**INDIVIDUAL CONSULTANT PROCUREMENT NOTICE** 

**Public Expenditure Review for Environment and Natural Resources Management and National Agriculture Investment Plan**

 Date: 1st November 2019

Country: **Malawi**

Place of assignment: **Lilongwe**

Field visits: …… **Days**

Description of the assignment: **Public Expenditure Review for Environment and Natural Resources**

 **Management and National Agriculture Investment Plan**

Project name: **Poverty-Environment Action for the SDGs**

Period of assignment/services (if applicable): **35-person days (Spread over 3 calendar months)**

Application Deadline: **11th November 2019**

Starting Date: **25th November 2019**

Proposal should be submitted at the following email address: procurement.mw@undp.org no later than **11th November 2019**

Any request for clarification must be sent in writing, or by standard electronic communication to the address or e-mail indicated above. Procurement Unit will respond in writing or by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.

1. **Background Poverty-Environment Action for SDGs – Malawi**

The Poverty-Environment Action for Sustainable Development Goals (Poverty-Environment Action) is a joint UNDP-UN Environment initiative that seeks to deliver technical advice, advocacy and knowledge products (KP) for supporting the Government of Malawi in the implementation of core government businesses, policies and plans in the environment, natural resources (ENR) and related sectors. It seeks to foster integration of environmental sustainability and climate objectives in development planning, budgeting and monitoring systems; and incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication. The Project focuses on leveraging agricultural production and gender equality to build resilience of households to shocks and to address food security and poverty alleviation through the sustainable management of the environment and natural resources. Implementation is spearheaded by the Department of Economic Planning and Development (EPD) in the Ministry of Economic Planning and Development (MoEPD), which is Malawi Government's main planning agency responsible for national economic and development planning and monitoring and evaluation of socio-economic issues in the country.

# RATIONALE FOR A PUBLIC EXPENDITURE REVIEW ON ENVIRONMENTAL AND NATURAL RESOURCES AND AGRICULTURE SECTORS

In order to ensure expenditure by government and donors is consistent with national development objectives, it is necessary to have a clear understanding of the level of expenditure and how it is spent. A key tool to assess the consistency of government and donor expenditure with policy objectives such as the sustainability and related objectives in the Malawi Growth and Development Strategy MGDS) III, National Agriculture Implementation Plan NAIP), National Agriculture Policy (NAP) and related sectors is Public Expenditure Reviews (PERs). These involve the analysis of allocation and management of public expenditures and may cover all government expenditure or focus on a few priority sectors such as agriculture, water, land, infrastructure and others.

The GoM undertook a Public Expenditure Review of Malawi’s Environment and Disaster Risk Management Sectors in 2014 covering the period of 2006-2012. This particular exercise will focus specifically on the expenditure on ENRM sector with particular reference on expenditure on Agriculture with respect to National Agricultural Investment Plan (NAIP) and the new National Agricultural Policy (NAP). In effect, it will complement the PER of 2014 where it was found that only about 1% of government public expenditure was made in the ENRM sectors with a smaller amount of 0.9% going to the districts. The intention is to, among others, find out how much public expenditure has changed in the ENR sectors in the past 8 years and in addition highlight the need for increased budget allocation to the agriculture and related sectors that are the backbone of the country’s economy.

**2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK**

## Overall objective

The objective of the activity is to carry out a public expenditure review to assess and review the efficiency and effectiveness of the use of funds and investments by Ministries Departments and Agencies (MDAs) in the Environment and Natural Resources Management (ENRM) and agriculture sectors with an aim of providing policy and budget system recommendations for the enhanced implementation of their strategies, work plans and budgets to achieve set goals and objectives of the sectors toward achievement of MGDSIII and Sustainable Development Goals (SGDs) targets. As an extension to this objective the PER will provide a baseline for future trend analysis in the budget execution of these sectors towards sustainable development, achievement of MGDSIII and SDGs targets. The review period is 2013 to 2018 inclusive.

**Key deliverables:**

The following are the expected deliverables for the exercise:

1. Draft inception report
2. Stakeholder consultative minutes of the inception meeting
3. Final inception report
4. Draft report of the PER
5. Stakeholders’ meeting minutes /records that discussed and validated the results and policy recommendations
6. Final report for the PER including policy brief
7. Copies of the questionnaires and data (both primary and secondary) used in the study.

Table below shows the expected timeline for specific deliverables:

|  |  |  |
| --- | --- | --- |
| **Activity** | **Duration (weeks) from contract signing)** | **Proposed Dates** |
| Collection of relevant literature for the desk review | 1st week | 25th Nov to 1stDec 2019 |
| Produce draft inception report | 2nd week | 2nd to 8th Dec, 2019 |
| Conduct stakeholder consultative meeting | 3rd Week  | 9th to 15th Dec, 2019 |
| Produce a final inception report | 3rd Week | 16th to 22nd Dec, 2019 |
| Data collection (primary, secondary data including relevant documents for review) | 4th and 5th weeks  | 23rd Dec. to 5th Jan 2020 |
| Data entry and analysis | 5th 6th and 7thth weeks  | 6th Jan to 26 Jan 2020 |
| Produce a draft report of the PER and Policy Brief | **8th week** | 27th Jan to 2nd Feb. 2020 |
| Stakeholder meeting to discuss the results and policy recommendations | 9th week  | 3rd Feb to 9th Feb. 2020 |
| Final report for the PER, printing and Launching of Report |  10th, 11th and 12th Weeks | 10th Feb to 1st Mar. 2020 |

**Implementation Arrangements**

The consultant is expected to provide a methodology on how s/he will perform the assignment and provide time frames for the delivery of key outputs under the same.

