry, to all consultants or via bulletin published on the UNDP website: <http://www.np.undp.org/content/nepal/en/home/operations/procurement.html>. Inquiries received after the above date and time shall not be entertained.

¹ Agricultural sector for the purpose of the study includes agriculture, livestock, and fishery.

1. BACKGROUND

BIOFIN Nepal aims to contribute to effective and efficient biodiversity finance and outcomes by designing comprehensive finance solutions to assure long-term and steady financial flows to conservation engaging government, conservation partners, private sector and civil societies. BIOFIN Nepal aims to support the Ministry of Forests and Environment and Provincial Ministry to identify, assess and quantify the value and the cost of each type of incentives positive and harmful for biodiversity and communities, understand potential reform options and prioritize reform efforts that take into consideration a full range of macro and micro-level social, environmental, economic and political economy concerns and trade-offs throughout the reform and transition process, including within the COVID-19 context. Hence, BIOFIN Nepal intends to hire the international consultant and national consultancy company/research institution to undertake the above assessment jointly (hereafter refer to as service providers). UNDP has recruited service provider, who will work with a international consultant to deliverable outputs jointly. The overall objective of the study is to assess the consequences of the agricultural incentives (subsidy) on the biodiversity and proposed reform (upscaling) actions for the prioritized (harmful) subsidy. The study will Identify map and quantify the value and the costs of each agriculture incentives/subsidies over the last five years; Screen incentives and subsidies likely to have a significant impact on biodiversity and prioritized at-least two subsidy/incentives for in-depth assessment; Conduct a social, environmental, Political and Economic Analysis of prioritized subsidy (incentives), for the reforms; Examine the consequences of the economic recovery program of the agriculture sector in COVID-19 on biodiversity and Develop a detailed reform action plans of the selected incentives/subsidy aligning with the national priority.

2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK

For detailed information, please refer to the Terms of Reference – ToR (Annex 1)

3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

I. Academic Qualifications:

- A master's degree in economics / finance / macroeconomics / environmental economics / agriculture economics/ taxation / public policy / natural resource management / development / environment / any other relevant field.

II. Years of experience:

- At least 7 years of professional experience in research, analysis and writing reports with practical recommendations in the area of the green economy, including economic policies, fiscal policies, agriculture, environmental economics at the international level;
- At-least two assignments/project in similar nature of work;
- Experience of working in Nepal or Asia would be an advantage.

III. Competencies:

- Fluency in English.
- Knowledge of Nepali will be an asset; (Nepali national with above expertise are also eligible to apply).

4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

- Offeror's Letter to UNDP Confirming Interest and Availability for the Individual Contractor (IC) Assignment
- **Financial Proposal**
- A cover letter with a brief presentation of your consultancy explaining your suitability for the work;
- A brief methodology on how you will approach and conduct the work
- Personal CV including past experience in similar projects and at least 3 references

Note:

- Applicants of 65 years or more require full medical examination and statement of fitness to work to engage in the consultancy.
- The candidate has to be an independent consultant (If the candidate is engaged with any organization, the organization employing the candidate will be issued with a Reimbursable Loan Agreement (RLA) to release the employee for the consultancy with UNDP.)
- Due to sheer number of applicants, the procurement unit will contact only competitively selected consultant.

5. FINANCIAL PROPOSAL

- **Lump sum contracts**

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount.

6. EVALUATION

Individual consultants will be evaluated based on the following methodologies:

2. Cumulative analysis

When using this weighted scoring method, the award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

a) responsive/compliant/acceptable, and

b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

* Technical Criteria weight; 70%

* Financial Criteria weight; 30%

Only candidates obtaining a minimum of 49 points in technical evaluation would be considered for the financial evaluation.

Criteria	Weight	Max. Point
<u>Technical:</u>	70%	70
<u>Educational Qualification</u> At-least master's degree in economics / finance / macroeconomics / environmental economics / agriculture economics/ taxation / public policy / natural resource management / development / environment / any other relevant field	10%	10
<u>Experience</u> Professional experience in research, analysis and writing reports with practical recommendations in the area of the green economy, including economic policies, fiscal policies, agriculture, environmental economics at the international level	20%	20
Number of projects undertaken on biodiversity finance solutions, agricultural subsidy/incentives reforms	30%	30
Working experience in South Asia in general and Nepal in particular	10%	10
<u>Financial</u>	30%	30

Contract will be awarded to the technically qualified consultant who obtains the highest combined scores (financial and technical). The points for the Financial Proposal will be allocated as per the following formula:

$$\frac{\text{Lowest Bid Offered} *}{\text{Bid of the Consultant}} \times 30$$

* "Lowest Bid Offered" refers to the lowest price offered by Offerors scoring at least 70% points in technical evaluation.

