

Terms of Reference

National or international consultancy for Commitment to Equity for Children analysis with assessing performance of social assistance to families with children and developing policy simulations to increase fiscal space for reducing child poverty

TYPE OF CONTRACTS: *Composite of Consultancy team that could comprise a mix of institutional consultancy partner with national and international consultants*

DURATION: *August 2022 – December 2022*

BACKGROUND AND RATIONALE

Belarus is an upper middle-income country, with a total population of 9.4 million people and of them 1.9 million are children (51.4% boys and 48.6% girls). The poverty rate in Belarus is among the lowest in Eastern Europe, and public social assistance focuses specifically on families and children. In 2020, 1.9% of national GDP was spent on child-related benefits: 46% of children receive some kind of benefit, with children aged up to two almost universally served by the system. The state offers a range of social protections, from lump-sum benefits in pregnancy, maternity aid and a childcare allowance, through to targeted social assistance, education and healthcare.

However, the national measure of child poverty in Belarus increased to 9.1% in 2020, compared to 4.8% for the population as a whole. While 3.6% of households were poor on average, among households with children the share was 7.3%, in case of households with two and more children – 12.2%. Families with three or more children aged between 6 and 13, especially single-parent households, and families living in small cities and rural areas, are the most adversely affected. The distribution of benefits appears to favour some households more than others, suggesting a social policy bias and shortfalls in support for the most vulnerable. According to estimates, in Belarus about 307,000 children are multidimensionally poor at any given moment in time, meaning they have at least two deprivations simultaneously lacking basic housing infrastructure, personal computers, food diversity, toys etc. Annually 50,000+ of the most vulnerable to poverty children can benefit from the action if social protection programmes improved based on multidimensional child poverty (MDCP) serving as a targeting mechanism for reducing poverty by half by 2030.

Belarus' Gross Domestic Product (GDP) grew by 2.3% in 2021, below what was needed to measurably raise living standards, especially of families with children. The Belarusian economy slowed down in January-May 2022 (minus 3.4%). According to the World Bank recent estimates¹, the economy of Belarus is expected to contract by 6.5% in 2022. It remains the lowest GDP growth forecast in the ECA region. Unstable economic prospects may compromise expenditure in social protection, education and health. Compounding this situation are decreasing returns from generous, but not always well targeted investments in human capital. Despite an overall equalizing effect of public spending and taxation, underutilized performance-based budgeting limits the fiscal space to prevent and address child and adolescent vulnerabilities. In this situation additional insights from recently collected data are needed to advise government on policy and programme responses in social sector.

A research report funded by UNICEF and the World Bank provided evidence calling for targeted interventions to more equitably and efficiently secure the welfare of the country's most vulnerable children. UNICEF Belarus has been successful in developing capacity of the National Statistical Committee of Belarus to measure multi-dimensional child poverty. [Multidimensional Child Poverty Training](#) was initiated and supported by UNICEF Belarus and held by the Office of Research for the National Statistical Committee (Belstat) and NSOs from other four ECA countries. Training strengthened NSOs' capacity to use methods for collecting and analyzing child poverty data. The CO supported generation of child poverty data (monetary and multi-dimensional) together with partners, being able to identify those poorest and furthest left behind, and inform policy-making. The

¹ World Bank. [Global Economic Prospects](#), June 2022.

first multidimensional child poverty measurement was validated by the experts of the National Statistical Committee of Belarus and line ministries in November 2021 during the [joint workshop](#) supported by the Joint SDG Fund project.

The ongoing food crisis adds on to the challenges and vulnerabilities faced by households with children. The disproportionately high growth of food prices and the disruption of logistics are particularly critical for households with large share of expenditure on food. While on average Belarusian households spend around 40% of total expenditure on food, food share for the households with children is much higher and might reach 60-80% for lower-income families. Hence, they are much more vulnerable than average to the food price hikes, which might lead to saving on food. At the same time adequate nutrition is critical for child development.

