

## TERMS OF REFERENCE (ToRs)



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### GENERAL INFORMATION

<b>Services/Work Description:</b>	International Consultant for a Study on Innovative Financing for Social Protection in Africa
<b>Project/Program Title:</b>	Social Protection for Sustainable Development
<b>Type of contract:</b>	International Individual Consultant
<b>Duty Station:</b>	Home-based
<b>Expected Places of Travel:</b>	None
<b>Duration:</b>	30 working days distributed over 2 months
<b>Expected Start Date:</b>	Immediately after concluding the contract agreement

### I. BACKGROUND / PROJECT DESCRIPTION

The State's obligation to deliver social protection to the poor and vulnerable populations is articulated in national policy documents and Constitutions of many African countries. However, the availability of social protection schemes is still very limited, with only 17.8 percent of Africans covered (ILO). Both formal and informal social protection mechanisms are overstretched by the harsh realities of economic challenges, inadequate resource commitment, disasters, conflicts, and most recently, the COVID-19 pandemic.

The COVID-19 response measures have curtailed economic activities and placed a growing number of individual's livelihoods at risk, with many slipping below the poverty line with narrow options for recovery. This vast sums of funding needed for the COVID-related spending needs coincide with a simultaneous constraint to all traditional sources of development finance: tax revenue, export earnings, migrant remittances, foreign direct investment and official development assistance (ODA).

With a lower level of domestic resource mobilisation compared to other world regions, African countries rely disproportionately on external financial flows, which have been overstretched by the pandemic. This puts a serious strain on the overall SDGs financing gap estimated at \$200 billion annually for Africa. While social protection programs have been a crucial part of the COVID-19 response, the pandemic laid bare the inadequacy of the social protection systems in sub-Saharan Africa, including lack of sustainable domestic financing for this purpose. This context creates a need for new sources of finance for social assistance during the response and recovery efforts as well as institutionalization of integrated and sustainable social protection systems. To expand the current social protection systems, it is important to explore ways to improve the effectiveness of the current financing systems, as well as propose and adapt innovative finance schemes.

In low-income countries in sub-Saharan Africa, poor revenue mobilisation is an important barrier to the extension of social assistance. This is compounded by the debt load forecasted for sub-Saharan Africa at 56 percent of GDP for 2021 (IMF) with the interest payments reaching on average 20 percent of tax revenue for the region last year and exceeded one-third of revenue in some countries. Despite increase of expenditure on social assistance across Africa over the last decade, most of the countries are still spending less than 1 percent of Gross Domestic Expenditure on social assistance. Similarly, several African countries are spending less than US\$10 on social assistance per poor person per year. The fiscal constraints are a reality that calls for innovating

financing beyond the traditional means to ensure a wider coverage of the majority poor and better impact on poverty.

In this challenging financial context where traditional forms of development aid are under pressure, innovative finance – aligned with the Addis Ababa Action Agenda<sup>1</sup> - has emerged as a complementary approach to generate sustainable sources of finance to support governments fight poverty and reach development goals. Innovative finance capacitates the State to transcend the limits of public finance. Creating the enabling environment to improve efficiency and coordination of current systems is needs, so are new or novel ways of raising funds from unconventional sources, including from private stakeholders and exploring the opportunities of digital finance.

This research explores innovative financing options and considers the benefits of partnerships which engage the private and public sectors, local and international actors (including both local and diaspora communities), as well as philanthropic and commercial players to strengthen social protection provision. It will also review real-life initiatives that highlight ways of working between government, private sector investors and individuals in reshaping the landscape of social protection into the future.

## **II. SCOPE OF THE WORK**

This research is part of the broader UNDP's regional initiative to support the expansion of social protection coverage across the continent. It is complementary to the organisation's current efforts to extend social protection to the informal economy and strengthen the ability of informal support mechanisms to deal with shocks at the household and community levels. Financing for social protection, and more broadly for SDGs, has become a crucial area of advocacy for social protection within the government and development partners. UNDP promotes the SDG financing via its lead role in the Integrated National Financing Frameworks<sup>2</sup>.

