

**TERMS OF REFERENCE  
FOR INDIVIDUAL CONTRACT**

|                               |   |
|-------------------------------|---|
| <b>POSITION TITLE:</b>        | <b>International Consultant - Sustainable LDCs Graduation</b> |
| <b>AGENCY/PROJECT NAME:</b>   | UNDP Bangkok Regional Hub                                     |
| <b>COUNTRY OF ASSIGNMENT:</b> | Home based with Telecommunications                            |
| <b>Duration:</b>              | From 1 November 2021 – 31 January 2022                        |

## **1) GENERAL BACKGROUND**

UNDP is the UN's global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. UNDP is on the ground in about 170 countries and territories, working with national counterparts on solutions to global and national sustainable development challenges. UNDP's Regional Bureau for Asia and the Pacific (RBAP) works in 36 countries where it is a trusted development partner supporting the achievement of the Sustainable Development Goals (SDGs).

Established in 1971 by UN General Assembly, the Least Developed Countries (LDCs) category is a group of low-income countries that are confronted with severe structural impediments to sustainable development. There are 46 LDCs in the world. Asia and the Pacific has 11 LDCs: Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Lao PDR, Myanmar, Nepal, Solomon Islands, Timor-Leste, and Tuvalu. Four of them (Afghanistan, Bhutan, Lao PDR and Nepal) are also landlocked least developing countries, and four (Kiribati, Solomon Islands, Timor-Leste, and Tuvalu) are small island developing States. Most of them made significant progress in implementing the Programme of Action for the LDCs for the Decade 2011–2020 (Istanbul Programme of Action - IPoA) and are at different stages of graduation. Following the review of Committee for Development Policy (CDP) in February 2021, all but Afghanistan in the Asia-Pacific region were found to be on track for LDC graduation in the period up to 2030, as follows:

- Bhutan: Scheduled to graduate in 2023
- Solomon Islands: Scheduled to graduate in 2024
- Bangladesh, Lao PDR and Nepal: ECOSOC recently endorsed CDP recommendation for graduation
- Kiribati and Tuvalu: Recommended for graduation by CDP
- Myanmar and Timor-Leste: Met the criteria at least two consecutive times; decision on a recommendation of the graduation was deferred to 2024 Triennial Review
- Cambodia: Met the criteria for the first time in 2021

LDC inclusion and graduation criteria have been refined over the years. A country is considered eligible for graduation from the LDC category if it meets at least two of the three criteria used for LDC classification, or if its GNI per capita is at least twice as high as the income graduation threshold. A LDC must be found eligible after two consecutive triennial reviews to graduate from the group. Before 2011 only two countries graduated (Botswana and Cabo Verde). In order to expedite the process, Istanbul Programme of Action (2011 – 2020) aimed that at least half of the LDCs will become eligible to meet the graduation criteria by 2020. However, only four countries (Maldives, Samoa, Equatorial Guinea, and Vanuatu) have graduated during the IPoA period, three from Asia and the Pacific.

Despite efforts taken by several countries to transition from the LDC group, only six LDCs in the world have graduated over half a century. This is very slow progress, which is now affected by current Covid-19 crisis that has created some reservations in countries graduating soon or recommended for graduation. A Recent UNDP study found that eligible countries have often sought to postpone their graduation based on two sets of concerns: the first is related to buying time to recover from shocks emanating from natural disasters or global economic conditions; and the second is related to perceived fears about the uncertainty associated with the loss of concessional aid and preferential market access.

Under the international support measures, LDCs get certain privileges and special and differential treatments including development partners' various concessions, special attention and commitments to support with

development finance, trade preferences and technical assistance. The number of international support measures (ISMs) has been increasing over time with the recognition of the development needs of LDCs. There are more than 136 support measures across the fields of development finance, trade, technology and technical assistance. Given the heterogeneity of LDCs and their circumstances, the relative importance of different ISMs in promoting progress towards graduation varies across LDCs, according to each LDC's structural characteristics and ability to leverage support.