S/he will report to the RSG portfolio manager and will work with the Poverty-Environment Action team based in government. He will also work closely with OPC and the ministry of agriculture.

**Contract Time frame**

The task is expected to take thirty-five (35) person days spread over a three-month time period.

**Payment Schedule and Specifications**

* Fist payment: Upon submission of an acceptable Inception Report: 20% of total payment
* Upon submission of an acceptable draft: 30 % of the total payment
* Upon approval of the final PER: 50% of the total payment

**3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS**

I. Academic Qualifications:

At least Master’s degree in Public Finance, Environmental Economics, Climate Change, Natural Resources and Environmental Economics or any other related fields;

II. Years of experience:

At least ten years of work experience in conducting expenditure reviews or in fields related to the assignment, preferably in Malawi or other African countries;

III. Competencies:

* Proven expertise in public expenditure reviews and Government budgetary systems, agriculture, environment and natural resources management, and climate change issues;
* Understanding of Government of Malawi operations and processes;
* Fluent in oral and written English and Chichewa;
* Excellent report writing, presentation and human relations skills
* Proven track record in undertaking PER on agriculture and/or environment and climate change.

**4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS**

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

1. Proposal:

(i) Explaining why they are the most suitable for the work

(ii) Provide a brief methodology on how they will approach and conduct the work (if applicable)

(iii) fill annex 1 Offeror’s Letter to UNDP attached

2. Financial proposal

3. Personal CV including past experience in similar projects and at least 3 reference**s**

**5. FINANCIAL PROPOSAL**

*[The procuring UNDP entities will choose among one of these two mechanisms.* *The lump sum approach is the preferred method, as it clearly links deliverables and payments transferring any unforeseen risks for the completion of the deliverable to the consultant. Once the mechanism has been selected, the other one shall be deleted to avoid any misunderstanding]*

* **Lump sum contracts**

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in instalments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount (including travel, per diems, and number of anticipated working days).

* **Contracts based on daily fee**

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

**Travel:**

All envisaged travel costs must be included in the financial proposal. This includes all travel to join duty station/repatriation travel. In general, UNDP should 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 case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and Individual Consultant, prior to travel and will be reimbursed

**6. EVALUATION**

Individual consultants will be evaluated based on the following methodologies:

 *Cumulative analysis*

*When using this weighted scoring method, the award of the contract should 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%*

*Please note that the Office might choose desk review or/and interview to assess candidates. If interview the committee will draft questions that fall under evaluation criteria below. Only candidates obtaining a minimum of 49 point would be considered for the Financial Evaluation*

**Criteria**

**Technical: 70 Points**

*Criteria A: Academic qualifications (10…points)*

Master’s degree in Public Finance, Environmental Economics, Climate Change, Natural Resources and Environmental Economics or any other related fields

*Criteria B: Experience in conducting public expenditure reviews (35…points)*

Master’s degree in Public Finance, Environmental Economics, Climate Change, Natural Resources and Environmental Economics or any other related fields.

*Criteria C: Specific expertise in gender and environment (10…points)*

Knowledge of gender and its incorporation in the PER

*Criteria D: Methodology (15… points)*

**Financial: 30 Points**

**ANNEX 1-OFFEROR’S LETTER TO UNDP**

**ANNEX 2- INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS**

**ANNEX 2 - TERMS OF REFERENCES (TOR)**

**OFFEROR’S LETTER TO UNDP CONFIRMING INTEREST AND AVAILABILITY**

**FOR THE INDIVIDUAL CONTRACTOR (IC) ASSIGNMENT**

Date

Shigeki Komatsubara

United Nations Development Programme

Lilongwe, Malawi

Dear Sir/Madam:

I hereby declare that:

1. I have read, understood and hereby accept the Terms of Reference describing the duties and responsibilities of [*indicate title of assignment*] under the [*state project title*];
2. I have also read, understood and hereby accept UNDP’s General Conditions of Contract for the Services of the Individual Contractors;
3. I hereby propose my services and I confirm my interest in performing the assignment through the submission of my CV which I have duly signed and attached hereto as Annex 1;
4. In compliance with the requirements of the Terms of Reference, I hereby confirm that I am available for the entire duration of the assignment, and I shall perform the services in the manner described in my proposed approach/methodology which I have attached hereto as Annex 3 [delete this item if the TOR does not require submission of this document];
5. I hereby propose to complete the services based on the following payment rate: *[please check the box corresponding to the preferred option]:*
* An all-inclusive daily fee of [*state amount in words and in numbers indicating currency]*
* A total lump sum of [*state amount in words and in numbers, indicating exact currency]*, payable in the manner described in the Terms of Reference.
1. For your evaluation, the breakdown of the abovementioned all-inclusive amount is attached hereto as Annex 2;
2. I recognize that the payment of the abovementioned amounts due to me shall be based on my delivery of outputs within the timeframe specified in the TOR, which shall be subject to UNDP's review, acceptance and payment certification procedures;
3. This offer shall remain valid for a total period of \_\_\_\_\_\_\_\_\_\_\_ days [*minimum of 90 days*] after the submission deadline;
4. I confirm that I have no first degree relative (mother, father, son, daughter, spouse/partner, brother or sister) currently employed with any UN agency or office *[disclose the name of the relative, the UN office employing the relative, and the relationship if, any such relationship exists];*
5. If I am selected for this assignment, I shall *[please check the appropriate box]:*
* Sign an Individual Contract with UNDP;
* Request my employer *[state name of company/organization/institution]* to sign with UNDP a Reimbursable Loan Agreement (RLA), for and on my behalf. The contact person and details of my employer for this purpose are as follows:

