Economic Analysis of Household Transfer Management System (HTM)

Summary of the Terms of Reference (ToR)

1. Project Background

The Government of Sri Lanka allocates funds annually (approximately 249 billion LKR per year) for social welfare, safety net programs and pensions. These programs provide benefits to the elderly, retired, the sick, unemployed, work-injured as well as their dependants. However, there seems to be a significant number of duplications among multiple beneficiary programs. Moreover, there is no way of ensuring that the subsidies are received by the right beneficiary. At present, there is no centralized system in place to monitor and manage these welfare programs. As a result a considerable portion of government funds might get misused and wasted.

The Information Communication Technology Agency (ICTA) has proposed a solution to address the aforementioned issues through the project, 'Development of Household Transfer Management (HTM)'. A National Digital Identity (NDI) will be introduced for the beneficiaries and the relevant transactions will be made through the National Digital Transaction (NDT) platform. Following are the key project objectives:

Overall Project Objective: To establish a 'Centralized Household Transfer Management System' for the social safety net programs in Sri Lanka

Specific Project Objectives:

a. Justify spending of the government for Pensions, Welfare and Safety Net programs by ascertain the accurate number of beneficiaries
b. Facilitating stakeholder organizations associated with beneficiary programs for efficiently managing respective social welfare, Safety net programs and pensions through central monitoring and management system
c. Efficiently facilitating a mechanism which will enable the government to offer more benefits to 'absolute needy' by lowering the administrative costs

One of the main project deliverable will be provision of National Digital Identity (NDI) for a targeted 14 Mn citizens in the country. It is envisaged that this unique digital identifier and the established transaction platforms will also enable several other key initiatives to facilitate digital interactions and digital commerce in the country. This may include digital interactions by citizens with government institutions, as well as with private sector, in order to utilize services such as passport applications, submitting of tax returns, and for obtaining any sensitive information /services and to issue secure instructions.

2. Purpose of the Consultancy Assignment

Objectives:

1. To provide a detailed analysis of costs and benefits of the project ' Developing Household Transfer Management System'; make relevant recommendations based on the findings of the analysis.
2. Assess the baseline status of project indicators and validate the indicators and targets.
3. Identify possible challenges and risks that can affect the project performance and advise on appropriate risk mitigation methods.

3. Scope of Work and Methodology

The economic analysis should take into account the cost and benefits pertaining to the HTM project. The consultant is expected to propose an appropriate framework, methodology and tools for the Economic Analysis which should cover the full analysis process including, determining the cost and benefits to be recognized; specifying the timeframe for the analysis of recognized costs and benefits; categorizing of costs and benefits; monetizing/quantifying the costs and benefits, discounting the cost and benefits to obtain present values, compute a net present value/cost benefit ratio, and performing a sensitivity analysis. The analysis methodology should consists of both quantitative and qualitative data collection and analysis approaches.

4. Consultancy Firm and the Team Qualifications

The consultancy firm is at the liberty to propose required number and structure of experts appropriate to the study design and approach. However, the study key team members should include, 1) Team Leader/Economist 2) Monitoring and Evaluation Expert 3) Statistician/Data Analyst 4) Field Manager/ Coordinator

The assigned team should be able to undertake the full study process including design, data collection, data analysis and report writing within the specified timeframe meeting expected quality standards.

The Consultant/Team should have:

- At least a Masters Degree in Economics (for the Team Leader) from a recognized university; Bachelors of Degree in Economics for other team members
- A minimum of six (6) years direct experience in designing and carrying out Economic analysis in the context of development programs/projects
- Demonstrated experience in undertaking national level studies/research/evaluations
- Familiarity with economic analysis methodologies for non-market valuation
- Familiarity with statistical/econometric analytical tools
- Excellent verbal and written communication skills in English and local languages (Sinhala/Tamil)
- Excellent report writing skills
- Good understanding of e-government initiatives and other government led ICT for development (ICT4D) interventions
- Good facilitation skills and experience in working with government organizations

4. Timeframe

The study is expected to be completed within twelve (12) weeks.