A child focus on the redistributive capacity of fiscal policy is increasingly important due to the disproportionate incidence of poverty among children globally. The analysis—Commitment to Equity for Children, or CEQ4C—integrates three analytical frameworks, namely, public finance, fiscal incidence analysis, and multidimensional child poverty analysis.

The work supports the Government of Belarus (GoB) in its attempts to improve evidence-based programming and policy-making design in child poverty and equity. UNICEF efforts focus on turning multidimensional child poverty (MDCP) status as a programmatic targeting mechanism to better allocate public spending for SDGs implementation at the national and regional level.

The work contributes to the following Result areas of the Strategic Plan, 2022–2025: Goal Area 5 aimed at a) reducing child poverty and b) ensuring that every child, including adolescents, has access to inclusive social protection.

In the Country Programme Document for 2021-2025, the Government of Belarus has expressed an interest in using evidence to improve public spending tracking health and education outcomes for vulnerable families and reducing child poverty by half by 2030.

Related 2021-2025 Country Programme Document indicators to which the study will contribute to are the following:

- National government measurement of child poverty using multidimensional measures (RAM Standard Indicator, 25-01-L3-01).
- Evidence generated on budgets and their linkages to child outcomes to improve budget allocations/expenditure for children (RAM Standard Indicator, 25-01-L3-06).

PURPOSE, OBJECTIVES AND SCOPE

The main purpose of the study is to support key stakeholders in gaining better understanding about the distributional impact of public spending and taxes for children, as well as examining impacts of food price increases on the well-being and deprivations of households with children. Ultimately, it will inform feasible changes in budget reallocations and make social protection for the most vulnerable children in Belarus more equitable allowing to achieve the SDG target of halving child poverty.

The study will provide evidence to inform programme responses and advocacy that supports the Sustainable Development Goal objective of reducing at least by half the proportion of children living in poverty by 2030, echoed by Belarus's own target of reducing the national poverty rate to 4.5% in the same timeframe as reflected on the [National platform for reporting on the achievement of the SDGs](#). Within the 2022-2023 work plan with Belstat, UNICEF is supporting development of a MDCP methodology for the corresponding SDG indicator. Assessing the interplay of social assistance programmes with multidimensional and monetary child poverty is to be of interest to policymakers – particularly the Ministry of Labor and Social Protection and the Ministry of Finance – and to researchers nationally and globally. The above evidence will be timely, as from 2023 the Government will start preparing its 2026-2030 cycle of state programming.

The CEQ4C methodology relies on state-of-the art multidimensional poverty and fiscal incidence analysis to address the following questions:

- (i) What is the role of direct and indirect taxes and transfers, in-kind transfers (free or subsidized government services in education and health) in redistributing income to/from households with children?
- (ii) How the incidence of fiscal programs compares across households with children of different ages?
- (iii) How effective are tax and transfer policies in fighting multidimensional poverty among children, given the fiscal resources used?

More detailed objectives of the research are to evaluate the following:

- (i) The Impact of the Benefits and Tax System on Equity and Multidimensional Poverty of Children
 - a. How much redistribution and poverty reduction are being accomplished in Belarus through social spending, subsidies and taxes at the national, rural and urban levels and for households with children?
 - b. How progressive are taxes and benefits overall and by different types of households with children?
- (ii) Who Bears the Burden of Taxes and Who Receives the Benefits?
 - a. Which households with children (by child age, sex) are net receivers from/net payers to the fiscal system?
 - b. Do children of different ages get a “fair share” of in-kind government benefits (through healthcare and education?)
 - c. Does the benefits system have bias towards younger children?
 - d. Are benefits (taxes) captured (paid) are targeted towards households with children facing multidimensional poverty?
- (iii) Identifying the Shortcomings of Tax and Benefit System Towards Children and developing simulations to improve it
 - a. Even if enough resources are spent on redistributive programs and policies, are the redistributive spending allocated to the children in need, including adolescents, sufficient?
 - b. Within the limits of fiscal prudence, what could be done to increase equity and decrease multidimensional poverty of children through changes in the fiscal programs:
 - How can benefits be better targeted?
 - What can be done to increase performance of expanded TSA to families with many children?
 - What are the fiscal space effects of phasing out of inefficient utility subsidies?
 - What are the costs of achieving the SDG target of halving child poverty by 2030?
- (iv) How the food price increases affect poverty, inequality and deprivations of households with children?
 - What impact food inflation has on inequality and poverty, based on individual consumption profiles of families with children?
 - How food prices impact nutrition, including quantity and quality of food consumption?
 - What groups of children are most vulnerable to food price increases? (analyzing by age, gender, household composition, residence, income, and deprivations)

