

TC DOCUMENT

I. Basic Information for TC

▪ Country/Region:	Regional
▪ TC Name:	Agricultural Policy, Fisheries and Climate Change Analysis in Latin America and the Caribbean
▪ TC Number:	RG-T3073
▪ Team Leader/Members:	Carmine Paolo De Salvo (RND/CHA), Team Leader; Gonzalo Muñoz (CSD/RND), Alternate Team Leader; Sebastien Gachot (RND/CHA); Ana Ríos, Juan José Egas and Yolanda Valle (CSD/RND); Alfred Grunwaldt (CSD/CCS); Margie-Lys Jaime (LEG/SGO); and Rinia Terborg-Tel (FMP/CSU).
▪ Taxonomy:	Research and Dissemination
▪ Date of TC Abstract authorization:	August 24 th , 2017
▪ Beneficiary:	Ministries of Agriculture, Fisheries, Finance, Trade, International Organizations, and the general public. CAN Countries: Peru, Bolivia CID Countries: Mexico CCB Countries: Jamaica, Suriname, Guyana CSC Countries: Chile
▪ Executing Agency:	Inter-American Development Bank
▪ Donors providing funding:	OC-SDP for Sustainability (SUS)
▪ IDB Funding Requested:	US\$350,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	30 months
▪ Required start date:	Oct 1 st , 2017
▪ Types of consultants:	Individual, firms, specialized agencies
▪ Prepared by Unit:	Environment, Rural Development, and Disaster Risk Management Division (RND)
▪ Unit of Disbursement Responsibility:	Climate Change and Sustainable Development Sector (CSD)
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; and Climate change and Environmental sustainability

II. Objectives and Justification of the TC

- 2.1 The objective of the proposed Technical Cooperation (TC) is to contribute to sustainable development by generating policy recommendations for a more efficient allocation of fiscal resources in the agricultural and fisheries sectors in selected Latin America and the Caribbean (LAC) countries. Specifically, the TC will focus on analyzing the current structure and levels of policy support to these sectors to identify forms of support that are the most efficient and consistent with their economic, social and environmental goals.
- 2.2 To achieve its objective, the TC will finance studies in the following areas: (i) trends in agricultural prices, production, trade and consumption; (ii) structure and levels

of support to the agricultural and fisheries sectors in Mexico, Jamaica, Suriname, Guyana, Peru, Bolivia, and Chile (this will include 7 separate knowledge products with country specific recommendations which are also coherent at the regional level); (iii) cost/benefit analysis of different forms of budgetary support including support to private beneficiaries vs. support for general public services such as: animal and plant health, food safety, innovation and irrigation and drainage infrastructure, fisheries subsidies, among others (this type of analysis will be matched to the Producer Support Estimate analysis); (iv) analysis of the effects of agricultural policy on greenhouse gas emissions; (v) analysis of the relationship between agricultural policy and climate change adaptation; and (vi) dissemination of the findings through trainings and workshops for government officials in selected countries.

- 2.3 The TC is relevant given the significant effect that policy support has on agricultural competitiveness and productivity (Anriquez et al., 2016) as well as environmental impacts associated with production practices and natural resource use. An example of such policies is the current high level of protection received by most of the products that are or will be affected by the implementation of several trade agreements (such as the DR-CAFTA in Central America), as indicated by related studies conducted in previous years. Moreover, as reviewed by Gurria et al. (2016), direct support to farmers in the LAC countries amounted to US\$27.2 billion, according to the most recent available data, plus US\$5.8 billion (or 4% of agricultural GDP) spent on agricultural public goods and services, demonstrating that LAC countries (as other emerging economies) have shifted from taxing their agricultural sector in the 1990s decade to providing positive levels of support in the present century. However, levels of support still fall short in comparison to OECD countries, especially in terms of support provided as public goods and general services.
- 2.4 The TC is consistent with the updated Institutional Strategy 2010-2020 (AB-3008), being aligned with the development challenge of productivity and innovation (through the studies on agricultural policy support allocation) and the cross-cutting indicator for climate change and environmental sustainability (through the studies on GHG emissions related to agricultural policies). With respect to the OC-SDP for Sustainability Fund, the TC is aligned with the outcome knowledge products, data and operational inputs generated. The TC is aligned to the Corporate Results Framework 2016-2019 (GN-2727-6) through the indicators “National agricultural policy reviews based on the PSE methodology”, “National fisheries policy reviews based on FSE methodology”, and “National analyses on effects of agricultural policy on GHG emissions”. The IDB Country Strategies of most of the countries included in this TC (Jamaica – GN-2868; Suriname – GN-2637-3; Guyana - GY-P1067, Mexico – GN-2749; Chile – GN-2785; Perú – GN-2889 and Bolivia – GN-2843) present as a priority area the improvement of the efficiency and planning of public expenditures.
- 2.5 On the other hand, the LAC region has increased its share in global agricultural trade, holding a much larger portion of agricultural commodities’ market (13%, in comparison to 8% in the mid-1990s). An analysis conducted by Nin-Pratt et al. (2015) suggests an increase in regional output per worker and total factor productivity for the LAC agricultural sector (up to 82 and 45% respectively). However, technological change and productivity growth have had unequal development within the region, and several differences can be encountered in the

performance of Latin American and Caribbean countries. In addition, the relevance of the agricultural sector for climate change actions in LAC countries is highlighted in their National Determined Contributions (NDCs). Hence, the need to keep efficient agricultural policies that encourage productivity increases and generate conditions for growth in the sector while promoting sustainable development. The Producer Support Estimate (PSE) methodology and its complements, used for this TC, are the most appropriate to gather and produce evidence for well-informed policymaking processes. This methodology allows for maximum comparability across countries and time, as it is now used by several international organizations (IDB, OCDE, World Bank, IFPRI, FAO) and covers over 90 countries in the world. The activities of these institutions are coordinated through the International Consortium on Agricultural Policy Monitoring, of which the IDB is a member.

