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1. BACKGROUND INFORMATION

1.1. Partner country

Kingdom of Cambodia

1.2. Contracting authority

The Contracting authority is the European Union, represented by the Authorizing Officer of the EU Delegation to Cambodia or its duly authorized representative.

1.3. Country background

Cambodia, a member of ASEAN since 1999, continues to emerge as a middle-income country with a sustained economic growth of around 7% yearly from 2000 to 2019, and thus is one of the fastest growing economies in the world. As a result, the country experienced an impressive reduction of poverty rates and inequality levels and did remarkably well with regard to achieving the Millennium Development Goals. However, since 2015, poverty levels seem to have stagnated (no updated official figures available) and Cambodia has made slow progress to improve human development, as witnessed by the Human Development Index. Likewise, the SDG Index ranking Cambodia at 107/163 in 2022, shows that Cambodia is facing major or significant challenges to achieve a majority of the SDGs.

While the country managed to contain the COVID-19 outbreak until 2021, the socio-economic consequences of the pandemic have had further negative effects on the economy, causing a contraction. Economic recovery accelerated in 2022 and 2023 thanks to looser Covid-19 restrictions, a revival in tourism and government stimulus. Meanwhile, the Regional Comprehensive Economic Partnership (RCEP), the FTA with South Korea, the FTA and overall closer ties with China might boost trade and investment. Post-Covid, new challenges have emerged, including increased inflation, economic slowdown in China constraining investment and tourism, weak consumer demand in export countries (USA and Europe), and rising private debt. The country's "economy first" approach for development and social stability, sometimes at the expense of human development, seems to be maintained in the priorities identified for economic recovery. In addition, Cambodian growth has led to biodiversity loss, including deforestation and pollution of air, water and soil with devastating effects of increasing flooding and erosion in the Mekong river basin, a situation which has deteriorated further with the COVID pandemic.

According to the constitution, Cambodia is a multi-party democracy with regular elections since 1993. However, the dissolution of the Cambodia National Reconciliation Party (CNRP) left the country without any credible opposition ahead of the 2018 national elections in which the ruling Cambodian People's Party (CPP), in power since 1985, won all seats in the National Assembly. For the first time since the UN-supervised election in 1993, there is thus no parliamentary opposition in Cambodia and the country has arguably become a de facto one-party state. During the same time-period, since mid-2017, the international community has frequently raised concerns over the shrinking civic space in Cambodia and the growing number of repressive actions taken by the Cambodian authorities against Civil Society Organizations, human rights defenders, political activists and independent media. Lately, there has also been growing concerns that the authorities use the COVID-19 pandemic to carry out arbitrary arrests of opposition supporters and government critics. Cambodia's main opposition party, the Candlelight party, and the sole credible challenger to the country's long-time leadership of CPP, has been barred in May 2023 from contesting July's 2023 national elections thus almost certainly extending the absence of any credible parliamentary opposition for the next 5 years.

In February 2020, due to serious and systematic concerns related to human rights ascertained in the country, the European Commission took a decision to partially withdraw the trade preferences under the Everything But Arms (EBA) scheme for Cambodia, which had sustained growth and job creation during the past years. Enhanced engagement between the EU and the Cambodian government continues and in case of significant progress, particularly on civil and political rights, the EU may restore full preferential access to its market.

The Rectangular Strategy – Phase IV (RS-IV) represents the development vision of the Government of the Kingdom of Cambodia’s for the period 2019-2023 and the themes are Growth, Employment, Equity and Efficiency. The RS-IV comprises a core of governance reform and four priority objectives (“rectangles”) and aims to support Cambodia in its transition towards becoming an upper middle-income economy by 2030 and high-income by 2050. The National Strategic Development Plan (NSDP) 2019-2023, which integrates the Cambodian Sustainable Development Goals (CSDGs), operationalizes the RS-IV agenda and provides indicative costings and a monitoring framework. Both documents, as well as Cambodia’s medium-term strategies and policies to guide the country towards development and growth, have served as the basis for analysis and dialogue with the Royal Government and other stakeholders in preparing the new Multi-Annual Indicative Programme (MIP) 2021-2027, and the Joint European Strategy for Development Cooperation with Cambodia 2021-2027 (JES). During 2023, the Government has been preparing the successor strategy, commonly referred to as the “Pentagon strategy”. Building on the same priority objectives of the Rectangular Strategy, this upcoming updated strategic vision will include also “digitalisation” as a fifth priority.