ANNEX

ANNEX 1- TERMS OF REFERENCES (TOR)

ANNEX 2- INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS

UNITED NATIONS DEVELOPMENT PROGRAMME

THE BIODIVERSITY FINANCE INITIATIVE IN NEPAL
(BIOFIN-Nepal)**Terms of Reference**
International Consultant for
Assessment of Consequences of Agricultural Incentives² (Subsidy) on Biodiversity

Title of Assignment:	International Consultant for "Assessment of the Consequences of Agricultural Incentives (Subsidy) on Biodiversity"
Duty station:	Home-based, with one mission (5 days) in Kathmandu, Nepal (Subject to the withdrawal of travel restriction from government, planned during the first week of May 2020)
Type of Contract:	Individual Contract (International)
Post level	International Consultant
Supervisor (s)	Project Coordinator/BIOFIN-Nepal
Duration of Contract:	15 effective person-days during 1 March 2021 – 30 June, 2021
Starting Date:	1 March 2021

1. INTRODUCTION

Nepal is committed to conservation and sustainable utilization of biodiversity for the "prosperity of people & nation." The government enacted the National Biodiversity Strategy and Action Plan (2014-2020) (NBSAP) in 2014, which provides a strategic framework for biodiversity conservation in Nepal. The strategy has set different biodiversity targets that align with the Aichi targets. The review of Nepal's Sixth National Report to the Convention of the Biodiversity (CBD) reveals that nearly two-thirds of the national biodiversity targets (38 out of 56) are in progress but at an insufficient rate. Likewise, half of them (10 out of 20) Aichi targets are progressing at an insufficient rate. Inadequate resource mobilization is one of the prime reasons for slow progress in achieving biodiversity targets. In recent decades, biodiversity finance tools and solutions have demonstrated their importance for achieving biodiversity goals and sustainable development objectives. However, countries have not approached the issue of biodiversity finance in a comprehensive manner, where choice and adoption of financial solutions have remained experimental and opportunistic.

Considering this, the Biodiversity Finance Initiative (BIOFIN) was developed "as global program" to provide a comprehensive methodology for government to (a) review the existing policy context (b) measure expenditure level for biodiversity (c) calculate future financial needs and (d) design strategic plans to deploy right mix financial of the finance solutions, tailored to the country context. It has developed, piloted, and continuously improved the methodology to design comprehensive plans to implement finance tools and solutions that increase financing, effectiveness, and efficiency on biodiversity management. BIOFIN Phase I (2012-2018) developed and piloted the methodological framework to help countries mobilize sufficient resources to implement national biodiversity policies in 30 countries. BIOFIN Phase II (2018-2022) will enable the 30 countries to implement priority finance solutions while it supported five countries to prepare a biodiversity financial plan.

BIOFIN Nepal is a phase II country, which aims at designing comprehensive finance solutions to assure long-term and steady financial flows to conservation, engaging government, conservation partners, private sector, and civil societies. Environment and Biodiversity Division of the Ministry of Forests and Environment (MOFE), is leading the

² Agricultural sector for the purpose of the study includes agriculture, livestock, and fishery.

BIOFIN process. The Ministry hosts a dedicated team of experts to undertake technical work and coordinate day to day management of the BIOFIN process in Nepal. UNDP is providing technical assistance to the overall process.

As a part of the policy and institutional review work, the BIOFIN - Nepal had listed out the subsidies and incentives that are supportive and harmful (or potentially harmful) to be biodiversity. Building on the policy and institutional review work, the BIOFIN Nepal now intends to assess the Impact of the agricultural subsidy and incentives on the biodiversity aiming to support the Ministry of Finance, Ministry of Forests and Environment and Ministry of Agriculture and livestock on identifying the reform actions on the environmentally harmful subsidies to the biodiversity.

The Government of Sweden, through SIDA, has funded a four-year, USD\$40m global Strategic Collaboration Programme designed to strengthen UNDP capacities to achieve its overall sustainable development vision for poverty eradication through a more integrated, coherent approach to the environmental and climate dimensions of the UNDP Strategic Plan. SIDA funds will be used to support BIOFIN's work on harmful subsidies in Nepal.

