

SPECIFIC TERMS OF REFERENCE

For the provision of Technical Assistance for the identification and formulation of EU interventions to support Public Sector Reform and Public Finance Management under the 11th EDF in Botswana

FWC BENEFICIARIES 2013 LOT 7: Governance and Home Affairs

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1. BACKGROUND

1.1 Country context

Botswana has evolved from one of the ten least-developed countries at independence in 1966 to a middle-income country, characterised by sustained economic growth, anchored in good governance, peace, political stability and sound macroeconomic management. Fundamental human rights and freedoms are entrenched in the Constitution, respected in practice and enforced by the Courts. Whilst minerals, principally diamonds, remain the dominant source of revenue, there has been growth in such sectors as financial services, tourism and manufacturing.

In spite of the country's economic growth and the positive trends in poverty indicators, income disparities remain a major concern and its achievements are challenged by one of the highest HIV/AIDS prevalence rates in the world. The Government put in place various measures to combat HIV/AIDS. Income poverty still affects a large part of the population, in particular people in remote and rural areas. The small basis of the economy, being mainly mining of diamonds, and the low inclusiveness of the economic growth, providing for high unemployment, are other threats to the development of the country in the medium-term.

To secure future continued economic growth and development of Botswana, the government follows a policy of economic diversification; promotion of foreign direct investment, private sector development and development of human resources. It further underlines the need for more efficient and effective implementation of policies by the administration, to increase quality of service delivery and value for money, especially in the context of anticipated diminishing government revenues related to mining activities in the country.

1.2 Sector context

There is a strong inter-relationship between the quality of the public sector, economic growth and poverty reduction. Botswana's international governance indicators are generally better than most Sub-Saharan Africa countries. However, public sector management and capacity has not evolved concurrently with the rapid expansion of the public sector following strong economic growth. International indicators of Botswana's performance in terms of the government effectiveness, the regulatory environment and competitiveness have either remained static or fallen over the past fifteen years and compare negatively with countries with a similar GDP per capita. Botswana has a relative weakness in terms of institutional effectiveness. Furthermore, sector level reforms in line ministries, e.g. education, can only take full effect if wider public sector reforms are put in place.

The analysis of Botswana's development framework, as captured in the Tenth National Development Plan (NDP 10) and the mid-term review of NDP 10, confirm the relevance of Government's approach to address its development challenges. Botswana seeks to address the vulnerability of its land-locked economy, heavily reliant on a single commodity, through accelerated economic diversification, improved effectiveness of public spending, public service delivery and human resources development.

The 11th EDF programming proposal is building on the country and programme level evaluations of EU assistance to Botswana under the 9th and 10th EDF that pointed to the importance of support to Government's strategies for progress in general public sector reform as well as sector level reforms in e.g. education. Furthermore, the EDF 11 programming exercise coincides with the development of NDP 11, which will be a critical document guiding the Government of Botswana during the EDF 11 period.

The choice of Public Sector Reform (PSR) for better management systems and service delivery is justified by the strong correlation between the quality, effectiveness and efficiency of the public sector services, economic growth and poverty reduction. How the public sector machinery works determines the extent to which government is able to provide quality services; create productive infrastructure and other capital investments; stimulate private sector development and trade; manage and protect its natural resources; or produce the regulation and policies necessary for sustainable economic growth. Botswana's framework for development, as contained in Vision 2016, NDP 10 and the Mid-Term Review of NDP 10, recognises that improvements in public service delivery, through public sector reforms, are fundamental to the realisation of economic and social aspirations.

Botswana disposes of a well-developed policy framework, but encounters a challenge regarding its efficient and effective implementation. The public finance management reforms focus on a strengthening of the systems that link the policy level with the actions implemented on the ground, by fortifying the cycle of national planning, sector programming and budgeting, as well as by improving monitoring and evaluation of programme execution, which is often not complete. The approach is therefore rather generic than sector specific.

For public sector reforms to be effective, it is widely acknowledged that Public Finance Management (PFM) is one of the main areas to be addressed. While it is possible to rewrite financial regulations and design systems for budgeting and financial control, PFM reform can contribute to change throughout the whole gamut of public sector management practice including: improved planning; more effective monitoring and evaluation; and more efficient resource allocation and utilisation.

