



INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

Reference No.: UNDP/PN/18/2016

**Local Governance Expert
(National Consultant)**

Date: 17 May 2016

Country: Nepal

Description of the assignment: The objective of this assignment is to conduct district level assessments and furnish recommendations as feeding into four district level (Public Policy/Development Economics/Climate Change components) Climate Public Expenditure and Institutional Review reports. In performing the above tasks, the Consultant shall follow the methodology and operational guidance provided by UNDP/Nepal and UNDP Bangkok Regional Hub (BRH), and refer to the lessons learned from the pilot exercise in Myagdi. More details on the background and methodology for dCPEIRs is available in Annex 1 to this TOR. The full team would consist of three key experts: on in Public Financial Management (PFM), Local Governance (LG), and Public Policy (PP).

Period of assignment/services (if applicable): The expected number of days for the assignment is 75 days over a period of 4 months (20 June 2016 to 10 October 2016)

No. of Consultants Required: One

Duty Station: Kathmandu, Nepal (preferred, but not required). The Consulting Team will be travelling to the relevant districts in Nepal.

Proposal should be submitted at the following address: **Procurement Unit, UNDP (Ref.: UNDP/PN/18/2016 – Local Governance Expert), UN House, Pulchowk, PO Box 107, Kathmandu, Nepal or by email to procurement.np@undp.org no later than 30 May 2016.**

Any request for clarification must be sent in writing, or by standard electronic communication to the e-mail address: query.procurement.np@undp.org. Written inquiries must be submitted mentioning Procurement Notice Ref: UNDP/PN/18/2016 (UG), on or before 5:00PM, 23 May 2016. UNDP shall respond to the inquiries through a bulletin by 26 May 2016. The bulletin shall be posted in UNDP Website: <http://www.np.undp.org/content/nepal/en/home/operations/procurement.html>. Inquiries received after the above date and time shall not be entertained.

Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.

1. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED WORK

Please refer to the attached ToR (Annex 1)

Please submit your application to the following email address: procurement.np@undp.org

2. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

I. Education & Experience:

Education:

- Advanced degree in public policy, public administration, local development, decentralisation, governance, or related areas.

Experience:

- At least 10 years of professional experience.
- Demonstrated knowledge on local governance, including fiscal decentralisation in Nepal.
- Proven experience in policy analysis, and advisory role to senior government stakeholders.
- Practical experience in Ministries of Finance, Planning, Local Government an advantage.
- Experiences of working with district authorities is an advantage.

Language Requirement:

- Excellent English communication skills, both written and oral

3. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSAL

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

1. Proposal:

To be included as part of the proposal:

- Offeror's Letter to UNDP Confirming Interest and Availability for the Individual Contractor (IC) Assignment along with the completed Lump sum financial proposal.
- Completed P11 Form (attached as Annex 3; also downloadable from the UNDP Nepal Website <http://www.np.undp.org/content/nepal/en/home/operations/procurement.html> including past experience in similar projects and at least 3 references.
- A cover letter with a brief presentation of your consultancy explaining your suitability for the work;
- A brief methodology on how you will approach and conduct the work (*limit to under 1500 words*);

Note:

- a. Applicants of 62 years or more require full medical examination and statement of fitness to work to engage in the consultancy
- b. The candidate has to be an independent consultant (If the candidate is engaged with any organization, the organization employing the candidate will be issued with a Reimbursable Loan Agreement (RLA) to release the employee for the consultancy with UNDP).

4. 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%

Only candidates obtaining a minimum of 49 points in the technical evaluation would be considered for the Financial Evaluation.

Criteria	Weight	Max. Point
<u>Technical</u>	70%	70
• Criterion A: Advanced degree in public policy, public administration, local development, decentralisation, governance, or related areas.	10%	10
• Criterion B: Experiences of working with district authorities	10%	10
• Criterion C: At least 10 years of professional experience. Demonstrated knowledge on local governance, including fiscal decentralisation in Nepal.	10%	10
• Criterion D: Demonstrated knowledge on public policy formulation, development economics, and climate change issues in Nepal	10%	10
• Criterion E: Proven experience in policy analysis, and advisory role to senior government stakeholders	10%	10
• Criterion F: Excellent English communication skills, both written and oral	10%	10
• Criterion G: Practical experience in Ministries of Finance, Planning, Local Government	10%	10
<u>Financial</u>		
• Lowest financial proposal	30%	30

Contract will be awarded to the technically qualified consultant who obtains the highest combined score (financial and technical). The points for the Financial Proposal will be allocated as per the following formula:

$$\frac{\text{Lowest Bid Offered} *}{\text{Bid of the Consultant}} \times 30$$

* "Lowest Bid Offered" refers to the lowest price offered by Offerors scoring at least 70% points in technical evaluation.