Subsidies can have a positive or negative impact on biodiversity and ecosystems in a wide variety of ways, depending on how they are designed and implemented. However, often well-intended, subsidies end up having negative unintended and often costly effects on the environment and biodiversity; most common examples are found in the agricultural sector. For example, OECD estimated around USD 100 billion in support to agricultural production is considered potentially harmful to the environment by OECD countries in 2015, resulting in for example habitat destruction, land degradation, nutrient pollution³. Moreover, subsidies often lack the environment (and social) safeguard frameworks. Recognizing above, Nepal's National Biodiversity Strategy and Action Plan (2014-2020) aims at identifying and implementing the phasing out plan of the perverse incentives⁴ in the agriculture and forestry sector by 2020 in line with Aichi Target 3 of the CBD which states to eliminate, phase out or reform all subsidies harmful to biodiversity. However, a review of Nepal's sixth national progress report to the CBD reveals that the country is yet to prepare and implement the perverse incentives phase-out plan in agriculture, and forestry sectors. Likewise, perverse incentives or harmful subsidy impacting the agriculture and forestry sector and its' consequences to biodiversity are poorly documented.

2. RATIONALE

Nearly 70 percent of Nepal's population is dependent on agriculture for livelihoods accounting for 27 percent of the GDP in 2019/20. As more Nepalese men migrate abroad to find work, an increasing number of rural women are taking up farming. Moreover, this sector has been the national priority to ensure food security and reduce dependence upon imports. Despite this, the country struggles to produce an adequate supply of food, mainly because of small and fragmented farming, rural to urban migration of the youth, and population growth. Leaving land fallow due to high production cost further escalated the problems, where the agricultural growth cannot keep pace with the population growth. Erratic weather patterns, pest epidemics, and lack of fertilizers and improved seeds exacerbate the problem. Consequently, the government introduces different subsidies and incentives to the farmers to boost agricultural production and productivity. Some of the most prominent incentives that currently exist in the agriculture sector include fertilizer subsidy,⁵ seed subsidy,⁶ interest subsidy for agriculture and livestock loans,⁷ fertilizer transport subsidy and insurance premium grants to the farmers, income or price support (e.g., paddy and electricity tariff on water use for irrigation). In addition, the government is providing many competitive matching grants to the private sector, enterprises, and farmers, without assessing the likely consequences to the environment

³ https://www.minambiente.it/sites/default/files/archivio/allegati/sviluppo_sostenibile/G7_env_meeting_EHS_EFR_roma_1415032017_steenblik.pdf

⁴ incentives that are harmful for biodiversity and environment

⁵ This include price subsidy in chemical fertilizers. The government provide the difference between actual cost and subsidized price to the farmers as subsidy to the Agriculture Inputs Company Limited (AICL) and Salt Trading Corporation Limited (STCL), who are authorized to import and distribute the chemical fertilizer.

⁶ Provide price subsidy in major cereals, pulse and oilseed, where the seeds are sold below 25-40% of the market price. The subsidized seed at farmers' level is distributed through dealers of National Seed Company limited

⁷ Government bears five percent of the interest in loans disbursed by banks and financial institutions under a concessional credit scheme for the agricultural and livestock businesses.

and more particularly on the biodiversity. Such grants are quite prevalent in the agriculture sector, where different incentives are provided to commercial farmers to commercialize farming and improve food security. For example, Prime Minister Agriculture Modernization Project of Nepal provides (a) Fifty percent subsidy on the purchase of agricultural equipment; (b) Provide fifty percent subsidy in the purchase of the tractor; (c) Rupees One million subsidy while purchasing 39 types of mechanical tools and (d) Fifty percent subsidy while purchasing seeds and fertilizers. These agriculture subsidies and incentives might promote injudicious use and thereby create adverse consequences to environment in general and biodiversity in particular⁸. For example, subsidies on chemical fertilizers may lead to the overuse of chemicals and thereby contributing to agricultural land degradation. Subsidized loan interest for livestock may contribute to the number of livestock and overgrazing, leading to forests and pastureland degradation. On the contrary, there are also subsidies (incentives) in the agricultural sector, which might be beneficial to biodiversity. For example, the government is providing incentives for the production and use of organic fertilizers⁹. However, comprehensive knowledge of the subsidies in the agricultural sector (agriculture, livestock, forestry, and fishery), including its consequences to the biodiversity, are poorly documented. Furthermore, women are primarily involved in farming, and the incentives might bring distributional inequity due to limited access to the inputs or increased the workload at the farm level. Hence, impact on equity of the existing incentives is necessary to integrate equity aspects in the proposed reform to ensure that no one is left behind.

Furthermore, the recent COVID 19 pandemic has hit hard the national economy, health, and livelihoods. It has a more pervasive effect on agriculture, especially in the availability of the production inputs and sale of the agriculture produce. Besides, the agriculture sector has the potential to create employment/income in short terms and thereby to minimize shocks and stresses caused by the recent pandemic. Consequently, federal, provincial, and local governments of Nepal are providing different subsidy/incentives to the farmers aiming to boost up agriculture production and improve the supply chain in the country. While the COVID 19 recovery plan for the federal government in the agriculture sector is being prepared, the provincial government is now implementing the COVID recovery program. For example, the government of province 5 has launched NRs 510 million (US\$ 4.25) COVID special agriculture program to protect the farming sector and to improve agricultural activities. The provincial ministry is providing incentives to the farmers to buy production inputs, especially seeds and chemical fertilizers. However, this recovery plan may further impact on biodiversity, especially due to high input use or conversion of the forests for other purposes. Hence the current study will support resilient and sustainable agriculture to advocate for the right subsidy policy for immediate recovery from the pandemic.