However, it appears that access to development finance and trade preferences are regarded as the most significant and readily accessed ISMs. After graduation, LDCs would not be eligible for these benefits. This could result into: (i) preference erosion in international trade potentially affecting export competitiveness, and (ii) unfavorable impact on the prospects for development financing. In view of this, UNDP/BRH is recruiting a consultant to write a working paper focusing on 'preference erosion' and 'loss of concessional finance' to the LDCs of Asia-Pacific region. The paper will provide range of preference erosion, originating from loss of market access, as well as reduction in external grant, consequent to the graduation.

## **2) OBJECTIVES OF THE ASSIGNMENT**

The BRH Inclusive Growth Working Paper Series seek to build knowledge base to address the most pressing and emerging structural issues that affect the Government's policy options towards inclusive and sustainable recovery from COVID-19 pandemic and attainment of SDGs across several countries including LDCs in the Asia-Pacific region. The topics are closely aligned to the key theme and directions of 2022 Regional Human Development Report. These papers seek to take stock of the existing data and evidence in the Asia-Pacific region and inform UNDP's intellectual leadership, positioning and strategic dialogues with partners at regional and country levels with a view to bring transformational change to the policy narrative and direction.

The present paper is one of the working papers focusing on the issues of sustainable LDC graduation. It will cover some core aspects of international support measures in two areas: trade and development finance. More specifically, the paper aims to assess the extent of 'preference erosion' or the loss of competitiveness, and loss of 'concessional finance' as a result of LDC graduation. It is aimed that the paper will inform UNDP's advocacy and engagement in relation to the **5th United Nations Conference on LDCs to be held in Doha, Qatar, 23 -27 January 2022**, apart from informing the individual LDCs about the consequences of graduation.

## **3) SCOPE OF WORK**

### **Scope of work and description of responsibilities**

In order to achieve the objectives mentioned above, the international consultant will perform the following functions, and fulfill responsibilities:

1. Compile, assess and analyze the state of trade preferences currently available to each Asia-Pacific LDC under major multilateral/regional/bilateral trade agreements for their most important products (covering at least 75% of merchandise trade on average for the past 5 years). Compute the utilization rate of those preferences. Contrast the preferential rates with Most-Favored Nation (MFN) rates bound and applied at the WTO (if applicable) to compute likely scale of preference erosion after LDC-specific preferences are removed.
2. Compile, assess and analyze the composition of public expenditures in each LDC, broken down into domestic and external sources; disaggregate external sources into grants and loans. Identify what share of external grants are from countries that recognize the LDC criterion (e.g., USA and multilateral organizations like the World Bank, IMF and ADB which do not employ LDC criteria for lending purposes). Based on such a disaggregated analysis, indicate the range of possible loss of external finance including official development assistance.

3. Situate the findings distilled from the analysis and assessments in the broader literature on LDC graduation, including the Secretary General's recent report submitted to the General Assembly (A/76/271), and related literature on 'smooth graduation.'
4. In view of the latest findings, provide policy suggestions for specific sub-groups of LDCs which may be in a comparable position (such as LDCs in sub-regions: South Asia, Southeast Asia, Pacific), with country-specific pointers as appropriate.

Analysis and assessment need to be done for all the 11 LDCs of Asia and the Pacific the region. Based on the analysis, the findings, policy implications can be synthesized at the sub-regional level and/by some clusters of the LDCs which are in similar situation.

#### 4) DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

##### Duration

From 1 November 2021 to 31 January 2022 with maximum 35 working days.

##### Duty Station

Home-Based with telecommunication engagement with country office and relevant counterparts in Asia and Pacific, no travel required.

**Expected places of travel:** None

#### 5) Expected Deliverables

The consultant will write a paper focusing on the extent of 'preference erosion' and loss of 'concessional finance' as a result of LDC graduation. The paper will be completed within 35 working days.