Against this context, this work will explore opportunities for expansion of social protection, which aligns with the core vision of the Leaving No One Behind principle of the SDGs. The ultimate goal of this assignment is to generate a general awareness on innovative financing opportunities for social protection as well as promote a whole-of-society policy level discussion and advocacy on the matter. The consultant is expected to identify some case studies, including emanating from the ongoing work under the Integrated National Financing Framework (INFF) initiative, where such methods/models of innovative financing are being or have been implemented in Africa or beyond as well as from the UNDP Insurance Risk Finance Facility that works to make insurance and risk finance a critical building block of sustainable development.

Linking social protection to the broader development agenda of improving health, education and nutrition outcomes, as well as the needed public and private financing reforms (that are being undertaken within the INFF framework) makes a stronger case for innovative financing for social protection. Stressing the importance of social protection in COVID-19 and other disaster responses (climate change or conflict related) makes innovative financing imperative.

The research anchors on the following activities:

### **1) SDG financing and innovative development finance**

African governments face a plethora of development challenges that call for additional funding beyond the national budgets to finance the SDGs, including those concerning social protection. Mobilising additional finance and deploying capital more effectively and efficiently requires the deployment of innovative financing solutions to specific challenges which traditional development interventions have failed to address adequately.

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<sup>1</sup> [https://sustainabledevelopment.un.org/content/documents/2051AAAA\\_Outcome.pdf](https://sustainabledevelopment.un.org/content/documents/2051AAAA_Outcome.pdf)

<sup>2</sup> <https://inff.org/>

The success of innovative development finance requires both new mechanisms and approaches, and replication and upscaling of existing successful innovations. A core element of the definition of innovative finance is that the additional capital is to be used more efficiently and effectively. More efficient use of existing or additional funds means to add value by providing better value for money or by lowering the cost of achieving targeted development results (e.g., outcomes, outputs and impact). The consultant is expected to explore recent experiences with innovative sources of development finance, including UNDP's own work around financing SDGs, in order to capture lessons learned for the more effective implementation of both current and future initiatives. Similarly, the consultant shall provide some insights into the pros and cons of different approaches and, as such, make a useful contribution to international and regional policy discussions over the design and implementation modalities of both current and future innovative sources of development finance.

## **2) Innovative finance for social protection**

While there is abundant literature on innovative finance for development, there is still limited information and lack of awareness about innovative approaches for financing social protection. Where literature on innovative approaches to social protection financing exists, it is usually outdated making it imperative to explore contemporary experiences over the world to better inform current policy practices on the financing of social protection in Africa. It is also important to explore how some of the existing innovative financing methods for the broader development agenda can be tailor made to integrate social protection. The consultant is expected to pay adequate attention to all components of social protection, i.e., social assistance, social insurance and labour market interventions. There are lived experiences (past and present) of innovative financing for social protection, especially in the Global North and other parts of the Global South, including Africa. To be certain about which innovative approaches to advocate requires much more practical experience with, and careful assessment of, the best of the emerging proposals, few of which have been adequately tested in action thus far. Reviewing such with particular attention to political feasibility therefore helps to identify possible opportunities to expand social protection. Through this initiative, UNDP is expecting to improve the understanding of how the concept of innovative financing can be effectively extended to social protection to ensure that there is wider coverage of the vulnerable communities in line with the principle of LNOB.

Areas of financing options where innovation can be applied for social protection to be investigated may include, but are not limited to, the following (tax and non-tax revenues; special reserve or contingency budgetary funds; public expenditure and budget reallocation; Debt Instruments – bonds, debt swaps, debt restructuring -; social security fund/scheme; sovereign wealth fund; international development cooperation; remittances; Islamic Finance; market based risk insurance; social impact investment; crowdfunding; corporate social responsibility; digital finance, etc. The consultant will assess the advantages, disadvantages, best applied scenarios, and lesson learned for the investigated financing options, as well as whether they are pre-planned and arranged routine options, or more ex post responsive.

