

# United Nations Capital Development Fund

The UN Capital Development Fund makes public and private finance work for the poor in the world's 47 least developed countries (LDCs). With its capital mandate and investments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.



## INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

**For an individual consultant and/or individual consultant assigned by consulting firms/institutions**

**National Consultant** to support mission on Capital Market Investment and Bond Appetites for Lao PDR

**Date of issue: 13 November 2017**

<b>POST TITLE:</b>	<b>National Consultant</b> to support mission on Capital Market Investment and Bond Appetites for Lao PDR
<b>Location:</b>	Vientiane Capital, Lao PDR
<b>Type of Contract:</b>	IC National
<b>DURATION OF ASSIGNMENT:</b>	25 working days during June - December 2020
<b>STARTING DATE</b>	Mid-June 2020 (when an int'l consultant is on board)
<b>DEADLINE FOR SUBMISSION OF APPLICATIONS/PROPOSALS</b>	01 June 2020

### BACKGROUND:

#### 1. ABOUT UNCDF:

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 UNCDF's 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.

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.

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 minimizing expenditure, optimizing 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.

#### 2. PROJECT BACKGROUND:

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 supporting the Ministry of Labor and Social Welfare 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.

The consultancy opportunity is funded through the above mention project and aims at developing a business plan and fund scenario for the National Social Protection Fund (NSPF) as outlined in the governments 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.

**OBJECTIVES AND SCOPE OF CONSULTANCY:**

The main objective of the assignment is to support MoLSW and MoF to examine the potentials to secure funding through various transnational financial products to capitalize the proposed NSPF. The consultancy will explore regional capital markets; namely Thailand, China, Hong Kong and Singapore in the context of bonds and other debt financing instruments that can be accessed by the Government of Laos. This assignment will also complete a stock-take of existing general obligation and revenue bonds issued by the Government Lao PDR or any government entities and provide a succinct trend analysis of associated credit ratings.

The consultancy mission will be led by one international consultant responsible for finalizing all related documents and the final report and supported by one national consultant who will provide technical inputs as required and logistics and administrative support including data collection, coordination and arrangements of meetings and translation of final products from English to Lao.

**Total of working days:** 25 working days including Saturdays (during June - Dec 2020).

**SCHEDULE AND TIMEFRAME:**

The total duration of the consultancy will be 25 working days including Saturdays during June - December 2020) according to the following indicative plan (actual starting date dependent upon availability of the international consultant and contract award). Full 25 working days will be spent to support and works with the international consultant during the in-country missions, including Saturdays:

**EXPECTED RESULTS AND DELIVERABLES:**

The national consultant will contribute and support the international consultant to deliver the following jointly produced deliverables within the framework and by the end 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. Stocktaking report of current Government of Lao PDR issued bonds (general obligation and revenue) that includes, volume of each individual listing, place of issue, credit rating, tenure, coupon repayments and underwriter (maximum 10-page report);
3. Trend analysis of Lao issued bonds in terms of yields and appetite in the markets where the bonds (maximum 10-page report);
4. An overview of capital market exposure held by the Lao Government (maximum 6-page report).
5. A draft policy advisory to capitalize the NSPF (to be develop with MoF and MoLSW);
6. A report on base debt structure for capitalization of the NSDF that anticipates public sector budget allocations and a start capital requirement (to be fulfilled by blending debt financing, ODA and public budget, base data of fund delivery will be provided by ILO).

**PAYMENT SCHEDULE (Upon approval of agreed deliverables and submission of CoP and invoices):**

%	Milestone
30%	Deliverable 1: Mission Planning
50%	Deliverable 2: Technical Reviews of Government Debt Financing
20%	Deliverable 3: Policy Advisory for NSPF Capitalization and Fund Structure

\*Note: No travel will be required for this assignment.

**TEAM COMPOSITION**

The consultancy team will be composed of 1 International and 1 national consultants. The international consultant will act as a team leader who will finalize all reports and other related documents. The national consultant will be a team member who will support the international consultant and assist all aspects of the mission during the in-country mission including logistics, meeting arrangements and translation work and other duties assigned by the international consultant. The consultants selected should not be the persons who involved in the project design/implementation and should not have conflict of interests with project related activities.

