

INDIVIDUAL CONSULTANT PROCUREMENT NOTICE / TERMS OF REFERENCE

Title of Individual Consultant: *Team Leader of Second phase of Mongolia Development Finance Assessment*

Project title: Aid Effectiveness (00092193)

Duration of assignment: 10 May 2017 – 30 September 2017

Duty station: Home-based with travel to Mongolia

Proposal should be submitted through the UNDP Jobs site no later than ____27 April 2017____.

BACKGROUND

UNDP's Bangkok Regional Hub supports UNDP Country Offices in the Asia and Pacific region by providing access to knowledge and advisory services, with a focus on Democratic Governance and Peacebuilding, Resilient and Sustainable Development, and Inclusive Growth and Poverty Reduction. The Bangkok Regional Hub serves as the Secretariat for the Asia Pacific Development Effectiveness Facility (AP-DEF), a country-led regional platform, chaired by the Government of Bangladesh, which supports countries to implement their national agendas on development finance and cooperation. The Facility is a platform for regional dialogue, cooperation, and sharing of country knowledge and experiences. It is responding to the growing demand from countries in Asia Pacific to establish evidence and analysis, and introduce policy and institutional reforms for managing the increasing complexity of domestic and international sources of finance for development.

UNDP's Bangkok Regional Hub and AP-DEF have been developing the Development Finance Assessment (DFA), a tool to respond to the growing demand from countries in the region to establish evidence and analysis, and introduce policy and institutional reforms for managing the increasing complexity of domestic and international sources of finance for development. DFAs were introduced as the very first development finance studies of their kind, seeking to bring together fragmented approaches on the use of the different sources of funds that may not all be primarily dedicated to address development challenges.

The DFA provides governments with data and analysis on the quality of their national development strategies/plans and country results frameworks, changing trends in development finance and their alignment with national priorities and results. It aims to examine aspects that affect the national development planning and budgeting, including macroeconomic context, national development plans, relations between national planning and budgeting, progress on MDGs and readiness for SDGs. The analysis on financial flows includes analysis of each individual financial flow and their respective relevance to finance national development goals, with a focus on effectiveness. It also helps formulate recommendations for how institutions and systems might be adjusted to ensure that different sources of development finance are managed within a coherent framework, which better supports the implementation of the SDGs.

Significant changes are taking place in the development finance landscape worldwide. Countries like Mongolia are going through transition in terms of mobilizing and managing resources - both domestic and external as well as public and private - to finance their development plans and aspirations. In 2016, Mongolia developed a Long-Term Strategic Development Vision of Mongolia till 2030 (SDV) and the parliament passed the Law on Long-Term Planning, which required shorter-term, sectoral and subnational plans to be based on the SDV. The SDV seeks to achieve greater continuity of policy and greater coherence between national and subnational development plans.

Mongolia, along with other UN Member States, has adopted the Agenda 2030 in 2015, signaling its commitment to sustainable development. In parallel with development of the SDV, the government also initiated an effort to localize the Sustainable Development Goals with a view of adopting them as the monitoring and evaluation framework for the SDV.

Following the rise and decline in mineral prices, Mongolia's economy has experienced a pronounced economic boom and bust cycle in the past decade. After a peak of 15.3 percent growth in 2011, the growth started declining

and in 2015, GDP per capita has registered near zero growth.^{1,2} In July 2016, Mongolia was reclassified by the World Bank from the upper middle-income group, which it inhabited briefly, to lower middle-income country group. The fiscal debt has expanded to 76 percent of GDP at end-2014 and the country was assessed at risk of high debt distress in the medium term, although the long-term debt sustainability is considered good. Moreover, repayment of major debts will start from 2017, as Mongolia has borrowed heavily on concessional terms since the early 1990s; additionally, in recent years it has increasingly borrowed on non-concessional terms.

In this connection, Mongolia is undertaking a Development Finance Assessment (DFA), which considers the links between finance and national development priorities and the scope for stronger alignment of finance with the national development plan and the SDGs moving forward. In particular the assessment will help provide recommendations for a road map for establishing an Integrated National Financing Framework.

