

## INDIVIDUAL CONSULTANT PROCUREMENT NOTICE



Date: 11 December 2014

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**Country:** Asia Pacific Regional Centre, Bangkok - Thailand

**Description of the assignment:** Public Finance Expert/Team Leader- Bangladesh DFAA

**Duty Station:** Home based with travel to Bangladesh

**Project name:** UNDP Bangkok Regional Hub (BRH): Asia-Pacific Development Effectiveness Facility (AP-DEF)

**Period of assignment/services (if applicable):** maximum of 40 days during the period January- April 2015

Proposal should be submitted by email to [rcb.procurement.th@undp.org](mailto:rcb.procurement.th@undp.org) no later than **26 December 2014**. Any request for clarification must be sent in writing, or by standard electronic communication to the address or e-mail indicated above. UNDP Asia-Pacific Regional Centre 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.

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### 1. BACKGROUND

Bangladesh, currently a Least Developed Country (LDC), aims to graduate out of LDC status by 2021, close the remaining MDG gaps, and further open its economy to transition into a Middle Income Country (MIC). In order to achieve the MIC goal, Bangladesh needs to consolidate its already gained achievements and further expand its development targets. While the country has already developed a perspective plan where it detailed out its targets, development financing continues to be a major challenge to Bangladesh's development goals, since there has been steady trend of budget deficit. Thus, the country needs to ensure its access to a range of diverse sources of development finance.

Against the development targets and financing deficits, Bangladesh is planning to carry out a Development Finance and Aid Assessment (DFAA). The DFAA will help provide a clear understanding on the potential sources of resources needed for its future development initiatives. The DFAA is a comprehensive mapping of past, current and future sources of development finance. It considers domestic and public sources of development finance. On the domestic side public sources are tax and non-tax revenue and private sources are private investment and from philanthropic organizations. On the external side public sources include ODA, climate finance and south-south

cooperation (SSC) and private sources such as Foreign Direct Investment (FDI), remittances and private borrowing. The DFAA includes an assessment of relevant policies, institutional arrangements, technical systems and tools and human resource capacity to mobilize, manage, deliver, monitor and report on existing and future flows, together with recommendations on the way forward.

The findings and recommendations of the DFAA are primarily expected to inform a Comprehensive Development Finance Strategy for Bangladesh's Seventh Five Year Plan and more immediately alternative sources of finance for the implementation of the current Sixth Five Year Plan for 2011-15 (SFYP). It will also inform the Aid Policy which is underway, and the institutional arrangements necessary to implement the Aid Policy.

A team comprising a Public Finance Expert/Team Leader and 3 experts (Public Finance Specialist, Trade/Private Sector Specialist, South-South Cooperation Specialist) will be engaged to steer different aspects of the study but at the same time collaborate with each other's tasks to draw critical insights and lead the study towards realizing its goals. The team of consultants will work under the direct guidance of ERD Secretary and in close coordination with National Project Manager of the Aid Effectiveness Project.

The country-led DFAA study is being facilitated by the Asia-Pacific Development Effectiveness Facility (AP-DEF) through its regional work on development finance and effectiveness in Asia and the Pacific.

#### Additional Background Information on the Development Finance Context in Bangladesh

Bangladesh is confronted with a number of key policy considerations due to existing and emerging issues. Overall investment rate and consequently economic growth rates in the last two years are below target levels with future prospects including trade exports vulnerable to the European debt crisis. Tax revenue (as a % of GDP) though recently has reached double digits in 2011 (10.1%) and 2012 (10.53%) but still far short of realizing its full potentials. Remittances have plugged the trade and services account deficits and have kept the current account in surplus, but if they challenges continue to grow, it may not hold for much longer. Foreign assistance, particularly in the form of grant and concessional Official Development Assistance (ODA) though help address the challenges arising from budget deficits but it is evident both grant and concessional Official Development Assistance (ODA) are shrinking as percentage of GNI. This situation is complicated as the domestic, regional and global development finance landscapes are changing rapidly.