- 2.6 The set of countries selected for this TC has been prioritized based on several criteria, including: (i) coverage of different socio-economic and environmental conditions across Latin America and the Caribbean; (ii) similar previous studies conducted in recent years in other countries and regionally; and (iii) the relevance of the expected findings for the policy dialogue on agriculture, fisheries, and the environment.

III. Description of Activities/Components and Budget

- 3.1 **Component I. Agricultural and Fisheries Sectors Policy and GHG Emissions Analysis.** This component will finance 5 agricultural policy studies, and 6 fisheries policy studies, applying the OECD's PSE¹ methodology and its adaptation to the fisheries sector through the Fisheries Support Estimate (FSE) methodology, to measure and compare the level and composition of domestic support to agriculture and fisheries over time and across countries. The OECD PSE, FSE and related indicators' conceptual model is based on supply/demand interactions among farmers, consumers and taxpayers in the economy in order to measure incentives or disincentives to the agricultural sector and assess their underlying factors. These methodologies represent an important tool in monitoring and evaluating agricultural and fisheries policy. The PSE and FSE quantify the analysis of policy support and allow for the evaluation of their impacts on farmers' and fishers' incomes, respectively.
- 3.2 The PSE analysis will be complemented, where appropriate, by a Value Chain Analysis (VCA), to help identify internal bottlenecks to improving agricultural productivity (input markets, agricultural research and extension) and reducing farm to market costs (marketing infrastructure, grades and standards, animal and plant health inspection systems). Issues examined would include, among others: (i) expenditure on subsidies to producers vs. public goods; (ii) impact of current policies on producers, consumers and taxpayers; and (iii) improved coordination of policy responses to food price increases and other external shocks.

¹ The structure of the OECD's Producer Support Estimate methodology can be divided into two main categories: support to the producer (PSE) and support via General Services (GSSE). PSE, in turn, consists of the Market Price Support (MPS) and budget transfers to producers (BT). The MPS seeks to measure the benefit perceived by domestic producers, by the effect of border measures (tariffs, quotas, etc.) and domestic price support resulting in a price above its competition from imports. Calculations are performed for a basket of products representing at least 70% of the gross value of agricultural production on average during the three years prior to the study.

- 3.3 Finally, in some of the countries, the PSE methodology will be complemented by an analysis of the effects of agricultural policy on greenhouse gas emissions, replicating and adapting the example of a pilot study conducted by the IDB in Jamaica. This analysis will be completed by the development of a complementary methodology focused on the inclusion of climate adaptation considerations in agricultural policy analysis.
- 3.4 The activities will include the contracting of local consultants in each country as well as the contracting of specialized regional agencies, such as FAO and/or IFPRI, which have extensive experience in the agricultural sector, the PSE and FSE indicators and climate change mitigation and adaptation.
- 3.5 The expected outputs of this component are: (i) 5 national agricultural policy reviews based on the PSE methodology (Peru, Bolivia, Jamaica, Suriname, and Guyana); (ii) 6 national fisheries policy reviews based on the FSE methodology (Mexico, Chile, Peru, Jamaica, Suriname, and Guyana); (iii) 7 national analyses of effects of agricultural policy on greenhouse gas emissions (Mexico, Chile, Peru, Jamaica, Suriname, Guyana, and Bolivia); (iv) a methodology to include climate adaptation considerations into agricultural policy analyses; and (v) 5 targeted national policy reform proposals aimed at improving fiscal resource allocation, and increase efficiency and productivity in the agricultural sector (Peru, Bolivia, Jamaica, Suriname, and Guyana). The decision on the application of certain tools in some countries and not others (and therefore the different number of studies for each methodology) depends on the fact that certain studies have already been conducted recently in certain countries.
- 3.6 **Component II. Dissemination, Training and Capacity Building.** This component will finance national and regional workshops to discuss and validate the findings. Furthermore, representatives of local authorities and universities will be trained on the PSE/FSE methodology. These training activities will ensure that the countries increase their ability to apply the PSE/FSE methodology on a regular basis to monitor the effectiveness of agricultural policies / measures and introduce corrective measures, if warranted.
- 3.7 The expected outputs of this component are: (i) 8 (7 national and 1 regional, to be organized in one of the participating countries) workshops to discuss and validate the findings of the studies and discuss countries' commitment to the proposed policy reforms; (ii) training of staff in the sectoral ministries linked to agricultural policies and research entities/academia on the PSE/FSE methodology in 8 countries (provided by the contracted consultants in collaboration with RND staff); and (iii) dissemination through blogs, webinars, and newsletters.
- 3.8 The total cost of this TC will be US\$350,000, which will be financed by the Ordinary Capital Strategic Development Program for Sustainability (SUS).

