

		<b>New Request for Services</b>
<b>Project Title</b>	SUPPORT TO THE NATIONAL AUTHORISING OFFICER	
<b>Internal number</b>	090312	
<b>Country</b>	Lesotho	
<b>Approx. Dates</b>	14/01/2013 To 31/12/2013	
<b>Eligible Nationalities</b>	All nationalities	
<b>Deadline for submissions of CV for internal consortium voting</b>	19/11/2012	
<b>Profile: Expert 1</b>		
<b>Requirements</b>	<p>Education</p> <ul style="list-style-type: none"> <li>o Post-graduate university qualification in development planning, development studies, organizational development or related field of specialization</li> </ul> <p>Experience</p> <ul style="list-style-type: none"> <li>o At least 10 years' experience in public sector environments with a focus on organizational development/capacity building and project management of which at least the last 5 years in developing countries. Specific experience in the SADC region will be an advantage</li> <li>o At least 7 years' experience in macro-level management of development assistance</li> <li>o Solid knowledge of and experience in EU/EDF procedures for programming, project preparation/implementation and procurement</li> </ul> <p>Language Skills</p> <ul style="list-style-type: none"> <li>o Fluent written and oral English</li> </ul>	
<b>Category of expert</b>	Senior	
<b>Duration</b>	150 working days	
<b>EC rules applicable to any EC assignment</b>	<ul style="list-style-type: none"> <li>• Working days are from Monday to Friday, if not indicated otherwise in the ToR</li> <li>• Per diem covers all expenses of the expert (local transport, hotel, meals, teleco, etc) and it is only paid if the expert stay overnight.</li> <li>• International travel: the EC only reimburse economy class flight tickets</li> </ul>	

**SPECIFIC TERMS OF REFERENCE**  
**SUPPORT TO THE MACROECONOMIC AND POLICY MANAGEMENT UNIT**  
**FWC BENEFICIARIES 2009 – 2012/302203/1**  
**LOT 11 : Macro Economy, Statistics, Public Finance Management**

**EuropeAid/127054/C/SER/multi**

## **1. BACKGROUND**

The Government of Lesotho (GOL) recognizes the importance and need for evidence based policy making and planning, budgeting and efficient resource management in the development process. As such, a number of initiatives have been introduced which include the Medium Term Expenditure Framework (MTEF) which was introduced into the government budget process in 2005. Government also launched the Integrated Financial Management Information System (IFMIS) in April 2009 for transparent management of public funds. The National Monitoring and Evaluation System (NMES) was also introduced under the custody of the Department of Development Planning in the Ministry of Finance and Development Planning. Under a number of GOL and donor-funded programmes, a series of public finance management reforms have also been instituted, including the creation of the PFM Improvement and Reform Steering Committee.

The project to develop and implement a Macroeconomic Model for Lesotho (DIMMoL) has also been on-going since late 2005 with the following major activities:

1. Data development and improvement of the national accounts, balance of payments, and fiscal statistics,
2. Development and implementation of a financial programming framework,
3. Development and implementation of a time series macro-econometric model, and
4. Compilation of a Social Accounting Matrix (SAM) and development of a Computable General Equilibrium Model (CGE).

The data improvement work on the national accounts, fiscal statistics, monetary, and balance of payments is complete. A data management system for integration of the various data series with the modelling system has been put in place. The work on development of the macroeconomic framework and macro econometric model is complete. The construction of a Social Accounting Matrix (SAM) for 2004, 2008, 2009 is complete and a dynamic CGE model has been prepared.

Substantial training has been provided to the Macroeconomic Policy and Management (MPM) staff on data compilation, financial programming, and the econometric model. These activities have been integrated into the daily work of the MPM Directorate in the Ministry.

The Financial Programming Framework (FPF) and in particular, the Medium Term Fiscal Framework (MTFF), have become an integral part of the budget process, crucial in supporting the fiscal policy of the Government of Lesotho. Given the importance of the FPF, its quality and capacity as well as maintenance are paramount.

The MPM staff has previously been supported by a full time expert and/or an Overseas Development Institute (ODI) fellow. The capacity to manage the FPF has now been built hence full-time support is no longer necessary. However, the MPM staff still requires some form of quality assurance and mentoring in updating the framework as well as using the framework for economic analysis.

The Ministry of Finance would therefore like to have future mentoring for MPM staff on the use and updating of the FPF, so that they are able to update the model as required.