1.4. Current situation in the sector

The Multi-annual Indicative Programme (MIP) 2021-2027

Under the MIP 2021-2027 the EU committed to continue working with Cambodia in support of the Public Finance Management (PFM) reform (SDGs 16 and 17). Since the launch of Stage 1 of the PFM reform in 2005, it has led to significant improvement in revenue mobilisation, better alignment of expenditure with national priorities, availability of financial information for timely decisions and increasing accountability and transparency. PFM improvements have also led to increased budget credibility and predictability, which have been instrumental to maintain macroeconomic stability and resilience to external economic shocks, have supported economic growth and enabled a rapid response by the government to the COVID-19 crisis in 2020 and 2021. The MIP 2021-2027 has allocated EUR 37 million to reforms in Governance, including EUR 31 million to support the EU-Cambodia Partnership for Public Financial Management Reform (Stage IV) with the aim of improving efficiency, transparency and accountability in management of public funds to improve public service delivery. To ensure that the progress in PFM is further strengthened, it is important to improve efficiency of the public administration and to include measures in favour of civil society.

Under the MIP 2021-2027, the EU also committed to support Education and Skills Development which is directly linked to green growth and decent jobs, as the weak education system and lack of skills have been identified as one of the major obstacles for the country to attract further investments, the private sector to expand and the people to find (formal) decent employment opportunities. In the first half of 2024, the EU will launch a new programme, the “Transforming Technical Education EU-Cambodia Partnership 2024-2027” with a total allocation of EUR 49 million to support both MIP priority 2 (Education and Skills Development) and MIP priority 2 (Good governance).

The Joint European Strategy (JES)

The EU-Cambodia Partnership for Public Financial Management Reform (Stage IV) will also contribute to the implementation of the Joint European Development Cooperation Strategy for Cambodia 2021-2027, notably Priority 1 “strengthen democratic accountability, integrity and effectiveness of Cambodia’s public institutions, systems and services at all levels (“supply side of governance”), with particular focus on major governance reform programmes, including corruption”. Under Priority 1, the European partners agreed to support the Public Financial Management (PFM) Reform Program to enhance fiscal discipline, raise efficiency and transparency on budgeting and accountability, increase domestic resource mobilisation, improve allocation of financial resources for a better-quality service delivery, citizen’s participation and Parliamentary oversight. The European Partners agreed to support a greater involvement of line ministries in the implementation of the reform program. Under Priority 2, European partners agreed to foster democratic participation,

respect for human rights, gender equality, and support an enabling environment for civil society in Cambodia ('demand side of governance').

Global Gateway

The ongoing and upcoming activities under MIP are aligned and contribute to the EU Global Gateway; a new European strategy to boost smart, clean and secure links in digital, energy and transport sectors and to strengthen health, education and research systems across the world. It stands for sustainable and trusted connections that work for people and the planet, to tackle the most pressing global challenges, from climate change and protecting the environment, to improving health security and boosting competitiveness of global supply chains. Good governance and transparency is one of the six key principles of Global Gateway and Public Financial Management reform is considered an enabler of Global gateway priorities.

The EU-Cambodia Partnership for Public Financial Management Reform (Stage IV)

The EU-Cambodia Partnership for Public Financial Management Reform (Stage IV) is a budget support programme involving direct support for reforms in six key areas (Domestic Revenue Mobilisation, Budget Transparency, Public Investment Management, Public Procurement, development of the Financial Management Information System (FMIS) and budget accountability and external audit. The programme also includes a twinning project with the National Institute of Statistics, a twinning project with the General Department of Taxation of the Ministry of Economy and Finance, support for Civil Society Organisations (CSOs) in cooperation with the Swedish International Development Cooperation Agency (Sida), support for the World Bank PFM support via a Trust Fund and technical assistance. The programme entered into force on 8 December 2022 and jointly launched in a public ceremony by the MEF and the EU on 1 February 2023.

The Transforming Technical Education EU-Cambodia Partnership 2024-2027

The Transforming Technical Education EU-Cambodia Partnership 2024-2027 is a budget support programme involving direct support for reforms in six key areas: Increased equitable access to secondary school, Work-Based Learning integration, improved teacher training in technical education, increased equitable access to STEM majors, as well as two areas directly related to PFM reforms, such as availability of quality financial data, accountability for performance. The programme also includes a twinning project on technical education, and other complementary measures. Among its induced outputs (IO) is IO 2.2 Enhanced Accountability for Performance. The programme will be signed in the first half of 2024.