As mentioned above, the CEQ4C analysis allows combining CEQ with the child poverty analysis, in particular with the multidimensional poverty defined through deprivations. Multidimensional Child Poverty (MDCP) is defined as the share of children reporting two or more deprivations. It may or may not overlap with the monetary poverty definition. The analysis will also be enriched with measurement of food inflation effects on distribution and poverty.

Building on the previous CEQ4C analysis based on 2016 data the present study will allow further revise analysis of incidence of child-relevant spending and tax burden by the multidimensional poverty status. HBS data can be used to estimate household welfare and overall macroeconomic effects without additional adjustments as it represents almost the whole population and covers household expenditures in full with exception of alcohol consumption. Belstat uses this data for poverty and living standard analysis. Poverty analysis is based on comparison of disposable

income of households at the absolute poverty line. Disposable income is officially calculated as a sum of total household expenditures, net in-kind income and privileges (in-kind benefits). Hence, it is calculated based on reported expenditures rather than reported income, as it is believed to be underestimated. Absolute poverty line is set at the level of minimum of substance for a member of a household containing two adults and two children.

Moreover, based on the initial feedback to the MDCP measurements, the study will provide further [technical assistance](#) in improving MDCP indicators to finalize the SDG indicator methodology on multidimensional poverty. Specifically, it is about the indicator on diversity of food expenditure. While food consumption was not provided in HBS data shared with UNICEF, the distribution of food expenditure across major food groups (staples, vegetables, dairy, eggs, meat and fish, fruit) was evaluated to construct a measure of food deprivation. The share of food expenditure spent on two crucial groups of foods was evaluated: meats and fish – major source of protein; and fruit and vegetables – major source of vitamins. If the shares spent on these two groups are both lower than 25th percentile share, we define it as a food deprivation. The Belstat experts suggested to improve this measure using the food consumption data available in HBS that will allow to reflect better actual consumption of food, especially in rural areas.

The scope of study will cover 2019-2021 HBS data. The study will benefit from child budget work aggregate financial data collected within the “Study on measuring public child-focused expenditure (child budgets) in Belarus at the national and subnational levels” conducted with the MLSP Research Institute.

KEY TASKS, TIMEFRAME AND DELIVERABLES

The consultancy is expected to take place during the period of 5 August 2022 – 15 December 2022. The exact schedule of the activities will be agreed with the contractor based on the consultancy implementation progress. The final date for the submission of final deliverables should be 15 December, 2022. Tasks and timeline for the team are presented below:

TASKS	DELIVERABLES	TIMELINE	# OF DAYS
PHASE 1 Prepare for analysis – 15 days			
1. Prepare for the analysis. Develop research protocol for the analysis in consultation with UNICEF team and national partners on MDCP methodology. 2. Discuss with the country office and local experts the ways of improving existing methodology for measuring MDCP	A research protocol with a methodological framework for the analysis is prepared. The data set is prepared for the analysis.	30 August, 2022	15 days
PHASE 2 Conduct analysis – 37 days			
3. Conduct a study employing CEQ4C approach using child budget aggregate data and HBS data for 2019-2021, including: a) Adjust MDCP methodology for SDG indicator and describing profiles of children living in monetary and multidimensional poverty; b) Conduct fiscal incidence analysis of taxes, cash and in-kind transfers for education, health and social protection; c) Assess performance of expanded TSA to families with many children executed by MoLSP in 2020 in response to the COVID-	Results of the analysis in a 25-page report plus annexes. Three policy briefs covering key findings in policy areas (measuring MDCP poverty, improving social protection, fiscal space and phasing out of inefficient utility subsidies) and presenting available cross-country comparisons prepared. Detailed outputs of the analysis and .do files are submitted.	15 October, 2022	10 days 9 days 9 days