1. I hereby confirm that *[check all that applies]*:
* At the time of this submission, I have no active Individual Contract or any form of engagement with any Business Unit of UNDP;
* I am currently engaged with UNDP and/or other entities for the following work:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Assignment** | **Contract Type** | **UNDP Business Unit / Name of Institution/Company** | **Contract Duration** | **Contract Amount** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

* I am also anticipating conclusion of the following work from UNDP and/or other entities for which I have submitted a proposal:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Assignment** | **Contract Type**  | **Name of Institution/ Company** | **Contract Duration** | **Contract Amount** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. I fully understand and recognize that UNDP is not bound to accept this proposal, and I also understand and accept that I shall bear all costs associated with its preparation and submission and that UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.
2. ***If you are a former staff member of the United Nations recently separated, please add this section to your letter:*** I hereby confirm that I have complied with the minimum break in service required before I can be eligible for an Individual Contract.
3. I also fully understand that, if I am engaged as an Individual Contractor, I have no expectations nor entitlements whatsoever to be re-instated or re-employed as a staff member.
4. Are any of your relatives employed by UNDP, any other UN organization or any other public international organization?

 YES  NO If the answer is "yes", give the following information:

|  |  |  |
| --- | --- | --- |
| **Name** | **Relationship** | **Name of International Organization** |
|  |  |  |
|  |  |  |
|  |  |  |

1. Do you have any objections to our making enquiries of your present employer?

 YES  NO 

1. Are you now, or have you ever been a permanent civil servant in your government’s employ?

 YES  NO  If answer is "yes", WHEN?

1. REFERENCES: List three persons, not related to you, who are familiar with your character and qualifications.

|  |  |  |
| --- | --- | --- |
| **Full Name** | **Full Address** | **Business or Occupation** |
|  |  |  |
|  |  |  |

1. Have you been arrested, indicted, or summoned into court as a defendant in a criminal proceeding, or convicted, fined or imprisoned for the violation of any law (excluding minor traffic violations)?

 YES  NO  If "yes", give full particulars of each case in an attached statement.

I certify that the statements made by me in answer to the foregoing questions are true, complete and correct to the best of my knowledge and belief. I understand that any misrepresentation or material omission made on a Personal History form or other document requested by the Organization may result in the termination of the service contract or special services agreement without notice.

 DATE: SIGNATURE:

NB. You will be requested to supply documentary evidence which support the statements you have made above. Do not, however, send any documentary evidence until you have been asked to do so and, in any event, do not submit the original texts of references or testimonials unless they have been obtained for the sole use of UNDP.

**Annexes** *[please check all that applies]***:**

* CV shall include Education/Qualification, Processional Certification, Employment Records /Experience
* Breakdown of Costs Supporting the Final All-Inclusive Price as per Template
* Brief Description of Approach to Work (if required by the TOR)

**ANNEX 2**

**BREAKDOWN OF COSTS[[1]](#footnote-2)**

**SUPPORTING THE ALL-INCLUSIVE FINANCIAL PROPOSAL**

1. **Breakdown of Cost by Components:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost Components** | **Unit Cost** | **Quantity** | **Total Rate for the Contract Duration** |
| 1. **Personnel Costs**
 |  |  |  |
| Professional Fees |  |  |  |
| Life Insurance |  |  |  |
| Medical Insurance  |  |  |  |
| Communications |  |  |  |
| Land Transportation |  |  |  |
| Others (pls. specify) |  |  |  |
|   |  |  |  |
| 1. **Travel[[2]](#footnote-3) Expenses to Join duty station**
 |  |  |  |
| Round Trip Airfares to and from duty station |  |  |  |
| Living Allowance |  |  |  |
| Travel Insurance |  |  |  |
| Terminal Expenses |  |  |  |
| Others (pls. specify) |  |  |  |
|  |  |  |  |
| 1. **Duty Travel**
 |  |  |  |
| Round Trip Airfares |  |  |  |
| Living Allowance |  |  |  |
| Travel Insurance |  |  |  |
| Terminal Expenses |  |  |  |
| Others (pls. specify) |  |  |  |

1. **Breakdown of Cost by Deliverables\***

|  |  |  |
| --- | --- | --- |
| **Deliverables***[list them as referred to in the TOR]* | **Percentage of Total Price (Weight for payment)** | **Amount** |
| Deliverable 1 |  |  |
| Deliverable 2 |  |  |
| …. |  |  |
| Total  | 100% | USD …… |

