



TERMS OF REFERENCE

Title:	International Data Analyst
Type of Contract:	Individual Contract (IC)
Project:	Private Sector Engagement for SDG Unit
Reporting to:	UNDP Policy Specialist
Duty Station:	Home-based
Contract Type:	Individual Contract (IC)
Duration:	up to 15 working days, during 01 November 2018 - 15 December 2018

Background Information

A social impact bond (SIB) is a fairly new result-based financial instrument of impact investing, where outcome payers agree to pay and reward investors only if upon agreed outcomes are achieved. The idea is to engage private capital in funding viable social/environmental/development projects with a potential of a financial return. Public institutions agree that if the bond succeeds in achieving the agreed outcomes, the investors will get their capital back plus a financial return. The financial return is dependent on the degree to which outcomes improve the initial situation. Typically, SIBs have been designed to help reform public service delivery.

Impact investing opens up an innovative way to engage private sector to bolster global sustainability further, together with public sector and service providers. It creates incentives for service providers to improve their performance through results-based contracting where the impact of the services has to be measurable. Also, it transfers the financial risks from public sector to the investor, as the outcome payers (usually the government or municipality) agree to pay and reward investors only if outcomes are achieved. Thus, taxpayer's monies will only pay for proven successful social interventions.

The first SIB was launched in 2010 in the UK and, as of now, over 100 SIBs have been commissioned across Europe, Australia, Canada and the United States. SIBs have raised over \$750m of capital and touched over 90,000 lives. Almost half of the SIBs focus on employment, while others are covering areas such as health, homelessness, child welfare, education and criminal justice. There is a strong focus on preventive and early intervention measures.

According to the most recent data from PISA report, Moldova finds itself at the bottom of world rankings in terms of innovation and education. Investing in education is particularly important in today's global realities when humanity is undergoing fundamental transformations. In fact, the mankind has already entered the so called Fourth Industrial Revolution, also known as the Digital Revolution where almost all processes, systems and mechanisms are operating based on digital programs, and the possibilities are multiplied in an unprecedented rhythm by Robotics, Artificial Intelligence and nanotechnologies. Moreover, today's economic realities demand more and more creativity, abstract thinking, empathy and many other aspects of emotional intelligence.

UNDP Moldova intends to pilot a SIB mechanism to finance social outcomes concerning primary and secondary education in Moldova. The primary outcomes will focus on building ICT skills in schools, on one hand, and capacity building for teaching these skills to school teachers, on the other.

The project will utilize outcome-based contracting and SIBs as a financial instrument to deliver the set outcomes. As part of this activity, UNDP intends to:

- Identify main potential stakeholders and beneficiaries;
- Design the SIB and integrated financial model and enter into negotiations with the outcome payer;
- Define expected outcomes and outcome metrics;
- Conduct legal due diligence to get recommendations for the SIB design, outcome payments mechanisms, investments and other issues;
- Formulate preliminary intervention strategy with timeline.

Objective

To support the development of the alternative financing mechanisms focusing on “payment by results” concept and model the impact and ROI for the SIB instrument targeting education outcomes in public schools.

Duties and Responsibilities

a. Scope of work

Under the overall coordination of the UNDP Policy Specialist and International SIB Expert, the International Data Analyst will provide impact investment advisory and undertake all impact and financial modelling related to the project/ business case, as follows:

- Identify the data requirements to be collected;
- Analyse the data and provide recommendation for the intervention structure and design;
- Quantify intermediary and final outcomes of the intervention, determine the outcomes metrics, design a repayment structure and to assist on developing evaluation methodology;
- Quantify the savings / gains to the government of Moldova as a result of the SIB;
- Assess the level of risk transfer to investors, and calculate potential rates of ROI;
- Develop a financial model around the likely cost of the intervention, including payment schedules, range of potential returns, and sensitivity analysis;
- Identify the risk factors for consideration and evaluate their potential impact;
- Prepare a summary report based on the impact and financial modelling;

The consultant will work closely with the UNDP team, International SIB Expert, national legal consultant and national education consultant.

b. Deliverables and Timeline

The consultant is expected to produce the following deliverables:

Deliverables	Deadline
1. Detailed work plan, containing the action plan, evaluation of the current data and recommendation for further data collection;	2 November, 2018
2. Quality review of data package for the selected target group	15 November, 2018
3. Illustrative model for estimating SIB impact, containing outcomes/ KPIs metrics and verification methodology, investment needs, expected savings, social return, expected ROI; 4. Presentation of findings and recommendations; 5. Replicable syntax of the calculations.	15 December, 2018

All deliverables must be quality reviewed and accepted by UNDP Policy Specialist. The payments will be disbursed in one instalment, upon completion of the assignment.

Qualifications and Experience

- Master’s degree or equivalent (5-year university degree) in the field of mathematics, economics, econometrics, finance or related field;
- Minimum 8 years of relevant professional experience in applied economics, research, quantitative data analysis, impact / financial modelling;
- Previous experience in applied impact and financial modelling for SIB is mandatory;
- Additional training and certification in the field of mathematics, economics, econometrics, finance or related field would be an advantage;
- Professional experience of producing reports and analyses in English;
- Professional experience of producing researches, complex assessments and analysis using statistical data;
- Professional experience in impact and financial modelling;

Skills and Competencies

- Excellent quantitative analysis skills;
- Consistently ensures timeliness and quality of work;
- Innovative and creative thinking;
- Consistently approaches work with energy and a positive, constructive attitude;
- Excellent interpersonal and team work skills;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;

Language:

- Proficiency in English

Performance evaluation

Contractor’s performance will be evaluated against timeliness, responsibility, initiative, communication,

accuracy, and overall quality of the delivered products.

Organizational setting

The consultant will work under the supervision of the Policy Specialist.

Financial arrangements

Payments will be disbursed in instalments, upon submission and approval of deliverables, and certification by the supervising Policy Specialist, that the services have been satisfactorily performed.