Indicative Budget

Activity/Component	Description	IDB/SUS (US\$)	Total Funding (US\$)
Component I	Agricultural and Fisheries Sectors Policy and GHG Emissions Analysis.	270,000	270,000
Component II	Dissemination, Training and Capacity Building.	80,000	80,000
Total		350,000	350,000

IV. Executing Agency and Execution Structure

- 4.1 In order to support the Ministries of Agriculture and Fisheries in the process of carrying out the studies, the IDB through the Environment, Rural Development, and Disaster Risk Management Division (RND) will be the executing agency of the TC as its objective is mainly to support the preparation of the studies. During the execution of the TC, the Bank team will share with the governments the terms of reference of the studies to be carried out and seek their explicit collaboration in the development of the studies. Consultants experience, findings and intermediate and final reports produced in the different studies will also be shared with government counterparts for comments and corrections. Carmine Paolo De Salvo (RND/CHA) and Gonzalo Muñoz (CSD/RND) will jointly share execution responsibilities of the proposed TC. Sectoral specialists in the respective countries will also participate in the studies and their supervision.
- 4.2 The TC supervision will be conducted by the CSD/RND team in Washington DC in coordination with CSD/RND sector specialists in the countries who will also be the focal points in their respective countries. The data collection and research will be conducted by local contractuales who will be hired and paid through the TC. The work of the contractuales will be monitored bi-monthly and as often as additionally required by the TC team. Since this supervision will be done remotely and by sectoral specialists in the countries, there will be no additional cost associated with monitoring and data revision. The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with current Bank procurement policies and procedures. As studies covering topics such as climate change must build up on the findings obtained in agricultural policy studies, the first half of the TC period will be used to conduct the group of PSE/FSE studies while the climate change studies will take place during the second half.
- 4.3 RND has executed similar TCs with an excellent track-record for the deliverables and is currently successfully executing similar TCs in the Caribbean Region (ATN/OC-15039-RG) and Central American Region (ATN/OC-15773-RG). Six country studies have been completed so far and four are under preparation. During 2013-2016, similar studies were conducted in collaboration with the Climate Change Division, especially in Jamaica. Other studies facilitated by similar initiatives are: an analysis of agricultural policies and programs in LAC, with their main trends and commonalities (Gurria, et al., 2016); a study on the effects of the

composition of agricultural support on rural incomes (Anríquez, et al., 2016); and a related study aiming to shed light on the impacts of specific types of private subsidies and public goods interventions on agricultural growth and productivity (López, et al., 2017). These studies have improved the policy dialogue in the countries object of this TC and forthcoming studies funded by this TC will be able to take a closer look to the characteristics of domestic agricultural, fisheries and trade policies, and will help to create the information needed to update the mentioned regional studies.

V. Major Issues

- 5.1 The main risk during the execution of the TC is the availability of information to carry out the analysis. To mitigate this risk, governments will express their interest and commitment in this study and will assign technical counterparts for supporting the gathering and analysis of information. Even if formal letters from the governments are not necessary for this type of TCs, RND will continue the application of the good practice of securing a commitment letter from each country before starting the execution of the study. Another risk is the change of policy priorities in countries that will change their administration during the execution of this TC. This risk is mitigated by the permanent dialogue of the IDB in the different countries and the neutral, evidence based nature of the proposed studies.

VI. Exceptions to Bank Policy

- 6.1 There are no exceptions to Bank Policy.

VII. Environmental and Social Strategy

- 7.1 According to IDB's Environment and Safeguards Compliance Policy (OP-703), the Program is classified as Category "C".

Required Annexes:

- Annex I: [Results Matrix](#)
- Annex II: [Terms of Reference](#)
- Annex III: [Procurement Plan](#)

AGRICULTURAL POLICY, FISHERIES AND CLIMATE CHANGE ANALYSIS IN LATIN AMERICA AND THE CARIBBEAN

RG-T3073

CERTIFICATION

I hereby certify that this operation was approved for financing under the **Ordinary Capital Strategic Development Program for Sustainability (SUS)** through a communication dated August 28, 2017 and signed by Jane Silva (ORP/GCM). Also, I certify that resources from said fund are available for up to US\$350,000 in order to finance the activities described and budgeted in this document. This certification reserves resource for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, represent a risk that will not be absorbed by the Fund.

ORIGINAL SIGNED

09/28/2017

Sonia M. Rivera
Chief
Grants and Co-Financing Management Unit
ORP/GCM

Date

ORIGINAL SIGNED

09/28/2017

Approved:

Pedro Martel
Division Chief
Environment, Rural Development and Risk
Management Division
CSD/RND

Date



Result Matrix

Outcomes

Outcome: 1 National agricultural policy reforms implemented									
Indicators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification	2017	2018	2019	EOP
1.1 National agricultural policy reforms implemented		Number	0.00	2017	Reports and supervision visits	P	1.00	3.00	4.00
						P(a)			
						A			