*\*Basis for payment tranches*

**Terms of Reference**

**PUBLIC EXPENDITURE REVIEW FOR ENVIRONMENT AND NATURAL RESOURCES MANAGEMENT AND NATIONAL AGRICULTURE INVESTMENT PLAN**

**Location:** Malawi (Lilongwe)

**Application Deadline:** 11th November 2019

**Category:** Environment and Sustainable Development (ESD)

**Type of contract:** Short Term Individual Consultant (National)

**Reporting Language:** English

**Starting Date:** 25th November 2019

**Expected duration of Assignment:** 35-person days (Spread over 3 calendar months)

**Project Title:** POVERTY-ENVIRONMENT ACTION FOR THE SDGS

**Background Poverty-Environment Action for SDGs – Malawi**

The Poverty-Environment Action for Sustainable Development Goals (Poverty-Environment Action) is a joint UNDP-UN Environment initiative that seeks to deliver technical advice, advocacy and knowledge products (KP) for supporting the Government of Malawi in the implementation of core government businesses, policies and plans in the environment, natural resources (ENR) and related sectors. It seeks to foster integration of environmental sustainability and climate objectives in development planning, budgeting and monitoring systems; and incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication. The Project focuses on leveraging agricultural production and gender equality to build resilience of households to shocks and to address food security and poverty alleviation through the sustainable management of the environment and natural resources. Implementation is spearheaded by the Department of Economic Planning and Development (EPD) in the Ministry of Economic Planning and Development (MoEPD), which is Malawi Government's main planning agency responsible for national economic and development planning and monitoring and evaluation of socio-economic issues in the country.

# INTRODUCTION

The economy of Malawi is heavily dependent on the agricultural sector which in turn is highly dependent on the country’s abundant environment and natural resources. Thus, the agricultural sector accounts for about 30 percent of the Gross Domestic Product (GDP) (Government of Malawi, Annual Economic Report, 2014) and about 90 percent of the country’s export earnings. Over 80 percent of the total labour force is employed in the agricultural sector. The sector also contributes about 60-70 percent of the inputs to the country’s manufacturing industry. This makes the country highly vulnerable to impacts of environment and natural resource (ENR) degradation and climate change. For example, unsustainable natural resource use, prolonged dry spells, droughts and floods compound the pressure on the natural resource base, negatively affecting the performance of other key sectors such as water, agriculture and energy.

The country’s economy is faced with two interlinked challenges of persistently high poverty levels and high ENR degradation rates. With respect to poverty levels, Malawi’s 2010 poverty headcount ratio at the national poverty line was 50.7 percent while the more inclusive Multidimensional Poverty Index indicated a poverty rate of 66.7 percent for the same year (Oxford Poverty and Human Development Initiative, 2013). Unfortunately, however, the country is facing unabated deforestation rates, estimated at between 1.0 percent and 2.8 percent per annum (PEI, 2015). This is induced by the high dependence on solid fuels (fuel wood and charcoal), estimated at 98.7 percent (Ministry of Natural Resources, Energy and Environment’s State of Environment Report, 2010). As a result, Malawi’s forest cover decreased from 41 percent in 1990 to 35 percent in 2008 and this rate of decline is reported as the highest in the Southern Africa region (Ministry of Natural Resources, Energy and Environment, 2010; Ministry of Economic Planning and Development, 2011).

A two-way complex cause and effect relationship thus exists between Malawi’s poverty levels and ENR utilization and degradation. On the one hand, poor households depend on ENR for their livelihoods, and on the other hand, the country’s high poverty rate contributes to ENR degradation. Interestingly, sustainable ENR use and agriculture productivity have been found to have the highest poverty reducing effects when compared to industry and services sectors. In this regard, Yaron, et al (2011) points out that soil erosion is a major cause of hunger and poverty in Malawi. This is because soil erosion leads to reduced agricultural yields. Conversely if soil erosion was addressed, 1.88 million people could have been lifted out of poverty between 2005 and 2015 in Malawi.

The irony however, is that the over the years, the government investments in the ENRM sectors has been very low despite the fact that the sectors and in particular the agricultural sector is the main building block of the country’s economic fortune and holds the key to unlocking the full potential of the country’s economic growth and overall development.

For instance, the study on overcoming poverty, confirmed that complex relationships exist between economic activity and the environment and that a 1% (317 sq km) decrease in forest cover in the long-run is likely to reduce Gross Domestic Product (GDP) per capita by 0.6% (US$1.50). In real terms, this translates to a loss in income of nearly US$24 million per year.

The agriculture sector is key to the achievement of ENR sustainability and poverty eradication as a significant proportion of the activities in agriculture depend on environment and natural resources. Over 80% of Malawians depend on agriculture as their main economic activity and a major source of livelihood.

Investigations into the linkages between the agriculture sector and national income per capita growth show that in the long-run, positive changes in the agriculture value added have significant positive poverty reduction effects. This is evidenced by the fact that a 1% (Us$1,000,000) increase in agriculture value-added[[3]](#footnote-4) will likely increase GDP per capita by 2.3% (US$6.00) or an increase of GDP of US$90 million. This finding confirms the fact that a sustained growth in agricultural sector is critical for national growth and poverty reduction objectives. In addition, the study findings also show that a 1% (US$300,000) increase in government expenditure on the ENR sector leads to 0.43% increase in per capita GDP which is equal to nearly US$17 million increase in GDP. The econometric results further show bi-directional relationships between GDP per capita and the variables of fish catch, government expenditure on ENR, agriculture value-add, and gross capital formation*.*

Interestingly, empirical findings from PEI in the first and second phase of the project have revealed the importance of investment in ENRM to the agricultural sector in particular and to the overall growth of the economy and in poverty and food insecurity reduction. When gender is factored into the equation, the results also show that appropriate and targeted investments in the ENRM sectors that are focussed on women would significantly promote economic empowerment thus reducing the incidence of poverty and food insecurity since women are largely responsible for meeting households’ food needs in the country.

