

Terms of Reference for consultancy assignment on designing the Public Debt Management Assessment Tool for Parliaments (PDMAT) 2.0

Introduction

The world is facing a potential new debt crisis. Twenty-five of the poorest countries spend more on debt repayments than on education, health, and social policy combined. Sixty percent of low- and middle-income countries are highly debt vulnerable. In its latest [International Debt Report](#), the World Bank revealed the sharpest rise in global borrowing costs in four decades.

Breaking out of the current debt crisis and avoiding future ones will require a fundamental shift in oversight and accountability for the way that governments borrow and manage debt. In this context, there is increasing recognition of the unique roles for parliament in the governance of public debt, as identified in the written submission to the UK House of Commons' [International Development Committee's inquiry](#) by Westminster Foundation for Democracy (WFD). And by extension, there will be an increased role for citizens and civil society to engage in public debt debate and scrutiny through their representatives in parliament, with traditional and social media important conduits.

Unsustainable and opaque debt is a democratic deficit. It undermines the social contract which underpins a democratic system of governance. That is why WFD is working around the world to [strengthen parliamentary oversight of public debt](#), including improved debt transparency and debt management practices. WFD also supports robust civil society monitoring of public debt.

In 2021, WFD designed the Public Debt Management Assessment Tool for Parliaments (PDMAT). It is intended as a diagnostic framework that allows a parliament's public debt legislative framework and oversight practices to be evaluated against a set of indicators, identifying core strengths and weaknesses, and thereby helping strengthen parliament's capacity, structures, resources and political will so that countries can manage their government debt more effectively, accountably, transparently and sustainably. It will assist parliaments that want strengthen debt management oversight, helping to monitor progress in parliamentary accountability of government debt management objectives consistent with international sound practice.

The objective of the PDMAT is thus to provide an objective measurement of parliamentary debt management oversight capacity and to support parliament in identifying priorities to upscale its ability to address various dimensions of public debt and public debt management.

The first edition of PDMAT was constructed around specific questions, referred to as indicators. Most PDMAT indicators were drawn from four public financial management (PFM) assessment tools: Debt Management Performance Assessment (DeMPA); Debt Transparency Heat Map; Public Expenditure Financial Accountability (PEFA) Framework for Assessing PFM; and International Budget Partnership's Open Budget Survey (OBS).

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Over the past two years, PDMAT has been piloted in a few jurisdictions [[Kenya](#), Uganda, Albania], highlighting valuable lessons learned and the need to revisit the tool and design *PDMAT 2.0*.

PDMAT review

The scope of a review of the PDMAT is envisaged as follows:

1. Reviewing the structure of the current dimensions and sub-dimensions.
2. Reviewing the number and the content of each indicator per dimension.
3. Broadening the PDMAT scope, amongst others, with regards to parliament's engagement with civil society on public debt, parliamentary oversight and accountability for borrowing at subnational level, comparative perspectives, and the extent to which parliament makes use of external research related to the political economy of debt and fiscal policies.
4. Suggesting a new application format for the PDMAT, finetuning or replacing the current Excel-sheet format, based on a review of the application formats used by similar assessment tools around good governance.
5. Writing a guidance note on the methodology of how to conduct the PDMAT assessment and how to formulate policy recommendations and programming options emerging from the assessment.

Not included in the scope of PDMAT 2.0:

- The PDMAT does not assess the functioning nor the capacity of debt management offices, Ministry of Finance, Central Bank, or other public or private authorities involved in debt management, but it should assess the relationship between parliament and these bodies.
- The PDMAT does not envisage a political economy analysis of debt policies by the executive, nor does it provide a framework for analysing the political and power relationships influencing fiscal and debt policies, because these findings would be hard to receive validation by parliament stakeholders. However, PDMAT 2.0 does envisage assessing to what extent parliament interlocutors are informed about and make use of any existing political economy research related to debt policies.

Examples of issues to be addressed in PDMAT 2.0

Following is a non-exhaustive list of issues which may be assessed related to parliament's role:

- 1) Parliament's role in decision making processes on the rolling medium-term Debt Management Strategy (DMS), including public consultation and transparency on DMS, parliamentary approval of the DMS, government reaction to parliamentary comments on the DMS, parliamentary time dedicated to debate DMS, parliamentary initiatives based on DMS.
- 2) Quality of information provided to parliament in terms of the level of detail and timely publication of the Annual Borrowing Plans (ABP) and its links to the budget, and quality of information received from the Central Bank.

- 3) Assessing parliamentary engagement with civil society organizations, experts and private sector and assessing the extent to which their observations and recommendations are taken on board by the Committee / parliament.
- 4) Assessing the role of Parliamentary Budget Offices (PBOs) with regards to public debt, including mandate, technical assistance provided to MPs, number of debt related reports, correspondence and other documentation.
- 5) Assessing whether and how parliament is monitoring governmental compliance with international agreements, policies and guidance relevant to public debt.
- 6) Assessing to what extent the rules of procedure of parliament, government and other public institutions are conducive to parliament's role on public debt oversight.
- 7) Assessing parliamentary follow-up to audit findings or audit reports on public debt.
- 8) Assessing parliament's oversight / monitoring of the substance, implementation and enforcement of the legal framework with regards to contingent liabilities.
- 9) Assessing parliament's access to information about and oversight of the management decisions of SOEs relevant to public debt and liabilities and of executive departments responsible for the SOEs.
- 10) Assessing the extent to which parliament makes use of or engages with external research related to the political economy of debt and fiscal policies and the gendered effects of public debt.