Cambodia's Public Finance Management Reform Programme (PFMRP)

Efforts to reform the Cambodian public finance management (PFM) system started in 1995 with a number of initiatives, mostly donor-driven, but which achieved minimum impact on the overall system. In 2001, a more systematic approach was taken with the Technical Co-operation Assistance Programme (TCAP), which operated until 2004. Although TCAP failed to profoundly transform PFM in the country, it helped raise the authorities' awareness that PFM reforms are critical to the achievement of Government objectives. It also helped with comprehending how PFM reforms are linked to other government reforms such as the Public Administration Reform (PAR) and the Sub-National Democratic Development reform (SNDD). Lessons learnt from the relative failure of the TCAP helped with the formulation of a new strategy.

The **Public Finance Management Reform Programme (PFMRP)** is part of the three reforms launched in 2004, which later became the 3+1 reforms¹. The PFMRP consists of four successive

¹ 3+1 reforms include: (1) Public Financial Management, (2) Public Administration Reform, (3) Sub-National Governance and (4) Justice Sector Reform.

stages implemented under four sequenced platforms: (i) budget credibility; (ii) financial accountability; (iii) priority and budget linkages; and (iv) accountability for results.

Platform 1 (budget credibility) is about developing a credible budget and delivering predictable resources. It includes establishing the Single Treasury Account, strengthening revenue collection and developing fiscal space, improving revenue forecasting and macro-fiscal modelling to ensure fiscal sustainability, establishing cash management procedures, implementing procurement reform, and finally putting in place a debt management strategy with modern management tools.

Platform 2 (financial accountability) aims at providing financial information in a timely manner mainly through Financial Management Information System (FMIS) implementation and improving internal control to hold managers accountable. It includes implementing a modern chart of accounts based on IPSAS standards, developing new budget classification, a transaction coding structure and accounting rules, implementing a FMIS, clarifying line of responsibilities through a clear budget entity structure linked to a responsibility/expenditure assignment, and developing a reporting structure, including financial statements that comply to international standards.

Platform 3 (budget-policy linkage) focuses on improving linkage between economic planning and economic policy priorities as reflected in the National Sustainable Development Plan (NSDP) and budget planning. It includes developing a hierarchy of medium term programming tools and implementing programme budgeting with some elements of fiscal decentralisation.

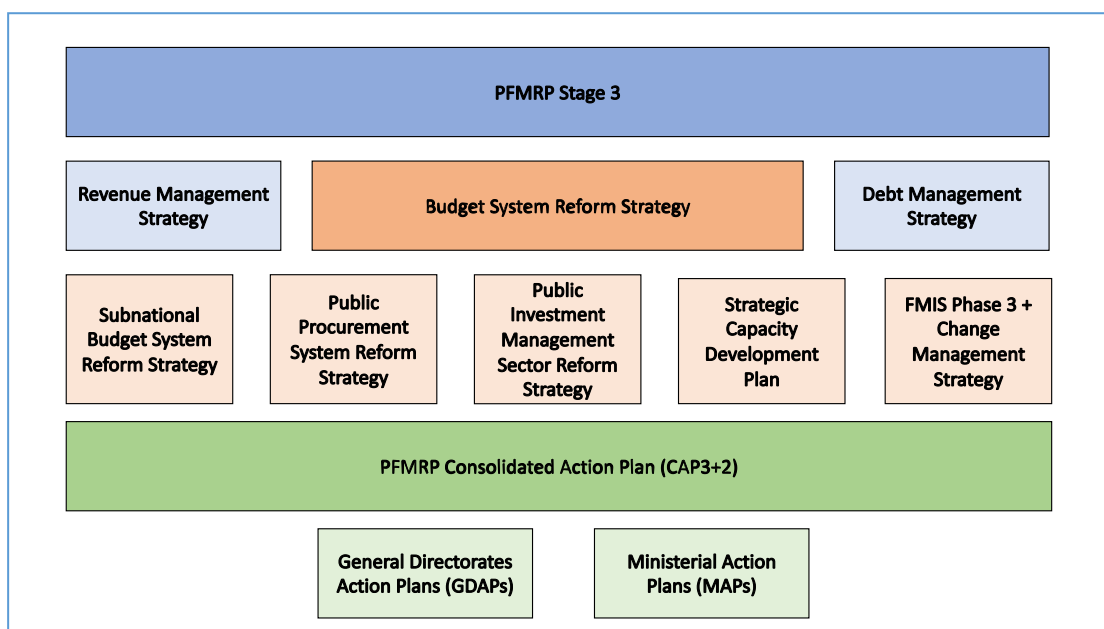
Finally, **Platform 4 (performance-based management)** intends to deliver broad accountability through better-designed PFM processes and performance-based management.

