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## TERMS OF REFERENCE (ToR)

### Technical Assistance - Provincial Development Finance Assessments for Maputo and Cabo Delgado Provinces

<b>Location:</b>	Home-based with Mission to Maputo and Cabo Delgado Provinces, Mozambique
<b>Application Deadline:</b>	8th of February 2021
<b>IC Title</b>	National Consultant
<b>Type of Contract:</b>	Individual Contract
<b>Languages Required:</b>	English and Portuguese
<b>Starting Date:</b> (date when the selected candidate is expected to start)	5th March 2021
<b>Duration of Contract:</b>	40 days

## 1. INTRODUCTION

The 2030 Agenda for Sustainable Development presents an ambitious, complex and interconnected vision to which all 193 Member States of the UN committed in September 2015. Realizing this vision will require mobilizing a diverse range of public and private resources to contribute to sustainable development outcomes. This is becoming ever more important in the context of the ongoing Coronavirus pandemic, the impacts of which will certainly affect the achievement of the Sustainable Development Goals by 2030. Globally, the Addis Ababa Action Agenda (AAAA) outlines a framework for financing the 2030 Agenda, aligning all financial flows and policies with economic, social and environmental priorities.

Countries are increasingly faced with challenges in developing integrated approaches to SDG financing, often due to misalignments between the planning and finance policy functions of the Government, a narrow focus on public resources to finance the SDGs and the participation of only a small group of stakeholders in the financing dialogue and decision-making.



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In response to these challenges, various instruments have been developed to operationalize and translate the AAAA framework to national contexts. This includes UNDP's Development Finance Assessment (DFA). The DFA is a tool that helps countries better understand the financing landscape in which they operate and identify opportunities to mobilize additional sources of finance, while using existing financial resources more efficiently to achieve the 2030 Agenda. DFAs typically enable governments to build consensus around solutions to sustainable development finance by taking a multi-stakeholder consultative approach to these assessments. DFAs often also provide the foundation for the development of joint roadmaps to sustainable development finance that approach these issues in a more strategic and coherent way, while helping harness additional resources for sustainable development.

In recognition of the importance of mobilizing financial resources to accelerate the implementation of the 2030 Agenda, the Government of Mozambique undertook a Development Finance Assessment in 2016/17 at the national level. Led by the Ministry of Economy and Finance (MEF), the Mozambican DFA provided an overview of the evolution of major flows of development finance and their allocation and contribution to national priorities, while seeking to identify alternative sources of financing for the SDGs.

While at the national level several actions have been taken towards SDGs implementation and to identify development finance sources, much less has been done at the sub-national level. At this level, local development plans are generally not aligned with the SDGs and lack a financial component. In other words, the linkages between provincial planning instruments, which set out provincial development visions, and provincial financing policies that government uses to manage its own resources, have been limited. Moreover, public authorities operating at the sub-national level (provincial governments, district administrations, municipalities) continue to rely, almost entirely, on funding from the State Budget for their financing needs, with limited attention given to other sources of sustainable development finance, whether public or private. This takes place in a context of devolved powers and increasing autonomy of sub-national authorities, as part of the decentralization reform adopted by the National Assembly in 2019.

Against this backdrop, UNDP Mozambique intends to roll-out a series of Provincial DFAs to strengthen strategic planning and financing capacities at the sub-national level and ensure that sub-national authorities have a better understanding of the sustainable development financing landscape in which they operate, as well as of the resources they may have available to support the implementation of the 2030 Agenda in their provinces. The provincial DFAs undertaken in Mozambique will involve an extensive mapping of possible sources of SDG Finance (public, private, domestic, international) at the provincial level and the identification of opportunities to mobilize additional sources of finance and to use existing financial resources more efficiently towards SDG achievement.



