

**OFFICE OF THE DEPUTY PRIME MINISTER & MINISTRY OF FINANCE
PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAMME**

Terms of Reference

**Consultancy Support for the Development of
Public Financial Management Reform Strategy (2011-2016)**

Introduction

Since 2003 Kenya has strived to ensure that it has an effective public expenditure management system based on key principles of (i) transparency (ii) predictability (iii) accountability (iv) participation and consultation. An effective Public Expenditure Management system requires that all its parts function properly and with effective and politically anchored mechanism to decide on priorities, allocate resources and supervise implementation. Thus ensuring all the public resources are properly accounted for at the end of the year.

Following a period of weak public financial management, the country embarked on a series of reforms to spur economic growth, improve service delivery and improve overall governance to achieve accountability and institute efficient controls.

In 2006, consistent with the goals of its Economic Recovery Strategy for Wealth and Employment Creation (ERS) 2003-2007, the GoK launched the “Strategy for the Revitalization of Public Financial Management System in Kenya”. The PFM Reform Strategy covered a five-year period and is therefore due to expire in June 2011.

The government intends to obtain the services of a consultant to support the PFM Secretariat in the development of a new PFM Reform Strategy for the period 2011-2016.

III. Overall Objective

The overall objective of this consultancy is to provide technical assistance in the development of a strategy for the implementation of integrated Public Financial Management Reforms that takes into account the new constitutional dispensation and relevant ongoing reforms in Kenya and to facilitate the development of a viable implementation framework for the strategy.

IV. Specific Tasks

The Consultant will be expected to provide technical assistance / guidance and serve as a rapporteur to the task force appointed by the Government for the preparation of the Public Financial Management Reform Strategy (2011 – 2016). Under the direction of the task force, the consultant shall:

- Review the relevant reports and documents on the implementation of the first phase of Public Financial Management Reforms. Key among these will include the Strategy for the Revitalization of Public Financial Management Reforms in Kenya (2006-2011), Project Appraisal Report of the Institutional Reform and Capacity Building Project (2005), PEFA reports 2006 and 2008, annual progress reports, Report of the PFMR Mid Term Review (2009), Report on the Review of the PFMR Strategy (2010), among others.
- Hold Consultations with key government officials in the Ministry of Finance, Officers responsible for implementing other government reforms and programmes e.g. the Public Sector Reforms Programme, Performance Contracting, Vision 2030 delivery unit, Local Government Reforms Programme, Constituency Development Fund, etc.
- Hold Consultations with the relevant commissions charged with the implementation of the Public Finance Management Chapter of the constitution to deliberate the necessary reforms to facilitate the implementation of the new constitution
- Hold Consultations with relevant non-state actors including development partners to among other things seek their views on the implementation of Public Financial Management Reforms and how they can engage with government to ensure effective implementation of PFM reforms
- Take stock of the past and current PFM reforms taking cognizance of the success areas and lessons learnt from Kenya and other countries.
- Organize and analyze the information gathered from the consultative processes and document reviews to facilitate capturing into the appropriate chapters of a strategy document
- Evaluate all the possible strategic options proposed by various stakeholders for addressing problems identified in different PFM areas.

- Propose the best strategic interventions that would yield the desired results in dealing with problems identified in different PFM areas.
- Develop a logical framework for a PFM Reform Programme
- Prepare an indicative budget estimates for implementation of all the proposed interventions.
- Prepare an appropriate implementation framework to support broad based Public Financial Management reforms in the public service.
- Draft a Public Financial Management Reform Strategy (2011-2016) for presentation to stakeholders

V. Outputs / Deliverables

The Consultant shall be expected to deliver:

- notes of all meetings of the task force
- notes of all consultative meetings between the task force and the various stakeholders
- reports on all the task force workshops and retreats
- a comparative report of PFM reforms from developing economies including the success areas and lessons learnt from Kenya and five other countries.
- a draft framework of the PFM Reform Strategy with information organized into the appropriate chapters of a strategy document
- a refined logical framework for PFM Reform Programme
- a consolidated indicative budget estimate for the implementation of the proposed interventions
- an appropriate implementation framework to support broad based Public Financial Management reforms in the public service.
- a draft PFM Strategy that will be discussed with all the stakeholders.
- a final PFMR Strategy that will have taken into consideration input from all the stakeholders

VI. Period of Work

This assignment is expected to be carried for 5 (five) months between January to May 2011

VII. Work arrangements

- The Consultant will report directly to the PFMR Coordinator, Ministry of
- Finance. He/she will work closely with the members of staff of the PFMR Secretariat.
- The PFMR Secretariat will provide office space, a desktop computer and a fixed line telephone to facilitate the consultant to effectively carry out the assignment.
- The Consultant will work closely with the appropriate agencies and departments within the Ministry of Finance.

VIII. Consultant Qualifications

The consultant should have:

- A university degree
- Minimum five years consultancy experience
- Experience in the design and development of Public Financial Management Systems.
- Experience in strategic planning; project planning, strategy development project implementation and monitoring and evaluation.
- Prior experience with PFM issues and systems in Kenya and the African region is desirable.
- Excellent report writing skills.
- Familiarity with the Kenyan Public Financial Management Systems will be preferable.
- Qualification / work experience in a Public Finance Management related field will be an added advantage