

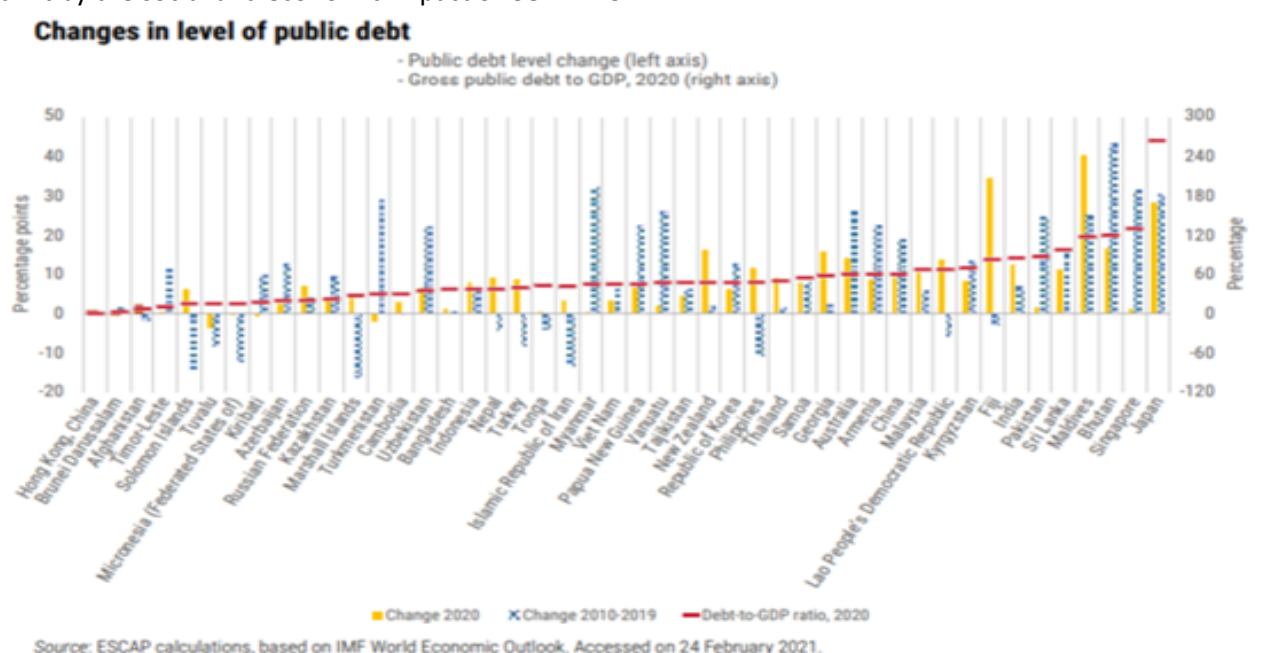
TERMS OF REFERENCE FOR INDIVIDUAL CONTRACT

POSITION TITLE:	International Consultant: Debt Sustainability
AGENCY/PROJECT NAME:	UNDP BRH
COUNTRY OF ASSIGNMENT:	Home based
DURATION:	1 November 2021 – 30 June 2022

1) GENERAL BACKGROUND

In the Asia Pacific region, COVID-19 continues to ravage and pose serious risk of resurgence. Regional economy is likely to revive, with growth projected at an average rate of 5.4% in 2022 but countries are recovering at divergent speeds. Under uncertain economic outlook and reduced economic activities, fiscal space is under unprecedented pressure with the need to introduce multiple stimulus packages and social protection support and increase public expenditure to address the covariate shocks of increased need for health care, losses in jobs and working hours, reduction in income, widening inequalities and adverse impact on MSMEs. LDCs are especially vulnerable and at high risk of debt distress with the compounding shocks of climate change and natural disasters.

Debt sustainability is a key anchor for sustaining fiscal policies and investment in inclusive growth and human development. Debt sustainability has been a recurrent concern for many countries in the Asia Pacific region that have been affected by preceding crisis and have thus sustained prudent and self-imposed debt ceiling with the intent of strengthening fiscal position and reducing vulnerabilities to sudden regional and global economic downturns. However, this has also constrained increasing expenditure in essential public services before and during the COVID-19 pandemic. High out of pocket spending prevailed in the context of limited public spending on and privatization of essential services such as healthcare, intensifying the financial burden on the vulnerable people who are already hard hit by the social and economic impact of COVID-19.



