



INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

Date: 03 August 2021

Reference: LBN-CO-IC-192-21

Country: Lebanon

Description of the assignment: National Consultant - Policy notes on “The Socio-economic Impact of Remittances’ transfer to Lebanon.

Project name: 3-pronged Approach to Building Lebanon forward” - Social Protection component, ID 00125270.

Period of assignment/services: 25 working days spread over a period of 2 months.

Proposals should be submitted online through the UNDP job site at <https://jobs.undp.org/> no later than; **17 August 2021 at 11:59 PM Beirut Local Time. Proposals will not be received through email.**

Any request for clarification must be sent in writing to the e-mail Procurement.lb@undp.org The UNDP Procurement Unit will respond in writing by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.

1. BACKGROUND

For many years, Lebanon has been a leading recipient of remittances, both in absolute and relative terms. Averaging above \$6 billion and equal to 16% of GDP during the past decade, remittance inflows played a key- if not leading role- in Lebanon’s economy. These inflows constituted an essential part of the country’s social safety net, accounting on average for over 40% of the income of the families that receive them. However, the recent economic and financial crisis- that started to escalate as of fall 2019- adversely affected the level of remittances transferred to Lebanon, given the loss of confidence in the Lebanese banking and monetary system and the economic uncertainties that started to emerge as of then. Also, the spread of COVID-19 pandemic and the resulting global economic crisis largely affected the transfers of workers worldwide. The World Bank estimated that remittances to low-and-middle-

income countries are expected to fall by around 14 percent between 2019 and 2021, according to the latest estimates published in the World Bank's Migration and Development Brief.¹

These developments are likely to affect the world and Lebanon's ability to meet Sustainable Development Goal (SDG) indicators, namely, increasing the volume of remittances as a percentage of gross domestic product (GDP) (SDG indicator 17.3.2).

The role that remittances play in the economy is controversial, mainly in terms to their contribution to the broader macro-economic, monetary, and fiscal framework as well as the social wellbeing of households and labor supply. Notably, remittances play key role in public sector funding, productive sector investment, household consumption, exchange rate stabilization, balance of payment and others.

With the current devaluation of the Lebanese currency, soaring inflation and multiple exchange rate regimes, remittances sent from emigrants abroad become an important consumption smoothing mechanism for the recipient households, enabling the latter to partially weather the severe implications of the crisis and providing a social safety net, compensating for the absence of a government-driven support. However, given the protracted nature of the Lebanese economic crisis, there are great uncertainties regarding the continuous flow of these remittances, their use, and their potential contribution to economic recovery.

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

As briefly described above, transfer of remittances to Lebanon is being largely affected by intertwined factors driven by local, regional and international developments. Given the importance of remittances in the local economy, UNDP seeks to hire a consultant to perform an analysis of remittances in terms of their flow, cost of transfer to beneficiaries, impact on the various sectors of the economy, and to propose policy recommendations that would sustain the flow of these remittances. In particular, the consultant shall be tasked to the following:

1. Conduct an in-depth analysis and prepare an evidence-based policy note covering the following aspects:
 - Flow of remittances to Lebanon highlighting total flows (and percentage of GDP), comparison with FDIs and other financial flows, main countries of origin, comparison with selected countries in the region and best comparators.
 - Factors impacting the flow of remittances, be It local, regional or international. It is important to highlight the impact of the emerging developments reported over the past couple of years that could have largely affected remittances, including the outbreak of COVID19 (global and local context), the economic and financial crisis that lately struck Lebanon, economic developments in the main countries of origin for these remittances, most importantly oil-producing countries, and any other contributing factors.
 - Costs associated with transfer of remittances to Lebanon from main countries of origin - including transaction fees, exchange rate margins, average cost of transferring money

¹ The World Bank, Phase II: COVID-19 Crisis through a Migration Lens Migration and Development Brief 33 October 2020

through commercial banks and other money transfer operators. It is important to perform a comparison of these costs with selected countries in the region and world-wide, and to establish a correlation between the cost of sending remittances and the total flows. The analysis should lead to policy suggestions to optimize the overall cost level in light of internationally accepted practices.

- Macro and micro-level Impacts of remittances in terms of their contribution to economic stability, government finances, productive sector and investment, household income and consumption.
- A solid summary of the pros and cons of remittances in the case of Lebanon. For instance, these remittances have played a prominent role in shaping the economic identity of Lebanon, as they were channeled into two major economic sectors that substantially contribute to the economic output, namely the financial and real estate sector. Also, remittances are known to have a smoothing effect and countercyclical in nature with respect to income in the recipient country- i.e., in case income in the country goes down remittances are likely to increase. Anecdotal evidence in Lebanon may indicate that remittances contribute - to cushioning the impact of the economic crisis and provide social safety nets for households receiving these transfers- which may be partially offsetting the loss in income and lack of access to financial assets. The continuous flow of remittances to fund consumption may be thus contributing to poverty alleviation for a wide segment of households who are vulnerable or on the verge of falling into poverty. Given these observations, the policy note should answer key questions such as: will remittances create a Dutch-disease in the case of Lebanon affecting productivity and creating dependency on these financial flows? How are remittances affecting the well-being of households and the building of human capitals? How these remittances affect the economic identity of Lebanon? How are remittances costs affecting the flow of remittances to Lebanon?
- Policy recommendations to maintain a steady flow of remittances while optimizing their economic and social benefits.

