



Ministry of Finance and Treasury
Republic of Maldives

Maldives: Public Financial Management Systems Strengthening Project
Terms of Reference for
Medium-Term Macro-Fiscal Framework and Budget Consultant (International)
[RFP No: PSSP/1.2/C/01]

I. Background

The Fiscal Responsibilities Act (Law No. 7/2013) requires the Government of the Maldives (GoM) to send to the People's Majlis (parliament) a medium-term National Fiscal Strategy to establish a tool through which the actions taken by the Government towards achieving the goals of the policy can be evaluated. This statement should include, *inter alia*, strategies from the National Development Plan that are prioritized in developing the Annual National Budget and a proposal on how to reduce the National Debt to a sustainable level during the period referred to in the statement.

II. Objective of the Consultancy

The objective is to strengthen the capacity of the Government of the Maldives to produce a coherent Medium-Term Macro-Fiscal Framework consistent with medium-term macroeconomic projections and ensuring debt sustainability.

III. Scope of Work

The Ministry of Finance and Treasury (MoFT) is looking to hire an individual consultant with relevant skills and international experience to train and work with a technical team drawn from the Maldivian government, in particular the MoFT, the Maldives Inland Revenue Authority (MIRA), the Maldives Monetary Authorities (MMA), and key ministries such as fisheries and tourism, in order to implement these requirements under the law, in particular the creation of a draft budget based on a Medium-Term Macro-Fiscal Framework (MTFF).

The task has strong linkages with other ongoing projects and needs to be coordinated with the debt management task and with technical assistance in public financial management by the IMF, including important budget preparation and execution.

The project will run from March 2015 until February 2017.¹

Required outputs

The following outputs are required to fulfil the terms of the contract:

- a) An MTFF statement spanning the current and following four years with a discussion of the assumptions and required policy measures, taking into the account the GoM's development plans and international and domestic trends, supplement by alternative pessimistic scenarios
- b) A first draft budget consistent with year 1 of the MTFF
- c) An evaluation of the performance of the MTFF and reasons for deviations
- d) Relevant manuals and guidance notes to create the outputs mentioned under (a), (b) and (c)
- e) Working Excel files with the model under (a)

¹ The fiscal year is from January to December.



- f) An aide memoire will be produced after the end of each mission

Timeline of activities

The activities are expected to take place at various times of the annual budget cycle:

- February/March 2015 (4 weeks in Maldives):
 - Preparation of preliminary data, technical training to staff; discussion of projections for next five years
 - Prepare MTFF
- May/June 2015 (2 weeks in Maldives):
 - Prepare first draft of budget based on MTFF
- November 2015:
 - Evaluate approved budget (from consultant's home location or in Maldives)
- February 2016 (4 weeks in Maldives):
 - Additional training, evaluate previous year's MTFF
 - Preparation of preliminary data, technical training to staff; discussion of projections for next five years
 - Prepare MTFF
- May/June 2016 (2 weeks in Maldives):
 - Prepare first draft of budget based on MTFF
- November 2016:
 - Evaluate approved budget (from consultant's home location or in Maldives)
- February 2017 (2 weeks in Maldives):
 - Evaluate previous year's MTFF
 - Develop manuals and guidance notes

Tasks

The consultant will assist the team in:

- Conducting dialog on major macroeconomic and other trends and GoM's development plans
- Preparing necessary macroeconomic and fiscal data
- Creating an Excel-based MTFF, linking revenue, expenditure and financing items to medium-term macro projections; and to analyze policy scenarios, sensitivity to shocks and fiscal risks
- Drafting of the MTFF statement, and guidance notes on linking MTFF to budget, training, coordination of work between departments involved in the MTFF and the evaluation of its performance
- Monitoring the implementation and subsequent adjustments to the MTFF and Fiscal Strategy

The consultant is expected to provide the following training:

- Usage of statistical and spreadsheet software to support the task
- Forecasting techniques for macro and fiscal variables, including incidence analysis of taxation and expenditure
- Methodologies for analyzing fiscal risks
- Other techniques to be agreed with the authorities



IV. Deliverables and Payment Schedule

Timeline	Deliverables	Portion
February/March 2015	Aide memoire and training	10%
May/June 2015	Medium-Term Macro-Fiscal Framework (MTFF)	20%
	Draft budget	
November 2015	Evaluation approved budget	10%
February/March 2016	Aide memoire and training	10%
May/June 2016	Medium-Term Macro-Fiscal Framework (MTFF)	20%
	Draft budget	
November 2016	Evaluation approved budget	10%
February/March 2017	Delivery of manuals guidance notes	20%
	Evaluation of past MTFF	

V. Qualifications and Experience

- More than 10 years of work experience on macro-fiscal issues, including having done hands on work in financial programming and preparing economic reports;
- Minimum Master's degree qualification; doctoral qualifications will be an added qualification;
- International experience is highly desirable;
- Proven track record of working in teams and leading teams working on economic policy work; prior experience of working with the World Bank or the IMF in a senior role in economic policy will be an added qualification;
- Proficiency in written and spoken English, with excellent communications and training skills.

VII. Duration of the Consultancy

The project will run from in March 2015 until February 2017. The team shall report to the Project Director.

Estimated weeks of Experts' time-input:

The project expected to require a total 14 weeks in the Maldives and 8 weeks of work from the home location of the consultant.

