



INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

Date: December 15, 2022

Country: Eswatini

Description of the assignment: Consultancy for the development of a Social Accounts Matrix (SAM) for Eswatini

Project name: Tax reforms for Sustainable Development Goals (SDGs)

Period of assignment/services (if applicable): 30 working days to be completed not later than February 2023

Proposal should be submitted at the following address by email to Bidsubmission.sz@undp.org no later than **31 December 2022**.

Any request for clarification must be sent in writing, or by standard electronic communication to the e-mail procurement.sz@undp.org will respond in writing or by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.

1. BACKGROUND

[Eswatini is ranked as a lower middle-income country yet for over a decade, with a gross national income (GNI) per capita of \$US 3.410 in 2020 and a Human Development Index (HDI) of 0.597 in 2021 (ranks 144 out of 191). The country faces several development and economic challenges, with the prevalence of strong income inequalities with a GINI index of 0.546 in 2016, and 58.9% of people living behind the international poverty line in 2017 (this is more pronounced in rural area with about 70% affected persons)¹. Unemployment, which increase from 23.1% in 2016 to 33.3% in 2021 (59.1% for the 20-24 years in 2021)² remain major concern in Eswatini. Concerning Sustainable Development Goals (SDGs) achievement, globally, challenges remain. According to Africa SDGs Index for 2022, Eswatini had an index score of 54.6, a little more than African average (53.6) and for 2021 (53.3).

The Government has developed a new National Development Plan (NDP) for the period 2023/2024 – 2027/2028 that focuses on social sectors, climate change and private sector development. The NDP

¹ Source: World Development Indicators, World Bank.

² Source: Integrated labour force survey 2021; UNDP/ILO.

declination in sectoral policies needs to be better informed with impacts analysis studies of public policies, which requires the implementation of specific economic tools.

In this regard, the Ministry of Finance (MoF) and the Ministry of Economic Planning and Development (MEPD) are proposing to develop a Computable General Equilibrium (CGE) model for Eswatini, with UNDP support, to enhance policy analysis of growth, employment and inequality. As a first step, there is a need to construct a Social Accounting Matrix (SAM) that can take into consideration the government needs and suggestions.

A Social Accounting Matrix (SAM) is a synoptic table, which refers to a certain period, representing the process of production, distribution and redistribution of income that takes place between sectors, factors of production, agents of an economic system and the “Rest of the World” (RoW, that is, all agents external to the economic system in question). As a representation of the whole economic system, the SAM makes it possible to highlight the interrelationships and the circular flow of income between goods, production, factors, and institutions.

To this effect, there are therefore 2 major phases that can be identified in the process, namely the research and collection of data for purposes of constructing (or updating in the case where there already exists a SAM for the economy in question) and the translation of the data into a format that relates to the computer implementable modelling equations. In this discussion document we therefore distinguish between the two phases as follows:

- ✓ Phase 1: Eswatini-specific SAM database development,
- ✓ Phase 2: Eswatini CGE model development and implementation Data.

The current request and scope of work first focuses on achieving phase 1, with phase 2 to occur at a later stage. Against this background, UNDP seeks the services of a national consultant to develop a SAM for Eswatini.]

2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK

[Provide a brief description of the assignment or refer to the Annex covering the TOR]

The main objective of the mission is to build a Social Account Matrix (SAM) for Eswatini in order to organize information on the economic and social structure of the country for the most recent year, and to establish a statistical basis for the construction of CGE model of the economic system, with a view to use for the simulation of the socio-economic impact of policies.

The specific objectives of the consultancy are to:

- ✓ Review the current version of the SAM provided by work done so far on the SAM at the MEPD particularly with regards to the construction of Input/output tables.
- ✓ Aggregate the current SAM and set up appropriate methods and make reasonable assumptions where data are missing, and using a standard spreadsheet software.
- ✓ Disaggregate unskilled labour force between formal and informal categories.

Duties and Responsibilities

The Consultant is expected to undertake the following tasks:

- Analyze existing data, in collaboration with the CSO and the national expert.
- Produce a methodological note indicating the steps of building the SAM.
- Reorganize the Supply and Use Table (SUT).
- Build the Macro SAM using data from SUT, National Economic Accounts (NEA), Government Finance (GF), and Balance of Payment (BoP).
- Building the Micro SAM using national representative surveys (households surveys, labor surveys, expenditure surveys, ...).
- Writing GAMS code to resolve imbalances in the SAM using Cross-entropy method or RAS method.
- Testing and validating the SAM.

In case there is an existing SAM, the support will consist in updating the SAM using the cross-entropy method.

For detailed information, please refer to Annex 1

3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

I. Academic Qualifications:

- Master's degree
- At least a Master (or its university equivalent) in Applied Macroeconomics/Econometrics, Applied Statistics.

II. Years of experience:

- At least 10 years of relevant professional and practical experience in command of SAM building and CGE modelling technics.
- Extensive knowledge and understanding of different economic models such as Social Account Matrix (SAM), Computable General Equilibrium (CGE);
- Expertise in gathering and comprehensively analysing country-level economic data to develop data analytics for different economic indicators.
- Able to work under pressure and in response to changing needs.
- Demonstrated ability to meet deadlines.
- Tangible reference of previous similar assignments a must.

III. Competencies:

Corporate Competencies:

- Demonstrates integrity by modelling the UN's values and ethical standards (human rights, peace, understanding between peoples and nations, tolerance, integrity, respect, results orientation (UNDP core ethics), impartiality)
- Promotes the vision, mission, and strategic goals of UNDP
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
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Functional Competencies:

- Keeps abreast of new developments in job knowledge including south/south good practices.
- Proven ability to write very high-quality baseline reports.
- Excellent communication skills (written and oral).
- IT competencies at least in Statistical Packages, Word, Excel, PowerPoint, and Internet.

Language Requirements

- Fluency in both spoken and written English is required.

4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

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

1. Proposal:

- (i) Letter of motivation.
- (ii) Personal CV or P11 of the Consultant indicating all experience from similar assignments, as well as the contact details (email and telephone number) of the Consultant and three (3) professional references.

2. Financial proposal

The financial offer will have to specify the total lump sum and the payment schedule according to measurable deliverables (payment in installments or after completion of the full mission).

Payments are based on the products/deliverables specified in the ToRs.

5. FINANCIAL PROPOSAL

- **Lump sum contracts**

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount (including travel, per diems, and number of anticipated working days).

Travel:

All envisaged travel costs must be included in the financial proposal. This includes all travel to join duty station/repatriation travel. In general, UNDP should not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources.

In the case of unforeseeable travel, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and Individual Consultant, prior to travel and will be reimbursed

6. EVALUATION

Individual consultants will be evaluated based on the following methodology:

1. Lowest price and technically compliant offer

When using this method, the award of a contract should be made to the individual consultant whose offer has been evaluated and determined as both:

a) responsive/compliant/acceptable, and

b) offering the lowest price/cost

“responsive/compliant/acceptable” can be defined as fully meeting the TOR provided.

ANNEX

ANNEX 1- TERMS OF REFERENCES (TOR)

ANNEX 2- INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS

ANNEX 3- OFFEROR’S LETTER TO UNDP CONFIRMING INTEREST AND AVAILABILITY