In this regard, the BIOFIN Nepal aims to support the Ministry of Forests and Environment to identify, assess and quantify the value and the cost of each type of incentives positive and harmful for biodiversity and communities, understand potential reform options and prioritize reform efforts that take into consideration a full range of macro and micro-level social, environmental, economic and political economy concerns and trade-offs throughout the reform and transition process, including within the COVID-19 context. BIOFIN hired a national consultancy company/research institution to undertake the above assessment comprising of the Biodiversity Expert as the team leader with the Agricultural Expert/Agri-Economist and Gender and social inclusion expert. In addition, the BIOFIN intends to undertake two pilot studies to assess the impact of the prioritized harmful subsidy on the biodiversity. The inception report is being drafted and now BIOFIN intends to hire the international consultant to mentor and guide the national consultant team, who will then work together to deliver the proposed outputs. UNDP will recruit the international consultant, who will work under the overall guidance of the BIOFIN regional advisor, steering committee members, and direct supervision of the Project Coordinator/BIOFIN.

⁸ Refer, Deshar, B. D. (2013). An overview of agricultural degradation in Nepal and its impact on economy and environment. *Global Journal of economic and social development*, 3(1), 1-20.

⁹ Ministry of Agricultural Development started organic fertilizer subsidy program with the promulgation of Organic Fertilizer Subsidy Guideline, 2011. The subsidy is provided in organic fertilizer produced in the country and registered with the ministry to minimize the negative consequences of chemical fertilizer and maintain the soil health

3. OBJECTIVE OF ASSIGNMENT

The overall objective of the study is to assess the consequences of the agricultural incentives (subsidy) on the biodiversity and proposed reform (upscaling) actions for the prioritized (harmful) subsidy.

- Identify map and quantify the value and the costs of each agriculture incentives/subsidies over the last five years;
- Screen incentives and subsidies likely to have a significant impact on biodiversity and prioritized at-least two subsidy/incentives for in-depth assessment;
- Conduct a social, environmental, Political and Economic Analysis of prioritized subsidy (incentives), for the reforms;
- Examine the consequences of the economic recovery program of the agriculture sector in COVID-19 on biodiversity;
- Develop a detailed reform action plans of the selected incentives/subsidy aligning with the national priority;

4. SCOPE OF THE ASSIGNMENT

The scope of the work includes:

- i. Identify and map subsidies and incentives in the agricultural sector (agriculture, livestock, and fishery) and in the COVID 19 recovery plan for the sector at the federal and provincial level, including the amount of fund disbursed in the last five years;
 - Determine criteria for screening incentives and subsidies (harmful or supportive) that are positive and harmful for biodiversity and communities;
 - Conduct desk review of major subsidy policies including the COVID 19 recovery plan for the sector , the objective of the subsidy, total annual government financial costs, financial impacts of the subsidies at the level of household and categories of producer, results of the subsidy, anticipated unintended effects of subsidy and if possible related economic costs (using the checklist, see *Annex I and II*);
 - Prepare an inventory of all major subsidies/incentives in the country related to the agricultural sector¹⁰ (including subsidies, tax breaks, tax credits, major ODA interventions, grants, underpricing and subsidized tariffs, borders tariffs);
 - Prioritize at-least two incentives/subsidies likely to have a significant impact on biodiversity (harmful or supportive) for in-depth assessment/study;
- ii. Support national consultant to conduct in-depth analysis of the selected /subsidies focusing on
 - Assess the process in which the subsidy reaches the beneficiary/ end recipient including environment and biodiversity safeguard measures during the processes
 - Assess Impact to identify which part of the economy and society will be affected directly and indirectly by different reform options over time.
 - Conduct Political Economy Analysis (focus on interest/incentive/agency analysis) including gender dimensions and with dedicated attention for vulnerable groups and poverty
 - Assess health impacts of the prioritized subsidy/incentives to the human
 - Assess the environmental effects of subsidies, as well as the employment income and growth effects
- iii. Develop reform options aligned with national priority and the COVID19 recovery plan within the sector with 2-3 major scenarios for selected subsidies, including potential for avoided costs, perceived effectiveness, other climate/environmental impact. Reform options can consist of either eliminating, reducing, greening the selected subsidy, or redirecting savings to support resilient and sustainable agriculture.
 - Design support programs that ease the path of adaptation for companies or ease the path of transition away from harmful practices and possible targeted compensation or exemption to low-income groups, certain groups of workers, and other households affected by the removal/reform.