The region – LDC countries and emerging economies likewise – are at a critical juncture with the depth and duration of the crisis undermining inclusive recovery and bringing debt sustainability issues to the fore.¹ According to IMF, a country's debt is considered sustainable if it were to meet the current and future financial obligations without resorting to exceptional financing or falling into default. As countries in the Asia Pacific region foresees an upward trend in the public debt to GDP ratios, sustainability plans that take into account the evolving medium and long-term scenarios and imperatives of sustaining inclusive and green stimuli and recovery packages, and strategies to balance the trade-off between fiscal spending and growth are urgently needed and re-assess approaches to debt sustainability are urgently needed.

In the wake of the COVID-19 crisis, the UN framework for the immediate socio-economic response to COVID-19 put

¹ See ESCAP [Economic and Social Survey of Asia and the Pacific](#) 2021 which also underscores that public debt sustainability is vulnerable to slower-than expected economic growth and fiscal contingent liabilities in the wake of COVID-19. See presentation [here](#). Also see ESCAP [Policy Brief No. 116: An assessment of fiscal space for COVID-19 response and recovery in Asia-Pacific developing countries](#)

forward an important pillar on macroeconomic response and multilateral collaboration which underscored that “tools of debt sustainability analysis will need to be redesigned to support countries in a medium to long-term framework.”² The UNSG’s Debt and COVID-19: A Global Response in Solidarity Policy Note proposed a three-phased approach: Phase Standstill to give immediate “breathing space” for all countries that need it through an agreed mechanism; in phase 2, beyond the immediate crisis response and the debt moratorium, targeted debt relief will likely be needed, as the impact of COVID-19 has compounded high debt levels and unmet financing needs for the SDGs even before the pandemic hit; and in phase 3, the focus would be on addressing structural issues in the international debt architecture to prevent defaults leading to prolonged financial and economic crises.³ In May 2020, Canada, Jamaica and the Secretary-General convened a High-Level Event to join forces with Heads of State and Government and international organizations to enable discussions of concrete financing solutions, to six pressing issues, which included debt, and at the Heads of State meeting in Sept 2020, menus of options were put forward by the six discussion groups, including on debt.⁴ Moreover, there have been a number of reports and proposals coming out from different global fora.⁵

As the development arm of the UN development system, in the context of COVID-19 pandemic, UNDP was designated as the technical lead on socio-economic impact recovery within the context of the UN framework for the immediate socio-economic response to COVID-19. At country and global levels, it has been actively engaged on the issues of financing of the sustainable development agenda.⁶ The imperative to take stock of and articulate forward-looking debt sustainability, within the framework outlined above, has emerged as critical issue to address if progress on the SDGs and climate action is not to be undermined and if the recovery is to be both inclusive and green. Moreover, while COVID-19 crisis has been extraordinarily challenging for countries in this regard, in the policy responses of different governments, a number of important approaches have emerged which it would be useful for UNDP to both take stock of and share with others in the context of its programme and advocacy work.

2) OBJECTIVES OF THE ASSIGNMENT

The BRH Inclusive Growth Working Paper Series seek to build knowledge base to address the most pressing and emerging structural issues that affect the Government’s policy options towards inclusive and sustainable recovery from COVID-19 pandemic and attainment of SDGs across several countries in the Asia Pacific region. The topics are closely aligned to the key theme and directions of 2022 Regional Human Development Report.

These papers seek to take stock of the existing data and evidence in the Asia Pacific region and inform UNDP’s intellectual leadership, positioning and strategic dialogues with partners at regional & country levels with a view to

² See [A UN framework for the immediate socio-economic response to COVID-19](#) (April 2020). The UN Secretary-General entrusted UNDP to be the technical lead for the socio-economic response to COVID-19 at the country level alongside the health response, led by the WHO, and the humanitarian response led by OCHA. The five pillars are 1. Health First: Protecting Health Services and Systems during the Crisis; 2. Protecting People: Social Protection and Basic Services; 3. Economic Response and Recovery: Protecting Jobs, SMEs, and Informal Sector Workers; 4. Macroeconomic Response and Multilateral Collaboration; 5. Social Cohesion and Community Resilience. Also see Inter-agency Task Force on [Financing for Development Financing for Sustainable Development Report 2021](#)

