

TERMS OF REFERENCE AND SCOPE OF SERVICES

Social Services Improvement Project (SSIP)

Local Consultant for Development of Early Childhood Education and Care Funding Formula

I. OVERVIEW

The Government of the Republic of North Macedonia has received Loan from the International Bank for Reconstruction and Development, for implementing the Macedonia Social Services Improvement Project (SSIP).

The SSIP development objective is to expand access to and improve the quality of social services, including preschool services, for vulnerable groups.

The Social Services Improvement Project will help address the challenges that are particularly associated with social exclusion of vulnerable groups and the low quality and fragmentation of Early Childhood Education and Care (ECEC) and social services.

By supporting strengthening the overall social protection delivery system for improved service provision and access to services by existing social assistance recipients and by vulnerable groups and by support of quality early learning for preschool children and their families and strengthen the transition into primary education with focus on inclusive education and learning, the project will contribute to the GoNM's ultimate objectives of alleviating poverty and enhancing human capital by supporting the strengthening of the effectiveness and efficiency of the GoNM's social safety net and thereby reducing the inter-generational transmission of poverty over the long run.

II. OBJECTIVE OF THE ASSIGNMENT

The Local Consultant that shall be hired under this assignment shall support the International Consultant in Developing a ECEC funding formula.

The development and implementation of a per child funding formula should allow for a transparent and more equitable way of distributing resources and would overcome issues of efficiency, but also of equity and quality. This aim of this activity is to allow for sustainable expansion of ECEC enrollment in preschool education, as well as to increase ECEC opportunities for poor families.

III. SPECIFIC TASKS

The Local Consultant for Developing a ECEC funding formula shall support the International Consultant in conducting the following tasks:

1. Analysis of the existing system of care and education of children and the system of financing child protection in the Republic of North Macedonia (kindergartens and centers for early child development; block grants, self-financing income from parents and municipal funds);
 2. Analysis of real historical costs for financing the system of care and education of children in the Republic of North Macedonia (use of data for the period 2015 - 2020) in order to obtain data on current costs per child in different types of kindergartens / centers for early child development and by different forms of protection and preschool education;
 - types of kindergartens: kindergartens with large and small coverage of children, kindergartens in urban and rural areas (the analysis should include the clones of the kindergartens);
 - by types of costs: for food; operating costs - for staff salaries, utilities, ongoing maintenance, educational activities; specific costs - children with special needs care; financing of the various forms of care and education of children (programs that are implemented in the kindergarten - full-time stay, half-day stay, etc.);
 - costs of the centers for early childhood development.
- *** The analyzes under item 1 and item 2 should elaborate the strengths and weaknesses both from a legal and fiscal point of view and they should contain conclusions and recommendations ***
3. Determining the envisaged costs per child based on the analysis of necessary costs (by types of kindergartens / centers for early child development) and statistics in accordance with the legislation on the norms and standards in this area;
 4. Analysis of capacities utilization (designed and used capacity for the period 2017-2019) by types of kindergartens - kindergartens with large and small coverage of children, kindergartens in urban and rural areas and by centers for early childhood development. The analysis should contain conclusions and recommendations;
 5. Determining the basic elements of the formula for distribution of block grants (eg number of children, size of kindergarten by m², type of heating, operating costs, staff costs, etc.);
 6. Preparation of 3 proposed formulas for distribution of block grants. The formulas should be based on basic elements from point 5, in order to prepare

several scenarios, from which the Government will choose which is the most acceptable scenario, ie formula. The simulations should be prepared on the basis of the latest available data for children by kindergartens, by municipalities, comparative analysis of existing costs and necessary costs. The simulations should show the distribution of funds by municipalities;

7. Preparation of a Draft Instruction that will describe the manner and procedure which data source to be taken when applying the formula for future distribution (eg which provides data on the number of children, cost of energy, costs for food, etc.) and the content of the Government Methodology which regulates the annual distribution of the block grant;
8. Determining the criteria for self-financing (how many and which users participate in paying for the service), the possibilities for participating with their own funds to raise the standard and quality of the service and determining corrective elements (certain specifics, children with special needs, etc.);
9. Presentation and discussion with various stakeholders regarding the selected formula for distribution of block grants and methodology;
10. Training of the employees in the Ministry of Labor and Social Policy for using the chosen formula;
11. Other necessary tasks that may arise from previous activities.

In relation to the tasks above, the consultant shall work with the International Consultant and shall support him/her by providing all the necessary data and available reports that the Client possess, shall organize meetings, provide translation of the documents on English and on Macedonia respectfully and all other tasks in connection to the tasks above.

IV. REPORTING OBLIGATIONS

Based on the specific tasks given in Section III, the consultant shall submit the following reports on English and Macedonian language:

1. The Support given to the International Consultant in providing Analysis of the existing system of care and education of children and the system of financing child protection in the Republic of North Macedonia and Analysis of real historical costs for financing the system of care and

education of children in the Republic of North Macedonia (use of data for the period 2015 - 2020) in order to obtain data on current costs per child in different types of kindergartens / centers for early child development and by different forms of protection and preschool education. The analysis shall include conclusions and recommendations;

2. The Support given to the International Consultant regarding the calculation of the estimated costs per child based on the analysis of necessary costs (by types of kindergartens / centers for early child development) and statistics in accordance with the legislation on the norms and standards in this area and Analysis of capacities utilization (designed and used capacity for the period 2017-2019) by types of kindergartens. The analysis should contain conclusions and recommendations;
3. The Support given to the International Consultant in determining the basic elements of the formula for distribution of block grants (eg number of children, size of kindergarten by m2, type of heating, operating costs, staff costs, etc.) and a Proposal of 3 formulas for distribution of block grants;
4. The Support given to the International Consultant in Preparation of a Draft Instruction that will describe the manner and procedure which data source to be taken when applying the formula for future distribution (eg which provides data on the number of children, cost of energy, costs for food, etc.) and the content of the Government Methodology which regulates the annual distribution of the block grant;
5. The Support given to the International Consultant regarding the proposed criteria for self-financing (how many and which users participate in paying for the service), the possibilities for participating with their own funds to raise the standard and quality of the service and determining corrective elements (certain specifics, children with special needs, etc.);
6. in Report regarding the conducted training of the employees in the Ministry of Labor and Social Policy for using the chosen formula.

V. QUALIFICARIONS AND EXPERIENCE

1. Bachelor's degree in economy, business administration, mathematics, education, public administration, or other relevant field;;
2. Experience related to the financial analysis in the public sector;
3. Prior experience with the ECEC policy reform issues in the R.N. Macedonia shall be considered as an advantage;
4. Extensive experience related to costing and fiscal analysis;
5. Excellent knowledge of English and Macedonian language .

VI. SELECTION METHOD AND CONTRACT

The selection method is Individual Consultant Selection and the contract shall be Lump Sum according to the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, (Regulations) issued in July 2016, revised November 2017., www.worldbank.org

VII. DURATION OF THE ASSIGNMENT

The expected start date of the assignment is February 2021, and the expected duration of the assignment is twelve months.