

TERMS OF REFERENCE

for a Consultancy Service

Conducting a Situation Analysis on Public Finance Management and Children in Bulgaria

Summary

Title	<i>National Consultancy to Conduct a Situation Analysis (SitAn) on Public Finance Management and Children in Bulgaria (2020)</i>
Purpose	<i>Using appropriate methodology, a human rights-based approach and an equity focus, develop a Situation Analysis of Public Finance Management and Children in Bulgaria</i>
Expected fee	<i>To be negotiated, commensurate with the level of complexity of the task and the level of experience of selected consultant(s)</i>
Expected Duration	<i>25 days of work within 2 months</i>
Expected Start Date	<i>23/03/2020</i>
Reporting to	<i>Social Policy Specialist</i>

1. BACKGROUND

The Situation Analysis (the SitAn) of children’s rights and wellbeing is a flagship product designed to inform policy dialogue, partnerships and interventions to improve the lives of children. It is an assessment and analysis of the country situation, with respect to children's rights and critical issues affecting their realization. The SitAn is a crucial part of the child rights monitoring framework and represents a key UNICEF’s programmatic output that helps focus on knowledge gaps related to inequities and child deprivations. By promoting the broad engagement of all stakeholders, the SitAn is expected to inform policy dialogue and child-focused policy advocacy to make an important contribution to accelerating the achievement of child-related goals with equity.

The last SitAn in Bulgaria was conducted in 2016 -2017 (the report was published in 2018¹) and identified issues hindering the full realization of children’s rights and, to some extent, their causes. The analysis was based on a wide range of information and official, including UNICEF-led studies and researches. It served as one of the key reference documents for UNICEF and its national partners in the identification of priorities affecting the rights of children and contributed directly to the formulation of the Country Partnership between UNICEF and the Government of the Republic of Bulgaria (2018-2022) and the Country Programme Action Plan, which was signed in 2018. The Country Partnership includes the four priority programme components: Early childhood development and childcare; Inclusive education and early learning; Prevention and response to violence against children and access to justice for children; and Partnerships for monitoring, communication and promotion of child rights.

In 2020, UNICEF and the Government of the Republic of Bulgaria will conduct a med-term of the country partnership. To this end, the UNICEF Country Office has started the preparation of a new SitAn to assess the enabling environment, the underlying and structural causes of shortfalls and disparities across various groups of children, capacity gaps, and data gaps. In addition to the SitAn on the general situation with children in Bulgaria, UNICEF would like to undertake in parallel **a thematic Situation Analysis on Public Finance Management and Children in Bulgaria.**

¹ <https://www.unicef.org/bulgaria/en/reports/situation-analysis-children-and-women-bulgaria>

Public Finance Management and Children

The decisions that governments make about how to fund social policies and services are critical to children. If allocations are insufficient, concentrated on better-off groups or used poorly, all children – particularly the most disadvantaged – risk losing access to life-saving services. Article 4 of the Convention on the Rights of the Child directs States to invest in child rights to “the maximum extent of available resources”, highlighting the critical link between public finance and child rights fulfilment.

Many of the obstacles to improving child outcomes can be directly traced to public financial management (PFM) challenges. Policies and legal frameworks cannot adequately address problems related to the quality and quantity of services for children if they are not adequately funded and if resources are not used efficiently, effectively and equitably. An adequate assessment of the public finance situation in a country is therefore an essential component of a situation analysis process. Such an assessment can pinpoint opportunities for improvement in UNICEF and other partners’ work and lead to real results for children.

Poor PFM can negatively impact child rights in different ways, for example:

- When funds allocated for education barely cover the cost of teacher salaries, it is nearly impossible to increase enrolment or completion rates and improve educational outcomes;
- Children may be deprived of adequate healthcare if critical supplies are lacking due to poor funds management, leakages and/or inequitable use of public funding for healthcare;
- Local governments may be responsible for delivering crucial services, but if this responsibility is not matched by a transfer of adequate resources from the central to the local level, local authorities will be unable to deliver services. This can lead to exclusion and worsen social outcomes;
- An economic recession can reduce the overall availability of public funds due to reduced tax revenue. Social services may be cut from the budget or their coverage reduced, often impacting the most disadvantaged.

The PFM analysis should be guided by the following key questions:

- a. What are the recent macroeconomic trends that most impact children? Is there potential for additional expenditure on social sectors – health, education, social protection?
- b. How much is spent on child-related services by sector (health, education, social protection), and how has this evolved as a share of total public spending/social spending over time? What has caused this variation, and what linkages can be made with the coverage/quality of social services?
- c. What strengths/limitations or challenges have been identified by recent reviews of the overall PFM architecture (e.g., weak oversight, poor capacity for planning and budgeting in line ministries or local governments)?
- d. How is social spending distributed across types of spending, regions, population groups or sectors – health, education and social protection (e.g., is spending going to services that benefit the poor; is spending going to non-social sectors)?

- e. How do resources allocated in social sectors compare to actual expenditure for programmes that target and reach children?
- f. Are there issues with the PFM architecture that impact service delivery and cannot be overcome at the sector level?
- g. Are there sector-specific bottlenecks that need to be removed in order to improve results for children? What are they?