³ See [Debt and COVID-19: A global response in solidarity](#);

⁴ See [High-Level Event on Financing for Development in the Era of COVID-19 and Beyond](#). Six discussion groups were set up: DGI: External Finance and Remittances, Jobs, and Inclusive Growth; DGII ‘Recovering Better for Sustainability’ UNDP provided the Secretariat for the DG co-chaired by EU, UK, Fiji, and Rwanda; DGIII: Global Liquidity and Financial Stability; DGIV: Debt Vulnerability; DGV: Private Sector Creditor Engagement; and DGI: Illicit Financial Flows. The DGs put forward menus of options for heads of state, including [Financing for Development in the Era of COVID-19 and Beyond: Menu of Options for the Consideration of Heads of State and Government \(Part II\)](#). With regard to proposed strategies to take forward the work of the different discussion groups, UNDP is expected to lead the work of Cluster 1 (from discussion group 1) on sustainability and climate action and it is active in various for a, e.g. it serves as the secretariat for the G20 [Sustainable Finance Working Group](#) under the Italian Presidency.

⁵ E.g., see Friedrich-Ebert-Stiftung (FES) in New York and the Consensus Building Institute (CBI) Roundtable Report [Responding To Risks Of Covid Debt Distress](#) July 2021; [Small-Island Developing States need urgent support to avoid debt defaults; Whose debt is it anyway? A sustainable route out of the crisis for low-income countries](#); Debt Relief for a Green and Inclusive Recovery Securing Private-Sector Participation and Creating Policy Space for Sustainable Development; T20 Policy brief September 2021 Task Force 9 International Finance Resetting [The Global Financial Safety Net For The Covid-19 Recovery](#);

⁶ E.g., see UNDP Brief [Sovereign Debt Vulnerabilities in Developing Economies](#); [Update on UNDP’s Socio-economic Response Beyond Recovery: Towards 2030 24 May 2021 - Briefing Note #3](#); within the context of support to the Integrated National Financing Frameworks, where UNDP is a technical lead for joint SDG fund supported programmes at country level, debt sustainability is emerging as an important issue. Also see contributions by other UN agencies UNICEF [COVID-19 and the Looming Debt Crisis Protecting and Transforming Social Spending for Inclusive Recoveries](#); UNCTAD [From the Great Lockdown to the Great Meltdown: Developing Country Debt in the Time of Covid-19](#)

bring transformational change to the policy narrative and direction.

The paper will benefit from a light internal peer review by Regional Bureau for Asia Pacific (RBAP) Headquarters in New York, Bangkok Regional Hub (BRH) GPN staff, CO Economists, Bureau for Policy and Programme Support (BPPS) Inclusive Growth Team, as relevant to their portfolio and country contexts as well as the SDG Finance Team.

The output paper will be a concise and strategic document of about 20 pages with an executive summary that could be detached and used as a policy brief. Among the audience envisaged are policy makers, academics, NGOs / CSOs, media, development partners, IFIs and UN agencies. This paper also seeks to inform the strategic engagement of UNDP officials (RRs, DRRs, Economist Network, RBAP Headquarters in New York, BPPS and others) with the IFIs, UN agencies and national partners on debt sustainability as well as COVID-19 recovery, SDG financing and social protection).

Against the above backdrop, this working paper on debt sustainability will be developed based on a regional desk review mapping and highlighting the implications of public debt burden and external borrowing on fiscal policies in the Asia Pacific region, in light of the investment needs for sustainable and inclusive economic growth in the context of COVID-19. While IFIs have established methodologies for assessment, there is a value for UNDP to highlight the implications at macro and micro-levels on human development and inclusive growth. Intellectual contributions include:

- Analytical and evidence-based assessment on the state of public debt burden in the Asia Pacific region
- Implications of public debt burden on inclusive, sustainable and resilient growth and prosperity including fiscal policies, risk management, sovereign credit ratings etc. in relation to macroeconomic stability, with analysis of specific implications on LDCs, SIDs (in line with the UNDP's corporate offer) and MICs.
- Concept of debt sustainability and strategies put in place / to be considered in the COVID-19 context, as well as emerging promising options.

The working paper will be commissioned jointly by Regional Inclusive Growth and Prosperity Team and SDG Financing Team. The consultant will work closely with the two teams as well as with other BRH GPN Teams, Regional Economists and Country Office-based economists.

