

**INVITATION TO SUBMIT A
PROPOSAL**

for the provision of:

Establishing a methodological framework for assessing economic losses and damages from slow-onset events in agrifood systems

FAO Office: Office of Climate Change, Biodiversity and Environment

I. Background Information

Agricultural production and food systems are intrinsically linked to climate change, and particularly vulnerable to its impacts. Agrifood systems and the communities that support and depend on them are disproportionately affected by loss and damage associated with climate change. Over 3.8 billion people are reliant on agrifood systems for their livelihoods, particularly in rural areas. Agrifood systems must therefore be central to communities' strategies to manage climate change risks and impacts.

At the same time, agrifood systems are the complex web of activities involved in the production, processing, distribution and consumption of food and non-food agricultural products. They include the entire range of actors and their interlinked value-adding activities engaged in the primary production of food and non-food agricultural products, as well as in storage, aggregation, post-harvest handling, transportation, processing, distribution, marketing, disposal and consumption of all food products including those of non-agricultural origin. In addition, agrifood systems are essential for food security, nutrition, livelihoods and environmental sustainability.

Given the complexity of agrifood systems, the definition of Loss and Damage for agrifood systems is not well defined under the UNFCCC. The FAO's first report on Loss and Damage¹, provides an overview of Loss and Damage in agrifood systems, and outlines a broad concept of what would entail economic losses and damages and non-economic losses and damages from both extreme events and slow onset events.

Economic losses in agrifood systems may refer to the direct financial damages to agricultural production, infrastructure, and livelihoods. This includes losses in crop yields, livestock, fisheries, and forestry, as well as the destruction of agricultural infrastructure such as irrigation systems, roads, and storage facilities. Additionally, economic losses can encompass loss of income for farmers and disruptions to the value chains that affect market prices and trade.

Non-economic losses, on the other hand, may refer to intangible and often irreplaceable damages, including the loss of biodiversity, cultural heritage, traditional knowledge, social cohesion, and mental well-being. Non-economic damages also encompass human health impacts, such as malnutrition, disease outbreaks, and food security, which often follow climate disasters. The non-economic losses in the context of human mobility, including impacts on indigenous and local knowledge and food systems, is also an important dimension to be considered. These losses, though harder to quantify, are critical for understanding the full scope of climate change impacts on agrifood systems and the communities they sustain.

However, data used for quantifying the impact of climate change associated loss and damage in agrifood systems is limited, and is often partial and inconsistent across agricultural subsectors, geographical scales and hazard types. Taking climate-induced disasters in agrifood systems as an example, according to the Sendai Framework Monitor, one of the only official universal reporting mechanisms on disaster-driven loss and damage, agricultural losses from disasters are reported to average USD 13 billion per year, mainly due to floods, fires and droughts, affecting food security and nutrition for the most vulnerable groups such as smallholder farmers, pastoralists and fishers. The Post Disaster Needs Assessment (PDNA) also provides an estimate of impacts and humanitarian needs for a recovery plan, after a specific extreme event. These quantifications have been conducted through several methods to typically capture and assess economic losses from larger-scale disasters, and non-economic losses and damages from slow onset events are hardly captured.

One of the recognized knowledge gaps is the assessment of economic losses and damages from slow-onset events associated with climate change. In fact, climate change does not only render extreme weather events more frequent and intense, but it also includes a series of unique hazards that manifest themselves in a procedural manner, making them more difficult to monitor and assess than other disaster shocks. Slow onset events usually develop gradually over time, and their impacts are often based on a confluence of several different events. These include sea-level rise, ocean acidification, soil salinization,

¹ <https://openknowledge.fao.org/server/api/core/bitstreams/e5252879-cdd8-4c9a-a2c4-ba0d43970d90/content>

biodiversity loss and desertification, among others. There is a lack of standardized methodologies and tools for comprehensive assessment and monitoring with regards to loss and damage from slow-onset events, and this LoA proposes to contribute to filling this gap, with a focus on agrifood systems.

Through this call for proposals, the Service Provider and FAO aim to establish assessment methodologies to quantify climate-associated economic loss and damage impacts on agrifood systems from slow-onset events, which ultimately support climate-vulnerable communities and countries to access technical and financial mechanisms, including the Fund for Responding to Loss and Damage and technical assistance through the Santiago Network on Loss and Damage.

The results from this LoA will feed in a new series of technical guidelines on Loss and Damage that FAO is planning to develop, with a focus on assessment methodologies for agrifood systems and their application at national level. The series of publications will be divided into three volumes, addressing the four dimensions of loss and damage, following the structure proposed by the Executive Committee of the UNFCCC Warsaw International Mechanism (WIM Ex-Com).