ANNEX

ANNEX 1 – TERMS OF REFERENCES (TOR)

ANNEX 2 – GENERAL CONDITIONS OF CONTRACT FOR THE SERVICES OF INDIVIDUAL CONSULTANT

ANNEX 3 – P11 FORM

ANNEX 4 – OFFEROR'S LETTER TO UNDP COFIRMING INTEREST AND AVAILABILITY

ANNEX I

ToR Consultancy Services for District Climate Public Expenditure and Institutional Review – Local Governance Expert

1. Background

As an extremely climate vulnerable country, Nepal has been channelling its own resources, as well as international climate finance to respond to the challenges. According to the MoF, approximately 10.73% of the national budget is climate relevant, or 23.09% of the development budget, for the fiscal year 2014/15. A combination of domestic resources, and dedicated climate international funds have been flowing into the country, through bilateral arrangements, as well as vertical funds such as the GEF, the LDCF, the Adaptation Fund and others. With the establishment of the GCF, and the recent financial pledges that have been made by various countries, Nepal will, in the near future, be the recipient of additional international funds, as well as continue its engagement with other vertical funds.

Globally, the pledges and commitments being made by the international community should lead to an increase of climate change finance into developing countries. In light of this, *Nepal's capacity and systems to access, absorb and effectively manage these additional funds on top of its own domestic investments on climate change activities should be robust. Furthermore, while the delivery of climate change finance – from the international to the national, and the national to the sub-national – needs to happen, the equitable delivery of those resources to those who are most vulnerable to climate change impacts must also be ensured.*

UNDP Nepal is currently engaged in strengthening its strategic interventions and support to the Government of Nepal in accessing, managing, and disbursing current and future climate change finance in the country. This is being implemented through the programme “Strengthening the Governance of Climate Finance to Benefit the Poor and Vulnerable” in Nepal.

Through capacity building and technical support UNDP aims to strengthen the Government of Nepal's processes and systems to access, absorb and effectively manage existing and projected climate funds, as well as its own domestic investments to address climate change.

To date, prior efforts to better quantify and track climate finance passing through existing government systems have been mainly focused at the national level. Obtaining a clear picture of what is happening at the sub-national level remains unclear. To address this gap, and as part of the programme's overall efforts to strengthen the integration of climate finance in the development planning and budgeting processes a

team of individual consultants (the Team) will roll out a district level Climate Public Expenditure and Institutional Review in four districts. A pilot exercise in Myagdi has already been conducted.

2. Objectives of the Assignment

The objective of this assignment is to conduct district level assessments and furnish recommendations as feeding into four district level (Public Policy/Development Economics/Climate Change components) Climate Public Expenditure and Institutional Review reports. In performing the above tasks, the Consultant shall follow the methodology and operational guidance provided by UNDP/Nepal and UNDP Bangkok Regional Hub (BRH), and refer to the lessons learned from the pilot exercise in Myagdi. More details on the background and methodology for dCPEIRs is available in Annex 1 to this TOR. The full team would consist of three key experts: on in Public Financial Management (PFM), Local Governance (LG), and Public Policy (PP).

3. Scope of Work

The scope of work for this assignment is to:

- a) Consult with key stakeholders – Ministry of Federal Affairs and Local Development, Ministry of Finance, National Planning Commission – to confirm the selection of the 4 roll out districts where the CPEIR will take place.
- b) Under the leadership of the UNDP project coordinator, and in collaboration with other members of the Team, support the establishment of a Technical Steering Committee made up of representatives from national and sub-national levels.
- c) Conduct the district level assessment (Local Governance component) in the four roll out districts, building on the lessons learned from the pilot dCPEIR in Myagdi. The task primarily includes (but not limited to) collecting evidence and information related to the local governance system vis a vis climate change (in the context of the district), including an emphasis on the local financial flows (this will require cooperation with the PFM expert). The evidence should include information about the different stakeholders at district level who have a role in delivering climate finance, i.e., line departments, CSOs, projects, and other bilateral donors. A detailed analysis of the various funds at district level should also be included. While the emphasis is on the district level characteristics of climate finance deliver, there should also be an indication as how those relate to the national level response to climate change. This include, but is not limited to the national policy to deliver 80% of climate funds at the local level. In performing this task, the Consultant will work closely and follow the methodology and operational guidance provided by UNDP Nepal and UNDP Bangkok Regional Hub. More details on the background and parameters of the methodology for dCPEIRs is available in the Annex to this TOR.
- d) Ensure that the findings from the CPEIR feed into the design and implementation of an effective Climate Change Financing Framework (which is the other key component of the umbrella project), in consultation with key stakeholders such as the Ministry of Finance, Ministry of Federal Affairs and Local Development, National Planning Commission, and Ministry of Science, Technology and Environment.
- e) Support the organisation of relevant district level and national workshops related to the dCPEIR process.