19, develop policy recommendations on further improvements; d) Develop costed policy simulations of phasing out of inefficient utility subsidies to increase fiscal space for reducing child poverty. Estimating the costs of achieving the SDG target of halving child poverty by 2030.			9 days
PHASE 3 Report preparation, validation and presentation of results – 23 days			
4. Draft final report and policy brief and validate key findings with the government partners	Final report with policy recommendations is prepared. After validation a 25-page report with key findings is submitted for designing a publication for presentation. The report is approved by UNICEF, sent for an external quality assurance review and revised afterwards.	5 November, 2022	20 days
5. Conduct workshop presenting key findings and present at the events focused on child budgets and SP	Presentation of results, summary of results validation.	20 November, 2022	3 days
TOTAL			75

These days represent the total consultancy days proposed for the deliverables. The consultant or consultancy teams can propose in their application how they would divide tasks and the number of days for each task to be clear on accountability and coordination.

DUTY STATION

Minsk, Belarus

SUPERVISION, WORK RELATIONS & OVERSIGHT

The contractor will be supervised and report directly to the Social Policy Officer with collaboration and support from the Deputy Representative and other Programme Specialists as needed.

UNICEF staff members, consultants, contractors and partners will follow the GUIDANCE ON EXTERNAL ACADEMIC PUBLISHING (January 2017) when engaging in external academic publishing, whether in print or digital form, of the final Research Study Report.

The Consultant must respect the complete confidentiality of the data as well as any specific survey documents that will be produced. The Consultant can use the documents and the datasets only for the tasks related to these Terms of Reference.

PAYMENTS

Payments to the consultant will be conducted based on the submitted invoices with the number of consultancy days in line with actually reported deliverables.

UNSATISFACTORY PERFORMANCE

UNICEF reserves the right to withhold all or a portion of payment if performance is unsatisfactory, if work/outputs are uncompleted, not delivered or for failure to meet deadlines.

QUALIFICATIONS OR SPECIALIZED KNOWLEDGE/EXPERIENCE REQUIRED

The experts from the selected company are required to have:

- At least 5 completed projects in public policy research with household data analysis;
- Advanced university degree and/or academic background in economics or management;
- Extensive experience in conducting econometric research using household surveys data;

- Familiarity with the national legislation on social sectors, local governance, public finance management and budgeting;
- Record of work with the government on public policies in social sector;
- Availability of publications or academic works on the topics relevant to the study;
- High analytical and conceptual skills and ability to work in a team;
- Fluency in Russian;
- Fluency in English (written and spoken) is an asset;
- Record of work with UN is an asset.

All consultants are required to know the principles and requirements of the UNICEF Procedure for Ethical Standards in Research, Evaluations and Data Collection and Analysis (UPES), confirmed by submission of a completion certificate for an online course called “Introduction to Ethics in Evidence Generation” (<https://agora.unicef.org/course/info.php?id=2173>)

PROCESS FOR APPLICATION

Proposal from candidates should include:

Methodological proposal with timeline and agency profile should be provided along with financial proposal. The National Institutional Consultancy is to indicate financial proposal for the services to be provided.

Criteria for the selection of proposals:

Selection of the consultancy will be on competitive basis.

Applicants should submit their applications in English by closing date 15 August 2022 to be eligible for consideration.

Applications received after the closing date will not be considered. Only short-listed bidders will be contacted.