



**Economic Commission  
for Africa**

**TERMS OF REFERENCE FOR NATIONAL  
CONSULTANTS - STUDY ON DOMESTIC RESOURCE  
MOBILISATION AND CREATION OF FISCAL SPACE TO  
ENABLE COUNTRIES CONTRIBUTE TO THE FINANCING  
OF NEPAD PROGRAMMES**

**Country: Botswana**

**Description of the assignment: STUDY ON DOMESTIC RESOURCE MOBILISATION AND CREATION  
OF FISCAL SPACE TO ENABLE COUNTRIES TO CONTRIBUTE TO THE FINANCING OF NEPAD  
PROGRAMMES**

**Period of assignment/services: 20 working days**

Proposals should be submitted in a sealed envelope clearly marked: **“STUDY ON DOMESTIC  
RESOURCE MOBILISATION AND CREATION OF FISCAL SPACE TO ENABLE COUNTRIES TO  
CONTRIBUTE TO THE FINANCING OF NEPAD PROGRAMMES”**

The submission should be registered upon delivery at the following address:

UNDP Resident Representative  
United Nations Building  
Government Enclave  
Cnr. Khama Crescent and Presidents' Drive  
Ground Floor Reception

**Submission Deadline:** January 4, 2013; 12.30pm (Botswana Time)

*NOTE: Consultancy firms/companies interested in applying for this assignment are free to do so provided they:*

- *Submit a CV of only one qualified consultant and present its bid in a manner that would allow for evaluation of the bid in accordance with the evaluation criteria specified in these solicitation documents. That is, the experience required is that of the individual who's CV would have been submitted by the company rather than that of the company. In this regard, the company by submitting a CV is bidding as an individual bidder rather than a company/firm.*
- *Further, if the submitted bid is successful, the ensuing contract will be between UNDP and the company and not the individual who's CV would have been submitted.*

## 1. Background

African governments have in foresight emphasized the primary significance of domestic resources in their 2001 NEPAD Founding Statement. Since then, there have been commitments at various fora, reiterated during the 17<sup>th</sup> African Union Summit (30 June 2011)<sup>1</sup> which stressed the need to transform existing political will on domestic development finance into concrete policy responses and actions. In particular, the Heads of State and Government Orientation Committee (HSGOC) underscored the need to step up the mobilization of additional domestic resources in support of NEPAD implementation to advance ownership, self-reliance and development effectiveness. In this regard, the HSGOC further noted the necessity for continuous engagement with relevant countries, regional bodies, pan-African institutions and the private sector on taking forward identified regional projects.

Most recently, at the summit of the HSGOC on the 28<sup>th</sup> January 2012, it was emphasised that mobilization of domestic resources by African Governments is critical for the implementation of projects that have been identified and prioritized through NEPAD. Hence, the dependency of the NEPAD programme on voluntary contributions by Member states and partners is untenable<sup>1</sup>. To move forward in this respect, the NEPAD Agency was directed to work with the United Nations Economic Commission for Africa (UNECA) and other partners to recommend appropriate mechanisms on domestic resource mobilization and to present these at one of the meetings of the HSGOC for consideration<sup>2</sup>.

AfDB, UNECA, WorldBank and ATAF have done significant research into the effective, inclusive and efficient DRM thus there is a need to consolidate the knowledge from these varied sources. There is also the need to identify the knowledge gaps in this previous research and fill this knowledge gap at regional and national levels.

Various constraints limit Africa's efforts to mobilize domestic resources. On the public sector side, these include low income levels that impact on government's direct taxation; cross-cutting structural bottlenecks, including high levels of informality, a lack of fiscal discipline and legitimacy and huge administrative capacity constraints as well as excessive granting of tax preferences, inefficient taxation of extractive activities, inability to fight abuses of transfer pricing by multinational enterprises, and excessive reliance on a narrow set of taxes for revenue.

The reform of the domestic financial sector is also critical in the mobilization of domestic resources for development. Several factors affect the depth and breadth of financial services provision in Africa. On the supply side, most of the African financial markets are still shallow and mostly dominated by the banking sector and thus by short-term financial instruments. This has made it harder for both the private and public sectors to tap on resources from the financial markets to finance investments that are critical to increase their production capacity. On the demand side, the majority of the population (mainly small enterprises and households) still lack access to formal financial services due to a combination of factors, including the cost of the services, lack of collateral for credit and other such conditions that exclude them from fully participating in the market.