The Technical Guidelines will cover: i) Economic losses and damages caused by extreme weather events, ii) Economic losses and damages resulting from slow-onset events, and iii) Non-economic losses and damages resulting from both extreme weather events and slow-onset events. These technical guidelines will be edited by FAO, building upon the products of this LoA (particularly for volumes ii), as well as other sources of information.

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II. **Services required:**

The selected Service Provider will be responsible for developing a comprehensive methodology, or a set of methodologies, to quantify economic losses and damages in agrifood systems due to slow-onset events. The process will involve extensive consultation with relevant units within FAO, as well as external experts and stakeholders. The methodology should be robust, scientifically sound, and applicable across various agricultural subsectors, geographical scales, and hazard types. Upon validation of the methodology, the developed methodology might be piloted in a few countries to ensure its practical applicability and effectiveness. The key tasks and responsibilities for the Service Provider include:

- 1. Review and Analysis of Existing Methodologies and Organisation of Stakeholder Consultations**
 - *Conduct a comprehensive review of existing methodological tools, approaches, and frameworks used globally, regionally and nationally for assessing losses and damages in agrifood systems, as well as ongoing initiatives to respond to these recognized knowledge gaps in assessing loss and damage.*
 - *Identify strengths, weaknesses, gaps, and areas for improvement in current methodologies, outlining different dimensions of Loss and Damage in agrifood systems.*
 - *Engage with relevant FAO units, external experts, and stakeholders to gather insights, requirements, existing practices and gaps related to quantifying losses and damages in agrifood systems.*
 - *Deliver a summary paper detailing the findings of the review, analysis and consultations.*
- 2. Development of the Proposed Methodology**
 - *Based on the consultations and review, develop a draft methodology or set of methodologies for quantifying economic losses and damages in agrifood systems due to slow-onset events.*
 - *Ensure the proposed methodology is adaptable to different agricultural subsectors, including crops, forestry, livestock, fisheries and aquaculture, and various types of climate-induced hazards.*
- 3. Presentation and Feedback Collection**

- Conduct regular meetings between FAO and the service provider to update progress and exchange ideas on the methodology development.

- Present the initial draft of the proposed methodology to FAO units, partner organizations, and other stakeholders in a technical workshop.

- Facilitate discussions and collect detailed feedback to refine and improve the methodology.

4. Final Reporting and Recommendations

- Produce a final report detailing the methodology developed, including recommendations for further development and scaling.

- Provide proposed next steps for FAO and other stakeholders to support the widespread adoption of the methodology, including provide technical inputs to the development of FAO’s technical guidelines volume ii) Economic losses and damages resulting from slow-onset events.

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Desired outputs:	Key performance indicators per output	<u>Timeline for the delivery of the outputs:</u>
Analysis of existing methodological tools, approaches and/or frameworks in the context of Loss and Damage application	A brief summary paper of existing methodological tools, approached and/or frameworks in agrifood systems is delivered	30 th January 2025
Presentation of the initial proposal of potential Loss and Damage methodology for agrifood systems	A technical workshop conducted with relevant units in FAO and partner organizations for feedback	15 th April 2025
Interim report on proposed methodology reflecting feedback received from the relevant units in FAO and frameworks under the Santiago Network and the Fund for responding to Loss and Damage	Interim report submitted	15 th May 2025
Revised description of the proposed methodology for further adjustment	A technical workshop conducted with relevant units in FAO and partner organizations for feedback	30 th June 2025
Final report with description of the methodology and recommendations for further development	Final report submitted	30 th July 2025
Technical contribution to the FAO’s technical guidelines, including a description of the developed methodology and its application	Technical contribution to the FAO technical guidelines provided	15 th August 2025

III. Procedures and Conditions:

FAO hereby invites you to submit a Proposal in connection with the above-described services. Your Proposal should be based on the requirements included herewith; it is subject to the following procedures and conditions which you deemed to have accepted by submitting a Proposal.

In submitting your Proposal you are supposed to have considered all aspects relevant to the performance of the proposed Agreement and to have obtained all necessary information and data as to risks, contingencies and other circumstances which may influence or affect your Proposal;

It is understood that all documents, calculations, etc. which may form part of your Proposal will become the property of FAO, who will not be required to return them to your organisation;

FAO may decide to make a partial award or no award at all should it consider that the results of this invitation for Proposal and/or any other related circumstance so require;

FAO shall have no obligation to purchase any minimum quantities of goods or services from your organisation, and shall have no limitation on its right to obtain goods or services of the same kind, quality and quantity as described in this Proposal from any other source at any time;

All costs incurred to prepare your Proposal have to be borne by you; FAO will not be liable to reimburse any or all of such cost;

FAO reserves the right to publish the details of awards, including the Service Provider's name and country, total value of the Agreement and a brief description of the services.

