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## **TERMS OF REFERENCE**

### **FOR THE ASSESSMENT OF LOCAL AUTHORITIES ON THE MINIMUM CONDITIONS AND PERFORMANCE MEASURES FOR ACCESSING THE LOCAL DEVELOPMENT GRANT (LDG)**

#### **1 BACKGROUND TO THE ASSESSMENT**

The Government of Lesotho (GoL) through the Ministry of Local Government, Chieftainship and Parliamentary Affairs (MoLG) with funding from the European Union (EU), in partnership with United Nations Development Programme (UNDP) and United Nations Capital Development Fund (UNCDF) has embarked on implementing the Deepening Decentralization Programme (DDP). The main purpose of the programme is to promote decentralized service delivery for social and economic growth through the development of transparent funding mechanisms and by improving the accountability of local authorities. Specific components of the programme are: 1) improving development funding through local authorities, 2) promoting decentralization and accountability systems at the local level and 3) enhancing capacities of line ministries and local authorities to decentralize functions.

One of the major components of the programme is providing Local Authorities with a performance based discretionary LDG. However, the Local Authorities have to meet agreed minimum conditions in the functional area of development planning and budgeting, financial management and local administration to safeguard utilization and management of public resources. The minimum conditions are derived from the Constitution, 1993, Local Government Act, 1997 as amended, Public Financial Management Act, 2011; Financial Regulations 1973; and Public Procurement regulations, 2007.

In 2014, the first national assessment of local authorities on minimum conditions to qualify for the Local Development Grant was conducted. This will be the second assessment of the local authorities.

The main purpose of the LDG is to improve public service delivery through demonstrating and testing improved public financial management procedures and systems.

The objectives of the LDG are follows:

- a) To develop the capacity of Local Authorities to plan, budget and provide resources for implementation of local development and basic service delivery.
- b) To Pilot a discretionary capital fiscal transfer system from central to local level.
- c) To act as incentive for decentralisation reforms as the lessons and experiences are documented and systematically fed into the reform process to improve service delivery.

The government of Lesotho through the MoLG in partnership with UNCDF and UNDP under the Deepening Decentralization Project (DDP) wishes to hire services of a consultancy firm to conduct assessment the of 10 Districts of Leribe, Berea, Maseru, Mafeteng, Mohale's Hoek, Quthing, Qacha's Nek, Mokhotlong, Butha Buthe, Thaba Tseka and Maseru City Council on six minimum conditions and six performance measures.

## **2 OBJECTIVES OF THE ASSESSMENT**

The objectives of the assessment of Minimum Conditions and performance measures are:

- a) To determine the Local Authorities that have the capacity to manage discretionary LDG and therefore eligible to access the LDG under the DDP.
- b) To verify compliance of Local Authorities to the provisions of the laws and regulations in regard to development planning and budgeting, financial management and staffing.
- c) To assist the Local Authorities to identify functional capacity gaps and needs that can be used to prepare a targeted capacity development plan.
- d) To establish information that will strengthen the monitoring and evaluation processes.
- e) To enhance transparency and accountability, service delivery and overall resource management efficiency.

## **3 SCOPE OF ASSESSMENT**

The Minimum Conditions listed below, are the basic requirements for Local Authorities to access the LDG.

The Local Authorities will be assessed on six indicators name:

- a) District Annual Development Plan (DAP) for the current financial year (FY) approved by council.
- b) Complete Final Accounts for the previous FY produced and submitted to the MoLG within the given time.
- c) Fulltime District Council Secretary, Finance Manager, Principal Technical Officer (engineer), Human Resource Manager, Procurement officer and Administration Manager with written job descriptions.
- d) District council in place and have met monthly in the current FY.
- e) Final accounts for the previous FY audited and not qualified (if not the previous FY, then the latest but not more than 2 years back).
- f) LDG cash book established

A simple response of either **Met** or **Not Met** is on the score sheet. Any justifications, observations or comments during the assessment or even after that period should be put in the remarks column. Refer to the Assessment manual for more information.

The Six indicators of performance measures to be assessed are as follows:

- 1) Regular meeting of District council in the previous FY
- 2) Level of Gender responsiveness of LDG sponsored projects. Annual budget reflects budgetary allocations for gender specific interventions to address gender issues identified during the planning, monitoring and mentoring
- 3) Quarterly financial and narrative Reports for the previous FY prepared and submitted to MoLG
- 4) Posting of the Indicative Planning Figures (IPF) and approved projects of LGs for the current FY at the respective District headquarters and other public places such as churches, mosques, markets etc.
- 5) Marking completed LDG projects, LG name, DDP and year of completion.
- 6) Evidence that the district technical staff have been visiting the Urban/community councils for mentoring purposes.

Note: The districts of Thaba Tseka, Qacha's Nek and Mhales Hoek will not be assessed on the performance measures because they never qualified for the LDG in 2014. Any other districts that will not meet the minimum conditions indicated above will not be assessed on performance measures.

Refer to the Assessment manual for the scoring on each indicator.

The consultancy team will be expected to:

- Organize the planning of the assessment and contacts with the Local Authorities.
- Review relevant materials including related laws, regulations and guidelines with regard to the minimum conditions and performance measures.
- Conduct interviews with local authorities from the 10 districts and Maseru City Council.
- Plan travel to the Districts and the City Council using own transport.