¹⁰ This will include both production (to maintain farm income) and consumption subsidies (to secure food supply),

- Assess opportunities for action including options for repurposing savings generated to strengthen resilience and reduce future risks
- Develop feasible reform plans including objective, intended effects, inevitable effects and strategy to overcome side effects and action plan
- Identify reform options¹¹ for the selected subsidy aligning with the national priority and the COVID 19 recovery plan for the sector for two to three major reform scenarios
- iv. Assess the consequences of the economic recovery program of the agriculture sector in COVID-19 on biodiversity in the long and short term, and suggest options for making it biodiversity-friendly
- v. Produce inception, draft and final study report in close collaboration with the national and Global BIOFIN team and BIOFIN national steering committee
- vi. Provide technical guidance to the two pilot studies being undertaken independently for assessing the Impact of harmful subsidy on biodiversity including the integration of the findings in the report
- vii. Organize the national stakeholders' workshop to validate the study findings
- viii. Present the inception report and final report at the steering committee meetings and get findings endorsed from the committee
- ix. Prepare policy briefs for each harmful subsidy for dissemination among the stakeholders

The Expected outputs of the study are:

- i. A comprehensive inventory of the agricultural subsidy and incentives having positive and harmful impacts on biodiversity
- ii. Reform options and actions plan for at-least two prioritized agricultural incentives harmful to biodiversity prepared and validated
- iii. Reform options for the COVID19 recovery plan's incentives and subsidy identified for federal and provincial government identified and validated for the resilient and sustainable agriculture

5. METHODOLOGY

The methodology should be based on existing literature, including the 2018 BIOFIN Workbook and other relevant approaches (e.g., OECD, TEEB). The consultant should propose a detailed methodology in the inception phase but not limited to, based on the following outline:

- i. Desktop study of all available international and national resources (e.g., publications, databases, webs)
- ii. Attends orientation sessions with the national BIOFIN team on ToR and expected outcomes before the submission of the inception report.
- iii. Design methodology for the assessment of harmful subsidy and action plan preparation, but not limited to desk review, field visit, stakeholders' consultations, and validations
- iv. Conduct field visit in selected sites to collect the information, especially on consequences of the subsidy to biodiversity including
- v. Conducts various consultative meetings, focus group discussion and workshop on collecting and collating necessary information related to the study
- vi. Documents and analyses the findings of the study to interpret the results with different tables and figures, including a summary of recommendations.
- vii. Debriefing through presentation and discussion with BIOFIN team to get feedback and suggestions
- viii. Presentation at the national level validation works and the project steering committee meetings

6. DELIVERABLES

The international consultant is expected to guide to deliver on the following:

- i. **An inventory report that takes stock of subsidies to the agriculture sector** and should include but not limit to;

¹¹ Reforms options may be eliminating, reducing, or greening subsidy or incentives

- Assessment of the major subsidy policies, the objective of the subsidy, total annual government financial costs, financial impacts of the subsidies at household level and producers,
- A result of the subsidy, anticipated unintended effects of subsidy and related economic costs
- ii. Reform options and action plan** should include the following but not limit to;
 - Environmental and social consequences assessment of the prioritized subsidy
 - Political, economic analysis of prioritized subsidy
 - Implications of COVID 19 recovery programme on subsidy
 - A report and plan on Reform options of prioritized subsidy under different scenarios, including compensations measures required, opportunities and challenges validated by stakeholders and government
- iii. Policy brief for each prioritized subsidy**

7. SCOPE OF WORK OF INTERNATIONAL CONSULTANT (ToR)

The international consultant will be overall responsible for finalization of all deliverables (see above), ensuring the quality of the outputs, along with national mentoring consultants. The International Consultant will:

- i. Support the national team to:**
 - Review of the national and international context within the framework of regional and international obligations regarding the reform of agricultural subsidies that are harmful to the environment and biodiversity and the promotion of positive subsidies
 - Assist the national team in finalizing study outputs (prioritization of subsidy, political economy analysis of the selected subsidy and action plan)
 - Identify reform options (eliminating, reducing, or greening) for the selected subsidy aligning with the national priority under two to three major reform scenarios
 - Assist the national team in drafting and finalization of the reports
- ii. Field Mission** of six days in Nepal to work with the national consultant to prepare and finalize reports (to be decided jointly, however subject to withdraw of travel restrictions in both countries)
- iii. Develop feasible reform plans** including objective, intended effects, inevitable effects and strategy to overcome side effects and action plan
- iv. Assess the consequences** of the economic recovery program of the agriculture sector in COVID-19 on biodiversity in the long and short term, and suggest options for making it biodiversity-friendly
- v. Support on impact assessment** to identify which part of the economy and society will be affected directly and indirectly by different reform options
- vi. Provide technical backstopping and mentoring support** to the national consultants
- vii. Present study findings** at the national level validation workshop and steering committee meeting
- viii. Take the lead** to finalize the study reports produced by national consultants