RF - Contribution

Outputs: Annual Physical and Financial Progress

1 Component 1: Agricultural and Fisheries Sectors Policy and GHG Agricultural Emissions Analysis						Physical Progress				Financial Progress				Theme	Flags		
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification	2017	2018	2019	EOP	2017	2018	2019	EOP				
1.1 National agricultural policy reviews based on the PSE methodology	Other(SUS)	Number	0	2017	Reports and Supervision Visits	P		2	3	5	P		50000	80000	130000	Agricultural Productivity and Food Security	
						P(a)				0	P(a)				0		
						A					A						
1.2 National fisheries policy reviews based on FSE methodology	Other(SUS)	Number	0	2017	Reports and Supervision Visits	P		3	3	6	P		30000	40000	70000	Agricultural Productivity and Food Security	
						P(a)				0	P(a)				0		
						A					A						
1.3 National analyses on effects of agricultural policy on GHG emissions	Other(SUS)	Number	0	2017	Reports and Supervision Visits	P		3	4	7	P		20000	50000	70000	Climate Change	
						P(a)				0	P(a)				0		
						A					A						
2 Component 2: Training and Capacity Building						Physical Progress				Financial Progress				Theme	Flags		
Outputs	Fund Indicator	Unit of Measure	Baseline	Baseline Year	Means of Verification	2017	2018	2019	EOP	2017	2018	2019	EOP				
2.1 Training workshops delivered	Other(SUS) Training sessions on the PSE methodology	Workshops (#)	0	2017	Reports	P		4	4	8	P		10000	10000	20000	Agricultural Productivity and Food Security	
						P(a)				0	P(a)				0		
						A					A						
2.2 Webinars delivered	Other(SUS) Webinars organized	Webinars (#)	0	2017	Reports	P		4	4	8	P		2000	3000	5000	Agricultural Productivity and Food Security	
						P(a)				0	P(a)				0		
						A					A						
2.3 Policy dialogue events organized	Other(SUS) SUS	Events (#)	0	2017	Events reports	P		4	4	8	P		25000	30000	55000	Agricultural Productivity and Food Security	
						P(a)				0	P(a)				0		
						A					A						

Other Cost

Total Cost

	2017	2018	2019	Total Cost
P		\$137,000.00	\$213,000.00	\$350,000.00
P(a)				
A				

CRF Indicator

Standard Output Indicator

AGRICULTURAL POLICY, FISHERIES AND CLIMATE CHANGE ANALYSIS IN LATIN AMERICA AND THE CARIBBEAN

RG-T3073

TERMS OF REFERENCE

PRODUCER SUPPORT ESTIMATES AND AGRICULTURAL POLICY ANALYSIS

I. GENERAL BACKGROUND

- 1.1 For the past thirty years, it has been demonstrated the significant effect that policy support has on agricultural competitiveness and productivity (Anriquez et al., 2016) as well as environmental impacts associated with production practices and natural resource use. An example of such policies is the current high level of protection received by most of the products that are or will be affected by the implementation of several trade agreements (such as the DR-CAFTA in Central America), as indicated by related studies conducted in previous years. In addition, the relevance of the agricultural sector for climate change actions in LAC countries is highlighted in their National Determined Contributions (NDCs). Moreover, as reviewed by Gurria et al. (2016), direct support to farmers in the LAC countries amounted to US\$27.2 billion, according to the most recent available data, plus US\$5.8 billion (or 4% of agricultural GDP) spent on agricultural public goods and services, demonstrating that LAC countries (as other emerging economies) have shifted from taxing their agricultural sector in the 1990s decade to providing positive levels of support in the present century. However, levels of support still fall short in comparison to OECD countries, especially in terms of support provided as public goods and general services.
- 1.2 On the other hand, the LAC region has increased its share in global agricultural trade, holding a much larger portion of agricultural commodities' market (13 percent, in comparison to 8 percent in the mid-1990s). An analysis conducted by Nin-Pratt et al (2015) suggests an increase in regional output per worker and total factor productivity for the LAC agricultural sector (up to 82 and 45% respectively). However, technological change and productivity growth have had unequal development within the region, and several differences can be encountered in the performance of Latin American and Caribbean countries. Hence, the need to keep efficient agricultural policies that encourage productivity increases and generate conditions for growth in the sector while promoting sustainable development.
- 1.3 The objective of the Technical Cooperation (TC) is to contribute to sustainable development by generating policy recommendations for a more efficient allocation of fiscal resources in the agricultural and fisheries sectors in selected Latin America and the Caribbean (LAC) countries. Specifically, the TC will focus on analyzing the current structure and levels of policy support to these sectors to identify forms of support that are the most efficient and consistent with economic, social and environmental goals.

- 1.4 To achieve its objective, the TC will finance studies in the following areas: i) trends in agricultural prices, production, trade and consumption, ii) structure and levels of support to the agricultural and fisheries sectors in Mexico, Jamaica, Suriname, Guyana, Peru, Bolivia, and Chile (this will include 7 separate knowledge products with country specific recommendations which are also coherent at the regional level); iii) cost/benefit analysis of different forms of budgetary support including support to private beneficiaries vs. support for general public services such as: animal and plant health, food safety, innovation and irrigation and drainage infrastructure, fisheries subsidies, among others; iv) analysis of the effects of agricultural policy on greenhouse gas emissions; v) analysis of the relationship between agricultural policy and climate change adaptation; and vi) dissemination of the findings through trainings and workshops for government officials in selected countries.
- 1.5 The results will be disseminated through national workshops which will focus on addressing the specific structural/policy bottlenecks at the national level as well as one regional workshop which would ensure that the implemented policy reforms are consistent for the region as a whole. The results will also propose policy reforms for public expenditure and policies aimed at achieving a more efficient allocation of fiscal resources and public goods investments in the countries object of this TC.
- 1.6 These Terms of Reference refer to the services of an individual consultant in order to promote the use of the PSE methodology, including supporting its application for agricultural policy analysis to improve food security, competitiveness and adaptation to climate change in the Region.