## **III. EXPECTED OUTPUTS AND DELIVERABLES**

In consultation with the Inclusive Growth at RSCA and the SDG Finance Sector Hub, the consultant is expected to conduct a desk review of the existing literature on innovative approaches to SDGs financing in general and to financing social protection in particular. The objective is to understand the existing and possible innovative approaches as well as their political feasibility across the continent of Africa. The following are the deliverables:

### **A. Mapping of African based innovative financing policies, tools and instruments, covering private and public finance on both revenue and expenditure sides:**

- 1. Mapping innovative finance mechanisms for development.** This will include

- a. Identifying entries of collaboration and synergies connecting the INFF related work and recommendations coming out of the DFA (development finance assessment) related processes with the potential entries for collaboration with social protection.
- b. Identifying best practices being undertaken globally, that, through south-south cooperation, can be adopted and adapted in Africa

## **2. Mapping innovative finance for social protection**

- a. The consultant is expected to identify innovative financing mechanisms for social protection and its extension to the informal sector from those discussed in the two deliverables above.
- b. Assessing and discussing the feasibility of the identified mechanisms, their risk profile (externalities, trade-offs, etc.) and constraints in the African context.

## **B. Mapping governance and monitoring mechanism of financing for social protection:**

1. Mapping good practices in terms of governance and coordination of financing policies, tools and instruments for social protection that could be adapted to the African context.
2. Mapping good practices in terms of monitoring and review tools that would contribute towards more effective monitoring, transparency and accountability of financing policies, tools and instruments for social protection.

## **C. Comprehensive report on innovative financing**

The consultant is expected to produce a background paper of 20-25 pages that maps development innovative financing and dovetails to possible mechanisms that can be explored to finance social policy and social protection. For each suggested policy, tools and instruments, the report will provide an overview of the risks/benefits, prerequisites, cost estimations and key stakeholders for their implementation.

<b>No.</b>	<b>Deliverables / Outputs</b>	<b>Estimated Duration to Complete</b>	<b>Review and Approvals Required</b>
1.	Annotated Outline	5 days	UNDP RSCA Social Protection and Inclusive Growth Specialist/UNDP Finance Sector Hub, SDG Finance and SSC Regional Advisor
2.	Comprehensive background paper on innovative financing for social protection in Africa – outlining current state of play, gaps and new opportunities.	20 days	UNDP RSCA Social Protection and Inclusive Growth Specialist/UNDP Finance Sector Hub, SDG Finance and SSC Regional Advisor
3.	Final version of the paper with comments from peer reviews incorporated.	5 days	UNDP RSCA Social Protection and Inclusive Growth Specialist/UNDP Finance Sector Hub, SDG Finance and SSC Regional Advisor

## **IV. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS**

The consultant will work under the direct supervision of the Social Protection Specialist, Regional Service Centre for Africa. The oversight over the regional initiative lies within the Inclusive Growth/Social Protection Team at the Regional Service Centre for Africa, Addis Ababa, Ethiopia.

## **VI. DURATION OF THE WORK**

The consultancy is expected to require an investment of approx. 30 working days over approx. 2 months.

## **VII. MINIMUM ORGANIZATION AND CONSULTANCY TASK FORCE REQUIREMENTS**

### **Area of Corporate Specialization of the Individual Consultant**

- a. has at least five year of relevant experience in conducting social science research in Africa, particularly qualitative studies
- b. prior experience in conducting qualitative studies in the field of social protection, social networks, informal/traditional coping mechanisms
- c. experience in using participatory methods for social science research
- d. Strong track record of quality data collection, report writing and project management
- e. Familiarity with UN systems and procedures, management and monitoring tools is desirable

### **Researcher:**

#### **Academic Qualifications:**

- a. The consultant should be a holder of at least have a Master's Degree in Development Economics, Development Finance, International Development, or a related field. A PhD will be an added advantage.