A number of public sector reform initiatives are currently ongoing at different levels. There are vertical reforms which are related to a specific sector and/or line ministry, such as in the Ministry of Education and Skills Development (MoESD) and the Ministry of Health (MoH). There are also several strands of cross-cutting horizontal reforms which involve many different parts of government, such as PFM in the Ministry of Finance and Development Planning (MFDP), decentralization in Ministry of Local Government and Rural Development (MLGRD) and right-sizing of the public sector at Department of Public Service Management (DPSM). This multitude of parallel and cross-cutting reform initiatives require overarching steering and coordination.

A participatory situation analysis to identify the ongoing reform efforts has been carried out and its conclusions are about to be finalized. The analysis identifies PSR accomplishments, implementation bottlenecks and coordination needs. The EU is currently supporting the

Public Sector Reform Coordination Office (PSRCO) in the Office the President in doing this analysis and in developing a Public Sector Coordination Framework (PSRCF) and a Public Sector Reform Coordination Programme (PSRCP).

The EU provides long-term technical assistance to Public Finance Management at the Ministry of Finance and Development Planning (MFDP) under EDF 10.

2. DESCRIPTION OF THE ASSIGNMENT

2.1 Global objective

The overall objective of this assignment is to support the Government of Botswana / National Authorising Officer (NAO) and EU Delegation to Botswana and SADC in the identification and formulation of support actions in Public Sector Reform (PSR), including PSR coordination and Public Finance Management (PFM), to be financed under the 11th EDF (2016– 2020).

2.2 Specific Objectives:

- To identify options and formulate potential actions for PSR/PFM to be financed under the 11th EDF in alignment with the Government of Botswana needs and priorities, as outlined in the 'Vision 2016', the 'National Development Plan 10', the emerging Public Sector Reform Coordination Programme (PSRCP), the Public Finance Management Reform Programme (PFMRP), complementary to support provided by other development partners and building on lessons learned under the 10th EDF. The actions also have to be aligned with and feed into the evolving NDP 11.
- To assist the EU Delegation to Botswana and SADC in the development of the corresponding documents (Action Document and TAPs) for the approval of specific actions in PSR/PFM at the identification and formulation stage.

2.3 Requested services:

The assignment will include two Category I Experts and is divided into three distinctive phases described below, i.e. Phase 1: Identification, Phase II: Formulation and Phase III: Review and Finalization.

Phase I: Identification (3 home based and 25 in-country working days):

This phase shall explore and identify **various options** on how the EU can best support Public Sector Reform as well as Public Finance Management needs and opportunities. It shall build on the available background material and analyses, findings and recommendations of the previous Technical Assistance to the PSRCO as well as to the PFM RP CU. On the basis of the analytical work (desktop and in-country consultations) carried out, the consultants shall identify several possible axes of intervention in PSR and PFM under the 11th EDF.

This phase shall include identification and justification of the most suitable sub-sectors and entry points on policy dialogue with PSR/PFM stakeholders as well as the most pertinent financing modalities and management tools. Several options should be explored in the identification sections of the Action Document.

In detail this phase should comprise, but is not limited to, the following indicative actions:

- Review available analyses, policies, regulatory and strategic planning documents, evaluations, progress reports and studies relating to PSR/PFM;
- Undertake analysis to identify the main stakeholders in the areas of PSR/PFM as well as the technical and financial constraints and opportunities of the sector, with special attention to capacity development aspects;
- Ensure relevant linkages with other selected sectors of concentration for EU support, particularly with Human Resources Development.
- Collect, review and document lessons learned from previous EU support as well as other relevant evaluations and analytical work;
- Analyse and make proposals as to which extent cross-cutting issues such as gender, environment/climate change and creating an enabling environment for the diversification of the economy could be integrated into the programme;
- Undertake an analysis of the pros and cons of different implementation modalities in this context, ie project or budget support, as well as potential implementing partners;
- Identify potential risks as regards the implementation of the proposed interventions and suggest possible mitigating measures;
- Prepare and deliver consultative meetings with key sector stakeholders to discuss and validate key findings and present proposals for EU support;
- Identify and define options for EU interventions in PSR and PFM taking into account complementarity with other donor activities and support; ensure coherence with the national policies and the EU Agenda for Change as well as with other on-going regional/global initiatives and frameworks;
- Complete the identification sections of the Action Document
- Present the results of the identification phase to the EU Delegation, NAO, PSRCO and PFM RR CU and other relevant national stakeholders in a consultative meeting before the finalisation of the identification sections of the Action Document in order to validate and consolidate the findings.

