**Terms of Reference for Institutional Contract**

**Project Title:** Delivery of an Orientation Course on Public Finance for Children for UNICEF staff in the Eastern and Southern Africa region (ESAR)

**Title:** ESAR Orientation Course on Public Finance for Children

**Location:** remote based and Nairobi, Kenya

**Duration:** 35 working days within a period of 3 months

**Start Date:** 01/04/2018 **End Date:** 30/06/2018

**Reporting to:** Matthew Cummins, Social Policy Specialist (public finance), ESARO

**Background and Justification**

**Context**

**The 21 countries that constitute the Eastern and Southern Africa Region (ESAR) are characterized by alarming levels of child poverty**. Recent estimates indicate that two out of every three children living in this region are multi-dimensionally poor, which means that they do not have access to basic things like primary healthcare services, adequate nutrition, clean drinking water or safe housing conditions.[[1]](#footnote-1) High fertility rates also mean that there are more income poor children today than at the start of the MDGs in 1990 in absolute terms.[[2]](#footnote-2)

**At the same time, the region is remarkably young and experiencing unprecedented population growth.** Today, approximately 50 percent of the population of ESAR is under the age of 18, with some 16 million new lives expected in 2017 alone.[[3]](#footnote-3) Between 2017 and 2050, an estimated 670 million babies will be born, which will catapult the total population from around 500 million to more than 1 billion.[[4]](#footnote-4) This means that ESAR is in the midst of the structural transformation known as the demographic transition, whereby high fertility rates alongside longer life expectancy are creating a massive increase in the working age population.

**Whether the rapidly changing population results in a demographic “dividend” or “nightmare” fully depends on the investment decisions of governments, starting today.** If resources do not adequately support future labor forces, current poverty levels will worsen, resulting in an unvirtuous circle of poverty and inequality, crime, violence, social and political unrest, emigration and so on. However, if social sector investments strategically target children and young persons, the ongoing population boom can catapult economic growth and initiate long-term peace and prosperity for the ESAR region and beyond.

**Regrettably, children are not viewed as investment priorities.** A rapid review of government spending compared against education and health financial benchmarks is telling. When looking at the latest comparable estimates, seven of the 21 countries in ESAR met the Education for All spending target of 20 percent of the national budget for education and only three of 21 met the Abuja Declaration target of 15 percent of the national budget for health.[[5]](#footnote-5)

**Moreover, even where governments have increased investments in sectors that matter for children, the impact is muted.** When it comes to actual spending, public finance diagnostic tools all too commonly reveal severe efficiency, effectiveness and equity issues. Among other things, available resources are often not spent, and where they are utilized, they seldom support cost-effective approaches or the neediest children and families.[[6]](#footnote-6) In short, reaping the demographic dividend in ESAR countries requires a rethinking of how national budgets are put together and implemented.

**UNICEF’s response**

**In response to the above challenges, UNICEF is increasingly working with governments to make public resources work better for children in ESAR.** Under the programme stream known as public finance for children (PF4C), UNICEF’s engagement can be broadly organized into three areas: (i) measuring and monitoring government spending; (ii) maximizing the use of available resources; and (iii) increasing spending. Some recent highlights of this work are summarized below.

***Measuring and monitoring government spending***

* **Budget briefs:** 19 country offices (COs) developed budget briefs in 2017 (up from just two COs in 2015), which synthesize budget information in sectors that matter for children (education, health, social protection, WASH, etc.) and put forth key policy and financing asks.
* **Thematic budget analyses:** Nine COs are assessing spending trends on cross-cutting issues, which range from school feeding and child protection to citizen’s budgets and WASH.
* **Budget transparency:** In addition to supporting the expansion of the Open Budget Survey in seven countries in 2017, the majority of COs in ESAR are working with finance ministries to publish more and better budget information.

***Maximizing the use of available resources***

* **Public financial management (PFM) diagnostics:** UNICEF is applying a variety of PFM tools to understand how well government resources are being used and identify efficiency and effectiveness bottlenecks; this includes supporting 11 Public Expenditure Reviews (PERs) in 2017, which range from social protection and nutrition (a global first) to education, health and WASH, as well as three Public Expenditure Tracking Surveys (PETS).

***Increasing spending***

* **Costing:** ESAR COs are supporting a variety of costing exercises (e.g. of child protection services, social protection interventions, child-focused SDGs) which identify resource needs along with the financial gap.
* **Fiscal space analysis:** 17 COs are assessing options for governments to increase spending on priority sectors for children.
* **Investment cases:** 11 COs are supporting cost-benefit and cost of inaction analyses to raise attention to critical areas that require greater investments.

