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and Cooperation SDC

Joint Pilot Programme Mainstreaming of Migration into Development in Moldova (MOMID)

TERMS OF REFERENCES

Job title:	National Consultant for development of a brief Study on options regarding remittances in Moldova
Potential Applicants:	National experts in economics, migration, and remittances
Application Deadline:	11 December 2012
Expected Duration of Assignment:	25 working days, during December 2012 – March 2013
Reference to Programme:	UNDP / IOM / UN WOMEN Joint Pilot Programme Mainstreaming of Migration into Development in Moldova (MOMID)
Programme Activity:	Activity 1.
Contract type:	Individual Contract
Beneficiary:	Line ministries and agencies, UNCT, CSOs/Think-Tanks and Diaspora Associations, Academia, etc.

BACKGROUND

Programme Background

The linkages between migration and development are the subject of increasing policy attention at the international and national levels. Propelled by the 2006 UN High-level Dialogue on International Migration and Development, and the ensuing inter-governmental Global Forum on Migration and Development (GFMD) process, the international community has recognized the potential development benefits of migration for countries and migrants themselves.

For benefits to materialize, policies and cooperation need to be developed at different levels of governance to ensure the systematic integration of migration into development planning. The inter-agency Global Migration Group (GMG), under the leadership of UNDP and IOM, has made this a key area for collaboration and issued a joint *Handbook on Mainstreaming Migration into Development Planning* at the 2010 GFMD.

Migration impacts the Republic of Moldova's human and economic development in multiple ways. With high indicators of the labour force abroad, family members left behind, brain drain, ratio of remittances to GDP and demographic decline, migration affects all sectors of policy making. Moldova manages migration challenges proactively, reflected inter alia in a Mobility Partnership with EU and a sustainable Extended Migration Profile.

Consequently Moldova decided to implement as one of four countries worldwide a pilot mainstreaming process under a UNDP-administered programme on Mainstreaming Migration in

Development Strategies funded by the Swiss Agency for Development and Cooperation (SDC) and under the overall guidance from the GMG.

The Programme is devised to facilitate harnessing the benefits from inter-linkages between migration and development and mitigating negative consequences by putting forward a ***National Migration Mainstreaming Proposal*** based on a comprehensive assessment of the migration management framework and policy coherence in Moldova. It shall afford a systematic and comprehensive whole-of-government approach to mainstreaming of migration into development planning in line with the Moldova 2020 National Development Strategy and orient future policy coordination and action on migration and development. To fulfill this objective, series of inter-related consultation, capacity development, and awareness-raising activities have been envisaged, among which the present consultancy on the use of remittances.

Consultancy Background and Rationale

After its post-independence socio-economic decline, Moldova's economy slightly improved as of 2000. According to World Bank, migration had a significant impact on the country's macro-economic stability. The inflow of foreign currency generated by labor migration contributed to compensating the trade deficit of the country, to fiscal consolidation, and to supporting the national currency.

Remittances peaked at \$ 1.9 bn at a ratio of 34% to GDP in 2008 but plummeted during the global downturn. In the first two quarters of 2011, however, significant increases have again been registered. The *World Bank's (WB) Country Economic Memorandum 2011* forecasts a return of remittance volumes to the pre-crisis levels to be stabilized in the coming 5 years. Migrants' monetary transfers remain a support to the country's economy through consumption-led growth, yet their productive investment remains at less than 10%, due to low trust in the business environment and deficient entrepreneurial culture.

Remittances and migrants' savings have been subject of a series of studies designed to provide recommendations to the Moldovan Government and private sector on their use for development. In 2006 IOM commissioned a household survey analysis (L. Matthias, T. Omar Mahmoud, P. Pinger, *Patterns and Trends of Migration and Remittances in Moldova*). This study found among others that 40 percent of Moldovans live in households receiving remittances, but also identified certain challenges such as that only a small percentage (12%) have bank accounts, and informal saving prevails among nearly half (43%) of recipients.