## **2. DESCRIPTION OF THE ASSIGNMENT**

∞ **Global objective**

The *overall objective* of the Poverty Reduction Budget Support Programme, Phase II (PRBSII) under which this assignment will be performed is to contribute to the implementation of Lesotho's national development agenda as embodied in the Vision 2020<sup>1</sup>, which states that by the year 2020 “*Lesotho shall be a stable democracy, a united and prosperous nation at peace with itself and its neighbours. It shall have a healthy and well developed human resource base, a strong economy, a well managed environment and an established technological base*”.

### ✂ **Specific objectives**

The specific objectives of this assignment are to

- provide mentoring to MPM officials so that they are fully conversant with running and updating the FPF;
- provide quality assurance to the FPF given its importance to Lesotho's annual budgeting process and policy analysis.

### ✂ **Requested services**

The expert will provide mentoring and quality assurance in support of the MPM officials in updating, running and maintaining the FPF over a period of one year.

Detailed activities to be undertaken by the expert are as follows:

- Provide guidance on database management tools (specifically NADABAS);
- Provide guidance on reconciliation and consistency of the economic accounts within the FPF;
- Provide guidance on forecasting and economic analysis;
- Provide guidance on integration of the Integrated Financial Management and Information System (IFMIS) and the Commonwealth Secretariat's Debt Recording and Management System (CS-DRMS) into the Medium Term Fiscal Framework (IFMIS);
- Provide support to the 2013/14 budget preparation process.

**Detailed and specific tasks related to the above services will be formalised in consultation with the Director, Macroeconomic and Policy Management Unit and the Office of the National Authorising Office at the start of each mission.**

<sup>1</sup> Vision 2020 was developed for 2001 onwards and published in 2004.

### ✂ **Required outputs**

- Improved capacity within the GOL to maintain and update databases/information systems and economic/econometric models
- Improved capacity within the GOL to prepare accurate forecasts and economic analysis
- Improved linkages between economic forecasting and budget preparation
- Reports submitted as per heading 5.

### **3. EXPERTS PROFILE**

One junior expert is required for a total of 60 working days. S/He will have at least the following qualifications and experience:

- A post graduate degree in economics or equivalent.
- Theoretical and practical knowledge of econometrics, macroeconomic and policy research and application
- Proficient knowledge of standard computer software (MS word, Excel, Access and project management software) as well as computer literacy in respect of specialised software applicable to the required outputs of this assignment
- At least 3 years relevant experience, including experience in mentoring and skills transfer
- Experience in the SADC region will be an advantage
- Fluency (written and oral) in English is a pre-requisite

#### **4. LOCATION AND DURATION**

It is anticipated that the total input will be performed in a series of 6 missions of 10 working days each starting in November, 2012 and ending in October, 2013.

The first mission of November, 2012 will support preparation of baseline scenario for the Medium Term Fiscal Framework (MTFF). The second mission of January, 2013 will support MPM officials to evaluate the impact of ministries' budget request on the MTFF, and compile the policy scenario which will inform the 2013/14 budget. The third mission of March will support MPM officers to compile MTFF scenario for the budget background paper. The fourth mission will take place in May/June 2012, followed by the fifth Mission in August 2012, while the last mission will take place in October 2013.

The actual timing of the missions will be agreed with the Director, Macroeconomic Policy and Management Unit and the Office of the National Authorising Officer in the Ministry of Finance and Development Planning.

All missions will be performed in Maseru, Lesotho

#### **5. REPORTING**

For each Mission:

- The expert will prepare and submit a Mission Report at the end of each mission detailing activities and outputs for the mission together with a revised work schedule and methodology/approach, inclusive of anticipated challenges in the performance of the assignment. The report at the end of the final mission will include an overview of the entire assignment.

For all reports:

- An electronic copy together with 3 hard copies of reports will be submitted in English to each of the following:
  - The Ministry of Finance (Office of the National Authorising Officer)
  - The European Union Delegation (EUD)
  - The relevant counterpart (i.e. Director, Macroeconomic Policy and Management Unit)
- The experts must submit all reports within one week after completion of each mission. Counterparts, the NAO Office and the EUD will have two weeks to provide comment on each report and, if required, the expert will re-submit the final report within one week after the end of the comment-period.
- The final report will be submitted no later than two weeks after completion of the last mission. Counterparts, the NAO Office and the EUD will have four weeks to provide comment on the draft final report and, if required, the expert will re-submit the final report within two weeks after the end of the comment-period
- No additional working days are foreseen for preparation and/or finalisation of reports (i.e. incorporating comments, etc.). Time required for these tasks will be deemed to have been foreseen and included in the calculation of the daily fee rate.

#### **6. ADMINISTRATIVE INFORMATION**

None