This result is consistent with other studies by the World Bank, UN Women and PEI (2014 and 2018) that show a large gap in gender agricultural productivity that is biased against the women smallholder famers in the country. Specifically, it has been estimated that the gender gap in agricultural productivity in Malawi has been estimated at 28 per cent, due to differences in access to agricultural implements, labour and crop choices (UN Women, UNDP-UNEP PEI and World Bank, 2015). Other structural constraints that contribute to gender gaps in the agriculture sector include women’s limited land ownership, tenure security and access to markets due to discriminatory, legal, social and customary norms as well as power relations and decision-making at the household level which affects women’s access to agricultural extension and advisory services (World Bank, FAO and IFAD, 2015; UN Women, 2015).

Closing the gender gap in agricultural productivity by empowering women farmers to become as productive as men could lift 238,000 people out of poverty, increase crop production by 7.3 per cent and increase national GDP by $100 million on an annual basis (UN Women, UNDP-UNEP PEI and World Bank, 2015). Findings from other studies suggest that male-headed household are likely to be 18 per cent more food secure than their female-headed counterparts, as they tend to have better access than women to fertile land (PEI Malawi, 2016). Agricultural productivity would increase significantly if women had the same access to natural resources as men (FAO, 2016; Müller et al., 2016). While increased investment in the ENRM sectors would undoubtedly improve the general environment under which women farmers in Malawi operate, these findings highlight the need for government, development partners and stakeholders to take appropriate targeted measures to increase women’s access to factors of production. This would help improve both household income and food security.

In summary the above highlights the development benefits of the sustainable management of ENR, particularly in the agricultural sector. The Government of Malawi has recognised this by including sustainability objectives in the MGDS III and the NAIP, which leads to a key issue; Do budgetary and other allocations and expenditure adequately support implementation of these sustainability objectives?

# RATIONALE FOR A PUBLIC EXPENDITURE REVIEW ON ENVIRONMENT NATURAL RESOURCES AND AGRICULTURE SECTORS

In order to ensure expenditure by government and donors is consistent with national development objectives, it is necessary to have a clear understanding of the level of expenditure and how it is spent. A key tool to assess the consistency of government and donor expenditure with policy objectives such as the sustainability and related objectives in the MGDS III, NAIP, NAP and related sectors is Public Expenditure Reviews (PERs). These involve the analysis of allocation and management of public expenditures and may cover all government expenditure or focus on a few priority sectors such as agriculture, water, land, infrastructure and others.

The analysis of public expenditures not only tracks the consistency of the allocation and use of the public expenditure with policy priorities, it can also be used to help assess that the output or results achieved from the use of the resources are sufficiently consistent with national development objectives. Ultimately, the exercise is aimed at helping to improve the efficiency and effectiveness of resource utilisation.

The GoM undertook a Public Expenditure Review of Malawi’s Environment and Disaster Risk Management Sectors in 2014 covering the period of 2006-2012. This particular exercise will focus specifically on the expenditure on ENRM sector with particular reference on expenditure on Agriculture with respect to National Agricultural Investment Plan (NAIP) and the new National Agricultural Policy (NAP). In effect, it will complement the PER of 2014 where it was found that only about 1% of government public expenditure was made in the ENRM sectors with a smaller amount of 0.9% going to the districts.  The intention is to, among others, find out how much public expenditure has changed in the ENR sectors in the past 8 years and in addition highlight the need for increased budget allocation to the agriculture and related sectors that are the backbone of the country’s economy.

The PER will focus on the Agriculture and ENR sectors as these two sectors are instrumental to the economy’s well-being since the country is an agro-based economy and the sectors are interlinked and key to the growth of our economy. The performance of these sectors depends on a robust development and effective implementation of their strategies, work plans and budgets, which requires appropriate budget allocations and expenditure.

Through a comprehensive and independent analysis of the systems and frameworks, this exercise (PER) will determine how public money has been managed, from budget formulation to disbursements and execution of the budget. The exercise will also identify funding gaps – funding gaps that appropriate private sector investments could help address, given the appropriate policy parameters and incentives. The results are also aimed at acting as an input in future designs of the projects and activities geared towards implementing the SDGs particularly those that focus on poverty reduction, food security, gender equality and live on land and water among others.

# OBJECTIVES

## Overall objective

The objective of the activity is to carry out a public expenditure review to assess and review the efficiency and effectiveness of the use of funds and investments by MDAs in the environment and natural resources management (ENRM) and agriculture sectors with an aim of providing policy and budget system recommendations for the enhanced implementation of their strategies, work plans and budgets to achieve set goals and objectives of the sectors toward achievement of MGDSIII and Sustainable Development Goals (SGDs) targets. As an extension to this objective the PER will provide a baseline for future trend analysis in the budget execution of these sectors towards sustainable development, achievement of MGDSIII and SDGs targets. The review period is 2013 to 2018 inclusive.

