**Economic and Financial Analysis Consultant for Save the Children Green Climate Fund Proposal Development in Malawi**

**Background and requirements**

**Save the Children** is the world's leading international non-governmental organization for children with a presence in over 120 countries. Our vision is a world in which every child attains the right to survival, protection, development and participation and our mission is to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives. Save the Children International’s work brings together partners, communities, civil society and government agencies to develop programs that are sustainable and bring long-term benefit to children and their families. In Malawi Save the Children works across a range of sectors, including child protection, education, health, nutrition, gender, climate change adaptation and food security and livelihoods in partnership with government and civil society partners. As of November 2019, Save the Children Australia, representing Save the Children globally, is an Accredited Entity1 to the Green Climate Fund (GCF).

The **Green Climate Fund**2 is the world’s largest dedicated fund helping developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change. The GCF aims to catalyse a flow of climate finance to invest in low-emission and climate-resilient development, driving a paradigm shift in the global response to climate change. GCF activities are aligned with the priorities of developing countries through the principle of country ownership. The Fund pays particular attention to the needs of societies that are highly vulnerable to the effects of climate change, in particular Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African countries.

In Malawi, Save the Children is working in collaboration with the Government of Malawi, other key stakeholders and communities to develop a large-scale climate-resilient health and wellbeing project for submission to the Green Climate Fund.  Save the Children is now at the stage of undertaking a series of assessments and studies to inform the full funding proposal to GCF and is seeking a specialist to conduct an economic and financial analysis for the proposed project activities to include in the proposal, the feasibility study, and as a dedicated annex (Annex 3).

**Background and requirements**

Southern Malawi is highly vulnerable to increasing climatic risks, which are directly impacting communities’ health and well-being and hitting the most vulnerable the hardest. The project will build climate-resilient health and well-being in southern Malawi, that is especially affected by climate change impacts, climate-resilient and sustainable development of the vulnerable rural population in southern Malawi with a focus on youth, mothers and children through a climate-resilient health system.

This goal will be achieved via activities leading to three interlinked outcomes:

* Outcome 1 - Reduced risk from climate-sensitive diseases and conditions
* Outcome 2 - Healthcare system physical infrastructure able to withstand climate risk
* Outcome 3 - Healthcare staff better prepared to manage the impacts of climate risk
* Outcome 4 - Communities better prepared to manage the impacts of climate change on health

The project will reach approximately 1.7 million people in climate-vulnerable communities in southern Malawi.

A consultant is sought to conduct an economic analysis and financial assessment for proposed interventions within the project, which forms a key component of the proposal and the feasibility study (Annex 2) and a dedicated annex (Annex 3) under the GCF requirements for the design.

**Primary Objectives of the position**

SCI Malawi requires the services of a highly qualified individual to take up the position of economic and financial analysis specialist in the “Climate resilient health and well-being for rural communities in Southern Malawi” (henceforth ‘GCF Malawi’) design team. The applicant is required to have a strong background in economic and financial analysis for health resilience and livelihood adaptation interventions, which will form part of the project design and feasibility.

The consultant will be responsible for producing a written economic and financial analysis report in line with the requirements of the GCF, that will inform the proposal and the feasibility of the proposed project.

The position will be managed by the senior project manager, and have an indirect line to the technical lead, who provides overall technical strategic direction for the design process. The full proposal will be submitted in April 2023.

**Detailed Tasks**

* Attend inception and design workshops and regular meetings with the full consultant team to keep up to date with the emerging technical design of activities and proejct interventions to inform the economic analysis and market assessment (and vice versa)
* Define the **With-Project and Without-Project Situations and possible Alternatives.** This may include but not limited to quantifying the “with project” and “without project” situations over the full life of the project - which is not the duration of the project activities (inputs), but rather the expected “life” of the benefits generated by the project.
* Undertake **cost-benefit analysis** and **cost-effectiveness** of the project interventions. These will be us used to value the project with tangible benefits (cost-benefit analysis); and analyze the project with non-tangible benefits (Cost – Effectiveness).
* Assess and calculates the incentives for the main stakeholders, check the solvency and longer-term sustainability of the project (**financial analysis**) and recommend to the design team possible cost recovery mechanisms.
* Determine the underlying assumptions and performing relevant **Sensitivity Analyses**. This is where the consultants will spell out clearly the underlying assumptions and provide the spreadsheets used in the calculations of costs and benefits. It will also include the Sensitivity analyses on each of the key risk factors to assess their possible effects on the expected benefits - A sensitivity analysis consists of changing the value of key factors such as length of project, costs and discount rate, to assess their impact on benefits.
* With reference to the following criteria **efficiency, effectiveness, impact, sustainability and relevance,** determine if this project can be proposed for financing by the GCF.