The deliverables are listed in the table below.

| Deliverables/ Outputs  | Estimated Duration to Complete | Target Due Dates | Review & Approvals Required  |
|--|--------------------------------|------------------|--|
| 1. Compile, assess and analyze the state of trade preferences; composition of public expenditures, broken down into domestic and external sources; disaggregate external sources into grants and loans in each of the 11 LDCs, and based on which produce an annotated outline of the report | 15 days                        | 15 December 2021 | The RBAP Chief Economic Advisor; Programme Specialist (LDC focal point), and Team Leader of Inclusive Growth and Prosperity Team at UNDP Bangkok Regional Hub (BRH), |
| 2. Synthesize and draft the report   | 15 days                        | 7 January 2022   |  |
| 3. Review of the draft report (The consultant will be invited to make a presentation of the report findings and policy implications)   | By UNDP                        | 15 January 2022  |  |
| 4. Refinement and finalization of report   | 5 days                         | 25 January 2022  |  |

#### 6) PROVISION OF MONITORING AND PROGRESS CONTROLS

The consultant will report to the RBAP Chief Economic Advisor; Programme Specialist (LDC focal point), and Team Leader of Inclusive Growth and Prosperity Team at UNDP Bangkok Regional Hub (BRH), in all aspects of the activities. She/he will also consult with other relevant experts of the BRH as well as country economists.

## 7) DEGREE OF EXPERTISE AND MINIMUM REQUIRED QUALIFICATIONS

### Education:

- Minimum Master degree in Economics, International Economics, International Development, Development Economics or Applied Economics, or related fields. A PhD in any of these areas would be an added advantage.

### Work experience:

- Minimum 10 years of work experience in development/international economics with a particular focus on at least 2 domains of: i) trade and development finance; (ii) economic and structural transformation; (iii) LDC graduation issues; (iii) economic vulnerabilities; (iv) human development and sustainable development issues.
- Prior experience in conducting at least one review and implementation, as well as policy advocacy support, in relation to the Istanbul or prior programme of action in the LDCs of Asia and the Pacific.
- Knowledge in the graduation process and well versed with global and regional meetings/literatures on LDC graduation, and the challenges and opportunities of the LDC graduation.
- Proven track record of substantive reports on development issues including trade and development finance in the LDCs of Asia and the Pacific, for reputed organizations including UNDP and UN Development System.
- Understanding of the UN and UNDP's mandates and demonstrated familiarity with its Programme areas of work in Least Developing Countries and inclusive structural transformation.
- At least two publications on LDC graduation issues with a focus on the preferential access to trade and development finance to the LDCs

### Competencies

- Ability to effectively plan, organize and report on work.
- Proactiveness.
- Patience and detail orientation.
- Openness to change and ability to integrate feedback.
- Knowledge and understanding of data applications and underlying operating systems.
- Cultural and gender sensitivity; ability to work with people from different backgrounds.
- Ability to work independently and in a team; and to deliver high-quality work on time.
- Ability to network and leverage collaboration from stakeholders and partners.
- Excellent inter-personal skills

### Required Language

- High level of proficiency in English is required.

## 8) REVIEW TIME REQUIRED

The review and approval of payments will be made by the assigned supervisor(s) within 7 days.

## 9) CONSULTANT PRESENCE REQUIRED ON DUTY STATION/UNDP PREMISES

☒ NONE

☐ PARTIAL

☐ INTERMITTENT

☐ FULL-TIME

## 10) PAYMENT TERMS

Please indicate any special payment terms for the contract.

### X Lumpsum

Payments shall be done on a lumpsum basis, upon verification of satisfactory delivery and of completion of deliverables and approval by the supervisor.

| Deliverables/ Outputs |  | Payment Term | Tentative Payment date |
|-----------------------|--|--------------|------------------------|
| 1                     | An inception report with methods and annotated outline of the Report | 20%          | 7 December 2021        |
| 2                     | Submission of Draft Report   | 50%          | 7 January 2022         |
| 3                     | Submission of Final Report incorporating comments from UNDP          | 30%          | 25 January 2022        |
| TOTAL                 |  | 100%         |                        |

## 12) CRITERIA FOR SELECTION OF THE BEST OFFER

### Evaluation Method and Criteria

**Cumulative Analysis:** The candidates will be evaluated through Cumulative Analysis method. When using the weighted scoring method, the award of the contract will be made to the individual consultant whose offer has been evaluated and determined as:

- Responsive/compliant/acceptable; and
- Having received the highest score out of set of weighted combine technical evaluation of desk review and interview (70%), and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment.