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<sup>1</sup> Namibian President Hifikepunye Pohamba's remarks during the AU Summit of Heads of State and Governments Orientation Committee in Addis Ababa, Ethiopia, January 30, 2011.

<sup>2</sup> The original idea was to present it in June, but given the wide scope of the study, it is suggested that an interim report be presented at the June Summit of the Heads of State and Government Orientation Committee (HSGOC) while the final report will be presented at the January 2013 Summit.

Against this background, the NEPAD Planning and Coordinating Agency in collaboration with UNDP and UNECA is undertaking a study to explore strategies and viable modalities for improving the mobilization of domestic resources for national and NEPAD programmes.

## **2. Objective and Scope of Study**

The main objective of the study is to identify measures to boost domestic resource mobilization in Africa for financing national and NEPAD programmes. In particular, the study will seek to;

- Through literature review of reports, policies and recommendation of various national experts and specialist institutions, consolidate national knowledge on status and potentials for boosting domestic resource mobilization and create fiscal space to finance regional development programs. In this regard, you are expected to review trends in different sources of domestic financial resources (taxation, non-tax, savings, remittances, capital flight, pensions and insurance, and equity through capital markets development etc)
- Review and analyze trends in official development assistances at least over the last 10 years and to the extent possible show the proportion of these resources spend on major infrastructure projects and if any on projects of regional significance.
- Review the bilateral and regional programmes the country has undertaken to finance in the last 10 years and provide and analyze fiscal resources that the country has committed to bilateral projects(between two countries) as well as regional projects (involving at least three countries)
- Review trends in the country's foreign reserves/foreign assets in the last 10 years and examine the extent to which these resources can be tapped to boost the fiscal space and ability for the country to contributing to the financing of regional programs
- Contribute to regional knowledge on DRM through a literature review of research, policy recommendations and other studies undertaken on DRM by leading thinkers on the subject including AfDB, WorldBank, and UNECA among others.
- Identify national policy and institutional constraints to domestic resource mobilization and suggests measures that the country could adopt to address them in a bid to strengthen domestic resource mobilization and expand the fiscal space.
- Recommend overall domestic resource mobilization strategies and how these can be adopted in the country's development plans, and strategies and options for promoting or incentivising to contribute financial resources to finance NEPAD regional programmes on a sustainable basis.

## **3. Major tasks**

Under the direct supervision of the UNDP Economic advisor and overall supervision of the UNDP RSC-ESA, the national consultant will,

- Develop and present an inception report to the Economic advisor highlighting the methods and approaches, including data collection, that will be used to conduct the study;
- Mobilise and coordinate a national reference group that is inclusive of all DRM stakeholders including, private sector, tax payers, citizens, Tax Authorities, Central Banks, Auditors, planning authorities, finance ministries, natural resource ministries, DRM experts and local governments among others to support and provide comments on the study findings and recommendation—possibly through a validation workshop.

- Design and implement the study at national level and prepare and submit a national report to the validation workshop and finally to the UNDP country office through the Economic Advisor;
- Develop and implement effective methodologies and tools including data collection instrument including interview with key policy makers and other informants to all the necessary information and knowledge is captured for analysis;
- Undertake a comprehensive literature review of existing studies, consultancy reports, policies and recommendation of various national experts and specialist institutions aimed at boosting domestic resources mobilization and consolidates these into concrete evidence;
- Lead local and national level consultations on inception report, methodologies and tools, draft reports and recommendations to ensure that the conclusions of the report reflect consensus from government and non-government stakeholders.
- In conducting the study and drawing conclusions, the consultant is expected to take into account any Presidential Infrastructure Champion Initiative project(s) and offer proposals on how best these (if any) can be financed from domestic resources and fiscal space that would be created by implementing the study recommendations.
- The national consultant will also provide a review of national experiences in domestic resource mobilisation and any other information that may be required by required to draw upon to conduct a solid analysis of DRM issues in the country.

