

Terms of Reference: National Consultant Business Plan for National Social Protection Fund

Location:	Vientiane Capital, Lao PDR
Type of Contract:	Individual Contract
Starting Date:	June 2020 (when the int'l consultant is on board)
Post Level:	National Consultant
Language Required:	English and Lao
Duration of Contract	30 working days including Saturdays
Expected Duration of Contract:	During June–December 2020 (up to 30 working days intermittently)

I. Background

UNCDF, the UN capital investment agency for the 48 least developed countries, provides seed capital and technical assistance to test new modalities of public and private financing for local development. These investments are designed to leverage innovative financial flows from the private sector, national governments and development partners, for maximum impact towards inducing sustainable growth and transformative impact via the localization of the SDGs. UNCDF discreetly operates two inter-connecting practice areas of; (1) inclusive finance, and (2) local development finance. The goals of UNCDFs local development finance practice is to; (i) support effective Public Financial Management Policy and Regulation, (ii) create effective and sustainable inter-governmental fiscal transfer systems and (iii) assist subnational governments to develop productive infrastructures and provide quality services that contribute towards transforming the economic structures of local economies and improving the quality of life of citizens.

UNCDF is currently implementing a project that is developing financing solutions for supply side capital to enable the Government of Laos to efficiently deliver on their social protection commitments as outlined within the National Social Protection Policy (NSPP). This project is funded by the UN Secretary General Sustainable Development Goals Fund (UN-SDGF) providing focus for social protection through SDG acceleration and attainment of SDG targets.

Lao PDR is currently implementing an austerity regime in terms of public sector finance. The government is embarked on a broad consolidation of the public budget that is minimising expenditure, optimising revenues whilst at the same time still delivering and maintaining public services. The consolidation is following a strict monetary and fiscal policy that is aimed at reducing budget deficits to less than 4% that will enable the government to maintain macro-economic stability and meet existing debt service obligations.

The consultancy opportunity is funded through the above mentioned project and aims at developing a business plan and fund scenario for the National Social Protection Fund (NSPF) as outlined in the government's National Social Protection Strategy (NSPS). The consultancy will be implemented through a mix of activities to be carried out in Lao PDR working directly with the Ministry of Labor and Social Welfare (MoLSW), the Ministry of Finance (MoF). In addition, the mission will work closely with the SDG Fund UNJP partners ILO and UNICEF for technical reference, NSPP data, and policy advisory.

II. The UNCDF portfolio in ASEAN

Historically UNCDF have designed and implemented local development initiatives in a majority of the ASEAN member states both at national and sub-national levels. In particular, in alignment to its mandate, UNCDF has mainly operated in the Least Developed Countries, of the ASEAN region including (1) Cambodia, (2) Lao PDR, and (3) Myanmar.

In Lao PDR UNCDF has been engaged extensively in the government's decentralization process through the National Governance and Public Administration Reform Programme (NGPAR). The NGPAR process has supported the enhancement of inclusive service delivery and local development via the strengthening public administrations, fostering of inclusive dialogue, and facilitating dialogue between citizens and state for more effective, transparent, accountable and responsive service delivery.

UNCDF is working directly with the MoF within the sphere of the Public Finance Management Reform initiative that is following on from the 2019 National Public Expenditure and Financial Accountability (PEFA) assessment. UNCDF is also

working in partnership with the World Bank, the European Union and other Development Partners with the introduction of an IPSAS compliant CoA and a robust IFMIS that is under procurement.

Leveraging this positioning and work, UNCDF is supporting the SDG Fund UNJP “*Leaving no one behind: Establishing the basis for social protection floors in Lao PDR*” that is working with MoLSW to support the government to implement the social protection strategy. This strategy envisions the development of an inclusive social protection system that includes a continually capitalized fund to ensure timely payments are made to all groups covered by the strategy. UNCDF is assisting MoLSW and MoF to establish and capitalize the fund through various technical inputs.

III. Objective of the assignment

The main objective of the assignment is to support MoLSW and MoF to develop a selection of fund scenarios, gain MoLSW consensus and further develop the NSPF scenario into a quality business plan. The scenario building will include but not be limited to the inclusion of various options such as; (i) entity location (internal or as an external entity), (ii) use of the funds capital to undertake market investments to sustain the fund, (iii) external or government management and (iv) revenue structures.

