

Terms of Reference for Lead Economist
Economic and Financial Monitoring & Forecasting System
Economic Policy Analysis Division
Ministry of Finance

Background

Nepal has experienced a sluggish economic growth over the past decades and several political and geological shocks such as trade and supply disturbance and earthquake in 2015. The long term impacts of the low growth and unemployment could be severe if Nepal does not swiftly and effectively manage its way forward for higher economic growth and jobs creation by investing in infrastructures development and enhancing productive sectors. However, Nepal lacks the financial capacity to retain technical staff sufficiently capable of providing necessary technical inputs and analysis.

This activity is one of several priority areas identified by the Government of Nepal (GoN) in its commitment to improve evidence-based policy making practice leading to higher economic growth. The Government recognizes that to achieve economic prosperity, Nepal will need to significantly improve its policy making ability particularly within the Ministry of Finance. To achieve this task, the Ministry of Finance intends to develop an Economic and Financial Monitoring & Forecasting System (EFMFS) at the Economic Policy Analysis Division (EPAD). In order to establish the system, a Lead Economist is required, who could mentor, train and develop a sound macroeconomic model that would facilitate critical analysis, prudent macroeconomic policy formulation and efficient decision making.

Purpose and Goal

The primary purpose of the EFMFS is to strengthen the knowledge base on macroeconomic policy making within the Ministry of Finance for improved macroeconomic management in Nepal. Additionally, the system aims to provide necessary technical support and to up-skill relevant technical staffs within the Ministry of Finance (MOF). The main goal is to enable a more effective Economic Policy Analysis Division at MOF as the nucleus for economic policy formulation, coordination and decision making.

Approaches and Beneficiaries

The Ministry of Finance endeavors to appoint a Lead Economist, who will be assigned to the Economic Policy Analysis Division at the ministry for period of 5 (Five) months, reporting to the Chief of the Economic Policy Analysis Division. The technical specialist will bring in-depth knowledge and credible experience in the area of economic and financial monitoring and forecasting as well as macroeconomic management and policymaking in small states with an extensive experience of working with the Government of Nepal, and in particular, intimate knowledge of South Asian economies demonstrated by research and work experience related to



economic policy in the region and Nepal. The beneficiaries of this project will include the Ministry of Finance, technical staffs within the MOF and other line agencies.

Scope of Work

- (i) Detailed review and analysis of Nepal's socio-economic performance and prospects in the context of its development objectives, presented as briefing notes;
- (ii) Hold discussions with the concerned officials at the ministry, and relevant stakeholders such as National Planning Commission, Provincial Planning Commission and among others to determine the scope and content of the economic and monitoring forecasting system;
- (iii) Critically review and assess existing economic policies and, Nepal's macroeconomic prospects in the context of the global environment and fragilities within the region.
- (iv) Critically review and assess the existing economic policy framework in the context of Nepal's development objectives;
- (v) Support the MOFin preparing concise policy briefs on relevant economic topics as and when required;
- (vi) Assist ministry officials on technical matters and strengthen the capacity of economic policy analysis division;
- (vii) Advise on appropriate monitoring and forecasting tools and strategies to be pursued in the context of the federal administrative system;
- (viii) Train and mentor technical personnel within the ministry in macroeconomic policy analysis, planning and implementation;
- (ix) Develop and implement a mentorship program for knowledge sharing and active involvement of technical staff from within, particularly, the Ministry of Finance in macroeconomic analysis and economic policy development;
- (x) Framework for collection of economic data to facilitate (current and future) macroeconomic planning, developed and implemented; and
- (xi) Develop a macroeconomic model for economic and financial monitoring and forecasting on a regular basis.

Reporting and transfer of Expertise

The Ministry of Finance attaches particular importance to the transfer of expertise and knowledge to assigned counterparts within the institutions. The assigned expert will work closely with the Economic Policy Analysis Division at the Ministry of Finance. The expert will report directly to the Chief of the EPAD at the ministry.

Specification Qualifications and Working Experience

- i. A postgraduate degree in economics, preferably majoring in macroeconomics with a PhD qualification in economics;



- ii. At least 15 years' relevant experience in macroeconomic planning and policy formulation;
- iii. Extensive experience in leading and directing the preparation of medium term economic plans;
- iv. Experience of working for a ministry at a senior level, such as Ministry of Finance or National Planning Commission with an in-depth knowledge of macroeconomic management and development planning being an essential requirement;
- v. Demonstrated sound knowledge of the Nepalese economy and extensive awareness of regional and international growth challenges, through publication in academic journals, are also essential;
- vi. Strong leadership and management skills;
- vii. Ability to interact and communicate ideas across the table with senior management level;
- viii. Ability to work with diverse teams and build partner relationships;
- ix. Sound mathematical knowledge with proven skills in economic and financial monitoring and forecasting; good understanding of using relevant statistical and econometric software
- x. Experience of developing macroeconomic model and presenting papers in global forum.
- xi. Experience of working in the area of inclusive growth for poverty reduction
- xii. Experience of using simulation based quantitative analysis in economic planning
- xiii. Understanding of tax structure, growth and investment in Nepal
- xiv. Experience of advising government on public expenditure framework as well as commissioned to carry out comprehensive study on public expenditure improvement