**Challenges**

**Despite good progress around influencing PFM processes for children among ESAR COs in recent years, there remains significant untapped potential largely due to human resource constraints.** First, the majority of ESAR COs is characterized by small social policy teams, which are responsible for leading work on social protection, child poverty, decentralization and research – in addition to PF4C. As a result, most COs do not have a dedicated person working on PF4C issues, which is just one of many competing priorities. Second, very few offices have trained economists. This points to a major capacity gap across all sections to initiate and successfully lead engagement around PF4C.

**ESARO’s social policy and research 2018 work plan aims to help address this challenge by strengthening the capacity of staff on PF4C issues.** By designing and delivering a comprehensive training on PF4C specifically tailored to the ESAR context, this consultancy will contribute to enabling the region-wide PF4C agenda to progress significantly further.

**Objectives and Scope of Work**

**Objectives**

Building on available learning materials and approaches, the objective of this assignment is to develop and deliver an ESAR Orientation Course on PF4C to enhance staff understanding, knowledge and expertise on public financial management (PFM) issues as they relate to investments in children, including to:

* Strengthen the “budget literacy” of participants (knowledge of basic PFM literature, a conceptual framework for PF4C, budget and PFM reform processes in ESAR, etc.);
* Improve their ability to develop and apply appropriate PF4C tools, including budget briefs, Public Expenditure Reviews (PERs), Public Expenditure Tracking Surveys (PETS), value for money analyses, fiscal space analyses, etc.;
* Improve their skills to engage in strategic policy dialogue on PF4C and effectively advocate for more transparent, effective and adquate investments in children; and
* Develop, with expert guidance, a draft PF4C strategy for their area of work, including a concrete one-year work plan.

Rather than being passive recipients of knowledge, the training is expected to encourage participants to brainstorm and identify key PFM bottlenecks and responses in order to move the PF4C agenda forward in their countries and the region.

**Scope of Work**

Under the supervision of the Social Policy Specialist (public finance), the contractor’s key responsibilities are to:

1. Review existing literature on PFM reforms and PF4C practices in ESAR to understand the budget and public finance context and bottlenecks as well as major social and economic challenges faced by children in the region.
2. Review UNICEF’s Strategic Plan 2018-21, UNICEF’s work on PF4C in ESAR, and regional and global learning programmes on PF4C, as well as conduct key informant interviews as required, to identify PF4C knowledge and skills requirements, gaps and solutions.
3. Participate in preparatory meetings by Skype with key UNICEF colleagues in the region already working on PF4C to discuss how training modules can be adapted to the ESAR context.
4. Design a 4-day training programme on PF4C (see Box 1 below for proposed content).
5. Prepare, organize and conduct a 4-day course for UNICEF staff working in ESARO and COs in the region (maximum of 40 participants). The training should balance lectures, discussions, individual work, group activities, etc. and provide ample opportunity for case studies and practical exercises.
6. Produce a workshop report (4-5 pages) that contains a concise analysis of the workshop evaluations as well recommendations on strategic options for UNICEF to further enhance its capacity and strategic positioning on PF4C in ESAR.

**Box 1. Proposed learning content**

The training is expected to cover the following topics and include practical examples and case studies (the contractor is expected to offer suggestions regarding the proposed content and structure as part of the application process):

**Module I. Introduction**

This module will create a common understanding of the training’s objectives and introduce basic PF4C concepts to participants. The content could include the following:

* + Welcome and training objectives.
  + Brainstorming the reasons for: (a) limited transparency around investments in children; (b) ineffective and inequitable financing of and spending on basic social services, and (c) challenges and opportunities for UNICEF ESAR COs to change this situation.
  + Describing UNICEF’s work on PF4C, including the recent evolution, and initial thoughts on how this can contribute to changing this dynamic.
  + Presenting an overview of the macro-fiscal situation in ESAR and basic features of AAAA (FFD) and child-relevant SDGs.

**Module II. PFM processes and equity**

This module will provide participants with knowledge on how overall and social sector budget processes work. The content could include the following:

* + Understanding PFM processes and how they influence macroeconomic performance.
  + The linkages between PFM processes and equity in child outcomes, especially in terms of understanding the planning, implementation and M&E of social sector allocations and expenditures; this would introduce influential actors (MoF, line ministries, the Parliament, donors, IFIs, etc.) and budget practices (e.g. results-based budgeting) and how they affect investments in children.
  + The impacts of fiscal decentralization on equity.