The table below may provide some dimensions of the needed details from the economic and financial analysis:

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Questions** | **Relevant Economic and Financial Analysis** |
| Efficiency | Is the project using a minimum of resources and are resources used efficiently?  Are the returns of the project adequate  (only for projects with tangible benefits)? | Cost Effectiveness (financial and, if applicable, economical - i.e. using shadow prices)  Cost Benefit Analysis13 (financial and, if applicable, economical using shadow prices) |
| Effectiveness | What is the extent to which the project reaches its purpose? | Financial & if necessary Economic Analysis, comparing results (cash flow) with project purpose |
| Sustainability | Do the main stakeholders face solvency problems during the implementation of the project?  Can the main stakeholders meet the recurrent costs after the end of the project?  Is the project competitive (hence viable)  Internationally? | Financial Analysis of the main stakeholders' interests  Financial Analysis of the main stakeholders' interests  Economic Analysis: shadow pricing |
| Impact | What are the effects of the project on the national economy (economic growth, government budget, foreign exchange, and income distribution)? | Economic Analysis: effects method |
| Relevance | Does the project address the real needs of the intended beneficiaries?  How well does the project fit with national priorities and reforms undertaken by the government?  How well does the project match policies and priorities of the EU? | Financial Analysis of the intended beneficiaries (stakeholders)  Economic Analysis (effects method and shadow pricing)  Economic Analysis (effects method and shadow pricing) |

**Deliverables**

The key deliverables are:

|  |  |  |
| --- | --- | --- |
| **#** | **Deliverables / Outputs** | **Indicative/ Estimated Days (up to)** |
| 1 | Attend design workshops and meetings with the core Save the Children and consultant team to understand the ToRs and keep up to date with the emerging technical design to inform the economic and Financial analysis. | 4 |
| 2 | Conduct Financial Analysis of the GCF Project | 4 |
| 3 | Conduct Economic Analysis of the GCF Project | 9 |
| 4 | Present initial findings of the Economic and Financial Analysis and Rework the final report | 3 |
| **Total (up to)** | | 20 |

**The Consultant**

The successful consultant should have the following skills:

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| **Required** |
| Masters Degree in economics, development economics, finance or a related field |
| Minimum 5 years of experience in conducting economic analyses and financial assessments for donor-funded projects |
| Experience developing economic analysis and financial assessment for GCF proposals |
| Clear understanding of GCF processes, policies and requirements |
| Excellent written and oral communication skills in English |

**Timeframe**

|  |  |
| --- | --- |
| **Indicative Completion Date** | **Event/Activity** |
|  |  |
| February-March 2023 | Attend workshops and meetings with the core Save the Children and consultant team to understand the ToRs and keep up to date with the emerging technical design to inform the economic and Financial analysis. |
| February-March 2023 | Work with the Senior Project Manager and technical lead to determine key information and data needs, including developing questions for stakeholders ensure relevant primary data collection to inform the economic analysis and market assessment |
| March 2023 | Conduct Financial Analysis of the GCF Project |
| March 2023 | Conduct Economic Analysis of the GCF Project |
| March–April 2023 | Document and present findings of the Economic and Financial Analysis |

**Management and logistics**

Save the Children Malawi will be responsible for contracting the consultant(s) who will report to Save the Children Senior Project Manager, hired on a temporary contract for this position. There is no travel associated with this consultancy.

**Confidentiality**

All data collected during this exercise will become the property of Save the Children and will not be shared with third parties without the express permission of Save the Children.

**Insurance**

Any external consultants involved in this study will be required to have in place insurance arrangements appropriate to provision of the requirements in this Terms of Reference.

**Other**

Save the Children is committed to ensuring a safe environment and culture for all children with whom we come in contact during the course of our work. The consultant(s) will be required to comply with Save the Children’s Child Safeguarding Policy and sign the Code of Conduct.

**Annex A – GCF Team deliverables**

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| --- | --- |
| **Document** | **Description** |
| Funding Proposal | Full funding proposal document |
| Annex 1 – Letter of No Objection | Formal endorsement from partner government |
| Annex 2 – Feasibility Study | Comprehensive overview of country and project context, rationale for engagement and project details and outcomes |
| Annex 3 – Economic and Financial Analysis | Economic analysis of key project activities |
| Annex 4 – Budget | Detailed project budget |
| Annex 5 – Implementation Schedule | Overview of project implementation timeline |
| Annex 6 –Environment and Social Safeguards | ESS assessment and plan |
| Annex 7 –Stakeholder Consultations | Overview of consultations in design stage and structures for ongoing consultations |
| Annex 8 –Gender Equality and Social Inclusion Assessment and Action Plan | GESI analysis and action plan |
| Annex 9 – Legal Due Diligence | Overview of legal structures related to project and sign off |
| Annex 10 – Procurement Plan | Initial 18-mth plan for project procurement |
| Annex 11 – M&E Plan | Overview of M&E approach and processes |
| Annex 12 – AE Fee | Request for project AE fee |
| Annex 13 – Co-finance Commitment Letters | Formal letters from project co-funders |
| Annex 14 – Term Sheet | Implementation / financial arrangements |
| Annex 15 – Evidence of Internal Approval | SCA Board sign off |
| Annex 16 – Maps of Project Sites | Maps identifying proposed project sites |
| Annex 17 – multi-country programme | Not applicable |
| Annex 18 – scale up of existing project | Not applicable |
| Annex 19 – Control of Procurement | Third party procurement processes |
| Annex 20 – Anti-money Laundering | Anti-money laundering screening |
| Annex 21 – Ops Manual | Required where adaptation technologies are deployed |
| Annex 22 – GHG Reduction | Not applicable |
| Annex 23 – Vulnerability Assessment | National level assessment of relative vulnerability of all wards in Malawi |

**How to apply for the services**

Please send your technical and financial proposals through the email [**Malawi.Procurement@savethechildren.org**](mailto:Malawi.Procurement@savethechildren.org)

**The deadline for responses is: 17th February 2023**