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The DFAs assessments will be conducted in Maputo and Cabo Delgado Provinces, where UNDP is currently implementing part of its SDG localization work. Maputo Province presents unique conditions and characteristics: it is heavily urbanized, with 71.3% of its population of 1.9 million people living in urban areas. It also has important industrial, services and logistics sectors and its proximity to the capital city of Maputo provides considerable prospects for agricultural development in the production of fresh food and livestock for local consumption. Yet, it also faces important sustainable development challenges, including waste management or frequent droughts, among others.

Cabo Delgado is one of the Provinces in Mozambique lagging furthest behind in terms of achieving the SDGs. In 2016, the Province's mostly rural population (76,6%) was afflicted by high levels of poverty: almost one in every two households (44.8%) were in this condition, representing an increase of nearly 6 percentage points in relation to the poverty rate reported in 2008: 39%. Literacy rates are among one of the lowest in the country, with 60.7% of the population remaining illiterate, against a national average of 44.9%, and with these trends showing a very significant gender divide: 46.7% of men in Cabo Delgado were illiterate in 2014/15, as opposed to 73.7% of women. Moreover, very limited access to electricity (11%) and piped water (10,8%) seriously compromise local living conditions.

In recent years, Cabo Delgado has attracted considerable attention from development partners in Mozambique and the broader international community, mainly as a result of three key developments affecting the province: the exacerbation of episodes of violent extremism afflicting northern Mozambique in 2020, the devastating impact in April 2019 of Cyclone Kenneth and the discovery of rich natural gas fields in the Rovuma basin, in the northern part of the province. All of these have served to exacerbate underlying social, economic and environmental vulnerabilities and tensions in the province. Examined together, these characteristics provide an overall understanding of sustainable development finance conditions at the subnational level in Mozambique.

## 2. DEVELOPMENT FINANCE ASSESSMENT – CONCEPTUAL FRAMEWORK

The Provincial DFAs that will be undertaken for this assignment in Maputo and Cabo Delgado Provinces will broadly follow the conceptual and methodological framework established globally for the implementation of DFAs, adapting it to the local context, in order to take into account data availability, local capacity and public-private sector collaboration concerns.

According to the [DFA Guidebook](#), the main goal of DFAs is to support Governments and their partners in identifying and building consensus around solutions to address financing challenges. As a tool designed for aggregation and collaboration, this analytical framework draws together information from a wide range of existing sources and assessments. This includes government



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policy research as well as assessments and diagnostics from national research institutes and other national initiatives. The emphasis in the DFA is on demystifying otherwise technical analysis and facilitating an accessible process of dialogue around sustainable development financing that, at the national level, supports wide participation in the inception phase of the INFF process.

Typically, DFAs are anchored in existing national processes, institutional structures and platforms. In this regard, the exercise seeks to convene and facilitate dialogue among a wide group of stakeholders, bringing together government policymakers and representatives of key non-state groups such as the private sector, civil society, development partners, IFIs and other stakeholders. It demystifies technical financing issues, ideally guiding a series of **Financing Dialogues** about building a more holistic, integrated approach to public and private financing for sustainable development.

The preparation of a DFA is typically organized around the four main Building Blocks of INFFs, namely:

- ❖ **Building Block 1 – Assessments and diagnostics:** The first part of the analytical framework looks at the existing vision for national sustainable development. It looks at what national plans are in place and the extent to which there is a clear, comprehensive financing strategy underpinning it. These issues are typically examined during the initial stages of the DFA, as they will provide a foundation against which much of the financing analysis will be related.
- ❖ **building Block 2 – Financing strategy:** The financing strategy sits at the heart of the INFF. It provides a strategic framework detailing how government will use the policies and instruments at its disposal to mobilize, invest and influence public and private financing from both domestic and international sources. Against this background, the DFA supports governments and their partners to look systematically across the policies, institutions and capacities that govern each type of public and private finance. It asks how existing policies and the institutional structures and capacity for delivering them can be brought together and strengthened to deliver an effective, holistic financing strategy for building back better.
- ❖ **Building Block 3 – Monitoring and review:** Mechanisms for effective monitoring and review of financing and financing policies are essential for the functioning of an integrated national financing framework, enabling policymakers to regularly examine how financing needs, trends, risks and constraints are evolving, and how public and private financing policies are performing. In this context, DFAs analyze existing monitoring systems and structures that are in place across government, identifying and building agreement on ways to connect these structures, and to strengthen and supplement them in support of monitoring and review of sustainable development financing.
- ❖ **Building block 4 – Governance and coordination:** For this INFF building block, DFAs analyze existing governance and coordination structures for sustainable development finance