Phase II: Formulation (in-country, 30 working days):

Following the submission of the Identification Document to Headquarters, the Directorate's Quality Support Group (QSG) will provide comments and recommendations on the Identification Document which must be incorporated by the expert and taken into account for the development of the full Action Document.

The general objective of Phase II is to take the previous work further and prepare a full Action Document including the required annexes (TAPs) to be submitted to the Delegation.

In detail this phase should comprise, but is not limited to, the following indicative actions:

- Develop the logic of the intervention (in a log frame for the project modality and a list of indicators for budget support);
- Elaborate the details of implementation, ie the implementation period, modalities, indicative budget, organizational set up, as well as the reporting, monitoring and

evaluation structures proposed.

- Complete the full Action Document and elaborate the TAPs;
- Prepare and deliver consultative meetings with key sector stakeholders to present and validate proposals for EU support;
- Present the results of the formulation phase to the EU Delegation, NAO, PSRCO and PFM RR CU and other relevant national stakeholders in a consultative meeting before the finalisation of the formulation sections of the Action Document.

Phase III: Review and Finalisation (home based, 5 working days):

Following the submission of the full Action Document to Headquarters, the QSG will provide comments and recommendations on the Action Document. The consultant shall re-examine the points which the QSG has recommended for review, incorporate them and, if necessary, present a revised version of the document to the Delegation.

2.4 Required outputs:

Phase I:

- A presentation to the NAO, PSRCO, PFM RE CU and EU on of the initial findings and proposed working methodology and work plan at the beginning of Phase I. **Agreed minutes with conclusions on the methodology and way forward** shall be produced.
- A **Pre-Feasibility Assessment** containing:
 - a) An assessment of the PSR and PFM landscape, including opportunities and threats;
 - b) Alternative priority intervention options in matrix form, using the following criteria: relevance, efficiency, efficacy, impact, sustainability;
 - c) Alternatives as how to integrate relevant cross-cutting issues into the programme, in particular gender, environment/climate change, and creating an enabling environment for diversification of the economy;
 - d) A proposal for the EU priority interventions to be further developed in the format of an Action Document, according to the template provided by the EUD, including their indicative financial instruments and management modalities; and
 - e) A consultative workshop with key PSR and PFM stakeholders.
- An **End of First Mission Report** containing:
 - a) Identification sections of **Action Document** completed;
 - b) An **Aide Memoire** documenting the identification process. The Aide Memoire should contain any relevant observations that are not included in the Action Document but that need to be borne in mind during the formulation phase, as well as an indicative budget breakdown for the identified priority interventions.

Phase II:

- A presentation to the NAO, PSRCO, PFM RE CU and EU on of the initial findings and proposed working methodology and work plan for Phase II. **Agreed minutes with conclusions on the methodology** and way forward shall be produced.

- An **End of Second Mission Report** containing the full Action Document including all required annexes, where the Technical and Administrative Procedures (TAPs) is of particular importance. It shall also include identification of and ToRs for Technical Assistance based on the Action Document using the template provided by the EUD.

Phase III:

- A **Final Report** containing a reviewed and finalised Action Document based on comments and recommendations provided by the EU Delegation, NAO, PRSCO, PFM RP CU and the QSG after Phase II. It shall also specify the list of persons and stakeholders met during the mission and provide an account of the briefing and debriefing.

2.5 Language of the Specific Contract

The language of the contract shall be English.

2.6 Other information

This is a global price contract.

Sub-contracting is not allowed.

The Contracting Authority may require an interview of the Expert during the evaluation of the offers. This is likely to be requested during the second week after having received the offers.

Experts' CVs should include proven experience of the soft skills and language skills required.

Experts' CVs must include the e-mail addresses to reference persons representing the contracting authority, beneficiary or counterpart for at least the latest ten assignments.

Presentation of an Organisation and Methodology is not required.

3. EXPERT PROFILE AND EXPERTISE REQUIRED

3.1 Number of requested experts per category and number of man-days per expert or per category

For the completion of the services requested, two (2) Category I experts will be required.