In relation to the above, UNICEF Country Office in Bulgaria is seeking the services of ***a national consultant or a team of national consultants*** to develop the Situation Analysis on Public Finance Management and Children in Bulgaria.

2. PURPOSE AND SCOPE OF THE ANALYSIS

The main purpose of this assignment is to conduct a human-rights based and equity-focused Situation Analysis of Public Finance Management and Children in Bulgaria, drawing primarily from existing data, research and studies. It should provide an overview of the financing landscape for children's policies and issues; present national budget allocations and spending for children in three sectors – health, education and social protection; and provide insight on how finances contribute to child rights implementation.

The Situation Analysis should include the following key components:

A. Country overview section

The section should include high-level information on the macroeconomic situation, the health of public financial management infrastructure and the influence of the political economy on budgets.

- ❖ General overview of the macroeconomic situation (real GDP, economic growth, employment, income and wages, etc.), outlining possible links to adverse consequences for children and families that will be discussed in the subsequent sections.
- ❖ Overview of public finance in Bulgaria, including a PFM analysis to expose strengths and weaknesses that are not specific to a given sector that may affect the delivery of services for children. Mapping of key stakeholders and their role in PFM (e.g. Ministry of Finance, line ministries, local governments, Supreme Audit Institution)

Possible questions may include:

- How is the national budget prepared? Is it prepared through a transparent and inclusive process, abiding by international standards for accountability and oversight?
- How is the budget presented and organized? Is it accessible to the public? Is budget data presented in a way that is easy to understand and analyse? Is data on actual expenditures available?
- Are national policies aligned with the budget? Are child rights defined as explicit priorities of the budget policy, in the medium-term expenditure framework, annual budget formulation circular, and annual budget law and other strategic national planning documents?
- Is spending effective and efficient? Are there leakages that may undermine funding for social sectors (health, education, social protection)? Are there large discrepancies between allocated and spent funds generally and for specific sectors?

B. PFM analysis in the sectors of health, education and social protection (adequacy, effectiveness, efficiency and equity in use of public resources)

This section should include an analysis of approved, allocated and executed expenditure, as disaggregated as possible, including any funding gaps. It should discuss PFM bottlenecks that stand in the way of results for children within the three sectors – health, education and social protection.

The situation analysis should identify the amount of resources spent on key social services for children, by addressing the following types of questions:

- Are expenditures in social sectors (health, education, social protection) sufficient to address the quality/quantity of services required to meet the needs of all children in the country? If not, what may be the causes? Are social sectors prioritized in the budget? Is there fiscal space to increase allocations in social sectors?
- Are resources spent in line with need? Is the per capita spending proportionately higher for the poorest? Is regional distribution of expenditure equitable, with poorer regions receiving more resources to bridge the equity gaps?
- Are there continued disparities in outcomes despite considerable public expenditure on services, indicating other PFM issues such as ineffective or inefficient distribution of resources? What are the reasons behind this?

C. Key Findings and Recommendations

This section should prioritize the top PFM issues and opportunities impacting child rights and well-being in Bulgaria and based on the findings:

- Identify data and evidence gaps and provide recommendations for addressing the gaps;
- Provide recommendations to the Government and UNICEF, to address key PFM challenges for improving child outcomes in Bulgaria;
- Provide recommendations to UNICEF on Public Finance for Children engagement strategy in Bulgaria.

Public Finance for Children Framework (Annex 1) provides the overall rationale for UNICEF's work on public finance and can give a useful structure to the recommendations that follow from PFM findings in the situation analysis.

3. METHODOLOGY AND DATA SOURCES

Methodology

The consultant(s) will primarily rely on secondary data analysis, while limited primary data collection from major child rights duty-bearers and other key informants may occur.

Data sources:

- Reports by the Ministry of Finance
- Reports by the National Audit Office
- Official statistics (National Statistical Institute, Eurostat)
- Annual International Monetary Fund (IMF) Article IV staff report and relevant reports

- IMF Fiscal Transparency Evaluation reports
- International Budget Partnership open budget surveys and country reports
- World Bank Country Report
- World Bank Open Budget Portal
- European Semester Country Report
- European Commission Reports on Public Finances
- Public Expenditure Reviews
- Public Expenditure Tracking Surveys
- Child-focused Public Expenditure Measurement
- Fiscal equity analyses
- *Key informants' interviews*

The methodology for data collection and analysis and the process of documentation should enable the periodic update of the situation analysis. The consultant(s) will be required to propose a more precise methodology within the Inception phase.

Stages of the situation analysis (exact timeframe to be agreed with the consultant/s):

1. Inception phase:

- Initial desk review to assess availability of data/information;
- Development of a precise methodology for the SitAn;
- Preparation and presentation to UNICEF of an inception report, including finalized methodology and proposed timeline.

2. Data collection and analysis:

- Data collection and in-depth desk-review of existing reports and other information on PFM and its impact on children;
- Interviews with key informants;
- Secondary analysis of available data/information.