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management. They consider how these structures can be brought together to support effective management, coordination and collaboration within the INFF and identify areas where structures can be strengthened or supplemented.

### 3. OBJECTIVES AND SPECIFIC ISSUES TO BE ADDRESSED

The objective of this provincial DFA assignment is to provide a better understanding of the sustainable development financing landscape in Cabo Delgado and Maputo provinces, as well as of the opportunities that may exist to mobilize additional financial resources for sustainable development, both public and private. In doing so, the provincial DFAs in Cabo Delgado and Maputo Province will help identify ways of approaching sustainable development finance at the subnational level in a more strategic manner, making recommendations on how this can be achieved by taking a broader look at sustainable development finance at this level that goes beyond traditional sources of public finance, while identifying interventions and arrangements that can support this more strategic approach to sustainable development finance.

The DFA assessment for Cabo Delgado and Maputo provinces will present a first overview of these issues that provides provincial authorities with a more strategic perspective to development finance in these two provinces, identifying areas for further deep dive analysis on specific issues that are of particular relevant for Cabo Delgado and Maputo province. UNDP recognizes that, given data limitations that may exist in Mozambique regarding provincial level financing flows, the assessment is likely to take strong “conceptual approach” that serves frame these issues in an integrated manner and substantiate them with whatever evidence is available for the particular case of Cabo Delgado and Maputo province.

Work going into the provincial DFAs undertaken in Cabo Delgado and Maputo Province will broadly apply the DFA methodological framework making use of the guidelines and material available in the DFA Guidebook and, where relevant, adapting them to the provincial context of Mozambique.

More specifically, the provincial DFAs in Cabo Delgado and Maputo Province will address the following issues:

#### **Assessment of policy and institutional architecture for province-level development finance**

- Provide an overview of institutional frameworks and mechanisms, as well as planning and budgeting processes that are in place to manage both public and private finance at the national and subnational levels.
- Provide an overview of existing policies and ongoing reforms for the management of public and private finance, analyzing how they relate to provincial level development financing, with a focus where possible on development financing in Maputo province. Both national and local



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level policies relevant to local development in the Mozambique context are to be considered, including those governing:

- **Public finance:** e.g. Vision of Public Finance 2011-2025, Strategic Plan of Public Finance 2016-19, revenue mobilization strategy, decentralization reform, annual and medium-term budget (national, provincial, municipal and district), public debt strategy, public entity management and development cooperation policy.
- **Private finance:** e.g. private investment policies and investment promotion strategy, financial sector development and financial inclusion policies, PPP policy, diaspora engagement.
- Identify existing platforms and mechanisms (e.g. forums, working groups, committees) for the coordination of development finance policy and dialogue within government and, if any, with external actors (e.g. the private and financial sectors, CSO, international financial institutions and development partners) relevant to provincial development priorities that may exist at the provincial level or have a bearing on provincial level development financing, with a particular focus on Cabo Delgado and Maputo Province.
- For the above points in this section, assess to what extent the policy and institutional architecture for province-level development financing is conducive to the effective use and mobilization of development finance at the provincial level, with a particular focus on Cabo Delgado and Maputo Province where relevant.

