

National Consultancy: Development of Performance Informed Budget Formulation and Execution Guideline for National Social Assistance Fund



UNICEF Cambodia

1. Background

In 2004, The Royal Government launched the Public Financial Management (PFM) Reform Programme. The Public Financial Management Reform Program has a clear vision of transforming public finance system that focuses on outputs or outcomes and decentralization in accordance with the international standard and good practice. The reform, led by Ministry of Economy and Finance (MEF) adopted platform approaches which were structured into four phases: 1: budget credibility, 2: financial accountability, 3: policy-budget linkages, and 4: performance accountability. Among the reform areas, budget system reform has been one of the key pillars in the PFM reform process. The main objective of the Budget System Reform Strategy is to transform budget system from input-based to result or performance budgeting in line with international good practice. To realize this objective, seven ministries piloted part of their recurrent budget for programme budget implementation in 2007, and the 8th ministry were added in 2008. Building on lessons learnt from the pilot, the Government decided to implement full programme budget for all line ministries starting with ten ministries in 2015 and expanded gradually to the rest of the ministries by 2018, which totaled thirty-eight-line ministries and agencies⁽¹⁾. Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY) joint the second group of ministries in implementing full programme budget in 2016.

Since 2021, MEF disseminated and provided orientation to all line ministries and provincial line departments on guideline for formulation of the performance informed budgeting which was then rolled out in 2022 starting with 2023 budget. This performance informed budgeting, which focused on strengthening and deepening further implementation of programme budgeting, demand further refinement of three-years rolling Budget Strategic Plan (BSP) and annual budget proposal. Since 2021, UNICEF provided technical support to MoSVY to develop performance informed budget formulation and execution guideline.

In March 2022, National Social Assistance Fund (NSAF)² was established as Public Administrative Establishment (PAE) while its organizational structure was only established until October 2022. NSAF having PAE status works under technical guardian of MoSVY and financial guardian of MEF. NSAF was tasked to manage three critical social protection schemes: social assistance programmes, national social security fund for veterans and national social security fund for retired

⁽¹⁾ MEF (2018). PFM Reform progress report 2017.

² Sub-decree #68 dated 31 March 2022 on establishment of National Social Assistance Fund as Public Administrative Establishment.

civil servants. These three schemes constitute nearly 90% of MoSVY budget. As NSAF budget is an annex budget of MoSVY, they are also required to implement performance informed budgeting. NSAF programme budget is consolidated into three year rolling Budget Strategic Plan 2023-2025 and annual budget 2023 of MoSVY. However, budget execution of NSAF follows procedures of Public Administrative Establishment set forth by MEF. Given that NSAF is still undergoing a process of formulating its internal organizational structure particularly at department level and quite new institutional set up, it is vital to have manual in place for performance informed budgeting implementation which will help strengthen institutional functioning of NSAF in line with existing public finance procedure.

2. Purpose

The main purpose of this exercise is to support smooth institutional functioning of NSAF through strengthening public finance procedure to deliver social assistance programmes and two social security schemes: national social security fund for veterans and national social security fund for retired civil servants.

The main objective of this consultancy is to develop performance informed budget (PIB) formulation and execution manual for NSAF building on MEF guidelines for performance informed budget formulation and execution and public finance procedures for public administrative establishment.

3. Work Assignments

The manual will be for NSAF PIB implementation at central level and provincial level. The manual must be built on generic guideline issued by Ministry of Economy and Finance (MEF) on PIB formulation and budget execution for PAE and other relevant public finance procedures.

The manual covers only current expenditure and does not include capital expenditure and procurement which will be captured in separate guideline or manual.

This exercise requires literature review of existing guidelines and procedures and conducting interviews with relevant departments under NSAF and also other PAEs under MoSVY. A minimum of 10 interviews with six departments of NSAF, and other existing PAEs under MoSVY. The interviews will include collection of relevant forms and templates from existing PAE under MoSVY to produce the real examples for inclusion in the manual.

The consultant shall consult with the financial controller of MoSVY, and MEF officials in General Department of Budget (Budget Formulation Department and Financial Affairs Department), General Affairs Department of General Secretariat of National Social Protection Council (GS of NSPC) and General Department of National Treasury on the draft manual particularly the process and relevant forms and supporting documents. The manual should be tailored to the needs of all technical departments of NSAF at central level and provincial offices.

In terms of work assignments, the consultant is expected conduct the following tasks:

- 1- Review documents relating to BSP and PB formulation and execution within MoSVY, BSP and PB formulation and execution guidelines from MEF,
- 2- Draft inception report and outline of the PIB formulation and execution manual, provide one presentation, and collect inputs/comments from relevant stakeholders (6 departments of NSAF, General Department of National Treasury, Budget Formulation Department and Financial Affairs Department of General Department of Budget of MEF, General Affairs Dept of GS-NSPC, UNICEF and other relevant stakeholder).
- 3- Finalize inception report and draft annotated outline of the manual