II. OBJECTIVES OF THE CONSULTANCY

- 2.1 The objectives of this consultancy are:
- a. To update, review and analyze Producer Support Estimates (PSE) and related indicators;
 - b. To conduct Value Chain Analyses for the same agricultural products analyzed with the PSE methodology, developing Nominal Rate of Protection (NRP) and Effective Rate of Protection (ERP) indicators for each of those products.

III. MAIN ACTIVITIES

- 3.1 The main activities of the consultancy will be:
- a. Data Collection: Collect the data required to perform the PSE analysis following the OECD Manual. These information requirements include: (i) Domestic market information: Value and volume of production information for individual commodities and total agriculture at the farm gate level, Producer (farm gate) prices, Consumption data and Quantities of product used for feed use in the livestock sector, international

- prices and transportation costs; and (ii) Trade information: Values and volumes for both exports (FOB) and imports (CIF) of agricultural commodities and products and Tariff schedule for the country; iii) data on budget support: subsidies and other transfers across a range of the most significant supply chains both for domestic and export production, including information on preferential interest rates for estimation of support based on revenue foregone. Information should be collected on public expenditure for a) the most recent period available for the *executed* budget as well as b) the budget *approved* for the current period. Including current budget information will expedite updating the expenditure information for future years, and also is very important in identifying and adjusting current spending priorities to support key sector priorities, including potential IDB lending programs.
- b. Calculate the Producer Support Estimates: (PSEs), Consumer Support Estimates (CSE) and other indicators following the OECD methodology, for the range of products selected. . Two steps will be followed: A) Preparation of the PSE indicators for the most recent year for which data is available, and B) Review and correct the PSE historical data and calculation of PSE and related indicators, according to updated information that may have become available on production, prices and expenditure levels.
 - c. Conduct Value Chain Analyses for the same agricultural products analyzed with the PSE methodology, developing Nominal Rate of Protection (NRP) and Effective Rate of Protection (ERP) indicators for each of those products.
 - d. Institutional Development and Dissemination: The consultant will be expected to work in coordination with RND staff and the Ministry of Agriculture, to clarify inconsistencies, gather accurate information and identify better ways to present the results. The consultant shall also disseminate PSE calculations for the region and incorporate these results into national and sector policy analyses.
 - e. PSE Country Technical Note: The consultant will prepare a technical note with information supporting the PSE indicators and results, including: a) the basis for the calculations to support the PSE indicators, b) reference to significant policy or programmatic changes during the year, and c) the main conclusions regarding the structure of support in the country. The Bank will provide the consultant with an outline to facilitate preparation of the final document.

IV. REPORTS/OUTPUTS

4.1 The Consultant will be responsible for the following deliverables:

- a. Work Program: A detailed work program to be presented to the Bank within 5 working days of the start date of the contract.
- b. An Intermediate PSE Report including the following deliverables: (i) PSE calculations and a preliminary data base of the PSE, structured according to OECD methodology and IDB templates including updated information; (ii) an Intermediate Value Chain

Analysis for all the products covered in the PSE analysis, with NRP and ERP for each of those products.

- c. A Final PSE Report including the following deliverables: (i) final data base of the PSE, including updated information to be migrated to the IDB web system. The consultant will provide the final calculations of PSE and related indicators in OECD format to be migrated to the IDB web system; (ii) report to be uploaded in the IDB web system “Document Center” with the main conclusions and in publishable IDB format agreed with the Bank, activity 4; (iii) a Value Chain Analysis for all the products covered in the PSE analysis, with NRP and ERP for each of those products; and (iv) Information for Power Point presentation. The consultant will provide inputs for a power point presentation with the information required by IDB Team for a policy dialogue. All the final products will incorporate the comments and suggestions received by the IDB team on the basis of the intermediate reports.

V. SCHEDULE OF PAYMENT

- 30% of the contract’s value, upon acceptance of deliverable 1, specified in paragraph 4.1.a, detailed work program;
- 30% of contract’s value, upon acceptance of deliverables 2, specified in paragraph 4.1.b; and
- 40% of contract’s value, upon acceptance by the Bank of deliverables 3, specified in paragraph 4.1.c.

VI. COORDINATION

- *Team Leader or Coordinator:* Carmine Paolo De Salvo, CSD/RND and Gonzalo Munoz (RND/CDR)
- *Department/Division:* Environment, Rural Development Disaster Risk Management Division

VII. CHARACTERISTICS OF THE CONSULTANCY

- **Consultancy Category & Modality:** Individual consultancy, Lump Sum.
- **Dates:** July 1 to December 1, 2017
- **Place(s) of work:** Country of interest and consultant’s residence

VIII. QUALIFICATIONS

- a. An economist and/or agricultural economist with proven experience in the implementation of the PSE methodology (at least five country case studies in the past ten years).
- b. Language: Fluency in English
- c. Areas of expertise: Agricultural Policy Analysis.