The analysis should rely on available data and should also build on lessons drawn from similar countries' experiences, in optimizing the use of remittances and facilitate their flows.

2. Support in organizing and moderating a round-table discussion to debate the findings of the policy note bringing together key experts, policymakers and other relevant stakeholders.
3. Document and consolidate the findings into a final policy note to be published by UNDP.

To develop the note, the consultant is expected to rely on: 1) a desk review covering available literature in Lebanon and the region; 2) a quantitative analysis and processing of data collected on remittances; 3) interviews with key informants in the Central Bank, commercial banks, diaspora representatives, economic attaché, Ministry of Foreign Affairs and other relevant informants. A further detailed methodology of the research should be provided by the consultant.

For additional information, please refer to ANNEX I – Terms of Reference

3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

I. Academic Qualifications:

Education:

- University Degree in Economics, Development Economics, Finance, or any related field (business, etc)
- Master's degree in economics or higher in any related field is preferred

II. Years of experience:

- 10 to 15 years of overall experience in quantitative and qualitative research in Lebanon and preferably in the region.
- 4 to 6 years of relevant experience in financial research and quantitative analysis covering macro-economy, labor, migration, income, and others.

III. Technical experience:

The consultant will need to have the following experience:

- A proven understanding of the Lebanese economy, context and of the Lebanese financial and economic crisis.
- Experience and familiarity with financial flows, FDIs, remittances, balance of payment.
- Experience in convening high level interviews and meetings
- Experience in moderating round table discussions

IIV. Other preferences:

- Computing proficiency with competency in the use of Microsoft (Excel, Word, PowerPoint, etc.) and video conferencing.
- Excellent communication and writing skills in both English and Arabic.
- Proven high-quality report writing skills.
- Previous experience with UNDP is preferred

4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

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

(I). Technical Proposal:

(i) **Letter to UNDP Confirming Interest and Availability for the Individual Contractor (IC) Assignment**

(ii) **Explaining why** you are the most suitable for the work

(iii) P11 (Personal History Form) including past experience in **similar projects** and at least **3 references**, mentioning the references' e-mails addresses.

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. Payments are based upon output, i.e. upon delivery of the services specified in the TOR as follows:

- **The payment of fees will be upon submission of an invoice to be settled at the end of the assignment upon completion and approval of all the deliverables.**

In order to assist the requesting unit in the comparison of financial proposals, **the financial proposal shall include a breakdown of this lump sum amount (including travel, per diems, and number of anticipated working days)**. The financial proposal shall be presented using the enclosed format of Appendix a - Annex III.

Travel:

All envisaged travel costs must be included in the financial proposal. This includes all travel to join duty station/repatriation travel. In general, UNDP should not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources.

In the case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and Individual Consultant, prior to travel and will be reimbursed.

6. EVALUATION

Individual consultants will be evaluated based on the following methodology:

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 technical score of 70 points would be considered for the Financial Evaluation.

Criteria	Weight	Max. Point
<u>Technical Competence</u>	70%	100
<ul style="list-style-type: none"> • <i>Educational background:</i> <i>Bachelor's in economics, Development Economics, Finance, or any related field (business, etc): 21 points</i> • <i>Master's degree in economics in any related field is preferred and higher level: 30 points</i> 	30 %	30
<ul style="list-style-type: none"> • <i>Years of relevant experience:</i> <i>Years of experience in quantitative and qualitative research in Lebanon</i> <i>Less than 10 = Zero</i> <i>Between 10 and 15 = 10.5 points</i> <i>More than 15 = 15points</i> 	15%	15
<ul style="list-style-type: none"> • <i>Years of relevant experience:</i> <i>Years of experience in financial research and quantitative analysis covering macro-economy, labor, migration, income, and others</i> <i>Less than 4 = Zero</i> <i>Between 4 and 6 = 10.5 points</i> <i>More than 6 = 15 points</i> 	15%	15
<ul style="list-style-type: none"> • <i>Technical experience:</i> <ul style="list-style-type: none"> - <i>A proven understanding of the Lebanese economy, context and of the Lebanese financial and economic crisis = 10 point</i> - <i>Experience and familiarity with financial flows, FDIs, remittances, balance of payment = 10 points</i> - <i>Experience in convening high level interviews and meetings = 10 points</i> - <i>Experience in moderating round table discussions = 10 points</i> 	40%	40

<i>Financial (Lower Offer/Offer*100)</i>	<i>30%</i>	<i>100</i>
<u>Total Score</u>	Technical Score * 0.7 + Financial Score * 0.3	

How to apply:

The consultancy is open for all national consultants who meet the selection criteria and propose a competitive fee. Interested consultants are requested to apply only through this UNDP jobs portal.

Submissions through any other media will not be considered.

The application must include all of the following documents:

1. P11,
2. Annex 3 (Offerors Letter) and
3. Financial proposal

All files shall be submitted in one single document and uploaded as word or PDF file to the UNDP job site.

It has been observed that bidders don't submit all requested documents and thus reducing their chance to be selected for a contract with UNDP. before you submit your offer please revise that the application is complete and comprises all documents.

Incomplete applications will not be considered.

ANNEXES

ANNEX I - TERMS OF REFERENCE (TOR)

ANNEX II - INDIVIDUAL CONSULTANT CONTRACT AND GENERAL TERMS AND CONDITIONS

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