The Government of Bangladesh (GoB) is in the process of reviewing its Aid Policy to reflect these implications on future sources of development finance and the changing role of ODA. It seeks to better align future sources of development finance including ODA to Bangladesh's development priorities, enhancing their complementarity and value adding to domestic sources. In addition, the Aid Policy aims to capture the more inclusive partnerships for inclusive development espoused in the Busan Partnership Document. The government wishes to ensure that the Aid Policy is fully coherent and mutually reinforcing with policies relating to other sources of development finance.

Financing the implementation of the SFYP and achievement of the medium-term development priorities would require both private and public sector and domestic and external sources of development finance estimated then at an investment of 13.5 trillion taka (2011 prices). A significant share (90.7%) would come from domestic sources both private investments (82% of domestic share) including Public-Private Partnerships (PPP) and public sources (18%) such as tax

and non-tax revenue. A smaller share of the total resources needed to implement the SFYP would come from external sources (9.3%). These include from private sources (33.3%) largely Foreign Direct Investment (FDI) and public sources (66.6%) such as Official Development Assistance (ODA), South-South Cooperation (SSC) and external public borrowing.

A first review in 2012 by GoB of the SFYP implementation for the first two years (FY2011-12) reveals an emerging medium term resource constraint. National savings have declined of which projected public savings in the first two years of the SFYP have not materialized. Investments in critical infrastructure and energy including through Public-Private Partnerships (PPP) are slow, external trade and services account deficits have widened further from 2009 (US\$7.7 billion) in 2012 (US\$13.3 billion) but offset by significant inflows of remittances and income from private transfers keeping the current account in surplus. The GoB is exploring alternative sources of development finance including innovative finance for development (IFD) that are non-credit or on concessional terms and appropriate for its country context. The GoB sees a need for Bangladesh to mobilise substantial higher flows of FDI and ODA as key components for financing the required levels of investment for the SFYP.

The volume, role and nature of ODA in Bangladesh have changed. While there is some element of aid dependence (ODA is 11.83% of Central Government Expenditure), the nature of ODA has changed. From humanitarian relief and rebuilding largely delivered through bilateral aid, in the past to development cooperation via multilateral streams. Most aid to Bangladesh is project-based and fragmented with modest program-based approaches limited to the primary education and health sectors. A major concern is the persistent aperture between ODA disbursements and commitments. There is also a notable reversal of the grant to loan components of ODA where grants have declined from 90.5 per cent to 27.7 per cent while loans have increased from 9.5 per cent to 72.3 per cent and partially finance annual government budget deficits (around 5% of GDP). Alongside traditional ODA, south-south cooperation is becoming increasingly important for Bangladesh. However, data on SSC is not systematic and organized. Thus, understanding the volume of SSC, how it is managed, delivered, monitored and reported will be a key part of the DFAA.

Providers of ODA and development cooperation, traditional and emerging, bilateral and multilateral have a key role to play in strengthening the management and delivery of development finance in Bangladesh. Bangladesh has had a long history of local consultation which is currently known as the Local Consultative Group (LCG) being embedded in the Joint Cooperation Strategy, signed between the GoB and 18 Development Partners (DPs) in 2010. As an aid coordination mechanism, the LCG comprises of national stakeholders and DPs. In addition to its plenary, the LCG has eighteen working groups, including an Aid Effectiveness Working Group (AEWG). The AEWG focuses its work on enhancing the management and delivery of aid in ways that underpin the Busan, Paris, Accra commitment and principles. As the role of non-traditional development partners becomes increasingly important, further harmonization and alignment of their cooperation to national priorities and without duplication of other development partner efforts will be critical. Mutual accountability for development results monitored through the Development Results Framework integrated in Bangladesh's Five-year plan would be a key way forward.

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

The purpose of the DFAA for Bangladesh is to identify the potential implications of changes in the different sources of development finance in Bangladesh for the pursuit of national development priorities and its transition into MIC status, readiness for LDC graduation and implementation of the Post-2015 development agenda.