AGRICULTURAL POLICY, FISHERIES AND CLIMATE CHANGE ANALYSIS IN LATIN AMERICA AND THE CARIBBEAN

RG-T3073

TERMS OF REFERENCE

INDIVIDUAL CONSULTANT – COORDINATOR TECHNICAL COOPERATION

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- 1.1 For the past thirty years, it has been demonstrated the significant effect that policy support has on agricultural competitiveness and productivity (Anriquez et al., 2016) as well as environmental impacts associated with production practices and natural resource use. An example of such policies is the current high level of protection received by most of the products that are or will be affected by the implementation of several trade agreements (such as the DR-CAFTA in Central America), as indicated by related studies conducted in previous years. In addition, the relevance of the agricultural sector for climate change actions in LAC countries is highlighted in their National Determined Contributions (NDCs). Moreover, as reviewed by Gurria et al. (2016), direct support to farmers in the LAC countries amounted to US\$27.2 billion, according to the most recent available data, plus US\$5.8 billion (or 4% of agricultural GDP) spent on agricultural public goods and services, demonstrating that LAC countries (as other emerging economies) have shifted from taxing their agricultural sector in the 1990s decade to providing positive levels of support in the present century. However, levels of support still fall short in comparison to OECD countries, especially in terms of support provided as public goods and general services.
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- 1.5 The results will be disseminated through national workshops which will focus on addressing the specific structural/policy bottlenecks at the national level as well as one regional workshop which would ensure that the implemented policy reforms are consistent for the region as a whole. The results will also propose policy reforms for public expenditure and policies aimed at achieving a more efficient allocation of fiscal resources and public goods investments in the countries object of this TC.

II. OBJECTIVE

- 1.6 The main objective of the proposed consultancy is to coordinate the Technical Cooperation and monitor its execution. The specific objectives of the consultancy are:
 - a) To follow up on the execution of the studies and trainings in the countries object of this TC.
 - b) To use the studies for further analysis of key policy issues, such as food security, competitiveness, trade integration and climate change.
 - c) To participate in the social media marketing strategy using tools such as email lists, blogs and tweets, to increase awareness of the studies conducted; and
 - d) To generate the policy dialogue in the region and dissemination of results participating in regional training workshops and dissemination activities.

III. ACTIVITIES

- 3.1 During the time of the consultancy, the consultant will perform the following activities:
 - a) Coordination of country studies. Supervise the contracting and work of national consultants to update the PSE estimates for the Latin American and Caribbean region. Maintain and strengthen the network of consultant "links" to update and ensure the quality of information by country. Provide technical comments to the consultants and compile suggestions from the IDB team (country specialists and country economists) to improve the quality of the results.

- b) Control quality, standardization and preparation of documentation (excel files, reports, presentations, and cookbooks) of information in line with the estimates of the OECD methodology.
- c) Preparation of policy brief publications and technical notes on the PSE, FSE and Greenhouse Gases Emissions related to agricultural policies, to be published. Specifically, reviewing future PSE, FSE and GHG related publications for content and accuracy.
- d) Participation in future studies using the knowledge created by the studies for the analysis of issues such as climate change, regional integration, food security, and competitiveness.
- e) Preparation of inputs to blogs, twitter and other social media activities.
- f) Respond to the expected demand for information and analysis from external and internal users of the studies.
- g) Development of presentations of results in workshops at Headquarters and in field supporting the policy dialogue in the region and the dissemination of results of the PSE, FSE and GHG studies for Latin America and the Caribbean.
- h) Support Regional workshops regarding the PSE studies. This may include travel to the region.
- i) Develop TCs for regional studies on Food Security in Latin America and the Caribbean or from other funding sources such as Regional Public Goods.

IV. REPORTS/OUTPUTS

4.1. The consultant will deliver the following products:

- 1. Report on the status of updates of the PSE studies in the region, with recommendations about how to address problems that may be identified.
- 2. A summary of support provided to conduct agricultural policy research and analysis in the countries object of the TC.
- 3. A summary of activities to support the social media strategy to promote the studies.
- 4. One or more funding proposals for further studies.

V. COORDINATION

5.1. The coordinating unit will be CSD/RND and the coordination will be under the responsibility of Carmine Paolo De Salvo (CSD/RND) and Gonzalo Munoz (RND/CDR).

5 CHARACTERISTICS OF THE CONSULTANCY

6.0 Type of consultancy: Individual consultant. This contract is for TTC consultant paid bi-monthly.

6.1 **Starting date and duration:** This consultant will be hired for the period January 1st, 2017 to December 31st, 2017.

6.2 **Place:** IDB Headquarter in Washington, DC.

6.3 **Travel:** IDB will cover travel expenses for the participation in the workshops.

6 QUALIFICATIONS

7.1 The consultant will meet the following characteristics:

- 1) A master of science in Economics or International Relations.
- 2) A minimum 5 years of professional experience as consultant in Multilateral Development Institutions.
- 3) Prior experience in working with PSE's over the past decade, and expand the coverage to other areas of LAC.
- 4) Proficiency in English and Spanish.
- 5) Proficiency in software package: SPSS, STATA, Microsoft Office, Microsoft Excel

REGIONAL**AGRICULTURAL POLICY, FISHERIES AND CLIMATE CHANGE ANALYSIS
IN LATIN AMERICA AND THE CARIBBEAN****RG-T3073****TERMS OF REFERENCE****QUALITY CONTROL AND PRODUCT DEVELOPMENT****I. GENERAL BACKGROUND**