#### **Financing flows for sustainable development financing in Cabo Delgado and Maputo province**

- Collect information and assess provincial public financing flows to Cabo Delgado and Maputo Province: allocations from central government (fiscal transfers), locally generated public revenue, public borrowing, official development assistance, south-south cooperation, etc.
- To the extent that data is available, analyze main sources of private finance available in Cabo Delgado and Maputo province, including credit from the financial sector to the private sector, foreign direct investment, public-private partnerships, and identify opportunities for mobilizing private finance for sustainable development in Cabo Delgado and Maputo province.
- To the extent possible, identify other sources of development finance that may be available to authorities in Cabo Delgado and Maputo Province: climate finance, non-fiscal revenue, natural resources revenues (e.g. Law of 2.75% on the allocation to affected district authorities of royalties accrued from extractive industry operations), remittances, international financing to NGOs, philanthropic financing, etc.
- Collate existing estimates of financing needs associated with realizing provincial development priorities aligned with provincial development plans in Cabo Delgado and Maputo Province



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and assess, to the extent that data is available, whether existing development financing in these two provinces is sufficient to meet these needs.

### **Forward looking assessment of sustainable development financing in Cabo Delgado and Maputo province**

- Based on international best practices and experiences, identify and briefly describe areas and, where possible, specific interventions, that can generate additional development finance at the provincial level, whether through public, private or innovative sources of finance, including those related to digital finance and risk finance ecosystem.
- Analyze opportunities and institutional arrangements that can be realized/put in place to strengthen the alignment of public and private financing with local development priorities in Cabo Delgado and Maputo Province.
- Outline the elements of a possible sustainable development financing Roadmap for Cabo Delgado and Maputo Province, proposing recommendations and reform process on financing solutions, institutional changes and capacity development options for provincial level financing strategies to enhance local financing architecture and expenditure systems towards accelerated SDGs achievement.

### **4. PROPOSED APPROACH OF THE PROVINCIAL DFA**

This assignment will be undertaken by an international expert with proven experience in conducting Development Finance Assessments, together with a national consultant. This will ensure that work undertaken for this exercise conforms with international standards and best practices for this type of assessments, while ensuring it benefits from the contextual knowledge of a local expert. The team (national and international consultants) will work under the guidance of UNDP's Senior Economist in Mozambique and will work closely with Provincial authorities and other relevant actors in Maputo and Cabo Delgado Provinces.

Work for this assignment will involve a combination of desk-based research and fieldwork in Mozambique. The latter will serve to collect relevant data and information on sustainable development financing in Mozambique, with a focus on these issues in Maputo and Cabo Delgado Provinces. To this end, the consultants hired to undertake the DFA in Maputo and Cabo Delgado Provinces will conduct key informant interviews with relevant actors at the provincial and national level and engage in consultations and financing dialogues on sub-national sustainable development financing in the country.

In support and oversee the implementation of this assessment, a small DFA steering committee will be established, composed of representatives of the provincial government of Maputo and Cabo Delgado, UNDP and the Andalusian Agency for International Cooperation. This committee will provide leadership and oversight to this exercise, as well as overall guidance. Where possible,





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provincial governance structures will be used in support of this provincial DFA (e.g. Provincial SDG Reference Group). By engaging this wide group of actors and making financing dialogue more accessible, the Provincial DFA aims both to build a broader base of support for reform agendas and to identify innovative solutions to the challenges of financing the SDGs.

## 5. RESPONSIBILITIES

To undertake this work, UNDP is seeking to hire a national consultant to support the work of the international expert who will be leading the Provincial DFA process in Maputo and Cabo Delgado Provinces. The selected national consultant will work under the guidance of the international consultant and will be responsible for the following activities:

### *Inception phase*

- Help identify and collect data and other documentation relevant for the DFA
- Under the guidance of the international consultant conduct desk-based reviews of relevant documentation that may be relevant for the implementation of the DFA.
- Help identify key actors to be approached as part of the DFA exercise
- Support the preparation of the inception report for the provincial DFA for Maputo and Cabo Delgado Provinces

### *Fieldwork phase*

- Actively participate in planning for the field-research mission, including determining the schedule and objectives for collection of data/information and engaging the participation of key stakeholders in the process.
- Participate in the field research mission to (i) collect data and information, (ii) engage key stakeholders in the DFA process and (iii) share, socialize and refine initial emerging findings and ideas for recommendations to be developed.
- Support the compilation and analysis of existing data and other relevant information and documentation to build an understanding of financing trends and current policy and institutional landscape in Maputo and Cabo Delgado Provinces, following the DFA analytical framework.