The business plan will follow a standard approach that provides but is not limited to; (i) fund description and mandate, (ii) fund size and structure to enable sustainability, (iii) financial modelling, (iv) fund management principles, (v) end – user products and (vi) operational legality including jurisdiction of the NSPF, the latter being Social Protection coverage limitations.

The consultancy will develop a marketing prospectus for the fund in collaboration with MoLSW, ILO and other relevant development partners applying the general findings of the capital markets assessment that will be completed by UNCDF commissioned consultancy in relation to capitalization of the NSPF.

Within the framework of the project, the following UNCDF informations are available as reference materials for this consultancy;

- (i) UN joint project document
- (ii) National Social Protection Strategy
- (iii) Capital Markets Appetite Assessment for capitalization of the NSPF and
- (iv) A legal scan of the investment laws in Lao PDR. ILO will provide technical inputs in terms of the scope of the NSPF intended beneficiaries, standard unit payment costs, and suggested cap of the NSPF.

IV. Duties and Responsibilities

The national consultant will provide technical, logistical and linguistical support to the international consultant in working with the designated department, MoLSW, Budget Department (Ministry of Finance), in coordination with the Department of Fiscal Policy and Law, and will have the following shared duties and responsibilities:

- 1) Establish with agreement from UNCDF National Programme Specialist a dedicated workplan inclusive of time bound milestones for deliverables.
- 2) Consult with government officials from MoLSW, MoF and ILO and other development partners to gain inter-ministry consensus for; (i) the formulation of the NSPF scenarios;
- 3) Develop in partnership with ILO the scenarios providing a policy brief for MoLSW and MoF.
- 4) Organise and implement a policy briefing workshop to present the scenarios and findings and select a suitable variant to develop the NSPF Business Plan (NSPF-BP)
- 5) Consult with MoLSW, MoF and ILO and agree a format for the NSPF Business Plan (preliminary skeleton);
- 6) Generate the NSPF Business Plan working through daily consultations with MoLSW and MoF, meeting jointly with the UNCDF National Programme Specialist and ILO on (at minimum) a bi-weekly basis. The NSPF Business Plan will include at a minimum;
 - a) Financial Modelling;
 - b) Risk Modelling;
 - c) Fund Structure and size;
 - d) Fund Principles of Sustainability;
 - e) Fund Principles for Inclusivity;
 - f) Scope of Beneficiaries and Payments;
- 7) Organise a de-briefing event in Lao PDR presenting the business plan;

- 8) Generate a prospectus for the NSPF for external investment search and outreach;
- 9) Provide UNCDF with a short two-page mission completion report;
- 10) The consultant will work under the guidance of the UNCDF National Programme Specialist and RTA and adhere to all applicable UNCDF procedures providing a dedicated and professional service at all times.

In addition, the National Consultant will be responsible to:

1. Identify collect and partly analyze required data and information based on the needs by the international consultant, this may include translation of the data;
2. Coordinate with relevant government officials and Ministry of Finance and other relevant organizations;
3. Make meeting arrangements and follow up with the appointments as required;
4. Support the MoLSW team in organizing workshop(s) and/or meetings as required;
5. Interpret discussions during meetings;
6. Taking meeting notes during the workshops and translate it into English language;
7. Translate the final documents/reports generated/produced during the mission by the international consultant based on the required deliverables (refer to Item VI below);
8. Perform other tasks as assigned by the international consultant.

V. Duration of Assignment, Duty Station and Expected Places of Travel

Duration: June – December 2020 (up to 30 working days including Saturdays based on an agreed intermittent arrangement with the international consultant)

Duty Station and expected places of travel: Vientiane Capital, Lao PDR.