3.2 Profile per expert or expertise required:

Category I Expert in PSR, Teamleader (63 working days)

Minimum requirements:

- Master's Degree in Public Administration, Political Science or another field relevant to the assignment. In the absence of this, the equivalent professional experience of at least eight (8) years is required in addition to the experience required below;
- At least 12 years' experience in the sector related to the Lot Governance and Home Affairs.

Specific professional experience:

- Proven professional experience in various strands of Public Sector Reform:
 - sector/ministry restructuring and modernization; and/or
 - management of parastatals; and/or
 - public administration reforms (decentralization, right-sizing etc).
- Proven professional experience in public sector strategic planning and budgeting;
- Proven professional experience in coordination of public sector reforms;
- Proven experience in the identification and formulation of projects/programs for donor institutions;
- Proven experience with EU procedures (development of the equivalent of Action Documents and TAPs) and knowledge of EU aid modalities (EDF in particular);
- Good knowledge of different aid modalities (project and budget support) and their strengths and weaknesses in different program contexts;
- Experience from doing PSR work in middle income countries is an asset.

Soft skills:

- Proven experience in organising stakeholder meetings.
- Demonstrated communication and facilitation skills.

Language skills:

- Excellent command of English.
- Excellent report writing skills.

Category I Expert in PFM (63 working days)

Minimum requirements:

- A Master's Degree in Public Finance or equivalent. In the absence of this, the equivalent professional experience of at least eight (8) years is required in addition to the experience required below;
- At least 12 years' experience in the various disciplines of Public Finance Management, PFM reform.

Specific professional experience:

- Proven professional experience in various strands of Public Finance Management reforms:
 - planning, implementing and/or coordinating PFM reform programmes;
 - public sector strategic planning and budgeting;
- Proven experience in identification and formulation of budget support programs and related indicators;
- Proven experience with EU procedures (development of the equivalent of Action Documents and TAPs) and knowledge of EU aid modalities (EDF in particular);
- Experience from doing PFM work in middle income countries is an asset;
- Experience of working in a Ministry of Finance and/or Planning in Sub-Saharan Africa is an asset.

Soft skills:

- Proven experience in organising stakeholder meetings.
- Demonstrated communication and facilitation skills.

Language skills:

- Excellent command of English.
- Excellent report writing skills.

4. LOCATION AND DURATION

4.1 Starting period

The intended start date in Botswana is 19 January 2014.

4.2 Foreseen finishing period or duration

The duration of the contract will be max. 240 calendar days with max. 126 working days (63 per expert) in total for all phases.

4.3 Planning including the period for notification for placement of the staff as per art 16.4 a)

Activity	Indicative contract period (working days of contract)	Location	Indicative dates
Phase I - Identification	3 25	Home based Botswana	Mid-January 2015
Phase II - Formulation	30	Botswana	May-June 2015
Phase III – Review and Finalisation	5	Home based	September-October 2015

The Framework contractor shall forward to the Project Manager within 15 days of the signature of the contract by both parties the timetable proposed for placement of the staff. All dates after the starting date will depend on the exact travel date to Botswana.

The services from the experts will be carried out in three phases. The assignment will be partly home-based and partly carried out in Gaborone, Botswana. The experts will provide 63 working days/expert, 126 working days in total. Weekend days will not be considered as working days, unless previously agreed with the Contracting Authority.

The Delegation of the European Union (OPS II section) will act as first contact point for the mission. The NAO will assist the consultants for an efficient conduct of the mission. In order to be better prepared for the assignment, the EU Delegation will send all relevant documents to the Experts in advance.

4.4 Location(s) of assignment

The location of assignment will be Gaborone, Botswana. However, at least one district in addition to Gaborone should be visited with a maximum of 2 mission days during Phase I by the Team leader. Should decentralization be identified as a possible area of intervention, additional missions to districts may be required during Phase II. Phase III will be home based.