#### **Experience:**

- a. A minimum of five years of progressive experience related to data collection, qualitative research and related fields
- b. Hands on work experience with qualitative research in financing social protection/social policy

### **Competencies**

#### *Technical Competencies*

- a. Strong analytical, assessment and mapping capabilities
- b. Strong analytical aptitude, communication and presentation skills
- c. Strong project management skills
- d. Computer skills: Full command of Microsoft applications (word, excel, PowerPoint) and common internet applications

#### *Personal Competencies*

- Demonstrates integrity by modelling the UN's values and ethical standards
- Positive, constructive attitude and approaches work with energy
- Demonstrates openness to change and ability to receive / integrate feedback
- Good networking skills to engage with both internal and external partners
- Capacity to communicate fluently with different stakeholders (civil society, government authorities, local communities, private sector, project staff)

#### *Language and Other Skills*

- Excellent knowledge of English, including the ability to write reports clearly and concisely, and to set out a coherent argument in presentations and group interactions
- Working knowledge of other local languages is an asset
- French is an added advantage

### VIII. CRITERIA FOR SELECTING THE BEST OFFER

Qualified Individual Consultant and her/his are expected to submit both the Technical and Financial Proposals. Accordingly; Individual Consultants will be evaluated based on Cumulative Analysis as per the following scenario:

- Responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
  - a. Technical Criteria weight is **70%**
  - b. Financial Criteria weight is **30%**

Criteria	Weight	Max. Point
<b>Technical Competence (based on CV and Proposal)</b>	<b>70%</b>	100 pts
▪ <b>Criteria a.</b> Reputation and operation capability of consultant		20 pts
▪ <b>Criteria b.</b> Relevant specialized knowledge of consultant and relevant experience		40 pts
▪ <b>Criteria c.</b> Overall understanding of the TORs and completeness of tasks		20 pts
▪ <b>Criteria d.</b> Proposed approach to the assignment in terms of adequacy and timing		20 pts
<b>Financial (Lower Offer/Offer*100)</b>	<b>30%</b>	30
<b>Total Score</b>	<b>Technical Score * 70% + Financial Score * 30%</b>	

### IX. PAYMENT MILESTONES AND AUTHORITY

The prospective consultant will indicate the cost of services for each deliverable in **USD all-inclusive<sup>3</sup> lump-sum contract amount** when applying for this consultancy.

The qualified consultant shall receive his/her lump sum service fees upon certification of the completed tasks satisfactorily, as per the following payment schedule:

Installment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained	Percentage of Payment
1 <sup>st</sup> Installment	Desk review and mapping	UNDP/RSCA	30%
2 <sup>nd</sup> Installment	Full Report with detailed analysis	UNDP/RSCA	70%

### X. RECOMMENDED PRESENTATION OF TECHNICAL PROPOSAL

For purposes of generating quotations whose contents are uniformly presented and to facilitate their comparative review, a prospect Individual Contractor (IC) is given a proposed **Table of Contents**. Therefore, prospective Consultant Proposal Submission must have at least the preferred contents which are outlined in the IC Proposal Submission Form incorporated hereto.

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<sup>3</sup> The term “All inclusive” implies that all costs (professional fees, travel costs, living allowances, communications, consummables, etc.) that could possibly be incurred by the Contractor are already factored into the final amounts submitted in the proposal

## **TECHNICAL PROPOSAL COVER PAGES**

Cover Page

Cover Letter

### **SECTION I. TECHNICAL PROPOSAL SUBMISSION FORM**

- 1.1 Letter of Motivation
- 1.2 Proposed Methodology
- 1.3 Past Experience in Similar Consultancy and/or Projects
- 1.4 Implementation Timelines
- 1.5 List of Personal Referees
- 1.6 Bank Reference
- 1.7 Academic Credentials
- 1.8 Passport Copy

### **SECTION II. ANNEXES**

Annex a. Duly Signed Offeror's Letter to UNDP Confirming Interest and Availability (use the template hereto) – use separate pdf file

Annex b. Duly Signed Personal CV's/P11 (use the template hereto) – use separate pdf file

Annex c. Financial Proposal–BREAKDOWN OF COSTS Template (use the template hereto) use separate pdf file

## **XI. CONFIDENTIALITY AND PROPRIETARY INTERESTS**

The consultant shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy without prior written consent. Proprietary interests on all materials and documents prepared by the consultant under the assignment shall become and remain properties of UNDP. This assignment will be administrated by the United Nations Development Programme (UNDP), and all relevant UNDP rules, policies and procedures will apply.

## **XII. HOW TO APPLY**

Interested consultant with required qualification and experience must submit their applications through: <https://etendering.partneragencies.org> UNDP/ETH10/Event ID: **ETH3002**