



Ministry of Finance
Public Financial Management Systems Strengthening Project

ECONOMIC & FISCAL CONSULTANT (LOCAL)

Terms of Reference

[Ref No: PSSP-DLI/2.1/C/02]

I. BACKGROUND

1. The Government of Maldives (GoM) has received credit from the International Development Association (IDA) towards the cost of the Maldives PFM Systems Strengthening Project (PSSP), and intends to apply part of the proceeds of this grant towards payments under the contract for an Economic and Fiscal Consultant (EFC) for the PSSP implemented by the Ministry of Finance (MoF).
2. The objective of the PSSP is to enhance budget credibility, transparency, and financial reporting of central government finances.
3. The PSSP includes provision of technical advisory services, goods, and training, to inter alia:
 - a. Strengthen the legislative and institutional framework for PFM;
 - b. Enhance the Medium-term Fiscal Framework (MTFF) and evidence based budgeting;
 - c. Strengthen debt and cash management;
 - d. Strengthen Management of the Capital Budget;
 - e. Strengthen State-Owned Enterprise (SOE) governance and oversight;
 - f. Strengthen the Public Accounting System and asset management ; and
 - g. Improve the controls of central government finances.
4. The MoF wishes to contract the services of an Economic & Fiscal Consultant (Local) who will assist the MoF in implementing the budget and fiscal reform agenda of the GoM.
5. The project is mapped to the office of the MoF's Permanent Secretary and implemented by the relevant divisions of MoF. The heads of each relevant division have been identified as focal persons responsible for the implementation of subcomponents and together form the project's PFM Working Committee.
6. Project coordination will be supported by a project team at the Project Management Unit (PMU) consisting of (a) a full time Project Director (b) a full time Project Coordinator; c) a full time Financial Management Consultant; and (d) a procurement officer assigned from the Public Procurement Division on a part time basis.



7. The Consultant is expected to report to the Project Director. The Consultant will be required to work alongside the Fiscal Affairs Division (FAD) and other related divisions assigned to implement the subcomponents.

II. OBJECTIVES

8. The Consultant will assist the PMU in implementing the budget and fiscal reform agenda including strengthening economic and fiscal policy capacity in the FAD, enhancing the medium-term fiscal framework and evidence based budgeting, strengthening the management of the capital budget and strengthening the PFM legislative framework.
9. The Consultant will provide continuous support in between the missions of the international consultants who support the FAD and is expected to liaise closely with them and keep informed of the progress.

III. SCOPE OF SERVICES

10. The “Scope of Service” broadly outlines the duties assigned to the Consultant. The “Deliverables Timeline” below clarifies the particular tasks assigned to the Consultant and the frequency at which these tasks are expected to be performed.

Enhancing the medium-term fiscal framework and evidence based budgeting

11. Strengthen the capacity of the FAD for policy based fiscal strategy formulation, by upgrading the existing tools for analyses, including the current framework for forecasting macroeconomic variables and the MTFF.
12. Utilize the forecasting and policy analysis tools, including the MTFF and the Debt Sustainability Analysis Framework to give inputs towards policy formulation.
13. Enhance the capacity for evidence based fiscal policy formulation by conducting research on sectoral expenditures to identify potential savings, reviewing existing revenue and tax policies.
14. Assist in forecasting major economic indicators such as tourist arrivals, tourist bed nights, real and nominal GDP, inflation and employment.
15. Assist in building the analytical capacity at the FAD by developing SOPs and reports for fiscal research processes and methodology.
16. Conduct socio-economic research from a fiscal perspective ; exploring macro-fiscal behavior with a long term focus, understanding the linkages between fiscal policy and growth, the impact on poverty, decentralization and the equalization of transfers that are associated with different revenue and expenditure measures



Strengthening management of the capital budget

17. Assist in the development of the multi-year public investment program
18. Assist in enhancing the framework for the assessment of the economic viability and prioritization of public investment projects and a methodology to improve screening, evaluation and selection of public investments projects.

Strengthening the legislative and institutional framework for PFM

19. Assist the legal team in identifying the issues related to the PFM legislations including the Public Finances Act, Fiscal Responsibility Act, Decentralization Act, Privatization, Corporatization, Monitoring and Evaluation of State Owned Enterprises Act, Public Finance Regulation.
20. Any other project and policy related activity assigned by the Project Director.

IV. DELIVERABLES TIMELINE

#	Details	Frequency
1	Weekly log of activities, including pending tasks, important meetings attended and critical issues	Weekly
2	Monthly log of main activities performed including tasks completed, meetings attended and pending tasks	Monthly
3	Review internal and external macroeconomic and fiscal publications and monitor macroeconomic and fiscal developments	Monthly
4	Assist in preparation and development of policy papers and publications of the FAD	Monthly
5	Review and enhance the existing framework for forecasting macroeconomic variables. Produce technical and user manuals.	Once



6	Forecasting macroeconomic variables. Document forecasting process.	Bi-Annual
7	Refine and upgrade the existing Medium Term Fiscal Framework, by adding expenditure models and improving macroeconomic linkages. Update the technical and user manuals.	Once
8	Assist in updating and maintaining the Medium Term Fiscal Framework and analyzing the output	Bi-Annual
9	Assist in preparing the Debt Sustainability Analysis and analyzing the output using the IMF Low Income Countries Debt Sustainability Analysis Framework (LIC DSA)	Bi-Annual
10	Identify and conduct sectoral analysis of expenditure for two key sectors or expenditure programs	Bi-Annual
11	Conduct socio-economic research from a fiscal perspective	Once
12	Assist in the review of the revenue and tax policies for Maldives	Once
13	Develop SOPs and reports for fiscal research processes and methodology	Once
14	Assist in the development of the multi-year public investment program	Once
15	Enhance the framework for the assessment of the economic viability and prioritization of public investment projects and a methodology to improve selection and evaluation processes of public investments projects to facilitate preparation of the capital budget.	Once
16	Assist the legal team in identifying the issues related to the PFM legislations	Once
17	Report to the Project Director on the progress of tasks assigned under the PSSP to the FAD	Weekly



V. CONSULTANT'S REPORTING OBLIGATIONS

24. The Consultant shall carry out the reporting obligations as follows:

- i. The Consultant shall report to the Project Director or his delegate on the status of the assignment on a regular basis.
- ii. The consultant is expected to report for work to Ministry of Finance not later than 0800 hours on week days other than public holidays and provide services to the client during GoM working hours. Consultant may have to work extra hours in order to complete the tasks assigned without any extra payments.

VI. REQUIRED EXPERTISE AND QUALIFICATIONS

- i. Postgraduate Degree in Economics, Business Administration, Public Administration, Accounting, Finance, Financial Management, or suitable equivalency from a recognized university; relevant training and international experience will be an added advantage
- ii. At least five (5) years of relevant experience
- iii. Possess strong analytical, administrative and computer skills including proficiency in using software applications such as MS Word, MS Excel, MS PowerPoint
- iv. Good written and oral English communication skills.
- v. Strong leadership, management, and communication skills in presenting, discussing, and resolving difficult issues and have the ability to work efficiently and effectively with a multi-disciplinary team.

VII. CONTRACT DURATION

1. This is a 1 year contract. Upon signing of the contract, 3 months shall be counted as the probationary period.