4. Duration of Assignment, Duty Station and Expected Places of Travel

The assignment will take place from June 20, 2106 to October 10, 2016, and will preferably be based in Kathmandu (preferred, but not required). The Consulting Team will be travelling to the relevant districts in Nepal.

5. Deliverables

S. No.	Deliverables	Tentative Timeline
1.	A detailed work plan on delivery of the CPEIRs to be shared with key government stakeholders (district and national), and UNDP.	20 June 2016
2.	Inputs to the Inception Workshop on pilot dCPEIR process launch	30 June 2016
3.	Inputs (Local Governance components and chapters) on the four additional district level CPEIR reports outlining the sources of funding available to districts, including all public funds as funding from NGO/INGO resources on climate change, and private sector, where possible.	30 July 2016
4.	Inputs to the summary CPEIR report with concrete recommendations to strengthen the management of climate finance at the sub-national level.	15 August 2016
5.	Capacity development plan to: a) strengthen DDCs, municipalities, and line agencies in most climate vulnerable districts to advocate for more climate resources; and b) strengthen the DDC's capacity to effectively coordinate, prioritise, and manage climate finance in the district.	10 October 2016

The expected number of days for the assignment is 75 days over a period of 4 months.

6. Provision of Monitoring and Progress Controls

The Consultant will directly report to the Regional Climate Change Policy and Institutional Expert who will act as a coordinator of the dCPEIR task. Further technical advice and support will be provided by the UNDP BRH team and the UNDP/Nepal Environment and Climate Change Unit team. Acceptance of the deliverables must be confirmed by the Regional Climate Change Policy and Institutional Expert.

7. Requirements on the Consultant

Prior experience in conducting expenditure monitoring and analysis at the subnational level is an advantage. Prior experience in conducting CPEIRs is also an advantage. A keen understanding of local governance in Nepal, include fiscal decentralisation issues is a must. The Consultant will directly report to the Regional Climate Change Policy and Institutional Expert who will act as a coordinator of the dCPEIR task. The following qualifications are required for the Consultant:

- Advanced degree in public policy, public administration, local development, decentralisation, governance, or related areas.
- At least 10 years of professional experience.
- Demonstrated knowledge on local governance, including fiscal decentralisation in Nepal.
- Proven experience in policy analysis, and advisory role to senior government stakeholders.
- Excellent English communication skills, both written and oral
- Practical experience in Ministries of Finance, Planning, Local Government an advantage.
- Experiences of working with district authorities is an advantage.

District Climate Public Expenditure Review

Key Parameters and Background

1. BACKGROUND

Nepal is one of the most vulnerable countries in the world to climate change. Erratic weather patterns, unpredictable rains, reduced snowfall at high altitudes and recurrent droughts have posed significant challenges to the country's socio-economic development. These have adversely affected agriculture and livelihoods adding further strain to small scale farmers and poor women and men. Low income households, communities living in climate vulnerable areas and those dependent on climate-sensitive resources are likely to become more vulnerable. The scale of climate change has the potential to undermine hard-attained development gains.

As the nature of the climate threats facing the many different communities across Nepal is diverse, the responses will need to take into account the geographic and demographic variations. Such localized responses should involve local knowledge and ideally include the participation of people who are most vulnerable to the impact of climate change.

At the policy level, one of the most visible signs of the Government of Nepal's (GoN)'s commitment to respond effectively to climate change is the **Climate Change Policy (2011)**. This document makes numerous references to ensuring impact at the local level both in implementing adaptation activities, as well as ensuring at least 80% of climate funds at the local level. Similarly the **Environmentally Friendly Local Governance Framework (2013)** sets out ways in which all levels of actors, from national government to district development committees to households, can address environment, climate change and disaster risk issues. The framework has an extensive list of indicators for all these different stakeholders. In a recent interaction, representatives from MoFALD have indicated that the framework will be implemented in coordination with key ministries, such as MOPE, Ministry of Home, Ministry of Agricultural Development

Other relevant policies and regulatory frameworks:

- The **1999 Local Self Governance Act** has put in place the required mechanisms at the local level to enable people's participation in development planning. It also stressed the role of civil society to provide the checks and balances at the local level to enable transparency and public accountability.
- As part of the national adaptation plan of action (NAPA), the Government has started to help develop **Local Adaptation Plans of Action (LAPAs)** that involves the integration of top-down and bottom-up approaches to mainstream adaptation into local planning.