FAO has a zero tolerance approach to fraud, and it prohibits any entities from engaging in corrupt, fraudulent, collusive, coercive, unethical and obstructive practices when participating in procurement activities. As provided by the Vendor Sanctions Procedures (http://www.fao.org/fileadmin/user_upload/procurement/docs/FAO_Vendors_Sanctions_Policy_-_Procedures.pdf), if the Organization determines that an entity has engaged in such conduct, it will impose sanctions and may share information on sanctioned entities with other Intergovernmental or UN Organizations;

An entity and its affiliates, agents and subcontractors should not be suspended, debarred, or otherwise identified as ineligible by any Intergovernmental or UN Organization, including any organization within the World Bank Group or any multi-lateral development bank, or by the institutions and bodies of economic integration organizations (e.g., the European Union). You are therefore required to disclose to the Organization whether your organisation, or any of your affiliates, agents or subcontractors, is subject to any sanction or temporary suspension imposed by any such organization or National Authority at any time during the three years prior to the Agreement or at any time throughout the execution of the Agreement. You acknowledge that a breach of this provision will entitle FAO to terminate its Agreement with your organisation, without any liability for termination charges or any other liability of any kind of FAO, and that material misrepresentations on your status constitute a fraudulent practice;

Bidders must certify that their organisation is not associated, directly or indirectly, with entities or individuals (i) that are associated with terrorism, as in the list maintained by the Security Council Committee established pursuant to its Resolutions 1267 (1999) and 1989 (2011), or (ii) that are the subject of sanctions or other enforcement measures promulgated by the United Nations Security Council. Selected bidders also agree to undertake all reasonable efforts to ensure that none of the funds received from FAO under the awarded Agreement are used to provide support to individuals or entities associated with terrorism or that are the subject of Security Council sanctions. This provision must be included in any subcontracts, sub-agreements or assignments entered into under the awarded Agreement. The Bidder acknowledges and agrees that this provision is an essential term of the awarded Agreement and any breach of these obligations and warranties shall entitle FAO to terminate the Agreement immediately upon notice to the Service Provider, without any liability for termination charges or any liability of any kind of FAO;

Bidders must certify that their organisation and/or subcontractors are not associated, directly or indirectly, with the consultant or any other entity who prepared the terms of reference or other bidding documents for this tender;

Please note that Bidders who use an independent consultant to assist in the preparation of Proposals may risk engaging in unacceptable practices if the same consultant assists another Bidder to prepare a Proposal for the same tender. Bidders are reminded that they are fully responsible for the conduct of any

consultant who may be used to prepare Proposals for FAO tenders and they should take all measures to ensure that any independent consultant engaged to assist in the preparation of a Proposal for an FAO tender has not and will not be involved in the preparation of a Proposal for another Bidder for the same tender process.

Bidders are kindly requested to disclose to the best of their knowledge whether their organisation has any personal or professional relationships with FAO. The disclosure shall include all relevant details and should include, but not be limited to:

- ANY current or past employment relationship with FAO of your organisation's representatives and employees;
- ANY current or past relationship with any FAO staff member (family members, spouses, etc.) of your organisation's representatives and employees.

Communications Concerning this Proposal

The Proposal should consist of two parts: a Technical Part and a Financial Part which should be prepared as follows:

The Technical Part should include:

- a. The description and number of years of experience in the field of the required services and the area of intervention as applicable;
- b. The proposed methods and processes suitable and feasible to achieve the outputs mentioned above within the required timeline (to be described in Appendix A "Workplan") and in conformity with the performance indicators;
- c. The description of the team proposed to develop the study, including information on the respective roles and a short biography (max. 250 words) for each member of the team
- d. Complete CV for each member of the proposed team in Annex C
- e. A list of relevant scientific publications or public reports authored or coauthored by members of the proposed team
- f. The description of the reports, documents and other outputs to be provided during and after implementation of the required services;
- g. The full name, address, fax and/or email address and telephone numbers of your organisation (association, institute, etc.) and contact persons;
- h. The banking details (name and location of bank, account number).

Please note that FAO will make the relevant LoA payments to the bank account indicated by the selected Service Provider. The bank account holder name must be the name of Service Provider.