As the Secretariat of the Asia Pacific Development Effectiveness Facility (AP-DEF), UNDP's Bangkok Regional Hub developed the Development Finance Assessment (DFA), a tool to respond to the growing demand from countries in the region to establish evidence and analysis, and introduce policy and institutional reforms for managing the increasing complexity of domestic and international sources of finance for development. DFAs were introduced as the very first development finance studies of their kind, seeking to bring together fragmented approaches on the use of the different sources of funds that may not all be primarily dedicated to address development. The DFA provides planning and finance ministries with data and analysis on the quality of their national development strategies/plans and country results frameworks, changing trends in development finance and their alignment with national priorities and results. It also helps formulate recommendations for how institutions and systems might be adjusted to ensure that different sources of development finance are managed within a coherent framework, which better supports the implementation of the SDGs.

Overall objective:

To deliver a Development Finance Assessment which provides an overview of development finance flows and the institutions and policies that align this finance with national development priorities, to include recommendations for a roadmap, using the concept of an Integrated National Financing Framework, which will increase the alignment of financing flows – both public and private - to the Strategic Development Vision of Mongolia and the 2030 Agenda.

In particular the DFA will:

- Identify opportunities and gaps towards establishing integrated national financing frameworks (INFFs), which brings together policies for mobilising different types of finance for economic, environmental and social results into a single, coherent framework. The DFA can identify possible challenges and opportunities government may face in achieving sustainable development priorities while strengthening its INFF
- Provide an overview of the evolution of the flows of financing for development and their allocation and contribution to national priorities and results, as expressed in plans and policies at national, sector and sub-national levels. In particular the overview will look to how systems can be strengthened to better align finance with Mongolia's national development priorities and the Sustainable Development Goals (SDGs)
- Assess the role of the planning and budgeting process in linking both public and private finance with results, in the context of the SDGs
- Assess the roles and responsibilities of national institutions and their associated policies in managing or influencing the development of individual financial flows to contribute to the national development plan and SDGs
- Analyse the interface between different flows and the complementarities between the different sources of development finance in contributing to achieve national priorities and the SDGs

¹ National Statistical Office of Mongolia, www.1212.mn, accessed on 18 August 2016.

² GDP growth was 17.3 percent in 2011 and 2.4 percent in 2015.

A team comprised of one consultant International Team Leader and one national consultancy firm (with a national team leader) will be engaged to complete Phase 2 of the DFA, which will pick up from the Inception phase (Phase 1) that is completed by 10th May. The International Team Leader has overall responsibility for delivery of the Mongolia DFA Report, as well as coordinating and providing guidance for the inputs of the other team members and leading consultations during the DFA process.

SCOPE OF WORK AND DELIVERABLES

The scope of work should be read in association with the *DFA Methodological Guidance*, as the Team Leader will have overall responsibility for ensuring that the DFA report reflects the *DFA Methodological Guidance*, including overall objectives; scope of analysis (quantitative and qualitative); content of standard flow fiche analysis; recommendations and standard contents for the DFA report. The national team plays a significant role in data analysis, led by the guidance provided by the International Team Leader.

The scope of the DFA Mongolia is summarized as follows:

i) Analysis of the government's approach to financing SDGs within the lens of the Integrated National Financing Framework (INFF). Establishing an INFF is an ambitious long-term endeavour but on-going policy and institutional reforms in the areas of public finance and results-based management provide countries with a good starting basis to build upon. The INFF is seen to have the following six building blocks:

- **Institutional coherence** for establishing and managing an INFF; aspects will include leadership and political buy-in at highest level of Government, as well as institutional arrangements and coordination at various political, technical, and working levels
- A national development vision/plan with well-articulated set of priorities and **results**, including costed targets and indicators; the costed results and targets will need to be articulated in long term, medium term, and annually
- An **overall financing strategy** that links national development results with sources of finance, with attention to long, medium and annual results
- **Financing policies for specific finance flows**: domestic public, international public, domestic private, international private
- A **system for monitoring and evaluation** of the effective use of finance for results, in various time frames
- An **enabling environment for accountability and dialogue** of the use of finance for results

ii) Assessment of national planning and budgeting systems and their results orientation. The DFA will focus on the potential means to finance the country's national development priorities. The assessment will seek to identify how priorities have been formulated in plans and strategies in the last planning cycle at thematic levels, as well as in the national plan currently being formulated. The DFA will include a particular focus on an assessment of the alignment of national development priorities and targets with financial strategies and allocations. The analysis will include an assessment of the degree to which plans and policies include targets which are costed; how results frameworks function in practice; the coherence between sector / thematic plans and the SDGs; and the extent to which multiple stakeholders are involved in the planning and monitoring process.