#### **4. The target countries in this case is Botswana**

#### **5. Required outputs**

The main outputs expected from the national consultants are:

1. Detailed Inception Report highlight the study design, data collection and methods of analysis and validation of results;
2. Draft report with evidence based analyses of existing policies and practices, trends, recommendations and stakeholders comment and inputs with due consideration of the impact on inclusive development, feasibility and sustainability of recommended options.
3. The draft report should also capture recommendations for policy, strategies and practical options for boosting DRM and fiscal spaces to enable government to contribute financial resources to finance NEPAD programmes, including the relevant Presidential Infrastructure Champion Initiative project(s) with distorting the financing of the country's medium term financing.
4. A final report incorporating comments from national consultations presented in soft copies and hard copies.

#### **6. Competencies**

- Solid demonstrated knowledge and understanding of domestic resource mobilisation and public finance issues;
- Experience in carrying out studies for the UN and/or international organisations;
- Ability to synthesize technical knowledge and case evidence in order to formulate informed practical policy and programme recommendations;
- Excellent communication, particularly writing skills, in English; and
- Ability to work independently.

## **7. Qualifications**

- Post-graduate degree in Economics, or other relevant field within the social sciences. A PhD degree is an asset.
- A minimum of 10 years of progressively responsible and relevant experience in the field of development;
- Excellent command of written and spoken English is essential;
- Experience with NEPAD process; and
- Record of research work and publications on the issues of domestic resource mobilization and public finance.

## **8. Coordination of the Assignment**

The National Consultant will be coordinated and directly supervised by the UNDP Economic Advisor in the country office and overall supervision and quality assurance being provided by UNDP RSC-ESA.

## **9. Timeline**

This assignment is expected to be undertaken over a period of one month after the recruitment of the national consultant and signing of the contract.

## **10. Reporting**

The national consultant will report to the UNDP Economic Advisor who will oversee and coordinate the study at the country level in liaison with UNDP RSC-ESA.

## **11. Evaluation**

Individual consultants will be evaluated based on the Cumulative Analyses methodology (weighted scoring method), where the award of the contract will 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 a pre-determined set of weighted technical and financial criteria specific to the solicitation.
  - Technical Criteria weight; (70%)
  - Financial Criteria weight; (30%)

Prior to the Technical evaluation listed below, a preliminary qualification will be undertaken on a yes/no basis to determine whether the consultant has complied with all the requisite submission documents. Non-compliance will lead to disqualification and the proposal will not be subjected to the next stage of evaluation which is described below. The following criteria and allocated points will be used in Technical Evaluation.

- Demonstrated knowledge of the country's context especially in social development issues (30 points).

- Good knowledge and understanding of the domestic resource mobilization and public finance issues (30 points).
- Knowledge of Botswana and the region's development challenges (30).
- Proven record in concise writing and reporting in English language (10 points).

Only Individual Consultants obtaining a minimum of 70% of the obtainable points of 100 points in technical evaluation would be considered for the Financial Evaluation. The total number of points allocated for the price component is 100. The maximum number of points will be allotted to the lowest price proposal that is opened and compared among those technical qualified candidates who have attained a minimum of 70% score in the technical evaluation. All other price proposals will receive points in inverse proportion to the lowest price.

## 12. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

Interested individual consultants **must** submit the following documents/information to demonstrate their qualifications:

### 1. Proposal:

- A capability statement detailing why they are the most suitable for the work with reference made to similar work that has been conducted with traceable referees and the costs of the work. The statement to be in not more than 500 words.
- Provide a brief methodology on how they will approach and conduct the work.

### 2. Financial proposal

- Expected daily rate
- An indication whether this rate is flexible

3. Personal CV including past experience in similar projects and at least 3 references and copies of academic qualifications.

**Non submission of the above, will lead to disqualification. See details on the Evaluation criteria.**

### Financial Proposal

The financial proposal will specify the daily fee, travel expenses and per diems quoted in separate line items, and payments are made to the Individual Consultant based on the number of days worked.

Name of Consultant: .....

Price Schedule Breakdown Structure (in US\$ or BWP)				
Item	Unit Cost	Description of Unit	# of Units	Total Cost
Daily Consulting Fee		day		
Other Costs (please		unit		

specify)				
Grand Total				
Submitted by (Name & Signature):				
Date:				

UNDP applies a fair and transparent selection process that would take into account both the technical qualification of Individual Consultants as well as their price proposals. The contract will be awarded to the candidate obtaining the highest combined technical and financial scores.

UNDP retains the right to contact references directly.