

TERMS OF REFERENCE

Location	Home-based
Type of Contract	Individual Contractor
Post Level	Public Finance Expert (Fiscal Incentives) - International Consultant
Languages required:	English
Duration of Initial Contract:	30 working days intermittently between 24 April and 31 October 2017

BACKGROUND

UNDP is supporting developing countries in Asia Pacific with the implementation of the 2030 Agenda. Initial country level efforts, supported by UNDP and other UN and development partners, have focused on putting in place the building blocks necessary to support SDG achievements. This includes developing institutional arrangements to promote coordination and policy coherence across sectors and government levels, aligning national and sub-national development plans and budgets with the 2030 Agenda and to assess the availability of data and capacities of data ecosystems to monitor progress. Work has also started on identifying priorities and target setting. Beyond aligning national development strategies and other policies, countries are also looking at ways to integrate the SDGs into the budget process and to come up with new, more integrated financing options. Next steps will involve the identification of interlinkages between goals and targets and 'accelerator interventions', interventions that can trigger progress across a range of goals and targets. Many countries are keen to learn from the experience of other countries in the region and beyond. To facilitate such exchange, UNDP's Bangkok Regional Hub is organizing annual Regional Knowledge Exchanges, the first one took place in October 2016 in Bangkok (<http://www.asia-pacific.undp.org/meetTheSDGs.html>).

Fiscal incentives are one of the key mechanisms through which governments promote creation, expansion and improvement of public goods which contribute to achieving the SDGs. There are various types of fiscal incentives. These include incentives given by central governments to subnational governments to promote investments in SDGs and to reward performance in progress towards SDGs. Other incentives are given by governments to businesses and individuals, such as tax credits for green investments, plastic bag surcharges or conditional cash transfers.

DUTIES AND RESPONSIBILITIES

Scope of Work

The objective of this consultancy is to undertake a review of existing fiscal incentive mechanisms (from central to subnational governments) to promote investment into or spending on development and environmental sustainability priorities and to reward performance in progress towards these priorities goals/ targets.

The scope of the review is limited to central-to-subnational government incentives, and it will not cover government-to-business and government-to-individual incentives.

The review will inform the knowledge exchange among governments of Asia Pacific countries, as well as UNDP's country-level policy advisory support in the region.

Expected Outputs and Deliverables

Specific tasks and responsibilities of the consultant include:

1. Review existing practices used for designing fiscal transfers and tax assignments to sub-national governments (various tiers), which will include:
 - Existing and emerging approaches for incentives from central to sub-national governments to achieve priority development objectives and improved performance;
 - The context in which these incentives are introduced, including the underlying fiscal decentralization mechanisms and the degree of decentralization, mandates and expenditure responsibilities of subnational governments, and the magnitude of transfers from the higher tier governments vis-à-vis own revenue sources of subnational governments;
 - Mechanisms for fiscal (typically recurrent) transfers, including formulas integrating HD/HDI, MPI or MDG related indicators;
 - Mechanisms for capital expenditure allocations to subnational governments;
 - Other established mechanisms, including those linked to borrowing/ debt (debt swaps);
 - Indicators for monitoring, including performance criteria;
 - To the extent applicable, reviewing mechanisms used by bilateral and multilateral donor institutions, through countries' budget support, to incentivize spending or investment on social and environmental issues.

This review should be based on a desk review of the literature, as well as a more in-depth analysis of fiscal incentive mechanisms in several countries in Asia Pacific, including Indonesia, Mongolia and the Philippines, and at least two countries in other regions.

2. Based on the above analyses of country experiences and available literature, distill lessons learnt and develop guidelines/ recommendations which would include:
 - Identification of typologies of central-to-subnational incentive mechanisms;
 - Where information is available, assessment of the effectiveness of mechanisms in terms of channeling (additional) resources to priority areas and overall improved outcomes in key areas;
 - Recommendations on revising fiscal incentive mechanisms within the context of wider fiscal decentralization.
3. Based on above review and recommendations provide inputs to several ongoing country-level fiscal reform initiatives.

The timeline for deliverables is expected as follows:

Deliverable	Timeline
Inception report – methodology and approach, preliminary literature review, annotated outline of final report (5 working days)	15 May 2017
First draft – review, including detailed case studies of three countries (10 working days)	15 July 2017
Second draft – review, including detailed case studies of two more countries (7 working days)	15 September 2017
Final report- The final report will include case studies of five countries (TBD), about 5-10 pages each (8 working days)	31 October 2017

Institutional Arrangement

The consultant will report to Team Leader, Inclusive Growth Team at UNDP Bangkok Regional Hub, or a relevant delegated staff member. The consultant will work closely and in consultation with members of the Inclusive Growth Team; as necessary, the consultant will work closely and in consultation with management and staff of selected country offices of UNDP.

Duration of the Work

The assignment is for a duration of 30 days intermittently between 24 April and 31 October 2017.

Duty Station

Home-based without travel.

COMPETENCIES

- Cultural and gender sensitivity and ability to work with people from different backgrounds.
- Ability to work both independently and in a team and ability to deliver high quality work on time.
- Ability to liaise with stakeholders and partners, including governments, research institutions, civil society.

REQUIRED SKILLS AND EXPERIENCE

Educational Qualifications:

- Advanced university degree in economics with a focus on public finance.

Experience

- At least 8 years of experience in public financial analysis, with focus on fiscal decentralization.
- Track record of research in this area.
- Experience of advising developing countries' governments in the area of public finance is desired.

Language requirements

- Excellent written and spoken skills in English.

Price Proposal and Schedule of Payments

The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee, travel costs, living allowance (if any work is to be done outside the IC's duty station) and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will be fixed output-based price regardless of extension of the herein specified duration. Payments will be done upon completion of the deliverables/outputs and as per below percentages:

- Deliverable 1- Inception report (methodology and approach, preliminary literature review, annotated outline of final report): 20% of total contract amount
- Deliverable 2- (First draft – review, including detailed case studies of three countries): 20% of total contract amount
- Deliverable 3- (Second draft – review, including detailed case studies of two more countries): 30% of total contract amount
- Deliverable 4- (Final report): 30% of total contract amount

In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources

In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the Individual Consultant, prior to travel and will be reimbursed.

Evaluation Method and Criteria

Individual consultants will be evaluated based on the following methodology:

....Cumulative analysis

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as a) responsive/compliant/acceptable; and b) having received the highest score out of set of weighted technical criteria (70%). and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment.

Technical Criteria for Evaluation (Maximum 70 points)

- Criteria 1 Relevance of education - Max 10 points
- Criteria 2 Experience in public financial analysis and on fiscal decentralization - Max 20 Points
- Criteria 3 Track record of research in this area - Max 20 points

- **Criteria 4 Assessment of approach/methodology to assignment – Max 20 Points**

Only candidates obtaining a minimum of 49 points (70% of the total technical points) would be considered for the Financial Evaluation.

Documentation required

Interested individual consultants must submit the following documents/information to demonstrate their qualifications. Please group them into **one (1) single PDF document** as the application only allows to upload maximum one document:

- **Letter of Confirmation of Interest and Availability** using the template provided in Annex II.
- **Personal CV or P11**, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the Candidate and at least three (3) professional references.
- **Technical proposal (maximum 3 pages)**, including a) a brief description of why the individual considers him/herself as the most suitable for the assignment; and b) a methodology, on how they will approach and complete the assignment.
- **Financial proposal**, as per template provided in Annex II. Note: National consultants must quote prices in US Dollar.

Incomplete proposals may not be considered.