ii) Mapping and analysis of financing for development flows and their associated policy and institutional frameworks. Development finance flows will be analysed according to two main categories: by source (domestic/external) and distinguishing them by public or private nature. This analysis will look to assess both quantitative trends in the changing nature of the development finance landscape over the past 10 years (depending on availability of data), as well as the policy and institutional coherence across flows in terms of their alignment with development priorities and the SDGs. The final report including data analysis will depend on data availability and subject to agreement with the Oversight Team on the use of national or international data sources.

iii) In depth analysis of 1-2 areas for strengthening the alignment of priority flows with the National Strategic Vision and the SDGs. Taking direction from the DFA government oversight team, the DFA also identifies 1 or 2 areas for more in-depth analysis; these focus areas could be the following: i) Analysis of a particular finance

flow; ii) Analysis of financing challenges around a particular national development priority; or iii) Analysis of a particular building block of the INFF. In addition to potential quantitative analysis, the assessment will include more detailed policy and institutional analysis of the options to make the best use of these resources for financing the SDGs.

iv) Roadmap to establish an Integrated National Financing Framework for achieving the national development goals and SDGs. The DFA will provide the government with policy and institutional recommendations for strengthening the alignment of development finance flows with national priorities and results. Part of the dialogue embedded in the DFA process will lead to the agreement of a roadmap which will support the government to: i) implement the main recommendations of the DFA analysis; ii) visualize the next logical and feasible steps to develop an Integrated National Financing Framework (INFF); and iii) identify the basis for support to be provided to the government as part of the proposed broader efforts to implement national development goals and the SDGs. This will require consultation with a range of stakeholders within the Oversight Team and beyond, throughout the process.

Expected Outputs, Deliverables and Timelines:

The following is the expected timeline and key milestones for the Mongolia DFA Phase 2 (the Inception Report produced during the Inception Phase will be provided to the International Team Leader and should be an input to the deliverables of the Phase 2):

First draft DFA Report, including flow fiche- 30 June 2017

Revisions to first draft DFA Report- July/August 2017

Second draft DFA report- 30 August 2017

Finalization/Validation Workshop/Mission- September 2017

Final DFA Report- September 2017

Expected Outputs and Deliverables

The Team Leader will have the following outputs and responsibilities in the Mongolia DFA Phase 2:

Lead process:

- Lead process of planning (via skype, email, etc) with the DFA team (National consultants, UNDP, and Government focal points)
- Provide oversight and substantial guidance to national consultant firm on drafting of literature review, stakeholder mapping and data collection to inform inception mission and report
- Outline roles for other team members and assist in their work as necessary

Flow Fiche Analysis and Information Source Overview Document:

- Provide guidance and quality assurance to other team members to produce these interim deliverables
- Give guidance to the national DFA team leader that will coordinate the national DFA team's collection and processing of quantitative and qualitative data from the national level institutions

First Draft DFA Report:

- Lead in drafting first draft DFA report, based on *DFA Methodological Guidance*, and drawing on the Inception Report produced during Phase 1
- Give guidance to the national DFA team leader that will coordinate inputs from the national team members
- Overall responsibility for incorporating feedback from OT and other stakeholders into DFA report
- Included in the First Draft DFA Report should be the Flow Fiche Analysis and Information Source Overview Document

Second Draft DFA Report:

- Based on feedback from Oversight Team, UNDP and other stakeholders, a second draft report will be delivered to serve as the basis for the following mission and discussion

- Give guidance to the national DFA team leader for the revision of national level data and agree on other inputs necessary from the national team members.

Validation Mission:

- Second draft DFA report is the basis for discussion with Oversight Team and stakeholders to garner opinions, feedback and ways forward
- Lead mission, including identification of required consultations
- Lead planning, facilitation and delivery of Workshop to share findings and recommendations of DFA report
- Meet with OT to discuss requirements to finalize and get Government endorsement of DFA Report

Final DFA Report:

- Lead in finalizing DFA Report for approval by OT, incorporating feedback received

Deliverables and Payment Terms/Schedule for Team Leader-Mongolia DFA Phase 2

Deliverables/Outputs	Target Due Dates
First Draft DFA Report following standard structure in <i>DFA Methodological Guidance</i>	30 June 2017
Second Draft DFA report following first round of comments	To be confirmed with Oversight Team
Final DFA Report of no more than 80 pages, plus annexes	30 September 2017

WORKING ARRANGEMENTS

Institutional Arrangements:

The Team Leader – Mongolia DFA will report directly to Governance and Development Effectiveness Advisor at UNDP Bangkok Regional Hub.

