



**Ministry of Finance**  
Republic of Maldives

**Terms of Reference for**  
**Consultancy for Developing a Framework to Conduct Spending Reviews**  
**(International Firm)**

**I. Background and objective**

One of the medium-term objectives of the Government of the Maldives (GoM) is to improve fiscal sustainability, including through the allocation and distribution of public expenditure. The Fiscal Affairs Department (FAD) of the Ministry of Finance (MoF) has taken the initiative to reform public financial management in order to enhance budget credibility, transparency, financial reporting and controls of central government finances. In the next phase of this work, the MoF wishes to conduct in-depth sectoral spending reviews to identify potential areas for efficiency gains and budgetary savings.

The objective of the consultancy is to assist FAD in developing a framework to carry out regular spending reviews and to implement two sectoral spending reviews using this framework. These sectoral reviews would provide a detailed examination of (i) how well government programs, processes and agencies contribute to the achievement of a broad policy objective, e.g. better education, and (ii) identify inefficient or duplicative programs/functions that can be eliminated without undermining the quality or level of performance. The goal is to identify concrete options for budgetary savings that can help MoF take key decisions in the budgetary process.

The spending review will complement a Public Expenditure Review (PER) to be undertaken by the World Bank with the support of FAD. The PER is a core diagnostics instrument used by the World Bank to provide strategic recommendations on how governments can improve the allocation, efficiency and effectiveness of public finances. While the spending review can be thought of as a more detailed, sector-specific exercise that scrutinizes spending on specific programs and activities to yield cost savings, the PER will provide a broader, more comprehensive view of how public finances can be better allocated across and within sectors/functions to meet the Maldives' development goals.

## II. Scope of Work

The scope of work for this consultancy comprises establishing a framework and assessing data requirements to conduct a detailed spending review and implementing two sectoral spending reviews within the framework developed. Specific tasks for this consultancy consist of the following:

- 1- Develop a comprehensive framework to conduct spending reviews, which can be applied without major modifications across sectors, on a periodic basis, and by FAD staff. The framework should outline the process of selecting sectors for review, the roles and responsibilities of key stakeholders, timing and duration of reviews, and the broad methodology for identifying opportunities for efficiency savings through changes in operations, design or elimination of programs.
- 2- Identify gaps/limitations in the availability of timely data on inputs, outputs and outcomes that are needed to undertake spending reviews;
- 3- In-depth analysis of baseline expenditures with the prime objective to detect efficiency savings, and opportunities for cutting low-priority or ineffective expenditures.
- 4- Conduct spending reviews of the education sector and the judiciary of the Maldives using the framework developed.
- 5- Provide training on the framework and the user manuals to MoF staff.

The framework should be presented as a report. Recommendations should also include how the GoM can institutionalize the spending review exercise into the planning and budgetary process and how to strengthen the links between spending, monitoring and evaluation to produce high-quality spending reviews.

The findings of the two sectoral spending reviews should also be presented as a report. Examples or references to this exercise can be made in the framework, to guide future exercises.

During this process, knowledge transfer between the consultant and FAD staff is expected.

### III. Deliverables

Deliverable #	Details	Payment Schedule
1	Framework and methodology for conducting spending reviews.	30%
2	Detailed user manuals and guidelines for the framework and methodology developed.	20%
3	Detailed report following a spending review of the education sector, with inefficiencies and possible policy recommendations identified.	20%
4	Detailed report following a spending review of the judiciary, with inefficiencies and possible policy recommendations identified.	20%
5	Training and capacity building: The consultant is expected to provide comprehensive training to 5 to 10 key officials of MoF on the use of the framework and methodology developed. Logistical training costs will be covered by the project.	10%

### IV. Consultant's Reporting Obligations

The Consultant shall carry out the reporting obligations as follows:

The Consultant shall report to the Chief Financial Budget Executive of MoF on the status of the assignment on a regular basis.

The consultant is expected to report for work to MoF not later than 0800 hours on week days other than public holidays during on-site visits.

### V. Qualifications

The Consulting Firm is expected to meet the following minimum requirements, and provide references for related work undertaken recently as supporting information.

- Minimum five (5) years of experience in providing advisory services related to public financial management, strategic development or related field, with references for a minimum of 1 similar project.
- Minimum three (3) years' experience in providing services to the public sector

The Consulting Firm should propose a team of at least 2 experts who meet the following minimum requirements:

- a. A minimum of a Master's Degree in Economics, Finance, Accounting, Public Finance, Financial Management or Public Policy, with at least 8 years of experience in advisory services in fields related to public investment, public finance and project management at a senior level.
- b. Experience in conducting previous spending reviews.
- c. Experience in public financial management will be an added advantage.
- d. Demonstrated ability to conduct research and analyses independently.
- e. Excellent research, writing and communication skills in English.

## **VI. Contract Duration**

The assignment is expected to commence in April / May 2021 for a period of 10 months.

During this period, 3 on-site visits of 2 weeks duration each are expected. There shall be 1 inception visit, 1 closure visit and 1 visit in between.