Technical Criteria for Evaluation (Maximum 100 points)

| Evaluation criteria  |  | Max points |
|----------------------|--|------------|
| Criteria 1           | Minimum Master degree in Economics, International Economics, International Development, Development Economics or Applied Economics, or equivalent qualifications. A PhD in any of these areas would be an added advantage.   | 10         |
| Criteria 2           | Minimum 10 years of work experience in development/international economics with a particular focus on: i) trade and development finance; (ii) economic and structural Transformation; (ii) LDC graduation issues; (iii) economic vulnerabilities; (iv) human development and sustainable development issues. | 20         |
| Criteria 3           | Prior experience in conducting at least one review and implementation, as well as policy advocacy support, in relation to the Istanbul or prior programme of action in the LDCs of Asia and the Pacific.   | 20         |
| Criteria 4           | Knowledge in the graduation process and well versed with global and regional meetings on LDC graduation, and the challenges and opportunities of the LDC graduation.   | 20         |
| Criteria 5           | Track record of substantive reports on development issues including trade and development finance in the LDCs of Asia and the Pacific, for reputed organizations including UNDP and UN Development System.   | 10         |
| Criteria 6           | Understanding of the UN and UNDP's mandates and demonstrated familiarity with its Programme areas of work in LDCs and inclusive structural transformation.   | 10         |
| Criteria 7           | At least two publications on LDC graduation issues with a focus on the preferential access to trade and development finance to the LDCs  | 10         |
| <b>Total points:</b> |  | <b>100</b> |

**\*\*Only candidates obtaining a minimum of 70% or above in the Technical evaluation would be considered for the Financial Evaluation.**

**Personal interview may be required.**

### Financial Evaluation (30%)

Financial proposals from all technically qualified candidates will be scored out of 30 marks based on the formula provided below. The maximum marks (30) will be assigned to the lowest financial proposal.

All other proposals will receive points according to the following formula:

- $p = y (\mu/z)$ .

Where:

- $p$  = points for the financial proposal being evaluated;
- $y$  = maximum number of points for the financial proposal;
- $\mu$  = price of the lowest priced proposal;
- $z$  = price of the proposal being evaluated.

### Application Procedure / Recommended presentation of offer

**Instructions to Applicants:** Click on the "**Apply now**" button. Input your information in the appropriate Sections: personal information, language proficiency, education, resume and motivation. Upon completion of the first page, please hit "submit application" tab at the end of the page then the uploading option for the required document will be available.

**Please group all your document into one (1) single PDF document as the application system only allows to upload maximum one document.**

Interested candidates must submit the following documents/information to demonstrate their qualifications. Please group them into one (1) single PDF document:

1. **Letter of Confirmation of Interest and Availability with Financial Proposal** (in USD) using the template provided as **Annex III**

**[Financial proposal:** Consultant shall quote an all-inclusive fixed total contract price, supported by a breakdown of costs, as per template provided for the entire assignment. The term "all-inclusive" implies that all costs (professional fees, communications, consumables, etc.) that could be incurred by the IC in completing the assignment are already factored into the proposed fee submitted in the proposal]

If an Offeror is employed by an organization/ company/ institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the Offeror must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

2. **P11 / Personal CV**, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the Candidate and at least three (3) professional references.
3. **Portfolio or sample of work** (softcopy or accessible link to sample of work is acceptable) to demonstrate the knowledge and expertise in the any area of i) Economic Structural Transformation; (ii) LDC graduation issues; (iii) economic vulnerabilities; (iv) human development (v) Sustainable Development issues.
4. Brief technical proposal that **clearly demonstrates** the **methodology** approach in order to perform the responsibilities mentioned under the **Scope of Work** section.

**\*\*Failure to submit the above-mentioned documents or Incomplete proposals shall result in disqualification**

**\*\*Please group all your document into one (1) single PDF document as the application system only allows to upload maximum one document.**

The short-listed candidates may be contacted, and the successful candidate will be notified.