VI. Deliverables

The national consultant will contribute and support the international consultant to deliver the following deliverables within the framework of the mission:

1. Submission or work plan indicating timebound milestone deliverables and list of required meetings and consultation to enable the work to be completed;
2. A short report illustrating the options (scenarios) for the NSPF consisting of a maximum of 10 pages which is presented through a workshop / dialogue event;
3. A comprehensive business plan (investor standard) for the NSPF comprising at a minimum but not limited to the following sections; (i) Executive Summary, (ii) Opportunity (Policy, Service Delivery, SDGs, and life enhancing benefits), (iii) End-User Markets (include employers, employees, and citizens to be covered under the NSPF), (iv) Execution, (v) Management Structures, (vi) Financial Model, (vii) annexes i.e. legal drafts etc. NOTE – the NSPF Business Plan must be succinct and developed in plain English to enable translation to Lao language. (20-page document approx.) annexes to support the business plan will be provided.
4. Generate an Investment Prospectus (English and Lao Languages) for the NSPF that is suitable for print (4 pages). The investment prospectus need be developed on the basis of the NSPF business plan being inclusive of info-graphics related to SP beneficiaries and the financial model. Present the NSPF Business Plan and Prospectus through workshop event
5. Provide UNCDF a mission completion report (4 pages)

VII. Provision of Monitoring and Progress Control

The national consultant will work under the supervision of the international consultant and in close consultation with the designated department of MoLSW, Budget Department, MoF, UNCDF Programme Specialist. UNCDF at regional office and country office will provide overall direction and guidance of the consultancy and approve key outputs and deliverables. In addition, the consultant will also coordinate and collaborate with ILO and UNICEF in Laos as required.

Consultancy fees will be paid upon: (i) Certificate of Payment form (ii) review, approval, acceptance of output for each deliverable by UNCDF and (iii) authorization of payment disbursement directly from UNCDF.

VIII. Terms of Payment

The following terms of payment based upon the above-mentioned deliverables will be applicable for this Terms of Reference and associated mission. Payments will be based upon a percentile of the contracted lump sum for each area as tabulated. The payment will only be made up on satisfactory completion and submission of the assignment and jointly produced deliverables as below.

Deliverable 1 Mission Planning		
Work Plan	Work plan for mission and setting of agreed delivery milestones Organize a Lao PDR based kick-off meeting for the mission for key leading counterparts and selected relevant stakeholders	30%
Total Deliverable 1		30%
Deliverable 2		Technical Reviews of Government Debt Financing
NSPF Options Paper	10-page options paper inclusive a recommended option that provides the base for establishing the fund in terms of; positioning in or external to government, management, fund structure, and scope of operations	10%
NSPF Business Plan	Comprehensive succinct standardised Business Plan for NSPF with suitable annexes. The NSPF Business Plan needs to consist of a 20-page document, separate executive summary, financial model (Excel) including risk analysis and an implementation section plus supporting annexes.	25%
NSPF Investor Prospectus	Generation of a quality investor prospectus (English and Lao languages) including infographics (4-page document).	15%
Total Deliverable 2		50%
Deliverable 3 – Policy Advisory for NSPF Capitalization and Fund Structure		
Dissemination Event	Deliver a summary of the NSPF Business Plan and Investment Prospectus and hand over to MoLSW.	10%
UNCDF Mission Completion Report	Generate and provide a 4-page end of mission report	10%
Total Deliverable 3		20%
Total 3 deliverables		100%

IX. Competencies

- Possess a comprehensive knowledge of fund and business development with especial focus on business plan development;
- Ability to develop and formulate financial models and risk assessments in the context of either funds or businesses;
- Has general understanding and capacity to enable the sustainable structuring of funds that use blending options for recurrent costs and capitalization;
- Able to undertake peer reviews and analysis of business plans and finance models;
- Ability to contribute to the preparation of fund structure that possibly blends the following; public sector budget, GO bond issue, ODA, and an investor grade tranche;
- Ability to contribute to the development of standardised policy papers (short version) for government consumption;
- Has a proven understanding of generation of policy drafts or briefs to government.

X. Skills and Experience

- Advanced University's Degree in Finance related area/Public Finance/MBA or related fields;
- Minimum 7 years of professional experience with at least 5 years working within a business development environment preferably within a banking sector (investments and business loans) with funds or with business/fund start-ups;
- Sound knowledge and understanding of capital markets financing, capital markets and investors in ASEAN +3 is mandatory;
- Good professional track record related to business development planning is mandatory;
- Sound knowledge and experiences working with government and its working culture in Lao context;
- Good communication skills; sensitivity and willingness/flexibility to respond to client's needs;

- Fluent in English skills and Lao language.