In doing so, the DFAA will:

- i. Map sources of development finance both domestic and external including aid to Bangladesh, assess and analyse policies, institutional arrangements, technical systems and tools, and human resource capacity to mobilise, manage, deliver, monitor and report on existing and future flows. In doing so, the assessment will focus on the following sector and sources:

### Sector

- Trade (sources of development finance and aid that go towards trade and trade related sectors, how they are mobilized, managed, delivered, monitored and reported)

### Domestic Sources

- Public Sources: Government Tax, non-tax, and other income
- Private Sources: Private Sector Corporate Social Responsibility (CSR);
- Public and Private: Alternative sources for financing the Government Budget Deficit

### External Sources

- Public Sources: ODA and its modalities, in particular Aid for Trade and Climate Finance, and South-South Cooperation;
- Private Sources: Remittances and FDI
- Public and Private: Innovative Financing for Development (IFD) that is feasible in the Bangladesh context.

- i. Inform the development of Bangladesh's Aid Policy and the relevant institutional reforms.
- ii. Provide key findings and recommendations in the DFAA Report to inform discussions at the next high level Bangladesh Development Forum and the formulation of the next five year national development plan.

Within (i) above, the DFAA will analyse the implications of a continued stagnation of domestic taxes (as % of GDP) and declining grant and concessional aid as percentage of GNI on the successful implementation of the SFYP as well as the design of the Seventh Five Year Plan. As part of the assessment of SSC, it will provide a detailed mapping and analysis of past and current SSC in Bangladesh, successes and challenges, comparative advantages, good practices for replication in Bangladesh and other countries as well as identification of Bangladesh's future demand for SSC. This aspect of the DFAA study will be undertaken as outlined in the DFAA Methodology for Bangladesh. By focusing on trade as a sector and on aid for trade and climate finance as external public flows, the DFAA will provide recommendations on requirements for further mainstreaming aid for trade and climate finance into the national and sub-national development planning and budgeting policies and processes and institutional decision making arrangements.

## Scope of Work:

The DFAA will involve a highly consultative process as managing development finance requires a collective effort from several parts of government, private sector, civil society and a number of development partners. The DFAA will cover six main categories of development finance, namely:

1. Domestic public resources. They include direct and indirect taxation (including mineral and petroleum taxation), non-tax revenues and public-private partnerships.
2. Domestic philanthropy. This category encompasses philanthropic assistance from national companies and high-net worth individuals.
3. Domestic private resources. This is comprised of domestic commercial borrowing and private sector corporate social responsibility.
4. External public sources. These are flows provided not purely in the interests of securing returns for the provider but also fully or partially with some developmental or environmental purpose in mind, although profits and other interests of the provider (e.g. commercial or geopolitical) may co-exist. It includes ODA, newer non-ODA flows such as South–South cooperation (SSC), flows which do not meet ODA concessionality requirements but are not at market terms with a clear element of financial subsidy, including other official flows (OOFs), (public) climate finance assistance and disbursement from vertical health funds such as Global Fund for Aids, Tuberculosis and Malaria (GFATM) and Global Alliance for Vaccinations and Immunization (GAVI). The DFAA will map existing external public assistance, modalities and approaches.
5. External philanthropic sources. Includes assistance from international foundations and corporations as well as from longer-standing contributors such as INGOs.
6. External private inflows. These either have a clear profit motive, including foreign direct investment inflows, or are largely outside government control, such as workers' remittances.