Another Study has been commissioned one year later – M. Orozco, *Looking forward and including migration in development: remittance leveraging opportunities for Moldova*, IOM, 2008 – to identify the best practices as solutions to these challenges. As a result of this study, in 2010 the Government adopted a Decision on Attracting Remittances into the Economy and a Pilot Programme *PARE 1+1* was launched. The Programme, implemented by the Organization for Small and Medium Enterprises with IOM support, is aimed at stimulating the transfer of remittances through official channels, transfer of knowledge and know-how, facilitate the access of migrants to funds, and creation of new working places in Moldova. To this end, PARE 1+1 is matching every 1 leu invested by a Moldovan migrant with another 1 leu from the State for launching a new private enterprise, or the development of an existing enterprise, especially in rural areas. PARE 1+1 for which demand exceeds offer, allows to measure the remittances' potential, with 124 SME start-ups selected under the program in the period 2010-2011 and total investments under this program – 75 mln. MDL, out of

which Government invested 22.5 mln. MDL, migrant remittances constituted 38.6 mln. MDL, and other sources – 15 mln. MDL.

Recently, Moldova approved its *National Development Strategy “Moldova 2020”* which approaches migration from the point of view of human capital return and retention and the development of a new economic growth model. The current level of remittances reflects mostly the subsistence-oriented spending of migrant families in Moldova, while actual savings are made abroad. Thus the pool of resources available for lending/investment will increase if migrants become confident in the business climate and remit more and invest. The Moldova 2020 strategy aims at stimulating capital formation by removal of the binding constraints in doing business/investing remittances and at creating more opportunities at home to retain the labour force and reach the target to reduce youth emigration to 10% by 2020. In this context, Moldova recently came second in a list of world top ten reformers in the IFC/WB *Doing Business 2012* report notably through implementing reforms in the areas Starting a Business, Getting Credit Information, Enforcing Contracts and Resolving Insolvency. Yet, confidence among potential entrepreneurs, and especially mobile migrants and diaspora members not in touch with developments at home, remains low.

Migration furthermore affects migrants’ participation in the social protection system and mechanisms. For instance, at the end of 2009, only 300 of migrants had concluded individual social insurance contracts. Migrants rarely buy individual medical insurance policies and both migrants and their families access health care services less frequently than non-migrant households in Moldova. Labour migrants, who may face abrupt loss of their job abroad in times of economic downturn, upon return have no access to unemployment benefits, unless they worked 9 months in Moldova during the preceding 24 months. Despite the already concluded bilateral social security agreements between Moldova and certain EU member states and the Moldovan government’s negotiations to conclude further agreements, migrants in key destination countries do not benefit of the portability of acquired social entitlements. Notably the impossibility to access foreign pension rights from Moldova, or their absence due to the irregular status of work abroad, and concomitant lack of participation in the home country pension system represents a hurdle for labour migrants to return home. Instruments based on migrants’ financial resources, remittances and savings, whether state or private, could be viable tools to improve migrants’ life and enhance Moldova’s development through human capital return.

SCOPE OF WORK

A National Consultant (hereinafter: “Consultant”) is sought to develop a brief assessment/feasibility analysis (hereinafter: “Study”) with the view to (1) update the previous studies in the area of concern, and (2) explore currently available options in light of recent developments and international experience regarding use of remittances and savings abroad for the purpose of development in Moldova and (3) provide concrete recommendations on relevant applicable instruments in the Moldovan context. Options proposed for consideration may include but not be limited to: life insurance schemes, non-state pensions, investment funds, Diaspora bonds, real-estate purchasing/mortgage schemes backed by remittances flows as collateral, etc.