- 1.1 For the past thirty years, it has been demonstrated the significant effect that policy support has on agricultural competitiveness and productivity (Anriquez et al., 2016) as well as environmental impacts associated with production practices and natural resource use. An example of such policies is the current high level of protection received by most of the products that are or will be affected by the implementation of several trade agreements (such as the DR-CAFTA in Central America), as indicated by related studies conducted in previous years. In addition, the relevance of the agricultural sector for climate change actions in LAC countries is highlighted in their National Determined Contributions (NDCs). Moreover, as reviewed by Gurria et al. (2016), direct support to farmers in the LAC countries amounted to US\$27.2 billion, according to the most recent available data, plus US\$5.8 billion (or 4% of agricultural GDP) spent on agricultural public goods and services, demonstrating that LAC countries (as other emerging economies) have shifted from taxing their agricultural sector in the 1990s decade to providing positive levels of support in the present century. However, levels of support still fall short in comparison to OECD countries, especially in terms of support provided as public goods and general services.
- 1.2 On the other hand, the LAC region has increased its share in global agricultural trade, holding a much larger portion of agricultural commodities' market (13 percent, in comparison to 8 percent in the mid-1990s). An analysis conducted by Nin-Pratt et al (2015) suggests an increase in regional output per worker and total factor productivity for the LAC agricultural sector (up to 82 and 45% respectively). However, technological change and productivity growth have had unequal development within the region, and several differences can be encountered in the performance of Latin American and Caribbean countries. Hence, the need to keep efficient agricultural policies that encourage productivity increases and generate conditions for growth in the sector while promoting sustainable development.
- 1.3 The objective of the Technical Cooperation (TC) is to contribute to sustainable development by generating policy recommendations for a more efficient allocation of fiscal resources in the agricultural and fisheries sectors in selected Latin America and the Caribbean (LAC) countries. Specifically, the TC will focus on analyzing the current structure and levels of policy support to these sectors to identify forms of support that are the most efficient and consistent with economic, social and environmental goals.

- 1.4 To achieve its objective, the TC will finance studies in the following areas: i) trends in agricultural prices, production, trade and consumption, ii) structure and levels of support to the agricultural and fisheries sectors in Mexico, Jamaica, Suriname, Guyana, Peru, Bolivia, and Chile (this will include 7 separate knowledge products with country specific recommendations which are also coherent at the regional level); iii) cost/benefit analysis of different forms of budgetary support including support to private beneficiaries vs. support for general public services such as: animal and plant health, food safety, innovation and irrigation and drainage infrastructure, fisheries subsidies, among others; iv) analysis of the effects of agricultural policy on greenhouse gas emissions; v) analysis of the relationship between agricultural policy and climate change adaptation; and vi) dissemination of the findings through trainings and workshops for government officials in selected countries.
- 1.5 The results will be disseminated through national workshops which will focus on addressing the specific structural/policy bottlenecks at the national level as well as one regional workshop which would ensure that the implemented policy reforms are consistent for the region as a whole. The results will also propose policy reforms for public expenditure and policies aimed at achieving a more efficient allocation of fiscal resources and public goods investments in the countries object of this TC

II. OBJECTIVES OF THE CONSULTANCY

- 2.1 The main objective of the proposed consultancy is to support the standardization of information and analysis of agricultural policies. The specific objectives of the consultancy are: a) to filter and review data sources, methodology, results and reports of PSE studies for individual countries ready in order to ensure accuracy and homogeneity of calculations , sources and data; b) to support the training on the PSE methodology in the region, c) to support the policy dialogue in the region and dissemination of results participating in regional workshops and dissemination activities.

III. MAIN ACTIVITIES

- 3.1 The consultant will:

- (a) Support the PSE data compilation from the countries to provide accurate information for migration. Carefully review data sources, methodology, results and reports of individual countries in order to ensure accuracy and homogeneity of procedures, sources and data.
- (b) Coordinate, provide technical support, review and revise PSE calculations. National or local consultants will be hired by IADB in order to generate the PSE's main indicators. This consultancy will advise the national consultants in: a) information required; b) organization and PSE estimations; c) country "cookbooks" which explain data sources and procedures and d) power point presentations and reports.

- (c) Follow up on the migration of all the results (data) of the PSE indicators; revise and monitor the maintenance module.
- (d) Support the publication of policy brief and technical notes. In addition, in coordination with the PSE team provide technical comments and review the documentation to be published.
- (e) Support the development of an interactive application such as a newsletter or blog.
- (f) Support regional workshops and trainings (CIAT, RUTA, CEMA, CARDI) regarding the PSE methodology and results, and policy discussions providing technical comments.
- (g) Support the establishment of an enhanced public expenditure review system at the budget planning stage using PSE/GSSE classification of budget expenses.

IV. REPORTS/OUTPUTS

By conducting these activities, the contractual is committed to delivering the following products:

- a) Intermediate products by August 15, 2018, including:
 - 1. Written comments on the support and advice on data collection, analysis and findings on the PSE calculations for 7 countries.
 - 2. Reviews and provision of quality control for the 2017/2018 information. This also includes written comments.
 - 3. Written comments on the “cook books” for the countries to be updated.
 - 4. Written comments on the “Special Topics” sections on a) climate change, b) food security, c) competitiveness and d) trade integration.