### Key tasks

The Public Finance Expert/Team Leader- Bangladesh DFAA will have the following key tasks:

- a) (January 2015): Pre-launch preparation:
  - Communication and consultation with all members of the DFAA team (consultants), as well as with focal points in Bangladesh MoF, UNDP Aid Effectiveness Project, and AP-DEF Secretariat at UNDP BRH
  - Begin to adapt DFAA methodology to Bangladesh context
  - Undertake preliminary desk-based data collection and analysis with a focus on a detailed stakeholder analysis
  - Develop list of key Bangladesh policy documents and analysis, including arranging translation where necessary, and summarizing the key literature
  - Provide a draft work plan for implementing the assessment for all components including case studies and a detailed schedule for first mission
  - Provide an draft work plan including: preliminary data findings and literature review; draft methodology for implementation of assessment including key stakeholders for consultation and data sources to be accessed; draft work plan for implementing the assessment
- b) (February 2015): Conduct first in-country mission to Bangladesh, preparations for the mission will include:
  - Working with Finance Division, ERD and Aid Effectiveness Project to prepare for DFAA inception launch workshop including support for selecting participants, preparing a draft agenda, and being ready to support the facilitation of the workshop.

- Setting up detailed schedule for the mission to finalize the methodology and work plan for assessment and to conduct interviews and stakeholder consultations.
- c) (February 2015) Prepare DFAA Inception Mission Report which summarizes findings of mission consultations and annotated outline of DFAA report.
- d) (March 2015): Lead in write-up of first draft DFAA report, including quality assurance of data, and coordination/incorporation of inputs from DFAA team members.
- e) (March 2015): Prepare for validation workshop including consultation and joint planning with Bangladesh MoF and UNDP.
- f) (March 2015): Lead 2nd in-country mission to Bangladesh, including presentation of DFAA report at the validation workshop.
- g) (April 2015): Lead in write-up to incorporate comments on first draft DFAA and produce final DFAA report for publication in Bangladesh, including a government foreword as necessary.
- h) (ongoing during DFAA): Implement DFAA work plan as agreed and including joint work with other DFAA team members.
- i) (ongoing during DFAA): Provide consolidated fortnightly updates on DFAA progress and status.

### 3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

#### **Education:**

- Master's Degree in Economics, Finance or related area

#### **Experience:**

- At least 10 years of experience in public financial management and economic development expertise; including specialist knowledge of ODA management and global frameworks for financing development and public financial management systems and tools
- Knowledge of economic and development cooperation issues, development finance challenges and related fields of developing countries globally and in particular in Asia and the Pacific
- Proven working experience on fiscal and economic analysis of national budget and excellent knowledge on MTBF
- Research and data collection experience with a focus on budgets, expenditure management and ODA, including climate finance and innovative financing for development
- Knowledge of financial flows as part of the Public Private Partnerships; Foreign Direct Investment; commercial and concessional loans; and innovative financing for development instruments
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#### **Language Skills:**

Fluency in written and spoken English

**Core Competencies:**

- Ability to hold discussion with senior government officials, private sector and development partners
- Experience working in Bangladesh and South Asia
- Team leadership experience
- Excellent analytical skills and ability to synthesize information from a number of sources
- Excellent ability to write clearly, insightfully and persuasively in an accessible style
- Ability to work independently, against tight deadlines
- Strong interpersonal and communication skills;
- Open to changes and able to receive/ integrate feedbacks;
- Strong ability to plan, organize, implement and report on work;
- Can work under pressure and tight deadlines;
- Proficient use of office IT applications and internet conducting research;
- Outstanding communication and facilitation skills;
- Excellent presentation and facilitation skills;
- Demonstrates integrity and ethical standards;
- Positive attitude to work;
- Display culture, gender, religion, race, nationality and age sensitivity and adaptability.

**4. DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL****Contract Duration:**

- The Public Finance Expert/Team Leader – Bangladesh DFAA assignment will be up to a maximum of 40 days during the period January- April 2015;

**Duty Station:**

- Home based but requiring travel (2 missions) to Dhaka, Bangladesh.

## 5. FINAL PRODUCTS

The major outputs expected of the Public Finance Expert/Team Leader- Bangladesh DFAA will include the following:

Final Bangladesh DFAA methodology, adapting the generic DFAA methodology to the Bangladesh context and to the expectations and priority focus areas specified by Government of Bangladesh. Final Bangladesh DFAA work plan specifying contributions by all members of the DFAA Team, including dates and detailed meeting schedules for in-country missions, stakeholder consultation plan, data collection plan, proposal of timeframe for DFAA inception and validation workshops, and agreed dates for delivery of interim/draft and final DFAA reports.