The specificity of the platform strategy is that it combines the logical interdependence between reforms with a clear prioritisation of tasks based on a diagnostic of the PFM system vulnerability. Platforms can run parallel to one another, but remain relatively independent, provided that basic functions are already implemented. The initial timeframe for completing the four platforms was set unrealistically at eight years (2004-2012). It is now considered that the whole reform programme could not realistically be completed before at least 2025 (and later, not before 2027), considering the slowdown in reform implementation in 2020 and 2021, in part related to the COVID-19 pandemic.

The PFM RP, which sets the main direction for reform, is complemented by a series of key reform strategies with detailed action plans to operationalize the reform across the different PFM areas up until 2025. Together, the PFM RP and these strategies form the public policy package for the reform of PFM in Cambodia to 2025. First of them is the overarching **Budget System Reform Strategy 2018-2025 (BSRS)**: whereas the PFM RP sets the broad targets for reforming the overall PFM system, the BSRS defines a set of realistic and achievable objectives for the development of the budget system of Cambodia and describes the overall strategy, policies and actions that will be required to achieve these goals. The BSRS takes a broader view of the meaning of the Budget System as a core PFM reform agenda centred around the long-term goal of achieving performance budgeting. The BSRS provide guidance and direction to other budget system reform strategies, such as:

- The Revenue Mobilization Strategy 2019-2023
- The Sub-National Budget System Reform Strategy 2019-2025
- The Public Procurement System Reform Strategy 2019-2025
- The Public Investment Management Sector Reform Strategy 2019-2025
- The Public Debt Management Strategy 2019-2023
- The Strategic Capacity Development Plan 2021-2025
- The FMIS Phase III (2021-2025) and FMIS Change Management Strategy.

Graph 1: Structure of the PFM reform strategic framework of Cambodia



In order to ensure appropriate coordination, the platform approach is implemented in stages. Each stage has its own PFMRP document (currently the PFMRP Stage 4, but de facto still in the closing phase of Stage 3), which is accompanied by a corresponding Consolidated Action Plan (CAP) used for PFMRP implementation monitoring. CAPs effectively consolidate the main PFMRP indicators based on the BSRS and all other PFM areas strategies and their detailed action plans which include annual indicators and targets.

The planning of Stage 3 of the reform started in 2015 with the development of the CAP3 2016-2020. Elements of Platforms 1 and 2 that still required development were included, but with focus on Platform 3 activities. The CAP3 2016-2018 was presented in March 2016 but was still being amended by the end of 2016. It was then decided to turn it into a CAP3 2016-2020, which was approved by the PFMRP Steering Committee in January 2017, drawing on the PEFA 2015 update. The CAPs are updated periodically, as they are implemented in a very dynamic environment involving several comprehensive sub-sector reforms and parallel public sector reforms. The CAP3 2016 - 2020 followed the adoption of the Budget System Reform Strategy 2018-2025.

The last available CAP is the 'CAP3+2' which covered 2021-2022 and represented an extension of CAP3, as important actions part of the 3rd stage of the PFMRP were delayed, in particular the finalisation of the draft new Public Finance System Law, notably because of the pandemic. The CAP3+2 builds on the findings of the 2020 PEFA update and comprehensive CAP3 Review conducted in 2020. The CAP3+2 is structured around five parts:

- Part 1: Further strengthen budget credibility: revenue mobilisation; debt management; cash management and accounting; budget execution;
- Part 2: Further strengthen financial accountability: implementation of chart of accounts and budget classification; implementation of new business processes and budget execution; implementation of new accounting, recording, and reporting systems; improve internal control systems; enhance budget transparency
- Part 3: Budget-policy linkages: strengthen and expand implementation of programme budgeting; budget integration (Budget Strategic Plans, Capital/Recurrent budgets); budget entity framework and accountability rules; policy development and medium term budget planning (MTFF, sector financial policies, MTEF); develop and reform internal control and audit functions, and external audit (NAA); fiscal decentralisation
- Part 4: Readiness for next platform: develop framework for performance-based budgeting, management and audit; develop and implement a capacity development plan;

- Part 5: Support to successful and sustainable implementation of PFMRP: improve reform management and coordination; capacity development and incentive measures; capacity building for PFMRP Platform 3 implementation.

CAP4, which will allow for PFMRP monitoring in 2023-2027, will consolidate key elements from the existing PFM areas strategies mentioned above and their action plans until 2027. The official launch of CAP4 took place on 20 March 2023 and the action plan is available.