#### **4 DELIVERABLES THE ASSESSMENT**

- a) Inception Report showing the consultants' understanding of the TOR in relation to the scope of the assessment. The inception report should clearly show the methodology and a work plan.
- b) Individual District/City Council reports
- c) A draft consolidated report of the District/City Council Assessments
- d) Final Assessment Report.

The reports should have the following information:

- Cover page: name of the District, Date of assessment, Names of the Assessors, Name of the District Chairperson/Mayor and the District Council Secretary/Town Clerk and their telephone contacts.
- Table of contents: List of main headings in the report and page numbers
- Abbreviations
- Acknowledgement: Names of people met categorized per department
- Executive summary: To include status of the District/City Council in terms of meeting the minimum conditions (eligible for LDG), and performance measures summary of findings per functional area, capacity gaps and recommendations.
- Introduction: Includes objectives of the assessment, the assessment process in the district/municipality, challenges and mitigation measures.
- Presentation and Analysis of the Assessment Results: For each of the indicators, the assessment team is expected to describe the situation as it pertains on the ground giving examples of where evidence can be found like referring to documents and explain the possible causes of the existing situation.
- Recommendations and way forward: The recommendations should be tailored to addressing the challenges unearthed from the assessment and they should be categorized per functional area and the responsibility centers.
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## **5 SCHEDULE OF DELIVERABLES:**

- The inception report must be submitted within 10 days after signing the contract.
- The draft report must be submitted within 40 days after signing the contract.
- The final report must be submitted within 50 days after signing the contract.

## **6 QUALIFICATIONS, COMPETENCIES AND EXPERIENCES**

The assignment requires a consultancy firm with prior experience in conducting such assessment. The firm will submit two CVs of highly experienced consultants who are independent and impartial from the management of the Local Authorities under assessment; one with a grounded expertise in local governance, planning and budgeting and the other with financial management preferably a qualified accountant.

### ***Team Leader: Local Governance consultant***

- Minimum of Masters Degree in Development Planning, Economics, Public Administration, Governance, Political Science or any other relevant field.
- 10 years of proven experience in undertaking assessments with specific experiences in local governments.
- Knowledge of Decentralization process in Lesotho or countries in the region would be an asset.
- Demonstrated capacity for strategic thinking, and excellent analytical and writing skills.
- Strong task management and team leading competencies.
- Language skills: Fluency in English

In addition to the overall assignment, the Team Leader will play a principle role in ensuring successful delivery of the agreed outputs. The Team Leader will:

- Ensure that the inception report is prepared and submitted within the agreed timeframe.
- Co-ordinate the consulting team in preparation and presentation of the draft reports.
- Lead presentation of the draft reports at the feedback workshop.
- Regularly updating MoLG, UNDP and UNCDF on the progress of the assessment and preparation of final report.
- Ensure quality control throughout the assessment and the final report.

### ***Financial Management/Accountant:***

- Minimum of Bachelors Degree in Accounting, Economics and any other relevant field

- 7 years of proven experience in conducting financial management assessments and audits.
- Public financial management
- Knowledge of Decentralization process in Lesotho or countries in the region would be an asset
- Language skills: Fluency in English

## **7 TIMEFRAME**

The assignment will be undertaken in 50 working days from 4<sup>th</sup> May 2015 and not going beyond 15<sup>th</sup> July 2015.

## **8 REPORTING**

The Consultants shall report to the Principal Secretary, Ministry of Local Government, Chieftainship and Parliamentary Affairs for overall strategic guidance and to the Programme Manager DDP for day to day management. UNCDF will provide the technical guidance for quality assurance.

MoLG, as the implementing partner, who are expected to institutionalize this activity will assign one or two of its technical staffs in particular the one in charge of LG inspection and the other from local government service to work with the consultants. This will contribute to internal learning and skills development.

## **9 FINANCING AND PAYMENT SCHEDULE**

The assignment will be financed under the Deepening Decentralization Programme (DDP).

The payment will be made in three installments:

- 20 % of the total costs upon submission and approval of the inception report.
- 40 % of the total costs upon submission and approval of the first draft report.
- 40 % of the total costs upon submission and approval of the final report

## **10. REQUIREMENTS FOR THE PROPOSAL**

(a) Interested firms should submit the technical and financial bids in separate sealed envelopes to the address below clearly marked:

United Nations Development Programme

Ref: DDP - Assessment of Local Authorities

UN House, United Nations Road

P.O Box 301

MASERU, LESOTHO

Tel: +266 2231 3790

Fax: +266 2231 0042

E-mail: [Rethabile.thipe@undp.org](mailto:Rethabile.thipe@undp.org)

The technical proposal should clearly indicate the interpretation of the terms of reference (ToR), comments on the ToR (if any), methodology for the assignment, experience of the firm and CVs of the proposed team and an elaborate work plan. The financial proposal should clearly indicate the costs associated with the task. Professional fees and reimbursable expenses should be clearly disaggregated.

Only technical Proposals that will get a pass mark of 70% will continue to the next level of opening financial offers.

ANNEX 1: Assessment guideline for Minimum conditions and performance measures

### Approval

**This TOR is approved by:** Thabo Mosoeunyane – Governance Specialist, UNDP

Signature



Name and Designation

Thabo Mosoeunyane Governance Specialist

Date of Signing

30/03/2014