## Specific objectives and Scope of Work

1. An overview of allocations and trends in public expenditure for 2013-2018 from all sources (domestic and external revenue) captured in the national budget;
2. Analysis of trends from 2013-2018 in priority given to the ENRM and Agriculture sector within the overall national budget including trends on intra-sectoral allocations;
3. Analysis of the actual allocations and expenditures in the ENRM and Agriculture sectors on an annual basis for the period 2013-2018 by institution referencing the PER from 2006-2013 where necessary), type and amount. Expenditure on the NAIP should be specifically identified. A breakdown of intra-sector allocations and expenditures is to be provided.;
4. Analysis of the allocation and expenditure mix (including recurrent versus capital/development, salary versus non-salary, management/administrative and service delivery expenditure);
5. Analysis of the efficiency and effectiveness of expenditure allocation, disbursement and execution, particularly against MGDS II and sector objectives;
6. Analysis of the efficiency and effectiveness of budget allocation, disbursement, execution and monitoring mechanisms and formulas in various institutions under review. Identify areas for improved efficiency and cost savings, including with reference to best practice from other countries.
7. Identify implementation gaps existing in the Ministries between their stated objectives and their actual implementation plans and expenditures. (As for agriculture this will include a specific focus on NAIP and the NAP);
8. Outline the reasons for any differences between approved budgets versus actual disbursements and expenditures for the period under review and explain implications in terms of achievement of sector objectives;
9. Identify the level of collaboration and integration of the plans and implementation of activities in the two sectors (ENRM and Agriculture)
10. Assess and recommend appropriate financing mechanisms for sustainable natural resource management in the ENRM and in agriculture sectors, including through increasing budget allocations, donor funding, private investment and environmental fiscal reform measures.
11. Identify actions to Fastrack the coding system of tracking and accounting for expenditures in the ENRM and agriculture sectors and to delineate the expenditure on FISP from other budgetary allocations and expenditure for other activities in the agricultural sector.
12. To provide policy recommendations in both sectors regarding resource allocation, expenditures and actual budget implementation with respect to planned outputs.
13. Evaluate the performance of Malawi in relation to regional and international benchmarks that are relevant in the Malawi context. Cross country comparison will be made wherever possible throughout the report; and lessons will be identified from International best practices;
14. Identify key recommendations in improving budget systems and broader public finance management and draft an action plan. This is to be provided in the form of a matrix of issues, recommendations and suggested responsibilities, including by MDA.
15. Policy brief summarising the key findings, their implications of achievement of the ENRM and agriculture sector objectives in Malawi.

# AREAS OF FOCUS FOR THE PUBLIC EXPENDITURE REVIEW

This PER is sector specific, and in this case, it will cover the **Environment/Natural Resources** and **Agriculture sectors**.

It will include review of expenditure on the following: forestry, environmental management including biodiversity and broader ecosystems management, irrigation and water management, supply and sanitation, irrigation, disaster risk management, fisheries, agriculture – including a specific focus on the NAIP and NAP; climate change, energy, education and training related to ENR and Agriculture (and Agricultural Extension) as well as allocation to the Ministry of Gender for gender related agricultural activities.

The two sectors are closely linked, and they do not operate in isolation from other sectors. These sectors especially the ENR sector are cross cutting and a range of MDAs allocate funds relevant to the ENR sector. Thus, while the key ministries are the Ministry of Natural Resources, Energy and Mining and the Ministry of Agriculture, Irrigation and Water Development, other key sectors/institutions will be involved in the exercise, for example: Ministry of Lands, Housing and Urban Development, Ministry of Local Government and Rural Development, Ministry of Tourism, Ministry for Civic Education Wildlife and Culture. The PER should distinguish between expenditures in the two sectors. This is necessary so as to capture all the relevant expenditures in the ENR sectors and would also help to guide the development of the coding system that would eventually make it easy to account for expenditures on the ENRM sectors.

# METHODOLOGY

The consultant will carry out a literature review, including but not limited to: identifying good practice in undertaking PERs; the previous Malawi PER; relevant national and sector development planning, policy and strategy documents to gain a clear understanding of issues and objectives relevant to the ENR and agriculture sectors; budget allocation, expenditure and monitoring process guidelines.

A detailed methodology will be included in the inception report and presented to stakeholders. (Note applicants for the consultancy must submit an outline methodology when applying). A core component of the methodology will be the collection and review of budget allocation and expenditure data held by the relevant MDAs – see section 6 on Sources of Data.

Data collection tools will be developed, including a structured questionnaire for collecting key data on budget allocations and expenditures in selected MDAs. In addition, a semi-structured questionnaire will be used for guiding in-depth interviews that the consultant will conduct with various representatives of stakeholders to, *inter alia*, help carry out the analysis of the expenditure and develop recommendations for enhancing expenditure in the two sectors.

Following collection of data and other information stakeholders, data entry and analysis will be carried out and the PER drafted. The draft report will be reviewed by the Technical and Steering Committees and then shared with stakeholders for comments before being finalised.

The overall approach to this assignment will be participatory with the aim of ensuring ownership of the review results by all the stakeholders in the sectors. This is to include briefing relevant MDAs at an early stage on the PER and their part in it – before the inception workshop. A participatory approach will also enhance the adoption of the policy recommendations that will come out from this exercise into MDA work plans and strategies. In the same way dissemination of results will be simplified.