Financial Part

A detailed cost estimate (i.e. a budget in accordance with Appendix B) based on a workplan including all the costs for the delivery of the required services / implementation of the Agreement. The budget should be broken down by the inputs that are required to carry out the activities avoiding the use of activity-based lumpsums. Budget items and the corresponding objective units of measurement should be well defined, and should be calculated by multiplying the quantity (i.e. the number of units) by the unit cost (i.e. the estimated cost per unit).

All assumptions should be documented. The financial part should specify clearly the currency used (the local currency in which the majority of the expenses will be incurred, or the United States Dollar for multi-country operations).

Proposals will only be considered if they contain all of the above information and documents and observe the provisions of the enclosed agreement (see Annex I).

IV. Evaluation

The Proposals received will be evaluated by applying the mandatory requirements and the qualitative evaluation criteria indicated below. The Pass/Fail methodology will be used for the mandatory requirements, whilst the qualitative evaluation criteria will be rated.

FAO reserves the right to consider and disqualify organizations based on documented prior poor performance, including but not limited to poor quality of services provided, late delivery and unsatisfactory performance. FAO also reserves the right to have further discussions/negotiations with the Bidder prior to issuance of an Agreement.

Mandatory Minimum Requirements

Your Proposal will only be considered if the Proposal and your organisation meet the following minimum requirements:

1. You should provide an explicit written acceptance of the terms and conditions applicable to FAO Letters of Agreement as laid out in the LoA template in Annex I.
2. You should provide evidence of the legal status of your organisation to demonstrate the eligibility to sign Letters of Agreement with FAO, including the registration certificate with the relevant country authorities.
3. Additional minimum requirements

At least 10 years of research experience in climate change, climate science, environmental economics, agriculture economics and/or climate-associated loss and damage.

Weighted Evaluation Criteria

Your Proposal will be further evaluated based on the following criteria and relevant weights listed in the table below:

Criteria	Weights/points
Years of relevant experience in the subject matter and/or the area of operations	<u>10</u>
Adequacy of resources and financial and operational capacity of the organisation	<u>10</u>
Technical quality of the proposed methodology	<u>20</u>
Depth of detail of proposed workplan	<u>15</u>
Conformity and feasibility of proposed schedule	<u>15</u>
Qualifications of the key personnel proposed	<u>10</u>
Total Technical criteria	[80]
Financial Proposal*	[20]
Total score (technical + financial)	100

Technical Proposals will be evaluated first and ranked accordingly to the above criteria. Please note that the Technical Proposal will comprise *eighty* percentage weights/points of the overall evaluation.

* Points for the financial offers will be calculated according to the following formula:

$$\text{Points} = (A/B) * [\text{SELECT APPROPRIATE NUMBER; e.g., 30}]$$

Example: Bidder A's price is the lowest at [\$10.00]. Bidder A receives [30] points

Bidder B's price is [\$20.00]. Offer B receives $[(\$10.00/\$20.00) * 30 = 15]$ points]

Bidder C's price is [\$25.00]. Offer C receives $[(\$10.00/\$25.00) * 30 = 12]$ points]

Please note that for the financial offer, Bidders must stay within the range of: 30,000 to 40,000 USD.

Total score calculation: Technical Score* + Financial Score**

*e.g. maximum 70 points

** e.g. maximum 30 points

I take this opportunity of expressing my appreciation of your interest in assisting FAO in its implementation of this undertaking.

Yours sincerely,

Inkar Kadyrzhanova, Senior Natural Resources Officer

APPENDIX B: Budget

SPECIFY CURRENCY:						
Cat. No.	Items Description (ITEMISE IN DETAIL)	Unit measurement	of	Qty (no. of units)	Unit Cost	Total Cost
1	HUMAN RESOURCE INPUTS (Staff time and consultants...)					
1.1						
1.2						
1.3						
...						
2	EXPENDABLE EQUIPMENT ANCILARY TO SERVICES					
2.1						
2.2						
2.3						
...						
3	TRAVEL (Flights, inland travel...)					
3.1						
3.2						
...						
4	ACCOMMODATION (board and lodging costs...)					
4.1						
4.2						
4.3						
5	GENERAL OPERATING AND MAINTENANCE EXPENSES					
5.1						
5.2						
5.3						
6	-----OTHER CATEGORY (Specify)-----					
6.1						

6.2					
6.3					
...					
	TOTAL COSTS				

APPENDIX C: Description of competencies and CVs of key personnel

(please include the CVs of the relevant key staff as an appendix to your proposal)