### *Report writing and dissemination phase*

- Support the preparation of the first draft of the provincial DFA report for Maputo and Cabo Delgado Provinces.
- Support the finalization of the Provincial DFA report for Maputo and Cabo Delgado Provinces and respective roadmaps under the guidance of the steering committee.
- Remain available for any dissemination events and engagements that may be organized to share and discuss the results of the Maputo and Cabo Delgado provincial DFAs.





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## 6. EXPECTED DELIVERABLES & PAYMENTS

The national consultant hired for this Provincial DFA Assignment will work for a total of **forty (40) consultancy days** and will be responsible for providing the following deliverables:

Deliverables/ Outputs	Estimated Duration to Complete	% of Payment	Review and Approvals Required
<ul style="list-style-type: none"> <li>Inception Report outlining all methodological and operational aspects of the Provincial DFA Exercise, including a detailed chronogram.</li> <li>Preparation of first mission to Maputo and Cabo Delgado Provinces.</li> </ul>	5 days	30%	UNDP
<ul style="list-style-type: none"> <li>Fieldwork , including fieldwork in Cabo Delgado and Maputo Province.</li> </ul>	20 days	-	UNDP
<ul style="list-style-type: none"> <li>First draft of the provincial DFA Report covering Maputo and Cabo Delgado Provinces.</li> </ul>	10 days	40%	UNDP
<ul style="list-style-type: none"> <li>Final Provincial of DFA Report covering Maputo and Cabo Delgado Provinces including roadmap.</li> </ul>	5 days	30%	UNDP

On the basis of the above, payments will be made in three separate tranches, as per the following payment schedule and taking into account no longer than 5 working days for technical validation and approval by UNDP and governmental counterparts of submitted deliverables:

1. A first payment, equivalent to 30% of the total contract amount, to be made upon submission and validation by UNDP of the Initial Inception Report.
2. A second payment, equivalent to 40% of the contract amount, to be made upon submission and validation by UNDP of a first draft of the Provincial DFA Report, covering Maputo and Cabo Delgado Provinces.
3. A final payment, equivalent to 30% of the contract amount, to be made upon submission and validation by UNDP of the final Provincial DFA Report, covering Maputo and Cabo Delgado Provinces.

## 7. DURATION OF THE WORK



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The expected duration of this assignment is forty (40) consultancy days, starting in March 2021 and finishing by June 2021. A detailed chronogram with key activities and milestones for the implementation of the Provincial DFA should be prepared by the consultant as part of the Inception Report.

## 8. DUTY STATION

The consultant will be home-based with expected missions to Maputo and Cabo Delgado Provinces.

## 9. QUALIFICATIONS

The National Consultant should demonstrate expertise as required for the DFA, including:

- Public Finance
- Policy and Planning
- Private sector development and Public Private Partnerships
- Municipal finance

The required skills and experience for the consultant are:

### Education:

- Minimum bachelors' degree or equivalent in economics, public finance, accounting, public policy and administration, development studies or related field. A Master's degree in any of these fields would be desirable.

### Work Experience:

- Minimum of 7 years of relevant professional work experience, with demonstrated expertise in the area of development finance and public financial management with track record of policy research analysis and advisory services in this field.
- Good knowledge of economic and development cooperation issues in Mozambique, including development finance challenges, financial inclusion, development effectiveness, fiscal decentralization, national budget and planning processes and related issues.
- Demonstrated evidence of having worked on decentralized governance and decentralized public finance issues in Mozambique.
- Ability to conduct interviews and facilitate dialogues, including with senior government officials and other stakeholders.