- 4- Collect relevant documents including templates and forms and conduct interviews with relevant stakeholders
- 5- Draft PB formulation and execution manual into two parts: part 1 on PIB formulation and part 2 on PIB execution for both central and provincial level. The draft should include annexes of templates and forms for each process with clear steps and responsibilities and signatories.
- 6- Provide up to two presentations on draft manual to collect inputs and comments from relevant stakeholder
- 7- Revise draft manual and provide up to two presentations to collect inputs and comments from relevant stakeholder
- 8- Finalize manual
- 9- Prepare draft training materials including slide presentation, meta data of indicator, performance report template etc.
- 10- Conduct testing of training materials through mock training and collect inputs and finalize training materials in collaboration with department of budget management, finance and accounting of NSAF
- 11- Provide training using training materials to key staff of NSAF departments in collaboration with department of budget management, finance and accounting

4. Qualifications or Specialized Knowledge/Experience Required

Qualifications and Experience

- Advanced University degree (Master's degree or equivalent, or PhD) in economics, social policy, development, or related fields
- Minimum of 5 years professional experience working on public financial management reform programme, result based management, programme budgeting, and budget strategic plan in Cambodia

Knowledge and Skills

- Possess strong technical knowledge of the programme budget formulation and execution, and line ministry programme budget structure and review

Competencies

- Familiarity with the national policy and MoSVY strategic plan and budgeting process and government structure
- Excellent interpersonal, facilitation and communication skills
- IT literacy

Languages

- Fluency in English and Khmer

5. Location

The consultant is required to be based at Department of Budget Management, Finance and Accounting of NSAF at least 50% of the total number of working days. NSAF will make available space for him/her during this consultancy period. The space will have access to internet, printer and other administrative support for this consultancy if requested in advance. Two provincial visits are expected under this consultancy. The travel and DSA cost for the field visit shall be included as part of the financial proposal under this consultancy.

6. Duration

The indicative schedule of the assignment, activity schedule or project time frame will be developed by consultant and approved by NSAF DG and UNICEF. In case, there is delay or revision needed for the

schedule, activities, and timeline due to various credible reasons, the consultant shall consult and seek prior approval from NSAF DG and UNICEF.

- ☐ Starting period: 30 January 2023
- ☐ Foreseen finishing period or duration: 30 June 2023

7. Deliverables

The consultant is expected to provide the following deliverables in line with number of working days outlined below.

No.	Description of Activities & Outputs	Number of Working Days Involved	Duration
1	Produce inception report based on review of existing guidelines issued by MEF and practices, experiences, and lessons learnt of other PEA under MoSVY in formulation and execution of budget and proposed annotated outline of the PIB formulation and execution manual.	10	February 2023
2	Based on the result of the review, collect templates and forms from other PAEs, collect and consult with at least three provincial offices of NSAF, and develop draft PIB Formulation and Execution Manual and provide presentation to relevant stakeholders to collect comments and inputs	30	March-April 2023
3	Finalize the draft PIB formulation and execution manual and prepare draft training materials (slide presentation and forms) and test training materials through at least one mock training key staff of 6 departments of NSAF	10	April 2023
4	Finalize training materials and provide one training to key staff of 6 departments of NSAF based on complete manual (slide presentation and relevant materials)	10	May-June 2023
Total		60	5 months

8. Reporting Requirements

All reports must be submitted electronically in Ms. Word file and PDF file in Khmer and slide presentation in Khmer must be submitted in Ms. Power Point file.

- Inception report shall be submitted by 17th February 2023.
- First draft PIB Manual shall be submitted by 31 March 2023.
- Final draft PIB Manual shall be submitted by 28th April 2023 (see draft content below).
- Training materials including slide presentation and training report must be submitted accordingly by 26th May 2023.

Proposed Content of the Manual

The paper content should have the following basic components and the length of the report body should not exceed 100 pages:

- 1- Acknowledgement
- 2- List of Acronyms and Abbreviation
- 3- List of Forms, Tables and Graphs
- 4- Introduction
- 5- MEF Performance Informed Budgeting Guideline
 - Part 1: PIB Formulation
- 6- BSP Formulation
 - a. Process
 - b. Relationship between Result Framework and Programme result structure
 - c. Performance measurement framework
 - d. Costing
- 7- PIB formulation
 - a. Process
 - b. Relationship between Result Framework and Programme result structure
 - c. Performance measurement framework
 - d. Costing
 - Part 2: PIB Execution
- 8- PIB execution
 - a. Cash Management plan, Request, Disbursement, Execution, Settlement and Report
 - b. Monitoring and reporting
 - c. Evaluation
- 9- References/Annexes

In case there are a lot of information to be included and made reference to, they shall be included in the annexes or kept in one electronic copy (i.e. drop box) and made accessible to MoSVY and UNICEF.

9. Payment Schedule linked to deliverables

The payment will be made into 4 instalments based on the following:

- 1- First Instalment (25%) will be paid after delivering the 1st deliverable with satisfaction from NSAF and UNICEF.
- 2- Second Instalment (25%) will be paid after delivering the 2nd deliverable with satisfaction from NSAF and UNICEF.
- 3- Third Instalment (25%) will be paid after delivering the 3rd deliverable with satisfaction from NSAF and UNICEF.
- 4- Fourth instalment (25%) will be paid after delivering the 4th deliverable with satisfaction from NSAF and UNICEF.

