



Ministry of Finance and Treasury
Republic of Maldives

Maldives: Public Financial Management Systems Strengthening Project
Terms of Reference for
Medium-Term Economic and Fiscal Framework Consultant (International)
[RFP No: PSSP/1.2/C/01-2]

I. Background

The Fiscal Responsibilities Act (Law No. 7/2013) requires the Government of the Maldives (GoM) to send to the People's Majlis (parliament) a medium-term National Fiscal Strategy to establish a tool through which the actions taken by the Government towards achieving the goals of the policy can be evaluated. This statement should include, *inter alia*, strategies from the national development plan that are prioritized in developing the Annual National Budget and a proposal on how to reduce the national debt to a sustainable level during the period referred to in the statement.

II. Objective of the Consultancy

The objective is to strengthen and complete the Medium-Term Economic and Fiscal Framework consistent with medium-term macroeconomic projections and ensuring debt sustainability to strengthen the capacity of the Government of the Maldives to produce a coherent budget.

III. Scope of Work

The Ministry of Finance and Treasury (MoFT) is looking to hire an individual consultant with relevant skills and international experience to train and work with a technical team drawn from the Maldivian government, to strengthen and complete the existing Medium-Term Economic and Fiscal Framework (MTEFF), in order to implement these requirements under the law, in particular setting of the budget ceilings, carryout sensitivity analyses and fiscal strategy formulation.

The task has strong linkages with other ongoing projects and needs to be coordinated with the debt management and with other technical assistance in public financial management provided by the World Bank and IMF.

The project will run from September 2016 until April 2017 (inclusive of remote and on-site work).¹

Required outputs

The following outputs are required to fulfil the terms of the contract:

- a) The complete Excel based model of the MTEFF
- b) Explanatory notes on the assumptions of the MTEFF model
- c) The user manual of the MTEFF model
- d) A report on evaluation of the performance of the MTEFF forecasts and identify areas for further improvement
- e) An aide memoire will be produced after the end of each mission

¹ The fiscal year is from January to December.



Timeline of activities

The activities are expected to take place at various times of the annual budget cycle:

- September/October 2016 (3 weeks from Consultant's home location)
 - Briefing on the current MTEFF model via Video Conference
 - Evaluate the current MTEFF model and report the findings
 - Assess how to link the model to other sectors, such as the balance of payments
 - Determine the data and additional modeling requirements (including but not limited to wages, pensions and subsidies modules) to strengthen and extend the model
 - Discuss and agree on a work schedule with the technical team
 - Regular updates and follow-ups on the progress of the work
- November/December 2016 (4 weeks in Maldives)
 - Integrate the extensions developed for the model, such as wages, pensions and subsidies modules
 - Develop and test the MTEFF model
 - Train the technical team on mechanics of the MTEFF model
 - Present the model to the stakeholders
- April/May 2017 (2 weeks in Maldives)
 - Address the practical issues identified by the technical team since the last mission
 - Adjust the model as per the feedback
 - Train staff on how to utilize the model for fiscal analyses
 - Evaluate the performance of the MTEFF forecasts, including in-sample forecast evaluation
 - Identify areas for future improvement in the MTEFF model

Tasks

The consultant will undertake the following tasks:

- Evaluating the current MTEFF model and determining the data and additional modeling requirements to strengthen and extend the model
- Strengthen and complete the Excel-based MTEFF, linking revenue, expenditure and financing items to medium-term macroeconomic projections; and to analyze policy scenarios, sensitivity to shocks and fiscal risks
- Preparing necessary macroeconomic and fiscal data
- Monitoring the implementation and subsequent adjustments to the MTEFF and fiscal strategy
- The consultant is expected to provide the following training
 - Train the technical team on mechanics of the MTEFF model
 - Train staff on how to utilize the model for fiscal analyses
 - Other training to be agreed with the authorities

IV. Deliverables and Payment Schedule

Timeline	Deliverables	Portion
September/October 2016	Evaluation Report	15%
	Work schedule	
	Aide Memoire	



Timeline	Deliverables	Portion
November/December 2016	Completed Medium-Term Economic and Fiscal Framework (MTEFF)	60%
	Explanatory notes on the assumptions of the MTEFF model	
	User Manual of the MTEFF model	
	Training	
	Presentation to the stakeholders	
	Aide Memoire	
April/May 2017	Report on evaluation of the performance of the MTEFF forecasts and areas for further improvement	25%
	Updated MTEFF model	
	Training	
	Aide Memoire	

V. Qualifications and Experience

- More than 10 years of work experience on macro-fiscal issues, including having done hands on work in financial programming and preparing economic reports;
- Minimum Master’s degree qualification; doctoral qualifications will be an added advantage;
- International experience is highly desirable;
- Proven track record of working in teams and leading teams working on economic policy work; prior experience of working with the World Bank or the IMF or other multilateral organisation in a senior role in economic policy will be an added advantage;
- Proficiency in written and spoken English, with excellent communications and training skills.

VI. Duration of the Consultancy

The project will run from September 2016 until May 2017. The consultant shall report to the Assistant Executive Director of Economic & Development Policy Division.

VII. Estimated weeks of Experts’ time-input

The project expected to require a total 6 weeks in the Maldives and 3 weeks of work from the home location of the consultant.