In summary the PER will be conducted as follows:

1. Desk review of the literature
2. Drafting and presentation of the inception report to the stakeholders for discussions and to solicit ideas and consent of key stakeholders in the country
3. Development of data collection tools
4. Data Collection
5. Data entry, analysis, and report writing
6. Presentation of the draft final report for validation by the Technical and also the Steering Committee
7. Sharing of the report with stakeholders for comments
8. Finalisation of the PER, including policy brief.

# SOURCES OF DATA

## Institutions

The key institutions include the central and line ministries, parastatals and local councils that are directly involved in matters of ENRM and Agriculture under the coding system as provided by the Integrated Financial Management System.

The coverage of institutions for this PER will include sub-vented parastatals but not commercial statutory corporations since sub-vented parastatals are the ones that substantially use funds transferred by the central government. The definition of public expenditure on the agriculture sector will include that of commercial statutory corporations since NEPAD guidelines specify that only net transfers to public enterprises operating in the sector on a commercial basis should be taken into account in agriculture PERs.

The initial list of institutions to be requested to provide information and data is as follows but not limited to;

1. Ministry of Environment and Climate Change Management (MoECCM)
2. Ministry of Lands, Housing and Urban Development (MoLHUD):
3. Ministry of Agriculture, including but not limited to Irrigation and Water Development MoAIWD): budgets and expenditures for irrigation and water development and management. The recurrent and capital expenditure collected will be those for water and irrigation resources development and management. Under this programme there are two sub-programmes namely, water supply and sanitation and water resources development (sub programmes 11-13 and 21-23).
4. City, municipality, town and district councils: Since 2009/10 financial year, as part of the process of decentralization, funds to various sectors including water, environment and forestry are transferred by Ministry of Finance to the local councils. These transfers and the corresponding expenditures will be captured in this report. For local authorities, the consultant will also capture expenditures for environment incurred by the four city councils, two municipalities, eight town councils and for environment and agriculture in twenty-eight district councils during the period under study.
5. The Department of Meteorological Services
6. Ministry of Health expenditures on environmental health.
7. University of Malawi, Mzuzu University and Lilongwe University of Agriculture and Natural Resources are public universities that have been that provide education in environment and natural resources. The costs that were incurred for providing this education have will be assessed;
8. National Herbarium and Botanic Gardens of Malawi; and
9. Commercial enterprises and parastatals and CSOs on agriculture e.g. ADMARC, Seed Companies, Civil Society Agriculture Network (CISANET), Centre for Environmental Policy and Advocacy (CEPA)
10. Other government affiliated agencies and parastatals including the office of the Attorney- General, the Office of the Accountant General and the Anti-Corruption Bureau

##  Documents, reports and other publications including:

1. Approved Estimates of Expenditure on Recurrent and Capital Budget for the financial years 2012/13 to 2018/2019, (Approved Financial Statements).
2. Consolidated Annual Appropriation Accounts for the financial years for the study period,
3. Budgets and expenditures for local authorities from the National Local Government Finance Committee
4. Expenditure Reports on Environment, Climate Change and Disaster Management activities by the Government of Malawi, Development Partners and NGOs;
5. Budget Statements and highlights;
6. Quarterly Aid Disbursements Sector Reports from the Aid Management Platform (AMP) in the Ministry of Finance, Economic Planning and Development.;
7. Malawi Annual Economic Reports
8. Various laws and policies on the environment and disaster risk management.
9. Malawi State of Environment and Outlook Report
10. Economic valuation of Sustainable Resource Use in Malawi

# DATA ENTRY, ANALYSIS AND REPORT WRITING

Upon completion of the data collection, the consultant will carry out data entry and analysis. This phase will be broken down into two periods. Data entry, analysis and report writing for PER on ENRM and for that for Agriculture is expected to last for about 4 weeks (20th December 2019 to 19 January 2020). This will ensure that work on each sector is more focused and commitment from the consultant towards each assignment is enhanced. This therefore entails that the PER should clearly distinguish between expenditure in the two sectors within the final report. The data collected will be analysed using Microsoft excel and E-views. At each point after analysing the data for each sector, a draft report will be produced for further scrutiny by the core consultant.

The draft report is to include analysis and recommendations consistent with the overall and specific objectives listed above.

The previous report on the Public Expenditure Review Report for Malawi’s Environment and Disaster Risk Management Sectors will also be used as reference for follow ups on the areas that were highlighted as policy recommendations and how these have been implemented during the period under study.

For international comparisons, the consultant will use two PER reports carried out by other countries.

# DELIVERABLES

The following are the expected deliverables for the exercise:

* Draft inception report
* Stakeholder consultative minutes of the inception meeting
* Final inception report
* Draft report of the PER
* Stakeholders’ meeting minutes /records that discussed and validated the results and policy recommendations
* Final report for the PER including policy brief
* Copies of the questionnaires and data (both primary and secondary) used in the study.