5. REPORTING

5.1 Content and submission

Name of report	Content	Time of submission
Phase I		
Presentation of initial findings and proposed working methodology and work plan	According to the specifications outlined in Chapter 2.4	1 week after arrival in Botswana
Pre-feasibility Assessment		A draft shall be submitted not later than 3 weeks after the beginning of the mission and before the consultative meeting with stakeholders will be held
End of First Mission Report		No later than 2nd last day before the end of the mission
Phase II (after discussion of the AD in the QSG1)		
Presentation of initial findings and proposed working methodology and work plan	According to the specifications outlined in Chapter 2.4	No later than 1 week after arrival in Botswana
End of Second Mission Report		No later than 2nd last day before the end of the mission
Phase III (after discussion of the AD in QSG2)		
Draft Final Report	According to the specifications outlined in Chapter 2.4	No later than the last day of Phase III.
Final Report		No later than 10 working days after receiving comments on the draft final report

Initial findings, proposed working methodology and work plan shall be presented orally to the NAO/MFDP, PSRCO, PRM RE CU and the EU Delegation at the beginning of each mission in Botswana. The Experts shall also describe the support and collaboration they expect from these stakeholders. The Expert is responsible for recording the discussions and outcomes of the meeting. Such records shall be circulated within two (2) days after the meeting. All parties shall approve these records.

After the review and analysis of the PSR and PFM landscape and the submission of the Pre-feasibility Assessment to the EU Delegation, a consultative meeting with all key stakeholders identified shall be held by the Experts and comments and recommendations hereof incorporated in the development of the Draft Identification Document.

Draft Final Report detailing the outcome of the assignment and including all the draft deliverables is to be submitted at the end of the second mission and presented to the NAO, PSRCO and PFM RP CU for discussion in a meeting at the EU Delegation in Gaborone. The final structure of the report will take into consideration all the assignment components. The structure shall include a cover letter, an executive summary of approximately 5-10% of the full report, highlighting the key findings, recommendations, and a statement summarising the Consultant's main conclusion while incorporating any comments received from the concerned parties and consolidated by the EU Delegation. This report is to be presented at the end of the assignment in a de-briefing session with all relevant stakeholders. The report will contain a sufficiently detailed description of the different components of the assignment as well as an analytical concluding part. The required outputs as per 2.4 above will be presented as annexes to the main report.

All reports shall be joint and prepared together by the Experts contracted for this assignment.

It must be noted that the Contracting Authority reserves the right to have reports re-drafted as many times as necessary to bring them to the required standards. The Project Managers are responsible for approving the reports.

5.2 Language

All reports must be written in English.

5.3 Number of report(s) copies

5 hard copies (2 for the EU Delegation, 1 for the NAO, 1 for the PFM RP CU, and 1 for PSRCO), besides availing the corresponding electronic versions of the reports referred to above (3 CD-ROM).

6. INCIDENTAL EXPENDITURE

- Four (4) international return air tickets in low fare Economy Class for the Experts to travel to Botswana (two tickets/Expert).
- Per diems (154) for the Experts when in Botswana - EC's rates, which include the daily needs. These comprise: accommodation, meals and transport, including transport from and to the airport. The cost of local transport (within Gaborone and to the Districts) is also included in per diems. The amount of per diems may never exceed the rate listed for the country in the per diem table on the following website: http://ec.europa.eu/europeaid/perdiem/index_en.htm)
- Local travel, incl. four national Botswana flights and other necessary transport, a provision of 1500EUR.
- Costs for printing materials for meetings and workshops, a provision of 1000EUR.
- Costs for arranging workshops, a provision of 1500EUR.
- **All items foreseen under Incidental Expenditure would need to be accompanied by supporting documents for reimbursement.**

7. MONITORING AND EVALUATION

The following information will be used to monitor the extent to which the contract is contributing to successful and timely identification and formulation of EU interventions to support the Public Sector and Public Finance Management Reforms under the 11th EDF in Botswana:

- Timely preparation and submission of reports, in draft and final status.
- The regularity and quality of consultations with the NAO, PFM RP CU, the EUD, PSRCO and other relevant stakeholders for the duration of the assignment.

8. ANNEXES

1. Vision 2016, Botswana
2. National Development Plan 10 of Botswana
3. 11th EDF Draft National Indicative Program for Botswana
4. Technical Assistance to Support the Public Sector Reform Coordination Office in Strengthening Public Sector Reform Coordination in Botswana, Progress Report Mission 1
5. Public Finance Management Reform Programme for Botswana
6. Delegation's Annual Monitoring Report on PFM, 2013