- b) Intermediate product, by October 31, 2018:
 - 1. Written comments on the support and advice on data collection, analysis and findings on the PSE calculations.
 - 2. Written comments on advice to develop a blog on Latin American and Caribbean PSE studies.
 - 3. Materials to disseminate the results for external users to be included in on line training sessions.
 - 4. Training sessions on the PSE methodology applications and at least one executed to different demands and users (consultants, IDB staff and policy makers).
 - 5. Identification of areas of complementarity between the contractual’s data bases and expertise in value chain analysis and PSE studies.

c) Final product by December 15, 2018:

1. Reviews and quality control for the information to be uploaded in 2018.
2. Written comments on the data collection, analysis and findings on the PSE calculations, for the selected countries.
3. Reviews and quality control for the studies. This includes reviewing results and providing evaluation on training sessions.
4. Final Report including description of all activities.

V. SCHEDULE OF PAYMENT

The payment schedule will be as follows:

1. Twenty percent (20%) of the total payment after contract signing;
2. Twenty percent (20%) after submission and approval of the deliverables described in section 4 (a) above;
3. Twenty percent(20%) after submission and approval of the deliverables described in section 4 (b) above;
4. Forty percent (40%) percent will be paid after the submission and approval of the deliverables described in section 4 (c) above.

VI. CHARACTERISTICS OF THE CONSULTANCY

Type: Specialized Agency

Starting date and duration: from July 1, 2018 to December 31, 2018.

Place: Contractual place. The contractual will have constant interaction with IDB staff in Washington, DC.

VII. COORDINATION

- Team Leader or Coordinator: Paolo De Salvo, CSD/RND and Gonzalo Munoz (RND/CDR)
- Department/Division: CSD/RND

VIII. QUALIFICATIONS

8.1 The consultants will consist of a team of professionals that meet the following characteristics:

8.1.1 A post graduate degree in Agricultural Economics or related areas

8.1.2 A minimum 5 years of professional experience in OECD PSE indicators.

- 8.1.3 Experience working with PSEs over the past decade and expanding the coverage to other areas of LAC.
- 8.1.4 Proficiency in English and Spanish

PROCUREMENT PLAN FOR NON-REIMBURSABLE TECHNICAL COOPERATIONS										
Country: Regional					Executing agency: CSD/RND			Public or private sector: Public		
Project number: RG-T3073					Title of Project: Agricultural Policy Analysis in Central America and the Dominican Republic					
Period covered by the plan: October 2017-March 2020										
Threshold for ex-post review of procurements:				Non consulting services (in US\$)	80,000	Consulting services(in US\$):	270,000			
Item Nº	Ref. AWP	Description (1)	Estimated contract cost (US\$)	Procurement Method (2)	procurement (ex-ante or ex-post) (3)	Source of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB/MIF %	Local/other %			
1		Component 1								
		Consulting services								
		Quality control consultancy	50,000	SSS	N/A	100	0	October 1st, 2017		
		Individual consultants								
		Consultancy to Conduct PSE, FSE, and GHG studies in Peru	25,000	IICQ	N/A	100	0	October 1st, 2017		
		Consultancy to Conduct PSE and GHG studies in Bolivia	20,000	IICQ	N/A	100	0	October 1st, 2017		
		Consultancy to Conduct PSE, FSE, and GHG studies in Jamaica	20,000	IICQ	N/A	100	0	October 1st, 2017		
		Consultancy to Conduct PSE, FSE, and GHG studies in Suriname	20,000	IICQ	N/A	100	0	October 1st, 2017		
		Consultancy to Conduct PSE, FSE, and GHG studies in Guyana	20,000	IICQ	N/A	100	0	October 1st, 2017		
		Consultancy to Conduct FSE and GHG studies in Mexico	15,000	IICQ	N/A	100	0	January 1st, 2018		
		Consultancy to Conduct FSE and GHG studies in Chile	10,000	IICQ	N/A	100	0	January 1st, 2018		
		Consultancy to Coordinate the Technical Cooperation	60,000	IICQ	N/A	100	0	October 1st, 2017		
		Consultancy to Develop Adaptation Methodology	30,000	IICQ	N/A	100	0	October 1st, 2017		
2		Component 2								
		Non-Consultant Services								
		1 International workshop	20,000	PC	N/A	100	0	January 1st, 2018		
		7 National workshops	30,000	PC	N/A	100	0	January 1st, 2018		
		7 Training sessions on PSE methodology	20,000	PC	N/A	100	0	January 1st, 2018		
		Training Materials	10,000	PC	N/A	100	0	January 1st, 2018		
Total			350,000	Prepared by: Carmine Paolo De Salvo			Date: 9/06/2017			
<p>(1) Grouping together of similar procurement is recommended, such as computer hardware, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value of US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and X1".</p>										
<p>(2) Goods and works: CB: Competitive bidding; PC: Price comparison; DC: Direct contracting.</p>										
<p>(2) Consulting firms: CQS: Selection Based on the Consultants' Qualifications; QCBS: Quality and cost-based selection; LCS: Least Cost Selection; FBS: Selection under a Fixed Budget; SSS: Single Source Selection; QBS: Quality Based selection.</p>										
<p>(2) Individual consultants: IICQ: International Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection.</p>										
<p>(3) Ex-ante/ex-post review: In general, depending on the institutional capacity and level of risk associated with the procurement, ex-post review is the standard modality. Ex-ante review can be specified for critical or complex process.</p>										
<p>(4) Technical review: The PTL will use this column to define those procurement he/she considers "critical" or "complex" that require ex ante review of the terms of reference, technical specifications, reports, outputs, or other items.</p>										