(MOAD), etc. They also stated that key central agencies such as the NPC stand ready to work together to implement the framework.¹

Currently, there is no clarity as to the level of climate change expenditure at the local level. What is known is that there are numerous channels through which resources flow to the local level, both climate and non-climate related. For instance, many of the line departments have a significant climate related components, as demonstrated in the national level Climate Public Expenditure and Institutional Review (CPEIR) undertaken in 2011. A comprehensive picture at the sub-national level is therefore lacking.

Nonetheless, the government has started addressing climate change in a concerted manner. As stated, the national CPEIR (2011) was undertaken to provide a baseline of the amount of public resources that are currently affecting climate change. In response to some of the recommendations coming from that study, the GoN has made significant efforts to explore appropriate funding mechanisms and to develop institutional capacity to manage climate finance and integrate climate change into development planning and budgeting. It has developed a climate budget code to track climate-change related expenditure on a regular basis.

These efforts to understand climate change better, and track climate finance within the existing systems have been limited to the national level. What is happening at the sub-national level remains unclear, and fragmented. To address this gap, within the “Strengthening National Planning and Monitoring Programme”², a study was undertaken by the National Planning Commission, supported by the Poverty Environment Initiative (PEI), a joint UNDP/UNEP initiative to explore the development of a tracking system related to the climate budget allocation at local level. The study concluded that it would be possible to develop such a coding, but certain pre-requirements would be necessary, including building the awareness and capacity of local bodies, and creating incentives to encourage local bodies to track climate finance.

2. RATIONALE

An initial examination³ assessing progress towards meeting the 80% target has illustrated that there is little awareness about the policy target per se, and where there is knowledge about it, there are remaining challenges with regard to its implementation, particularly related to the source of 80% funds, as well as its content. There is also ambiguity as to what counts as the local level. At the same time, the EFLG is being advocated as a key framework to ensure planning measures and local investments translate into more climate-resilient districts and communities. Taken together, these two efforts, if well-coordinated, could be an effective way to help the GoN’s commitment to addressing climate change proactively, and make progress against certain national policy objectives, such as the 80%. This would help to strengthen the links national policy and local implementation. It could also promote transparency in how climate related investments are translated into local expenditures, looking particularly at whether the climate vulnerable populations are benefitting from it.

¹ “Eco Friendly Governance to Improve Local Environment”, The Himalayan Times, November 22, 2014

² *Developing Criteria to Track Expenditure/Allocation Using Budget Code for Local Bodies in Nepal*, Local Governance Promotion Centre, December 2013.

³ Please refer to the policy brief “Meeting the 80% target: where are we?”, UNDP 2015 (working draft)

In light of this, an initial assessment at the district level can help establish a baseline of what is currently taking place, and can generate data on expenditures. Moreover, as the policy and institutional review aspect will contribute to the design of a more defined strategy from GoN to mobilize and target climate finance at the sub-national level, as well as feed into the development of the Climate Change Financial Framework. The assessment complements the policy analysis being undertaken with regard to reviewing the 80% target commitment. It will provide an initial baseline and case studies based on a number of selected districts to illustrate the current status of climate expenditure and how progress can be measured and tracked over time. In summary, the assessment work aims to support the Government of Nepal to develop a more effective climate finance governance strategy and support it to meet its policy target of disbursing 80% at the local level as well as to support better targeting of climate finance to the specific concerns of communities in terms of local vulnerability assessments.

3. OBJECTIVE

The objective of the assignment is to conduct district-level CPEIRs in a cross-section of representative districts in Nepal that will:

- 1) Provide a baseline of climate related allocations and expenditure at the local level, taking into account different sources of funding, including all public funding, and project funds (national and international NGOs) that are channeled to the district level. Where possible, private flows towards climate change will also be examined.
- 2) Assess the decision-making process that: a) determines the allocation of climate related public funds from the centre to the district and evaluate its match with demand; b) determines the allocation of climate related resources to the most climate vulnerable districts. This will include public funds, as well as those originating from I/NGOs.
- 3) Identify areas to strengthen the capacities of selected DDCs, municipalities, and line agencies in most climate vulnerable districts to advocate for, and influence central ministries and funding agencies to direct resources to them.
- 4) Assess the capacity of DDCs to mainstream climate change into the planning and budgeting processes (as per one of the objectives of the EFLG), including its capacity to: track climate expenditure; target the most vulnerable VDCs; monitor the effectiveness of climate expenditure through existing indicators (for example, forestry data, LAPA indicators, EFLG indicators, TAMd, as appropriate).