3) SCOPE OF WORK

The consultant will undertake the following tasks:

- 1) Desk review drawing on the latest evidence and cutting-edge research addressing the below aspects:
 - Latest and evolving concept and definitions of debt sustainability
 - Trends and projection of debt burden and composition of debt in the countries in the Asia Pacific region.
 - Review of how sources and terms of debt financing has evolved over the past 20-30 years from multilateral and private sources to bilateral sources.
 - Potential implications fiscal policies, particularly in addressing the socio-economic impact of COVID-19 including investment in basic services, social protection and low carbon transitions.
 - Review of existing and forthcoming debt management and sustainability policies and plans introduced by the Governments in the region.
 - Implications of sovereign credit rating and debt sustainability assessments.
 - Specific challenges and implications on fiscal policies in LDCs / SIDs (and its implications on graduation plans) as well as MICs.
- 2) Draft a paper of approximately 20 pages with annexes, graphs and tables, abstract and presentation with key messages as well as practical recommendations for policy makers and to inform the work of the UNDP economists, including for policy advocacy and support to governments, as well as to inform the diagnostics and policy recommendations in the context of integrated national financing frameworks (INFF), incorporating inputs and feedback from the concerned parties.
- 3) Presentation of the paper in the RBAP Economist Network webinar and as other strategic opportunities arise.

4) DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

Duration

1 November 2021 – 30 June 2022 (36 days maximum)

Duty Station

Home-based with telecommunication engagement with country office and relevant counterparts in Asia and Pacific, no travel required.

Expected places of travel: None

5) Expected Deliverables

Deliverables/ Outputs	Estimated Duration to Complete	Target Due Dates	Review and Approvals Required
a) Outline, concept and methodology as well as list of references and datasets	7 days	Late November 2021	UNDP (Team Leader – Inclusive Growth, Prosperity Advisor and SDG Finance Advisor, and Inclusive Growth Programme Specialist-Public Finance Specialist in coordination with RBAP Chief Economic Advisor) with input from regional and country office-based Economists.
b) Draft the working paper	20 days	Late January 2022	
c) Presentation of the preliminary findings and policy recommendations to the peer review group	1 day	Early February 2022	
d) Final paper, two-page abstract and PPT presentation incorporating feedback from and endorsed by the relevant parties in UNDP	8 days	Late March 2022	
Total	36 days (Max)		

6) PROVISION OF MONITORING AND PROGRESS CONTROLS

The consultant will report to the Team Leader – Inclusive Growth and Prosperity Advisor, SDG Finance Advisor and Inclusive Growth Programme Specialist-Public Finance Specialist who will work closely with the RBAP Chief Economic Advisor. The consultant will also work closely with the GPN Teams, Economists via the RBAP Economist Network and other partners.

7) DEGREE OF EXPERTISE AND QUALIFICATIONS

Education:

At least Master's degree in economics, macroeconomics, public finance management, development studies, statistics or related fields.

Work experience:

- A minimum of 15 years of experience in macroeconomic policy analysis with specialization in developing country contexts including provision of policy advisory support;
- At least 5 Track record of authoring academic papers within the last 5 years and current / recent affiliation with academic institutions.
- Track record to demonstrate theoretical and technical knowledge of macroeconomic policy and concepts with specialization in debt policies;
- Track record that demonstrates the quantitative research skills using large datasets combined with qualitative and analytical research skills.
- Experience in compiling theories, technical concepts and data on macroeconomic policies into concise and strategic documents for use in high-level regional policy dialogue.
- Familiarity with UN especially UNDP corporate priorities as well as policies of IFIs;
- Experience working in or related to the Asia-Pacific region

Competencies

- Ability to effectively plan, organize, monitor tasks and deliver outputs;
- Good inter-personal and skills;
- Proactiveness, patience and attention to details;
- Openness to change and ability to integrate feedback;
- Cultural and gender sensitivity; ability to work with people from different backgrounds;
- Ability to work independently and in a team; and to deliver high-quality work on time;
- Ability to network and leverage collaboration from stakeholders and partners.
- English proficiency is required.

8) REVIEW TIME REQUIRED

The review and approval of payments will be made by the assigned supervisor(s) within **7** days.

09) PAYMENT TERMS

Please indicate any special payment terms for the contract.