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- Previous work experience undertaking assessments in the area of PFM and, more generally, development finance (e.g. financial inclusion, finance sector reform, etc. in Mozambique would be an asset.

### Language

- Excellent written and spoken Portuguese. Working-level knowledge of English is also required.

## 10. SELECTION PROCESS

The selection of the individual consultant will be done following UNDP procurement rules and regulations. UNDP will assess the consultant's profile, qualifications and skills to ensure high level consultant is recruited using the below evaluation criteria.

Shortlisted consultants will be invited to an interview.

<b>1</b>	<b>National Consultant - Provincial Development Finance Assessment for Maputo and Cabo Delgado Provinces</b>	<b>Max 100 points</b>
<b>A.</b>	<b><i>Qualifications and Experience</i></b>	<b>Max 70 points</b>
	Minimum of 7 years of relevant professional work experience, with demonstrated expertise in the area of development finance and public financial management with track record of policy research analysis and advisory services in this field.	10
	Strong knowledge of economic and development cooperation issues in Mozambique, including development finance challenges, financial inclusion, development effectiveness, fiscal decentralization, national budget and planning processes and related issues.	10
	Demonstrated evidence of having worked on decentralized governance and decentralized public finance issues in Mozambique.	20
	Ability to conduct interviews and facilitate dialogues, including with senior government officials and other stakeholders.	10
	Previous work experience undertaking assessments in the area of PFM and, more generally, development finance (e.g. financial inclusion, finance sector reform, etc. in Mozambique would be an asset.	20
<b>B.</b>	<b><i>Financial Criteria</i></b>	<b>Max 30 points</b>



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Lump sum proposal to undertake the assignment and achieve the deliverables	30
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### Application Submission Process

Interested individual consultants must include the following documents when submitting the applications at UNDP job shop *(Please note that only 1 (one) file can be uploaded therefore please include all docs in one file):*

- Personal History Form (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 (the template can be downloaded from this link: [http://europeandcis.undp.org/files/hrforms/P11\\_modified\\_for\\_SCs\\_and\\_ICs.doc](http://europeandcis.undp.org/files/hrforms/P11_modified_for_SCs_and_ICs.doc)).
- Financial Proposal

Applicants are instructed to submit their financial proposals, a lump sum, in US Dollars for this consultancy to [bidsubmission.mz@undp.org](mailto:bidsubmission.mz@undp.org) using the financial proposal template available here: [http://procurement-notices.undp.org/view\\_file.cfm?doc\\_id=45780](http://procurement-notices.undp.org/view_file.cfm?doc_id=45780). The proposals should be sent via email with the following subject heading: **"Provincial DFA National Consultant/Consultancy Services"** by the deadline for this vacancy. Proposals received after the deadline will not be considered. To assist the requesting unit in the comparison of financial proposals, the financial proposal should be all-inclusive and include a breakdown. The term 'all-inclusive' implies that all costs (professional fees, travel related expenses, communications, utilities, consumables, insurance, visa, cost of living in duty station, etc.) that could possibly be incurred by the Consultant are already factored into the financial proposal.

### Application Evaluation Process

Individual consultants will be evaluated based on the cumulative analysis methodology (weighted scoring method), where the award of the contract will be made to the individual consultant whose offer has been evaluated and determined as:

- Responsive/compliant/acceptable and
- Having received the highest score out of a pre-determined set of technical and financial criteria specific to the solicitation.

Consultant Profile weight: [70%]



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Financial Criteria weight: [30%]

Only Individual Consultants obtaining a minimum of 65 points out of 80 available for the technical evaluation, will be considered for the Financial Evaluation.

Signature and approval of the ToRs:

A blue ink signature, appearing to be 'Alex Warren-Rodríguez', written over a horizontal line.

**Alex Warren-Rodríguez**

UNDP Senior Economist

Date: 25-Jan-2021

A black ink signature, appearing to be 'Francisco Roquete', written over a horizontal line.

**Francisco Roquete**

UNDP Deputy-Representative

Date: 25-Jan-2021