X. Evaluation method

Evaluation method

Applications will be rated on both technical and financial submissions. The following selection method will be used: Highest rated proposal using the combined scoring method, which assigns the weight distribution between the technical and financial proposals. The weight distribution shall be 70% technical and 30% financial.

Step I: Longlisting/Shortlisting

Applications will be screened and only applicants meeting the following minimum criteria will be shortlisted:

- Advanced University's Degree in Finance related area/Public Finance/MBA or related fields;
- Minimum 7 years of professional experience with at least 5 years working within a business development environment preferably within a banking sector (investments and business loans) with funds or with business/fund start-ups

Step II: Technical Review of CVs by Desk Review

UNCDF will conduct a desk review to produce a shortlist of candidates by evaluating the following criteria with the corresponding points (70 points)

- Advanced University's Degree in Finance related area/Public Finance/MBA or related fields (10 points)
- Minimum 7 years of professional experience with at least 5 years working within a business development environment preferably within a banking sector (investments and business loans) with funds or with business/fund start-ups (15 points)
- Sound knowledge and understanding of capital markets financing, capital markets and investors in ASEAN +3 is mandatory (15 points)
- Good professional track record related to business development planning is mandatory (15 points)
- Good communication skills; sensitivity and willingness/flexibility to respond to client's needs (10 points)
- Fluency of English and Lao language skills (5 points)

Only the applicants receiving 49 points will be considered as technically qualified and will be reviewed further for financial evaluation.

Step III: Financial Evaluation

The following formula will be used to evaluate financial proposal: Lowest priced proposal/price of the proposal being evaluated x 30%. The Contract shall be awarded to the applicant who obtain the highest combined technical and financial scores.

XI. Estimated duration of contract

The estimated duration of contract is between June-December 2020 comprising of a mission of 30 working days including Saturdays and will spend the whole 30 days working with the international consultant during the in-country mission..

Any travel required under the assignment needs to be pre-approved and agreed by UNCDF. If the local travels to provinces and districts are required, the travel cost will be borne by UNCDF according to UNDP-UNCDF rules and regulations.

The consultant is expected to own and use his/her own equipment and travel arrangement during and after the assignment.

XII. Application

Interested individual consultants must submit the following documents/information to demonstrate their qualifications. Proposers who shall not submit below mentioned documents will not be considered for further evaluation.

- When applying for this consultancy position, please apply with your official name as shown in the government issued identification document (e.g. national ID card, passport and/or driver license). Contract award is subject to this verification;
- Brief statement of understanding of the TOR
- Curriculum Vitae or Completed P11 Personal History Form with names and current contacts of 3 referees (available from http://sas.undp.org/documents/p11_personal_history_form.doc)
- Confirmation of interest and Financial proposal:

Under section E of the *Offerer's letter to UNDP Confirming Interest and Availability for the Individual Contract (IC) Assignment*, please choose to indicate "An all-inclusive daily fee". The form can be accessed through the link below:

https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PSU_%20Individual%20Contract_Offerors%20Letter%20to%20UNDP%20Confirming%20Interest%20and%20Availability.docx&action=default

- Earliest Availability receives priority

Please include all documents into one file while submitting your application.

References

UNDP's Individual Consultant's General Terms and Conditions are provided here:

<http://www.undp.org/content/dam/undp/documents/procurement/documents/IC%20-%20General%20Conditions.pdf>

XIII. Copyright

All products and reports related to the mission will be provided to UNCDF and be subject to associated copyrights. The contractor will not use, without prior permission of UNCDF, any the materials or data produced during the mission for any other purpose than furnishing UNCDF with a project delivery. Any use or reference to the information contained within the presented mission documents must be prior clarified and approved by UNCDF and clearly reference UNCDF as the source.

XV. Consultant Presence Required on Duty Station/UNCDF Premise

The entire mission will be conducted in Lao PDR with the consultant working at MoF and UNCDF Country Office and/or NGPAR Office based on agreed workflows.
