

Terms of Reference

National or International consultants: National

Description of the assignment (Title of consultancy): Analysis of Expenditure, Costing, Fiscal Space, and Financing for Social Protection Strategy

Project Title: Developing Inclusive Social Protection in Lebanon

Period of assignment/services: 40 working days spread over a period of 4 months.

1. Background

Lebanon is facing unprecedented economic and social crises considered as the harshest in its modern history. As a result of the chronic twin deficit in the fiscal balance and balance of payment over the past years, the economic crisis escalated to turn into a sovereign debt crisis, monetary and liquidity crisis, and a severe economic contraction. The situation was further aggravated with the outbreak of the COVID-19 pandemic that speeded up the economic fallout.

Lebanon lacks an integrated national social protection (SP) system to protect its poor and vulnerable population, and mostly characterized by vertical and horizontal fragmentation, excessive leakage and exclusion. As such, coverage and provision of protection to the poorest and most vulnerable remains inadequate. The ongoing economic crisis, compounded by the COVID19 implications, clearly demonstrated the fragility of the system and its inability to adequately respond to shocks. The shift towards a Government-led national SP system with a clear policy, vision and direction will improve longer-term programming, increase efficiency in budget allocation and bring more sustainable investment in the sector.

The Government in Lebanon – supported by several UN agencies including UNICEF, ILO and UNDP – is in the process of developing a national social protection strategy to embed the Government vision during the short, medium, and long term. The strategy will have six main pillars considered as the back of any social protection system, name: i) social assistance, ii) social insurance, ii) economic inclusion and labor market activation, iv) financial access to health, v) financial access to education, and vi) social welfare services. The strategy will have cross-cutting priorities including gender, disability, shock responsiveness, migration, lifecycle vulnerabilities as well as refugees.

A key consideration in the strategy development is related to availability of financial resources to implement priority programmes and activities, given the tight fiscal constraints, low confidence, and gloomy economic prospects.

2. Objectives

The SDG Fund joint programme to develop inclusive and integrated Social Protection for Lebanon aims at supporting the Government of Lebanon to develop a national Social Protection (SP) system through the

development of a national SP policy and the transformation of the country's two main, existing SP programmes – the National Poverty targeting Programme (NPTP) and the national Social Security Fund (NSSF). The programme aims to be evidence-based according to vulnerabilities across the life cycle, introduce gender-responsiveness to the dialogue, promote access for people with disabilities, and create opportunities for participation and broader consultation.

Therefore, financial and cost analysis is an integral and essential step in developing a sound and realistic social protection strategy. Such analysis will provide an important indication for decision-makers on the overall cost of the strategy, its affordability and availability of resources to implement it. The depth and width of such analysis depends on variety of factors including availability of data, the ambition of the strategy in terms of programmes and activities to be implemented, as well the level of resources allocated, mainly in terms of time and budget. Typically, four main aspects are covered under such analysis: (1) budget and expenditure analysis; (2) cost analysis; (3) financial and economic analysis; and (4) gap and financing analysis.

3. Scope of Work, Expected Output and Deliverables

To support the development of the national strategy, UNDP seeks to recruit a financial economist/analyst who will contribute to the development of the financial and cost analysis of the proposed strategy. S/he will also work closely with a multi-disciplinary team of experts in finance, economics and social development to produce the final costing of the strategy. In specific, the consultant will act as a key contributor to produce the following outputs:

- a) Budget and expenditure analysis:** the consultant will contribute to the analysis of budget expenditure. Broadly, budget preparation process in Lebanon shall be described including the preparation of the Medium Term Fiscal Framework (MTFF), the budget ceiling, the constitutional and legal dates for preparing and processing the budget, in addition to any other parameters featuring the process of budget preparation and execution. The consultant shall also support in performing expenditure analysis covering selected line ministries, institutions, and agencies engaged in service delivery and financing of existing social protection interventions. This includes – not limited to – the Ministry of Social Affairs, Ministry of Labor, the National Social Security Fund, the Ministry of Finance, the Ministry of Education, other Line Ministries and funds that provide any type of social assistance/social insurance benefits. Analysis includes historical trends, expenditure structure, major components, and delivery mechanisms (contracting, direct service delivery). Percentage of budget expenditure and GDP are key indicators of the level of spending.
- b) Costing analysis programmes and activities:** Once priority programmes of the social protection strategy are identified, the consultant will participate in developing the costing analysis, depending on the agreed costing approach. The consultant shall support in identifying the different variables to be included in the costing including unit costs, assumptions, and key parameters that may cost forecasts. The consultant shall develop costing templates using spreadsheets and validate the parameters with the various partners including Government bodies, UN agencies, and other consultants working on the strategy development.
- c) Financial and economic analysis:** One or two priority programmes will be selected to be assessed for value-for-money considerations and to establish a link between inputs, outputs, and outcomes in the results chain. This analysis will be used for advocacy purposes and to encourage decision-

makers to look beyond the actual cost of the programmes and consider the resulting benefits. Any of the following approaches could be used depending on the relevance: Cost-Effectiveness Analysis (CEA), Cost-Benefit Analysis (CBA), Cost of No-Action Analysis (CAN).

- d) Financial gap:** The consultant will support in identifying the fiscal implication of implementing the strategy programmes upon the Government Budget.
- e) Fiscal space and financing analysis:** The consultant shall contribute to the fiscal space analysis potentially generated to cover the strategy implementation. This will include analysis of the Government's economic recovery plan, development assistance, deficit financing plans (borrowing), tax policies, and reallocation of existing resources (among and within sectors).

4. Workplan and Deliverables

In consultation with UNDP's Economics Unit, the consultant will develop:

- Budget and expenditure analysis
- Costing analysis
- Financial and economic analysis
- Gap Analysis
- Fiscal Space and financing analysis

Table 1. Deliverables and timeframe

Deliverables / Outputs	Duration from contract signature	Duration
Budget and expenditure analysis	3 weeks	8 days
Costing analysis	6 weeks	10 days
Financial and economic analysis	9 weeks	10 days
Gap analysis	10 weeks	4 days
Fiscal space and financing analysis	12 weeks	8 days

5. Institutional arrangements

The consultant will work in close coordination with the UNDP Economics Unit and will be guided to work closely with other consultants and stakeholders working on the strategy development.

6. Duration of work

The duration of the consultancy will be for 40 working days spread over a period of 4 months,

7. Duty station

Home-based

8. Requirements for Experience and Qualifications

I. Academic Qualifications:

Master's in Economics or Statistics

II. Years of Experience:

At least 3 years of relevant experience

III. Technical Experience:

3 years of experience in public finance and financial and economic costing analysis. Experience in social sector financing is a plus.

IV. Competencies:

- Proven experience in providing strategic financial and economic advisory services
- Excellent interpersonal, communication and presentation skills
- Fluency in oral and written English and Arabic
- Good analytical skills
- Highly motivated with good teamwork spirit

9. Scope of Price Proposal and Schedule of Payments

Payment shall be made upon the completion of required working days and submission and approval of deliverables.