Education and Experiences

- A master's degree in economics / finance / macroeconomics / environmental economics / agriculture economics/ taxation / public policy / natural resource management / development / environment / any other relevant field;
- At least 7 years of professional experience in research, analysis and writing reports with practical recommendations in the area of the green economy, including economic policies, fiscal policies, agriculture, environmental economics at the international level;
- At-least two assignments/project in similar nature of work;
- Experience of working in Nepal or Asia would be an advantage;
- Fluency in English.
- Knowledge of Nepali will be an asset; (Nepali national with above expertise are also eligible to apply)

Duration

The duration of the work will be of 15 days, as below

- Inception report finalization – 2 days (home-based)
- Inventory report finalization – 5 days (home-based)
- Reform options and an action plan - 8 days (Kathmandu and home based)

The Assignment will start from 1 February 2021 to 30 June 2021. The milestones of key deliverables are:

Deliverables/ Outputs	Target Due Dates	Responsibility
1. Inventory of agriculture incentives and prioritize subsidies for reform	20 April 2021	International Consultant in collaboration with national team
2. Reform options and an action plan	30 June 2021	International Consultant in collaboration with national team

Note: All reports should be approved from UNDP CO, MOFE and Global team/BIOFIN

9. PAYMENT SCHEDULE:

The payments will be made in installments as below:

Installment	Milestones*	Payments (NPR)	When
1 st payment	Inception report	20%	15 March 2021
2 nd payment	Inventory report submission and approval	40%	15 April 2021
3 rd payment	Reform options and action plan, including all outputs of the study (approval)	40%	30 June 2021

10. COORDINATION AND LIAISON

The International Consultant shall work closely with the National Consultant and project team members in UNDP/BIOFIN, under the guidance of the Regional Advisor, BIOFIN and in close coordination with the Project Coordinator and Ministry of Agriculture and Livestock Development and Ministry of Forests and Environment. Besides, the International Consultant should perform planned activities under this assignment with full professional commitment and dedication to ensure the quality and timely accomplishment of proposed activities.

11. MONITORING AND REPORTING:

The International Consultant shall work in close consultation with the BIOFIN team under the overall guidance of the Regional Advisor and direct supervision of the Project Coordinator. The consultant should work very closely with the Ministry of Agriculture and Livestock Development, Ministry of the Forests and Environment and Ministry of Finance. Monitoring & Evaluation (M&E) will be conducted regularly by the UNDP team. The International Consultant should ensure that there will be no changes in either the technicality or the timing of key deliverables. In any unavoidable circumstances, consultant should inform the situation so that the right decision can be taken on time. National Consulting company shall bear equal responsibility for the monitoring of tasks under this Assignment, focusing on the collection of views, experiences, and feedbacks. Feedback from stakeholders' team should be incorporated into the finalization of the report.

12 COPYRIGHT OF PUBLICATION AND PRODUCTION OF MATERIALS

All developed products and reports under this ToR will belong to UNDP, and the consultant will not have any right to publish them all or partly in any forum/print material.

Annex 1 –Review questions (adapted from BIOFIN and TEEB)

GENERAL

Which subsidies can be categorized as harmful to biodiversity?

1. What are the most prominent subsidies for agriculture and fisheries known to have an impact on biodiversity? In which areas?
2. What is the evidence of harm to nature, biodiversity, ecosystems, ecosystem services, endangered species caused by the specific incentive/subsidy? Are any other negative environmental impacts associated with the subsidy (eg. air pollution, increased CO2 emissions, loss of natural resources)?

What additional information do we need to gather for the harmful subsidies?

3. Is the overall subsidy causing the impact or only a specific part? Why?
4. What are the annual average costs for government and beneficiaries?
5. What are the primary, secondary or other beneficiaries? What are the annual average financial benefits for beneficiaries?
6. How does the subsidy work, what is the transfer mechanism?
7. What is the source of funding to pay the subsidy if different than general treasury?

What are overall considerations to assess the need for reform?