**Module III. PFM systems and reforms in ESAR**

This module will introduce participants to PFM systems in ESAR. The content could include the following:

* + The characteristics of PFM systems in ESAR and how these may help or hinder investments in children.
  + A review of key PFM reforms in ESAR that affect social sector budgets (revising Standard Chart of Accounts, performance-based budgeting, IGTFs, MTEF, etc.).

**Module IV. PF4C interventions and engagement strategies**

This will be the most substantive module that describes the “how” of doing PF4C in the ESAR context, focusing on recent examples. The content could include the following:

* PF4C diagnostic
* PF4C toolbox

Measuring and monitoring spending on children

*Budget briefs*

*Sectoral or thematic budget analyses, including through BOOST*

*Child-focused public expenditure measurement (C-PEM)*

*Citizen’s budgets*

*Subnational budget monitoring, including performance dashboards*

*Budget transparency diagnostics (e.g. Open Budget Survey, PEFA)*

Maximizing the impact of available resources

*Public Expenditure Reviews (PERs)*

*Cost-efficiency/cost-effectiveness analyses*

*Expenditure incidence analyses (by locations and/or groups)*

*Public Expenditure Tracking Surveys (PETS)*

*Piloting or modelling evidence-based approaches*

Increasing spending

*Costing exercises*

*Fiscal space analyses*

*Investment cases (cost-benefit analyses, cost of inaction analyses)*

* PF4C actions

Generate evidence

*Applying PF4C tools*

Engage in budget processes

*Operationalizing recommendations from evidence generation activities*

*Supporting PFM reforms (Standard Chart of Accounts, PBB, fiscal decentralization, MTEF)*

*Training on budget planning (MoF/line ministries) and budget approval Parliament)*

Advocate

*Government: Engaging political and technical counterparts*

*Development partners: Working with WB, AfDB, IMF, donors, other UN agencies*

*Civil society: Building alliances with civil society groups, think tanks and the media*

**Module V. PF4C in the education sector**

This module will provide participants with the basic concept of the economic valuation of education, the estimation of its wider results and an introduction to the estimation of its benefits. The content could include the following:

* Interpretation of models of monetization of educational impact (e.g. Mincer equation).
* Interpretation of models of “wider benefits of education” (e.g. financial gains due to positive personal and social impacts gained after an increase of education).
* Interpretation of value-added models (e.g. hierarchical regression estimations of positive and outlier value from education consumption when specific covariates are present that result on positive gains from the investment in education).

**Module VI. Communication, advocacy and partnerships for PF4C**

This module will provide participants with knowledge and practice on speaking the “language of finance” and identifying possible partners to support their PF4C efforts. The content could include the following:

* + Effective communication, advocacy and knowledge sharing around budgets and public finance issues.
  + Ideas around leveraging partnerships with IFIs, UN system, academia/research institutions, civil society and other stakeholders active in public finance and/or budgeting processes.

**Module VII. Developing a PF4C strategy**

This module will allow participants to carry out a rapid PF4C diagnostic to their sector and country context, which will then inform the development of a one-year PF4C action plan.

A more detailed concept note and agenda, including presentation topics, will be developed in consultation with UNICEF ESARO as per the timeline indicated in this ToR. The training package should suggest pre-training reading materials that can be shared with participants a few weeks in advance, as well as pre-training and post-training knowledge evaluation tools.

**Expected Deliverables and Reporting Requirements**

| **Deliverables** | **Estimated # of working days** | **Suggested**  **Timeline** |
| --- | --- | --- |
| 1. Draft concept note, workplan and agenda for the course (in line with modules proposed above, with full details on presentation topics, timings, instructors, case studies, etc.) | 4 days | By 08 April 2018 |
| 1. Participation by 1-2 experts in a preparatory Skype call with UNICEF ESAR staff | 90 minutes | By 15 April 2018 |
| 1. Draft training package (concept note, annotated agenda, modules in power point form, pre and post evaluations, proposed reading materials, hand-outs and exercises, etc.) | 12 days | By 8 May 2018 |
| 1. Final training package that incorporates al UNICEF feedback | 9 days | By 29 May 2018 |
| 1. Pre-training engagement with participants | 2 days | By 20 June 2018 |
| 1. Delivery of course in Nairobi | 5 days | 11-15 June 2018 |
| 1. Workshop report, including recomendations | 2 days | By 30 June 2018 |