Expert reference group

The PDMAT review will be accompanied by an expert reference group.

- Membership: representatives of parliaments which have conducted a PDMAT, parliamentary development practitioners, public debt specialists, WFD and FCDO staff.
- Three to four meetings of the reference group:
 - o Kick-off meeting, on workplan with scope and methodology.
 - o Mid-term progress review.
 - o Commenting on the draft PDMAT 2.0 document and draft guidance note.
 - o Validation of the final PDMAT 2.0 documents.
- Possibility for individual members of the reference group to be asked to comment on and validate country case-studies and best practices text boxes.
- The selected consultant will regularly interact with members of the reference group.

Deliverables under this assignment:

1. Workplan for this assignment, including (1.) an overview of documents and sources of information which will inform the PDMAT 2.0, (2.) list of persons and organizations to consult during the assignment, (3.) list of issues for future input or feedback by the expert reference group, and (4.) detailed timeline for the assignment.

2. Summary of lessons learned, gaps, discrepancies emerging from previous PDMAT assessments in selected countries, based upon document review and interviews with relevant interlocutors, and author's own observations.
3. First outline of the revised structure of PDMAT 2.0, tentative list of dimensions and subdimensions, and list of issues to be included (expanding beyond the above, initial list of issues in the ToR).
4. Draft PDMAT 2.0, including Executive Summary, description of rationale, relevance and content of the tool, a narrative description of each of the individual dimensions, sub-dimensions and indicators, description of relevant oversight practices and quotes of parliamentary procedures in different jurisdictions, overview of main changes introduced in the PDMAT 2.0, the new application format for the PDMAT.
5. Draft guidance note for use by external non-specialist practitioners on (1.) the methodology of how to prepare, conduct and validate the PDMAT assessment including applying the revised scoring methodology, a new template for a PDMAT report and considerations on the status of the PDMAT report, (2.) formulating policy options and recommendations emerging from the assessment, and how to incorporate them in parliamentary structures, procedures, strategic plans and other parliamentary strengthening mechanisms, (3.) applying the PDMAT within the specific context of a parliamentary and presidential system and in Westminster and non-Westminster parliamentary systems, (4.) designing parliamentary strengthening programmes based on the PDMAT findings, including through a Theory of Change and the identification of programme objectives, outcomes, outputs and main activities, as well as the key questions to be asked post-assessment to inform the design of parliamentary strengthening programmes on public debt oversight.
6. Final version of the PDMAT 2.0 and final version of the guidance note, based on feedback received from the expert reference group.

Timeline

- Launch of ToR: 24 July 2024
- Deadline for applications: 14 August 2024
- Awarding contract 23 August 2024
- **Work plan** **10 September 2024**
- Meeting Expert Reference Group Mid-September 2024
- **Lessons learned, first outline** **5 October 2024**
- Meeting Expert Reference Group Mid-October 2024
- **Draft PDMAT 2.0** **5 November 2024**
- **Draft guidance note** **10 November 2024**
- Meeting Expert Reference Group Mid-November 2024
- **Final PDMAT 2.0 documents** **10 December 2024**

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Application process for the consultant

- Applicants are invited to provide:
 - o Cover letter highlighting motivation, relevant work experience and commitment to timeline of the assignment.
 - o CV and financial offer.
 - o Short paper (1 to 2 pages) with feedback to the ToR, including any comments or additions on issues considered relevant in redesigning the PDMAT tool.
- Applicants are requested to submit a competitive financial proposal within the range of 7,500 to 9,500 GBP, including all expenses and taxes. No travel is anticipated for this assignment.
- Applications will be reviewed by the selection panel, and the contract will be awarded based on merit, competitive financial proposal and commitment to the timeline in the assignment.
- Once selected, the expert for this assignment will get access to the current version of the PDMAT guidance, scoring card and the PDMAT assessment reports from various jurisdictions.

Requirements for the consultant

Relevant work experience:

- o Solid knowledge of public financial management systems and parliament's role in budget cycle.
- o Solid knowledge on public debt management and role of parliaments in debt management.
- o Track record of previously provided relevant advisory services on public financial management, public debt management or parliament's role in the budget cycle.
- o Minimum 10 years of relevant experience or consultancy services in parliamentary strengthening programming, implementation and evaluation.
- o Prior experience in drafting or contributing to methodological documents, guidelines, guides, manuals, e-courses or other educational tools.
- o Track record of writing analytical and policy reports for different international organizations.
- o Working experience with international organizations in the sector of governance.

Functional competencies:

- o Commitment to accountable governance.
- o Experience working collaborative and in teams.
- o Excellent organisational skills and time management.

Applications can be sent by 14 August 2024 to: Franklin De Vrieze, Head of Practice Accountability, WFD, email: franklin.devrieze@wfd.org

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