An Oversight Team (OT) for the DFA has been established under the overall leadership of the Ministry of Finance to act as member-Secretary of the oversight team and also will act as a day to day focal point throughout the DFA process. The OT will agree on the scope of the DFA and the work plan for its implementation. It will also endorse the final DFA and its associated recommendations for moving forward.

In this connection, the Team Leader-Mongolia DFA will consult closely, at all stages of the DFA process, with the Ministry of Finance and OT, from UNDP Mongolia Country Office and as well as UNDP Bangkok Regional Hub.

Duration of the Work

The Team Leader – Mongolia DFA assignment will be up to a **maximum of 32 working days** during the period 10 May to 30 September 2017. Two weeks review time is required for UNDP to review outputs, give comments, and certify approval/acceptance of deliverables. There is a possibility of extension of the contract.

Duty Station

This assignment is home-based, with 1 mission to Ulaanbaatar, Mongolia. UNDP Bangkok Regional Hub will cover the costs of travel undertaken by the consultant and travel arrangements will be made in compliance with UNDP rules and regulations.

REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

Academic Qualifications:

Relevant degree or equivalent advanced degree in economics, political science, public finance, public policy and administration, international relations, development studies or related field.

Years of experience:

Minimum of 7-10 years of relevant professional work experience on development finance, public financial management, and/or public administration.

Competencies:

Corporate Competencies:

- *Demonstrate integrity and ethical standards;*
- *Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;*
- *Treats all people fairly without favouritism;*
- *Promote the vision, mission and strategic goal of UN*

Functional Competencies:

- *Effective team player, with good communication, diplomatic and inter-personal skills;*
- *Has ability to communicate clearly and present coherent and well-founded arguments;*
- *Demonstrates openness to change, responds positively to feedback and different point of view;*
- *Excellent communication skills including presentations, networking and interpersonal skills;*
- *Has ability to synthesize large amounts of information into succinct written reports;*
- *Proven experience in writing, editing and proof reading; Strong analytical skills.*

Special skills requirements

- *Proficiency of spoken and written English is required;*
- *Research experience in the areas of public finance, budget review and public expenditure review, as well as on relevant topics of private finance, are required;*
- *Previous work on Development Finance and public financial management issues in the Asia-Pacific region*
- *Proven knowledge of the concept of Integrated National Finance Frameworks (INFF) and their adaptation at the country level will be considered a significant asset;*
- *Familiarity with UNDP's DFA approach, with previous DFA studies considered an asset;*
- *Experience advising Governments at the country level on public policy reforms and financing strategies*
- *Excellent writing skills required, as demonstrated by previous research/analytical reports on relevant topics;*
- *Ability to lead consultations with senior Government officials required;*
- *Sound grasp of substantive policy issues in the public finance field;*
- *Excellent knowledge of data collection, analysis and statistical tools are essential;*
- *Advanced quantitative and econometric skills and experience with related data analysis tools are an advantage.*

PRICE PROPOSAL AND SCHEDULE OF PAYMENTS

The method of payment is output-based lump-sum scheme. The payments shall be released upon submitting the required deliverables and certification of their acceptance, by or before the due dates agreed with the Governance and Development Effectiveness Advisor.

<i>Deliverables/ Outputs</i>	<i>Payment</i>
1. First Draft DFA Report following standard structure in <i>DFA Methodological Guidance</i>	55%
2. Final DFA Report of no more than 80 pages, plus annexes	45%

EVALUATION METHOD AND CRITERIA

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: Minimum 7-10 years of relevant work experience on development finance, public financial management, and public administration– Max 20 Points*
- *Criteria 3: Research and advisory experience on public finance, budget review, and public expenditure review, as well as on relevant topics of private finance – Max 20 points*
- *Criteria 4: Experience advising Governments at the country level on public policy reforms and financing strategies – Max 20 points*

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

Documents to be included when submitting the proposals:

Interested individual consultants must submit the following documents/information to demonstrate their qualifications in one single PDF document:

- *Duly accomplished Confirmation of Interest and Submission of Financial Proposal Template using the template provided by UNDP (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.*

The short-listed candidate may be called for a written exam and interview.