* For deliverables where UNICEF feedback is expected (and not indicated yet on this ToR), the contractor is expected to identify this in the proposed concept note and indicate when products will be shared for UNICEF inputs allowing for reasonable time to respond (e.g. one week).
* *The proposed payment schedule is as follows:*
  + 08 May 2018: 50% of the payment upon submission of deliverables 1-3
  + 30 June 2018: 50% of the payment upon submission of deliverables 4-7
* All deliverables will be submitted to ESARO in electronic format (power point presentations, Word documents, video materials, etc.).
* All products developed in the course of this consultancy are the intellectual property of UNICEF. As a result, the contractor may not use these products for any other purposes without the written consent of UNICEF ESARO.
* Please note that UNICEF may elect to apply liquidated damages should the contractor fail to complete the services in accordance with the agreed work plan and delivery schedule. UNICEF shall have the right to deduct from any payment due to the contractor the amount of one tenth of a per cent (0.1 %) of the contract price per day of delay up to a maximum of ten per cent (10%) of the total contract price. These liquidated damages shall not relieve the contractor of its obligations or responsibilities that it may have under the contract.

Travel

* A team of 2-4 experts will be expected to travel once to conduct the PF4C orientation training workshop in Nairobi, Kenya.

**Desired Competencies, Technical Background and Experience**

For the institution:

* Minimum 10 years of academic/research and training experience on PFM; experience with UNICEF on PF4C viewed as an asset
* Qualified team of 2-4 PFM and/or PF4C experts with proven record of similar training experience with UNICEF or international development organization in the past.

For consultants who will be engaged in the project:

* Advanced university degree in economics or related area
* Minimum 7 years of relevant experience in analytical work on PFM and/or social budgeting; specific focus on social budgeting for children an asset – the team leader is expected to have substantive experience in this regard
* Proven record/previous training experience on PFM (and especially social budgeting for children/PF4C)
* Previous experience in preparation and delivery of training programmes on PFM topics
* Good knowledge of the ESAR context an asset
* Excellent presentation, interpersonal and collaboration skills
* Excellent spoken and written English; knowledge of French or Portuguese is an asset.
* Experience of working in developing countries

**Performance Indicators for Evaluation of Results**

* Timely submission of completed, quality deliverables
* Responsiveness and flexibility in reverting to requests from UNICEF
* Timely conveyance of requests for information and feedback (when requesting relevant feedback from UNICEF)
* Analytical ability to meaningfully factor in feedback received

**Conditions**

* The contractor will work on its own computer(s) and use its own office resources and materials in the execution of this assignment. **The contractor’s fee shall be inclusive of all office administrative costs.**
* Travel will be covered in accordance with UNICEF’s rules and tariffs (economy class rate as per UNICEF policies). Travel costs should be included in the overall fee.
* The institution/firm selected will be governed by and subject to UNICEF’s General Terms and Conditions for institutional contracts (attached).

Payment is made against approved deliverables. No advance payment is allowed unless in exceptional circumstances against bank guarantee, subject to a maximum of 30 per cent of the total contract value in cases where advance purchases, for example for supplies or travel, may be necessary.

1. De Milliano, M. and I. Plavgo (2014) “[Analysing Child Poverty and Deprivation in sub-Saharan Africa](https://www.unicef-irc.org/publications/pdf/ccmoda_africa.pdf),” Office of Research Working Paper No. 19, UNICEF Innocenti Centre. [↑](#footnote-ref-1)
2. UNICEF rapid analysis indicates that the number of income poor children in ESAR countries increased by approximately 24 million between 1990 and 2013 under the $1.25 (PPP) per day poverty line (from 69 to 93 million) or by 14 million under the new $1.90 (PPP 2011) per day metric (from 70 to 83 million) (Sources: poverty estimates are based on [MDG Country Progress Snapshots](https://mdgs.un.org/unsd/mdg/Host.aspx?Content=Data/snapshots.htm) and the [World Bank’s Povcal Net](http://iresearch.worldbank.org/PovcalNet/povDuplicateWB.aspx), respectively, while population estimates are based on [UNDESA’s World Population Prospects 2017 Revision](https://esa.un.org/unpd/wpp/)). [↑](#footnote-ref-2)
3. UNICEF calculations based on [UNDESA’s World Population Prospects 2017 Revision](https://esa.un.org/unpd/wpp/). [↑](#footnote-ref-3)
4. Ibid. [↑](#footnote-ref-4)
5. Based on data from [UNESCO’s Institute for Statistics (UIS)](http://data.uis.unesco.org/) and the [WHO’s Global Health Expenditure Database](http://apps.who.int/nha/database). [↑](#footnote-ref-5)
6. See, for example, the [World Bank’s Public Expenditure Review database](http://search.worldbank.org/per). [↑](#footnote-ref-6)