Objectives 3 and 4 will be accompanied by recommendations for the development and operationalization of a capacity development plan.

4. EXPECTED OUTPUTS

The expected outputs of the assignment is a report, in two parts, addressing the following:

Part I:

- i. Pilot CPEIR report in one district
- ii. Four additional district level assessment report outlining the sources of funding available to districts, including all public funds as funding from NGO/INGO resources on climate change, and private sector, where possible.

Part II:

- iii. Summary CPEIR report with concrete recommendations to strengthen the decision-making process to facilitate delivery of climate relevant resources towards the most climate vulnerable districts. This includes both public funds as well as those from non-governmental entities.
- iv. Policy recommendations including capacity development plan to: a) strengthen DDCs, municipalities, and line agencies in most climate vulnerable districts to advocate for more climate resources; and b) strengthen the DDC's capacity to effectively coordinate, prioritise, manage, and target climate finance in the district.

5. METHODOLOGY (SCOPE OF WORK)⁴

The following methodology will be used as a guide to implement the district-level assessment:

- 1) Consult with key stakeholders – Ministry of Finance, Ministry of Federal Affairs and Local Development, National Planning Commission, and Ministry of Science, Technology and Environment - to identify the selection criteria for the number and location of districts to be assessed. The selection of districts can be based on a number of criteria, including representation of different ecological zones, availability of reliable data, climate vulnerability among others. The initial recommendations from stakeholders including the following districts:
 - a. Myagdi (pilot), Dhading, Bardiya, Achhaam, and Udaypur (all to be confirmed).
- 2) Draft annotated outline which should include:

a. Vulnerability

- i. Review of past climate change vulnerability assessments conducted at the local level conducted to date.
- ii. In connection with above, outline different sources of vulnerability data compiled in vulnerability and climate risk mapping exercises conducted at local level.
- iii. Assess whether, and if so, how, such assessment and other climate change projections have driven the design, implementation of projects/investments at the district level.
- iv. Examine the overlap between climate vulnerability and social exclusion/poverty rankings. Do they match? (mismatch between NAPA ranking, LAPA implementation and poverty ranking of districts).

b. Enabling Environment for Financing Climate Change – Planning, Budgeting and Implementation

- i. Assess the different sources of fund related to climate change at the district level, and compile a selected list of those that will be included as part of the assessment, based on the availability of data. The identification of climate activities will be defined using the existing criteria in the national climate coding guidelines.
- ii. Assess the extent to which the National Climate Change Policy and/or the EFLG influences line department programs and budget allocations at the district level . Assess whether, and if so, how, climate change projections and the National Climate Change Policy and/or the EFLG influence budget allocations and or expenditures linked to projects/investments at the district level.

⁴ Please refer to CPEIR Methodology November 2014 for suggested guiding questions for each of the headings.

- iii. Assess the DDC's capacity to plan realistically according to available budget, implementation and absorption capacity. Issues related to accountability, and fiduciary challenges will also be analysed (including in the procurement processes). An exploration of the way in which information related to the budget is made available to the public will be undertaken.
- iv. In assessing the sources of fund, both the planned allocation and actual expenditure (where possible) will be examined.

c. Policy

- i. Clarity and coherence in the policy framework – an examination of the existing policy frameworks, strategies, and means of implementation will be useful to understand the overall situation within which climate change activities are taking place at the district level. Particularly, the policy analysis will examine how well climate policies are clearly articulated and understood by local actors, the factors that determine cross-cutting and sectoral allocations of climate change related budget (i.e., are they driven by the climate change policy? Are they driven by the vulnerabilities of districts? Are they driven by sector strategies? Etc.). This analysis should look at the CCP, the EFLG framework, the LGSP, the NAPA, and the LAPA among others.

d. Institutional

- i. Mapping of key institutions and their relationship to each other – review the actors, and assess their relationship vis-a-vis each other in the context of climate change. This will include, for example, the process and factors of decision-making within line ministries and MoFALD that determines the level of allocation towards particular districts.
- ii. Assess the level of effectiveness of institutional coordination mechanisms to mainstream climate vulnerability, and to incorporate gender and poverty specific targeting in the budget allocation and management frameworks of the most climate relevant ministries. Provide recommendations to improve the DDC's capacity to effectively manage climate change finance, particularly its ability to channel funds to the most vulnerable communities.

e. Capacity

- i. Assess the capacity – institutional and political – to allocate resources to the most vulnerable districts of key ministries.
- ii. Provide recommendations to improve policies and processes that facilitate better targeting of climate resources to vulnerable population groups at the local level.