Inception mission report (following first mission to Bangladesh) which details findings from stakeholder consultations, summarizes discussions and outcome of inception workshop, and presents preliminary analysis/recommendations which will inform the first draft DFAA report, including an annotated outline of DFAA report.

Fortnightly updates to AP-DEF Secretariat (UNDP Bangkok) and Bangladesh ERD/MoF and UNDP Country Office on progress of Bangladesh DFAA.

A first draft Development Finance and Aid Assessment (DFAA) report (lead writer, including incorporation of submissions and contributions by other DFAA team members).  
Incorporation of comments from first draft DFAA report.

A final DFAA report (lead writer, including incorporation of submissions and contributions by other DFAA team members).

Lead in planning and facilitating DFAA inception and DFAA report validation workshops.  
Contribute to the DFAA Methodological review and participate in Asia-Pacific south-south exchange and knowledge sharing on DFAA methodology and implementation of policy, institutional and systems recommendations.

## 6. PROVISION OF MONITORING AND PROGRESS CONTROLS

The Public Finance Expert/Team Leader – Bangladesh DFAA will report directly to the Governance and Development Effectiveness Advisor at UNDP BRH. He/she will consult closely at every stage of the DFAA with the Bangladesh ERD Secretary and the Aid Effectiveness National Project Manager, including by sharing all interim and final deliverables.



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

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

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

Incomplete proposals may not be considered.

## 8. FINANCIAL PROPOSAL

Payment will be output based and made when the following are delivered to UNDP satisfaction:

Payment Terms	Due Date	Amount
<b>1<sup>st</sup> payment: Desk Review and Pre-mission preparation completed. <u>Output</u>:</b> work plan for implementing the DFAA, which includes proposed methodology, consultation and data collection plan	1 /02/ 2015	(20% of contract value)
<b>2<sup>nd</sup> payment: 1<sup>st</sup> in-country mission in Dhaka conducted satisfaction, including DFAA inception workshop. <u>Output</u>:</b> DFAA Inception Mission Report which summarizes findings of mission consultations and annotated outline of DFAA report	28/02/2015	(20% of contract value)
<b>3<sup>rd</sup> payment: 2nd in-country mission to Dhaka to present and validate draft DFAA report conducted to satisfaction. <u>Output</u>:</b> First draft DFAA report	30/03/2015	(30% of contract value)

4 <sup>th</sup> payment: Submission and acceptance of final Bangladesh DFAA report for publication. <u>Output:</u> Final DFAA report	30/4/2015	(30% of contract value)	
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## 9. EVALUATION

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%

Only candidates obtaining a minimum of 350 technical points would be considered for the Financial Evaluation

Criteria	Weight	Max. Point
<b><u>Technical</u></b>	<b>70%</b>	<b>500</b>
Years of hands on experience in public financial management and economic development expertise; including specialist knowledge of ODA management and global frameworks for financing development and	30%	150

public financial management systems and tools		
Research and data collection experience with a focus on budgets, expenditure management and ODA, including climate finance and innovative financing for development	5%	25
Knowledge of economic and development cooperation issues, development finance challenges and related fields of developing countries globally and in particular in Asia and the Pacific Also, Familiarity with financial flows as part of the Public Private Partnerships; Foreign Direct Investment; commercial and concessional loans; and innovative financing for development instruments	10%	50
Education	20%	100
Excellent analytical skills, synthesize information from multiple sources, writing in journalistic style and fluent in English - written and spoken	10%	50
Experience working in Bangladesh and South Asia and ability to hold discussion with government senior officials, private sector and development cooperators	10%	50
Availability	15%	75
<b><u>Financial</u></b>	<b>30%</b>	<b>100</b>