☒ **LUMP SUM**

Payments shall be done on a lumpsum basis, upon verification of satisfactory delivery and of completion of deliverables and approval by the supervisor.

Deliverables/ Outputs	Payment term
Deliverable 1 <ul style="list-style-type: none">• Outline, concept and methodology as well as list of references and datasets.• Draft working paper.	40%
Deliverable 2 <ul style="list-style-type: none">• Presentation of the preliminary findings and policy recommendations to the peer review group.• Final paper, two-page abstract and PPT presentation incorporating feedback from and endorsed by the relevant parties in UNDP.	60 %

Candidates must send a financial proposal based on **Lumpsum Amount**. They shall quote an all-inclusive Daily Fee for the contract period. The term “all-inclusive” implies that all costs (professional fees, communications, consumables, etc.) that could be incurred by the successful candidate in completing the assignment are already factored into the daily fee submitted in the proposal. *Travel is not required*.

In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon between the respective business unit and the consultant, prior to travel, and will be reimbursed. In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. Should the consultant wish to travel on a higher class, they should do so using their own resources.

12) CRITERIA FOR SELECTION OF THE BEST OFFER

Evaluation Method and Criteria

Cumulative Analysis: The candidates will be evaluated through Cumulative Analysis method. When using the weighted scoring method, 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 set of weighted combine technical evaluation of desk review and interview (70%), and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment.

Technical Criteria for Evaluation (Maximum 100 points)

Evaluation criteria		Max points
Criteria 1	At least Master's degree in economics, macroeconomics, public finance management, development studies, statistics or related fields.	10
Criteria 2	A minimum of 15 years of experience in macroeconomic policy analysis with specialization in developing country contexts including provision of policy advisory support;	20
Criteria 3	At least 5 Track record of authoring academic papers within the last 5 years and current / recent affiliation with academic institutions.	15
Criteria 4	Theoretical and technical knowledge of macroeconomic policy and concepts with specialization in debt policies.	20
Criteria 5	Quantitative research skills using large datasets combined with qualitative and analytical research skills.	15
Criteria 6	Experience in compiling theories, technical concepts and data on macroeconomic policies into concise and strategic documents for use in high-level regional policy dialogue.	10
Criteria 7	Familiarity with UN especially UNDP corporate priorities as well as policies of IFIs.	5
Criteria 8	Experience working in or related to the Asia-Pacific region	5
Total points:		100

****Only candidates obtaining a minimum of 70% or above in the Technical evaluation would be considered for the Financial Evaluation.**

Personal interview may be required.

Financial Evaluation (30%)

Financial proposals from all technically qualified candidates will be scored out of 30 marks based on the formula provided below. The maximum marks (30) will be assigned to the lowest financial proposal.

All other proposals will receive points according to the following formula:

- $p = y (\mu/z).$

Where:

- p = points for the financial proposal being evaluated;
- y = maximum number of points for the financial proposal;
- μ = price of the lowest priced proposal;
- z = price of the proposal being evaluated.

Application Procedure / Recommended presentation of offer

Instructions to Applicants: Click on the "**Apply now**" button. Input your information in the appropriate Sections: personal information, language proficiency, education, resume and motivation. Upon completion of the first page, please hit "submit application" tab at the end of the page then the uploading option for the required document will be available.

Please group all your document into one (1) single PDF document as the application system only allows to upload maximum one document.

Interested candidates must submit the following documents/information to demonstrate their qualifications. Please group them into one (1) single PDF document:

- Letter of Confirmation of Interest and Availability with Financial Proposal** (in USD) using the template provided as **Annex III**
[Financial proposal: Consultant shall quote an all-inclusive fixed total contract price, supported by a breakdown of costs, as per template provided for the entire assignment. The term "all-inclusive" implies that all costs (professional fees, communications, consumables, etc.) that could be incurred by the IC in completing the assignment are already factored into the proposed fee submitted in the proposal]

If an Offeror is employed by an organization/ company/ institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the Offeror must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

2. **P11 / Personal CV**, 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.
3. Samples of unedited policy paper (5-8 pages) written by the candidate.

****Failure to submit the above-mentioned documents or Incomplete proposals shall result in disqualification**

****Please group all your document into one (1) single PDF document as the application system only allows to upload maximum one document.**

The short-listed candidates may be contacted, and the successful candidate will be notified