3. Reporting:

- Development of a draft report (up to 25 pages) for discussion and validation by UNICEF and key partners;
- Development of a final report, including a 5-page summary document;
- Development of a power point presentation, using appropriate visualisations.

4. ETHICAL CONSIDERATIONS

Consultants are required to clearly identify any potential ethical issue, as well as the processes for ethical review and oversight of the research/data collection process in their proposal. UNICEF Procedure for Ethical Standards in Research, Evaluation, Data Collection and Analysis that can be found https://www.unicef.org/supply/files/ATTACHMENT_IV_UNICEF_Procedure_for_Ethical_Standards.PDF

should be consistently applied throughout the research process. The procedure contains the minimum standards and required procedures for research, evaluation and data collection and analysis undertaken or commissioned by UNICEF (including activities undertaken by individual and institutional contractors, and partners) involving human subjects or the analysis of sensitive secondary data.

5. REQUIREMENTS

5.1 Key deliverables and indicative time frame

The work is expected to be carried out during the period from 23 March to 22 May 2020.

About 25 consultancy working days are estimated for this assignment with the following estimated share of days:

- Inception Phase – total of 5 working days
- Data Collection Phase – total of 5 working days
- Analysis and Reporting Phase – total of 15 working days

The consultant/team of consultants is expected to produce and submit the following deliverables:

- SitAn inception report with proposed methodology and timeline;
- Draft SitAn Report (up to 20 pages) for validation by UNICEF and partners;
- Final Report, including a Summary of 5 pages;
- Power point presentation.

The exact timeline for each deliverable will be agreed during the Inception Phase.

Inputs on submitted inception and draft reports provided by UNICEF and other stakeholders should be addressed in the process preparing the final documents. All materials submitted to UNICEF should be delivered in English, except if otherwise agreed.

All submissions should be electronic.

5.2 Required qualifications and experience:

Background	<ul style="list-style-type: none"> • Recognized researcher with proven experience in public finance, social policy and policy analysis
Education	<ul style="list-style-type: none"> • Advanced degree in economics and finance, social sciences or related fields relevant for the assignment
Expertise and skills	<ul style="list-style-type: none"> • Strong analytical skills – references to previous work or institutions • Excellent knowledge of statistics, public finance management, social service systems, development agenda • Experience with policy analysis and public finance management analysis • Fluency in English • Excellent writing skills
Experience	<ul style="list-style-type: none"> • At least 5 years of relevant experience in development of analytical reports and policy documents related to public finance; • Proven experience in quantitative and qualitative data analysis, policy and finance analysis and report preparation; • Proven experience in handling primary and secondary data

6. COMMUNICATION AND DISSEMINATION

Based on the recommendations from the analysis, UNICEF will create communication strategy for dissemination of findings and recommendations. Situation Analysis findings and recommendations will be published via UNICEF Bulgaria website and other communication channels.

UNICEF staff members, consultants, contractors and partners will follow the UNICEF Guidance on External Academic Publishing (January 2017) when engaging in external academic publishing, whether in print or digital form.

7. MANAGEMENT AND SUPERVISION

The consultant(s) will work in close consultation and under the supervision of UNICEF Bulgaria Social Policy Specialist.

The evaluation of the consultant(s)' performance will be based on:

- Quality of produced outputs;
- Compliance with the established timelines;
- Compliance with ethical UNICEF standards.

8. TERMS OF PAYMENT

Two payments are envisaged during this consultancy:

- First instalment: Upon UNICEF's acceptance of submitted Inception report - 30%
- Second instalment: Upon satisfactory delivery of the final SitAn Reports, including summary and PPT – 70%

9. APPROVAL PROCEDURES AND LOGISTICS

- Consultants should act with integrity and respect for all stakeholders in line with UNICEF ethical guidelines regarding evidence generation.
- UNICEF Country Office in Bulgaria holds copyrights for all reports. The documents (including raw materials, etc.) may not be reproduced, distributed or published without the written permission from UNICEF.
- All personal data should be accessible to team members, but no one else. The consultants need to set up secure systems (a) to ensure that other staff within their institutions cannot access their data via the shared staff drives, and (b) to ensure secure data transfer between institutions. Cloud based storage with limited sharing rights could be considered in this instance. Different personal data files need to be link-able, they need to be held separately so that they can only be linked purposely, by researchers who are authorised to do so. There is also a need to ensure that data cannot be removed from secure systems in ways that might compromise data security.
- UNICEF Country Office in Bulgaria will share with the selected consultant(s) all the relevant materials it has and provide required expertise.
- UNICEF Country Office in Bulgaria and UNICEF Regional Office for Europe and Central Asia experts will review and provide feedback on reports prepared by consultant(s).
- UNICEF Country Office in Bulgaria will provide administrative support for the work of consultant(s).
- All information from produced reports cannot be shared with the media without the written approval of UNICEF Country Office in Bulgaria.

10. ESTIMATED COSTS

The exact financial costs need to be proposed by the applicant(s). The financial proposal should include the Consultant's fee per day.

11. RESOURCING

WBS Number: 0570/A0/05/880/003

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Approved by: _____

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