In this respect, the Consultant’s tasks will include, but will be not limited to, the following tasks:

- Carrying-out of a comprehensive desk review to get acquainted with the results of previous studies undertaken in Moldova so far, as well as analyzing other available resources on the topic, printed or electronic, such as: best practices, reports, methodologies, legislative and

policy documents, international standards and guidelines, statistical survey data etc.; As a result, the Consultant is expected to propose a draft structure of the Study and discuss it with the Programme Team;

- Conducting bilateral interviews with the relevant in-country stakeholders with the view to discuss ideas and options for the use of remittances and migrants' savings, and their respective relevance and appropriateness. Potential stakeholders to be consulted include the State Chancellery, Ministry of Economy, Organization of Small and Medium Enterprises, National Bank of Moldova, Ministry of Labor, Social Protection and Family, UNCT, as well as relevant actors within Civil Society, including Diaspora representatives, Think-tanks, Academia and private sector;
- Developing a brief Study not exceeding 30 pages of text on options for using remittances and migrants' savings abroad for the benefit of migrants and overall development in Moldova. The Study should reflect the situation of migrants' financial resources used and changes therein over the past years; provide an overview of the still relevant findings of the previous policy recommendations put forward in Moldova so far, and explore available options drawn from consultant's own entry points other country's best practices and based on bilateral consultations with the in-country stakeholders. The Study may be drafted in Romanian language.
- Submit the draft Study to IOM / UNDP / UN WOMEN, factor in feedback, and present and validate the respective Study in a multi-stakeholder technical meeting, in view of gathering participants' feedback and advocating for implementation of the Study recommendations.
- Factoring in the feedbacks collected during the validation meeting into a Final version of the Study and submitting it to the Programme Team.

DELIVERABLES

Performing the above-mentioned activities, the Consultant will be responsible for delivering of the following outputs, comprising the main milestones:

Deliverable	Tentative timeframe
1. Carry out the desk review and submit a draft structure of the Study	Dec. 2012 – Jan. 2013
2. Conduct bilateral stakeholder consultation meetings with the Government authorities, UNCT and other development partners and civil society/academia	Jan. 2013
3. Develop the initial draft of the Study, factor in IOM/UNDP/UNWOMEN feedback, and present it in a multi-stakeholder review/ validation meeting	By end Feb. 2013
4. Factor in stakeholder feedback, finalize and submit the Study	By end-March 2013

The volume of consultancy has been estimated at 25 working days overall for the whole assignment, during which all the activities and outputs/results envisaged under the present assignment are expected to be performed.

QUALIFICATIONS AND SKILLS REQUIRED

1. Academic Qualifications:

- At least master degree in Economics, Business or other relevant field;
- Other formal education relevant for the assignment;

2. Years of experience:

- At least 5 years of experience in execution of assessments, evaluations, analytical reports, preferably in the fields of economy, public administration, development and/or migration; Experience of working with public national authorities in the area of strategic planning and sector development policies will be a strong asset;
- Relevant experience in the area of migration, community development, and social development is desirable;

3. Competencies:

- Profound understanding of the implications of remittances in general and in Moldova specifically;
- Proven experience in drafting strategic documents and analytical studies/reports in an accurate and concise manner;
- Good analytical, organizational, and facilitation skills;
- Fluency in written and spoken English and Romanian, good command of Russian (deliverables and drafts thereof may be provided in Romanian);
- Computer literacy and ability to effectively use the office technology equipment and IT tools;

4. Personal Qualities and other requirements:

- Good interpersonal skills, solid judgment/decision making, initiative and creativity;
- Cultural and gender sensitivity;

Performance Evaluation

Contractor's performance will be evaluated against such criteria as: timeliness, responsibility, initiative, communication, accuracy, and quality of the products delivered.

Travel Requirements

During the contract period no travel is required.

Financial arrangements

Payment is output-based and will be disbursed in installments upon confirmation by IOM and UNDP on delivering of the contract obligations in a satisfactory manner.

SUBMISSION OF PROPOSAL

Interested individuals must submit, besides a cover letter explaining how applicants respond to each of the qualification requirements and why he/she is the most suitable for the work, the following documents/information to demonstrate their qualifications:

1. Personal information (as a detailed CV or as a Personal History Form/P11) including records on past experience in similar projects/assignments and concrete outputs obtained, and at least 3 references;
2. Technical Proposal: Provide a brief (max. 2 pages) methodology on how they will approach and conduct the work, incl. the stakeholders envisaged to be consulted;
3. Financial proposal (in USD), specifying a total lump sum amount and a breakdown per working days and other related expenses.