** The fees shall be calculated based on the days estimated to complete the assignment in the Terms of Reference and shall be considered the maximum compensation as part of a lump sum contract and agreed on a work plan for submission of deliverables. No additional fees shall be paid to complete the assignment. Payment will be made upon delivery of all final products and full and satisfactory completion of the assignment.*

10. Administrative Issues

The consultant shall work closely with Department of Budget Management, Finance and Accounting (DBMFA) of NSAF and relevant departments from inception until final stage of the consultancy. DBMFA of NSAF will provide administrative support to facilitate access to information and data as well as to conduct interviews with relevant stakeholders within MoSVY and NSAF as well as with officials of Ministry of Economy and Finance. In context of COVID-19 pandemic, the consultant

shall maintain safety measures and may request to work from his/her own premise and conduct relevant meeting virtually in coordination with DBMFA.

11. Contract supervisor

This consultancy will be under joint supervision of HE Chhour Sopannha, Director General of National Social Assistance Fund and Ms. Erna Ribar, Chief of Social Policy, Policy and Public Financing for Children (PPF4C) programme of UNICEF. For day to day work, the consultant shall report to Mrs. Vorn Thavry, Director of DBMFA, and Mrs. Uy Channimol, Deputy Director General of NSAF, and Mr. Kimsong CHEA, Social Policy Specialist, PPF4C, UNICEF Cambodia. NSAF focal person for the consultant day to day technical work is Mrs. Vorn Thavry, Director of DBMFA. For contract supervisor is Mr. Kimsong CHEA, Social Policy Specialist. Any change or amendment to the contract shall be approved jointly by MoSVY and UNICEF.

12. Nature of ‘Penalty Clause’ to be Stipulated in Contract

Unsatisfactory performance: In case of unsatisfactory performance the contract will be terminated by notification letter sent five (5) business days prior to the termination date in the case of contracts for a total period of less than two (2) months, and ten (10) business days prior to the termination date in the case of contracts for a longer period

Performance indicators: Consultants’ performance will be evaluated against the following criteria: timeliness, quality, and relevance/feasibility of recommendations for UNICEF Cambodia.

13. Submission of applications

Interested candidates are kindly requested to apply and upload the following documents to: <http://www.unicef.org/about/employ/>

- ☐ Letter of Interest (cover letter)
- ☐ CV or Resume
- ☐ Performance evaluation reports or references of similar consultancy assignments (if available)
- ☐ Financial proposal: All-inclusive lump-sum cost including travel and accommodation cost for this assignment as per work assignment.

The deadline for applications is 09 January 2023.

14. Assessment Criteria

A two stage procedure shall be utilized in evaluating proposals, with evaluation of the technical proposal being completed prior to any price proposal being compared.

Applications shall therefore contain the following required documentation:

1. Technical Proposal, including a cover letter, updated CV, and copies of 2 relevant evaluations performed earlier by the consultant.
2. Financial Proposal: Lump-sum offer with the cost breakdown: Consultancy fee, travel costs (economy class), per-diem to cover lodging, meals, and any other cost related to the consultant's stay in Phnom Penh, including transportation inside the city and other costs. The travel (if involved) shall be based on the most direct and economy fare.

No financial information should be contained in the technical proposal.

For evaluation and selection method, the Cumulative Analysis Method (weight combined score method) will be used for this recruitment:

a) Technical Qualification (max. 100 points) weight 70 %

Qualification and experiences (30 points)

Knowledge and Skills..... (30 points)

Competencies..... (20 points)

Quality of past work (e.g. understanding, methodology) (20 points)

b) Financial Proposal (max. 100 points) weight 30 %

The maximum number of points shall be allotted to the lowest Financial Proposal that is opened /evaluated and compared among those technical qualified candidates who have attained a minimum 70 points score in the technical evaluation. Other Financial Proposals will receive points in inverse proportion to the lowest price.

The Contract shall be awarded to candidate obtaining the highest combined technical and financial scores, subject to the satisfactory result of the verification interview.]

15. Programme Area, Outputs and Specific Key Results Areas in the Rolling Work Plan 2016-2018 involved

Section Request: Policy and Public Financing for Children

Outcome 5: By 2023, children and adolescents in Cambodia, including the most deprived benefit from effective social services and child-sensitive social protection system

Output 2: Capacity of social ministries and sub-national administrations for programme-based budget formulation, execution, monitoring and reporting strengthened addressing multi-dimensional child poverty by 2023

Key result Area 5.2.4: Improved quality of PB and BSP of social ministries (MoEYS, MoH, MoSVY, MRD) with enhanced policy-budget linkage and equity based approach, addressing multi-dimensional child poverty

Activity 5.2.4.3: Provide technical assistance and support to building the capacities of the selected line ministries and institutions responsible for social assistance to develop adequate/high-quality results-based frameworks (PIB Formulation and Execution Manual and training) in support of programme-based budget formulation, execution and reporting benefiting children

Included in approved AWP: ☒ Yes ☐ No