# TIMELINE

Table below shows the expected timeline for specific deliverables:

|  |  |  |
| --- | --- | --- |
| **Activity** | **Duration (weeks) from contract signing)** | **Proposed Dates** |
| Collection of relevant literature for the desk review | 1st week | 21st to 28th Oct., 2019 |
| Produce draft inception report | 2nd week | 29th Oct to 5th Nov., 2019 |
| Conduct stakeholder consultative meeting | 3rd Week  | 6th Nov 2019 |
| Produce a final inception report | 3rd Week | 7th to 8th Nov. 2019 |
| Data collection (primary, secondary data including relevant documents for review) | 4th and 5th weeks  | 11th Nov. to 21st Nov. 2019 |
| Data entry and analysis | 5th, 6th and 7th weeks  | 21st Nov. to 6th Dec. 2019 |
| Produce a draft report of the PER and Policy Brief | 8th week | 9th Dec. to 13th Dec. 2019 |
| Stakeholder meeting to discuss the results and policy recommendations | 9th week  | 16th Dec. 2019 |
| Final report for the PER, printing and Launching of Report |  10th, 11th and 12th Weeks | 23rd Dec 2019 to 17th January 2020 |

# QUALIFICATIONS REQUIREMENTS

The ideal consultants should meet the following qualifications, experience and attributes:

1. At least Master’s degree in Public Finance, Environmental Economics, Climate Change, Natural Resources and Environmental Economics or any other related fields;
2. Proven expertise in public expenditure reviews and Government budgetary systems, agriculture, environment and natural resources management, and climate change issues;
3. At least ten years of work experience in fields related to the assignment, preferably in Malawi or other African countries;
4. Understanding of Government of Malawi operations and processes;
5. Fluent in oral and written English and Chichewa;
6. Excellent report writing, presentation and human relations skills
7. Proven track record in undertaking PER on agriculture and/or environment and climate change.

# EVALUATION

The award of the contract shall be made to the consultant who has received the highest score out of pre-determined technical and financial criteria specific to the solicitation.

1. Technical criteria weight – 70 %
2. Financial criteria weight – 30 %

|  |  |
| --- | --- |
| **Criteria** | **Weight** |
| **Technical** | **70** |
| **Criteria A:** Educational Qualifications At least a master’s degree in Public Finance, Environmental Economics, Climate Change, Natural Resources and Environmental Economics or any other related fields; | 10 |
| **Criteria B:** Experience Proven track record in undertaking PER on agriculture and/or environment and climate change. Understanding of the tasks in the technical proposal.  | 35 |
| **Criteria C:** MethodologySoundness of methodology proposed and the time schedule | 15 |
| **Criteria D:** Specific expertise in gender and environment (10…points)Knowledge of gender and its incorporation in the PER | 10 |
| **TOTAL** | **100** |

# SCOPE OF PRICE PROPOSAL AND SCHEDULE OF PAYMENTS

A *Lump Sum Amount* payable modality is envisaged upon submission of deliverables and acceptance/approval by Treasury Department and the implementing partners (EPD and UNDP) for each identified task (reflected in the agreed and signed specific ToR). The lump sum amount is inclusive of all the costs related to the assignment. Payments are based upon output, i.e. upon delivery of the services specified in the ToR. All planned costs related to this consultancy must be specified in the proposal by the consultant.

# SUBMISSION OF PROPOSALS

Interested and qualified Individual Consultants are invited to apply. The applicants must submit the following documents/information to demonstrate their qualifications:

1. A technical proposal detailing applicants’ understanding of the ToRs, proposed methodology, and an updated CV;
2. Contacts (email and phone) of **three** former clients that will provide references for the applicant.
3. A detailed list of similar assignments (copies of these may be requested as necessary) that the consultant has conducted in the past.
4. A financial proposal breaking down cost for each operational line in the following three main categories: Professional Fees; Travel Expenses; and Communication and other expenses.

Interested Individuals that meet the above specifications should submit Technical and Financial proposals to procurement.mwi@undp.org by 11th November 2019. Late proposals and those that do not meet the specified requirements will not be considered.

# ANNEX: OUTLINE OF THE FINAL PER REPORT

Tentatively the report will follow the following structure:

COVER PAGE

ACKNOWLEDGEMENT

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2.0 BRIEF LITERATURE REVIEW

3.0 AREA OF FOCUS FOR THE PER

4.0 METHODOLOGY

4.1 The approach used

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5.0 THE MACROECONOMIC ENVIRONMENT

 5.1 General macroeconomic environment

 5.2 Budget framework and Budgeting process

1. ANALYSIS OF RESULTS

6.1 Analysis of budget, funding allocation, and expenditures for key institutions under review

* 1. Analysis of major types of expenditure
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	3. Analysis of the effectiveness of expenditure allocation, disbursement and execution;
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7.0 LIMITATION IN DATA ANALYSIS

8.0 OBSERVATIONS, OUTCOMES AND FINDINGS

9.0 LESSONS LEARNT (GOOD PRACTICES WORTHY SHARING)

10.0 RECOMMENDATIONS

11.0 CONCLUSION

ANNEXES

ANNEX 1: List of institutions visited for review

ANNEX 2: List of documents reviewed

ANNEX 3: Checklists

ANNEX 4: References

1. The costs should only cover the requirements identified in the Terms of Reference (TOR) [↑](#footnote-ref-2)
2. Travel expenses are not required if the consultant will be working from home. [↑](#footnote-ref-3)
3. **Value added agriculture** is the net output of agriculture sector after **adding** up all sectoral outputs and subtracting intermediate inputs. [↑](#footnote-ref-4)