8. Does the subsidy fulfil its objectives (social/economic/environmental)? If not, it needs reform.
9. Does the subsidy lack an in-built review process and has it been in place for a long time? If so, it is likely to need reform (i.e. it has already locked in inefficient practices).
10. Are there public calls for reform or removal or calls to use the funds for other purposes? This is often an indicator for Points 8 and 9.
11. How does the subsidy distribute social welfare? If there are equity issues, it might be worth reforming it.
12. Do any of the subsidy impacts lead to social or other economic losses? e.g. tourism loss following over-fishing.
13. Are there alternative less damaging technologies available which are hindered by the subsidy's existence of the subsidy? If so, the subsidy might be slowing innovation and creating technological 'lock in'; reform could bring benefits.
14. Does it offer value for money? Where there is still a valid rationale for the subsidy, could the same or less money be used to achieve the same objectives with less harmful impacts

FOR SELECTED SUBSIDIES

What are the most optimal reform scenarios?

15. Would the reform be understandable for policy makers and the public?
16. Who are the 'winners and losers'?
17. Consider what the reform would entail (measure changed and compensatory measures). It is rarely a simple case of 'getting rid of the subsidy altogether. Three scenarios to consider are (1) eliminating the subsidy (2) reducing the investment into the subsidy (3) greening a subsidy – adapting only a part that is harmful.

Assess the costs and benefits of potential reform in more detail:

- Potential environmental benefits: include thinking on benefits in other countries and secondary effects, which can be perverse;
- Potential economic costs: e.g. national (tax, GDP, etc.), sector-wide, for winners and losers within the sector (including new entrants/future industry), for consumers/citizens (affordability);
- Potential social impacts: e.g. jobs, skills, availability of goods/services, health;
- Potential competitiveness and innovation benefits
- Potential ethical benefits e.g. as regard fairness of income, appropriateness of support, links to future generations;
- Is the reform practical and enforceable? To identify the likelihood of success and whether it is worthwhile using political capital for re-form, the following questions can be useful to set priorities for the road map.

Is there a policy/political opportunity for action?

18. Is there a window of opportunity? e.g. policy review process, evaluation, public demand?
19. Is there a potential policy champion?
20. Will there be sufficient political capital for success?
21. What is the most optimal advocacy strategy with key messaging to target the different groups of critical beneficiaries?

Annex II Template for entries into the inventory of harmful subsidies (from the 2018 BIOFIN Workbook)

Heading	Description
Existing subsidy	Name of the subsidy analysed
Responsible stakeholder/ organization/ agency	Stakeholders/organization and agency involved or related to the subsidy
Sector	Relevant sector(s)
Drivers	Describe the motivations explaining the introduction and continuation of the subsidy
Direct or indirect	Is it a direct or indirect subsidy?
Financial value	The financial value of the subsidy
Description - intended objective and beneficiaries	Describe the main objectives of the subsidy and the intended beneficiaries
Benefits (social, environmental, economic)	Describe the different benefits that the subsidy has and will have on social, environmental, and economic aspects.
Biodiversity benefits	How does the subsidy benefit biodiversity?
Biodiversity-harmful impacts	What harmful impacts on biodiversity, ecosystems, ecosystem services, or endangered species can be expected or are known?
Is this potentially a harmful “subsidy”?	See the definition above
Describe related legislation	Describe the main laws and regulation defining the subsidy
Additional notes	Additional notes
Links to related studies/resources	List the different sources of analysis related to the subsidy (e.g., any economic justification)

**OFFEROR'S LETTER TO UNDP
CONFIRMING INTEREST AND AVAILABILITY
FOR THE INDIVIDUAL CONTRACTOR (IC) ASSIGNMENT**

**UNDP/PN/03/2021 : International Individual Consultant for Assessment of Consequences of
Agricultural Incentives (Subsidy) on Biodiversity**

Date _____

United Nations Development Programme
UN House
Pulchowk,
Lalitpur, Nepal

Dear Sir/Madam:

I hereby declare that:

I have read, understood and hereby accept the Terms of Reference describing the duties and responsibilities of **International Individual Consultant for Assessment of Consequences of Agricultural Incentives (Subsidy) on Biodiversity**.

I have also read, understood and hereby accept UNDP's General Conditions of Contract for the Services of the Individual Contractors;

- A) I hereby propose my services and I confirm my interest in performing the assignment through the submission of my CV which I have duly signed and attached hereto as Annex 1;
- B) In compliance with the requirements of the Terms of Reference, I hereby confirm that I am available for the entire duration of the assignment, and I shall perform the services in the manner described in my proposed approach/methodology which I have attached hereto as Annex 3.
- C) I hereby propose to complete the services based on the following payment rate:
- ☐
- ☐ A total lump sum of [state amount in words and in numbers, indicating *exact currency*], payable in the manner described in the Terms of Reference.