## REQUIRED SKILLS AND EXPERIENCE

### 1. Education

2. Advanced University's Degree in Finance related area/Public Finance/MBA or related fields;

### 3. Experiences

- Minimum 7 years of professional experience with at least 5 years working within financial institutions and commercial banking sectors;
- Sound knowledge and understanding of bond market and investors in Laos and ASEAN;
- Good knowledge and sound working experiences in general obligation bond and or revenue bond design and issuances;
- 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;

### 4. Languages

- Full command of English and Lao language is required

## 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.

## Documents to be included when submitting the proposals:

*Interested individual consultants must submit the following documents/information to demonstrate their qualifications:*

- (i) Cover letter explaining why you are the most suitable for the work;
- (ii) [P11 Form](#) or CV including past experience in similar project and contact reference of at least 3 references for whom you have rendered preferably the similar services;
- (iii) Financial proposals, please use the template attached, [OFFEROR'S LETTER\\_ Annex III](#)

## Instructions for on-line submissions:

- 1) Step 1: Please prepare all required documents electronically;
- 2) Step 2: Combine all documents in **ONE SINGLE FILE** (preferably in PDF however Word format can be also accepted) and upload to the UNDP Jobs using the links above;
- 3) Step 3: After that you will receive an auto reply from the UNDP jobs if your offer is received successfully.

**Incomplete proposals or proposals received after the deadline will be rejected.**

*Please kindly refer to the [TOR Annex I](#) for detailed information on:*

*Project's background*

*Scope of work and Responsibilities*

*Deliverables*

*Requirements for Experience and Qualifications*

## Evaluation of candidates:

Individual candidates will be evaluated based on the cumulative analysis methodology.

Criteria	Weigh	Max Points
<b>Technical criteria</b>	<b>0.70</b>	<b>70</b>
<b>Education / background:</b>	<b>0.15</b>	<b>15</b>
▪ Advanced University's Degree in Finance related area/Public Finance/MBA or related fields;	0.10	10
▪ Full command of English and Lao language is required	0.5	5

<b>Experience and competencies of the candidate:</b>	<b>0.55</b>	<b>55</b>
▪ Minimum 7 years of professional experience with at least 5 years working within financial institutions and commercial banking sectors;	0.15	15
▪ Sound knowledge and understanding of bond market and investors in Laos and ASEAN;	0.15	15
▪ Good knowledge and sound working experiences in general obligation bond and or revenue bond design and issuances;	0.15	15
▪ Good communication skills; sensitivity and willingness/flexibility to respond to client's needs;	0.10	10
<b><u>Financial Proposal</u></b>	<b>0.30</b>	<b>30</b>
<b><u>Total points obtainable</u></b>	<b>1.0</b>	<b>100</b>

Cumulative analysis: The award of the contract will be made to a candidate whose offer has been evaluated and determined as:

- a. responsive/compliant/acceptable, and
- b. Having received the highest combined score out of a pre-determined set of weighted technical and financial criteria:
  - \* Technical Criteria weight; [0.7]
  - \* Financial Criteria weight; [0.3]

Only a consultant obtaining a minimum of 49 points in the technical rating would be considered for the financial evaluation.

Note: Any request for clarification must be sent in writing to the following e-mail: [surith.sengsavang@undp.org](mailto:surith.sengsavang@undp.org) and copy [thilaphong.oudomsine@uncdf.org](mailto:thilaphong.oudomsine@uncdf.org).

UNDP Lao PDR, on behalf of UNCDF, will respond in writing by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.

Please note that only short-listed candidates will be notified.

Qualified female candidates are strongly encouraged to apply.

For more detailed information about UNDP Lao PDR please visit our website at [https://www.la.undp.org/content/lao\\_pdr/en/home/jobs.html](https://www.la.undp.org/content/lao_pdr/en/home/jobs.html)

**UNCDF-UNDP are committed to achieving workforce diversity in terms of gender, nationality and culture. Individuals from minority groups, indigenous groups and persons with disabilities are equally encouraged to apply. All applications will be treated with the strictest confidence.**