- D) For your evaluation, the breakdown of the abovementioned all-inclusive amount is attached hereto as Annex 2;
- E) I recognize that the payment of the abovementioned amounts due to me shall be based on my delivery of outputs within the timeframe specified in the TOR, which shall be subject to UNDP's review, acceptance and payment certification procedures;
- F) This offer shall remain valid for a total period of _____ days [*minimum of 90 days*] after the submission deadline;
- G) I confirm that I have no first degree relative (mother, father, son, daughter, spouse/partner, brother or sister) currently employed with any UN agency or office [*disclose the name of the relative, the UN office employing the relative, and the relationship if, any such relationship exists*];
- H) If I am selected for this assignment, I shall [*please check the appropriate box*]:

- ☐ Sign an Individual Contract with UNDP;
- ☐ Request my employer [*state name of company/organization/institution*] to sign with UNDP a Reimbursable Loan Agreement (RLA), for and on my behalf. The contact person and details of my employer for this purpose are as follows:

- I) I hereby confirm that [*check all that applies*]:

- ☐ At the time of this submission, I have no active Individual Contract or any form of engagement with any Business Unit of UNDP;
- ☐ I am currently engaged with UNDP and/or other entities for the following work:

Assignment	Contract Type	UNDP Business Unit / Name of Institution/Company	Contract Duration	Contract Amount

- ☐ I am also anticipating conclusion of the following work from UNDP and/or other entities for which I have submitted a proposal:

Assignment	Contract Type	Name of Institution/ Company	Contract Duration	Contract Amount

J) I fully understand and recognize that UNDP is not bound to accept this proposal, and I also understand and accept that I shall bear all costs associated with its preparation and submission and that UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.

K) **If you are a former staff member of the United Nations recently separated, please add this section to your letter:** I hereby confirm that I have complied with the minimum break in service required before I can be eligible for an Individual Contract.

L) I also fully understand that, if I am engaged as an Individual Contractor, I have no expectations nor entitlements whatsoever to be re-instated or re-employed as a staff member.

M) Are any of your relatives employed by UNDP, any other UN organization or any other public international organization?

YES ☐ NO ☐ If the answer is "yes", give the following information:

Name	Relationship	Name of International Organization

O) Do you have any objections to our making enquiries of your present employer?

YES ☐ NO ☐

P) Are you now, or have you ever been a permanent civil servant in your government's employ?

YES ☐ NO ☐ If answer is "yes", WHEN?

Q) REFERENCES: List three persons, not related to you, who are familiar with your character and qualifications.

Full Name	Full Address	Business or Occupation

R) Have you been arrested, indicted, or summoned into court as a defendant in a criminal proceeding, or convicted, fined or imprisoned for the violation of any law (excluding minor traffic violations)?

YES ☐ NO ☐ If "yes", give full particulars of each case in an attached statement.

I certify that the statements made by me in answer to the foregoing questions are true, complete and correct to the best of my knowledge and belief. I understand that any misrepresentation or material omission made on a Personal History form or other document requested by the Organization may result in the termination of the service contract or special services agreement without notice.

DATE: _____

SIGNATURE: _____

NB. You will be requested to supply documentary evidence which support the statements you have made above. Do not, however, send any documentary evidence until you have been asked to do so and, in any event, do not submit the original texts of references or testimonials unless they have been obtained for the sole use of UNDP.

Annexes *[please check all that applies]:*

- ☐ CV shall include Education/Qualification, Professional Certification, Employment Records /Experience
- ☐ Breakdown of Costs Supporting the Final All-Inclusive Price as per Template
- ☐ Brief Description of Approach to Work

BREAKDOWN OF COSTS¹²
SUPPORTING THE ALL-INCLUSIVE FINANCIAL PROPOSAL

A) Breakdown of Cost by Components:

Cost Components	Quantity	Unit Cost (US\$)	Total for the Contract Duration (US\$)
I. Personnel Costs			
Professional Fees	15 days		
Life Insurance			
Medical Insurance			
Communications			
Land Transportation			
II. Travel¹³ Expenses to Join duty station			
Airfare (One international round trip) – Home – Kathmandu – Home	1 round trip		
Living Allowance in Kathmandu, Nepal	6 days		
Travel Insurance			
Terminal Expenses			
Others (pls. specify)			
III. Duty Travel**			
Round Trip Airfares	N/A	N/A	
Living Allowance	N/A	N/A	
Travel Insurance	N/A	N/A	
Terminal Expenses	N/A	N/A	
Others (pls. specify)	N/A	N/A	
Total			

¹² The costs should only cover the requirements identified in the Terms of Reference (TOR)

¹³ Travel expenses are not required if the consultant will be working from home.

B) **Breakdown of Cost by Deliverables***

Deliverables	Percentage of Total Price (Weight for payment)	Amount in US\$
Inception report	20%	
Inventory report submission and approval	40%	
Reform options and action plan, including all outputs of the study (approval)	40%	
TOTAL	100%	

**Basis for payment tranches*