Management and Monitoring of the PFMRP

A complex but efficient management structure has been put in place to manage the PFMRP, consisting mainly of the PFMRP Steering Committee, chaired by the MEF Minister and gathering all Directors General and Secretaries General in charge of finance in the line ministries meeting on quarterly basis, and the PFM Technical Working Group (TWG), co-chaired by the MEF Minister and a lead donor coordinator (currently European Union and ADB). A PFMRP Steering Committee General Secretariat (GSC) serves as the secretariat for the PFM Steering Committee and supports MEF general departments and working groups for technical and administrative matters, and acts as a liaison with other line ministries and agencies and development partners. This institutional structure is complemented by PFM Reform Working Groups established in all ministries.

Policy Financing of PFMRP

The PFMRP Stage 3 effectively started in 2016 with the draft CAP3 2016-2020, subsequently finalised and approved as the CAP3 2017-2020 and recently extended for 2 more years (“CAP3+2” 2021 and 2022). The MEF had originally costed CAP3 reforms at USD 40.2 million, including USD 17.7 million for FMIS (however, the FMIS budget soared to USD 28 million) but the final costs of the reforms were eventually higher. GSC PFM estimates a total cost of reforms at USD 60 million between 2016 and 2022 (USD 44 million for 2016-2020 and USD 16 million for CAP3+2 extension in 2021 and 2022) CAP3 and CAP3+2 have been mostly financed by the EU budget support programme and government contributions. MEF has internally allocated most of the EU funds to the rollout of the Financial Management Information System (FMIS), with an average estimate of 40% per year (reaching in some years higher levels such as it’s the case for 2023 with an estimated 60% use for FMIS development).

The continued provision of international expertise continues to be required for policy advice, technical assistance and know-how transfers. This is expected to be covered mainly by development partners and several have already committed to provide funding in support of the CAP4: mainly the EU, the WB (with the new Multi-Donor Trust Fund which was extended in 2022 to cover until end of 2024) and ADB, but also the AFD (offering support in particular for developing PFM related legislation and for greening PFM) and Australia.

Financial sustainability of the recently launched CAP4 will depend on mobilisation of domestic and external funds to cover FMIS Phase 3. Nevertheless, MEF is fully committed to implementation of the PFM reform and development partners continue to support the reform as it is considered highly successful. Hence, it is expected that financial resources will be made available to implement CAP4. The current estimate of GSC PFM is that CAP4 will cost around USD 20 million per year (USD 100 million in 5 years between 2023 and 2027). The costs are expected to be covered by EU budget support (“counterpart funding”), by the general budget of the government and by a fund for PFM reforms which will be set-up in 2023 and fed by non-tax revenues from public services (with an estimated contribution of USD 10 million per year once fully operational).

1.5. Related programmes and other donor activities

The European Union, Swedish International Development Cooperation Agency (Sida) and the Department of Foreign Affairs and Trade (DFAT, Australia) decided in 2006 to coordinate their funding efforts through a trust fund managed by the World Bank. The harmonised funding helped supporting the overall reform and is projected to continue at least until the end of 2024 (solely with funding from EU and Australia). In 2015, EU support to the PFM reform began to be implemented

under budget support modality and a joint programme with Sida “*Partnership for Accountability and Transparency*” was also launched (Phase I 2016-2019, Phase II 2020-2022). The PAT project closed at the end of 2022 and the EU is preparing successor programme to further support to CSOs in cooperation with SIDA.

Complementary to EU support to the PFM RP, other DPs and institutions are providing direct support to the Government:

- IMF finances two technical advisors to MEF in the fields of accounting, budget execution, macro-economic analysis and custom revenues and procedures. IMF Fiscal Affairs Department (FAD) and Technical Assistance Office in Thailand (TAOLAM) provides technical assistance (TA) missions to monitor and advise on progress of the FMIS Phase II roll-out and define the scope of the IMF’s support related to this initiative. A dedicated IMF mission will also be conducted by the end of 2023 on GovTech system integration/interfacing in Cambodia, including with FMIS. Since August 2021 the IMF has also started to provide TA on Gender Responsive Budgeting to the Ministry of Economy and Finance (MEF) and the last gender Budgeting mission took place in November 2022 (report to be finalised before the end of 2023). The IMF also engaged in the preparation of a Public Investment Management Assessment (PIMA) including the climate change module (C-PIMA) and the report was finalised in April 2023.

- ADB is working with Cambodia to improve public services with a focus on the poor and vulnerable groups. The project is strengthening oversight of public expenditures with a focus on public debt management, program budgeting, financial management, and internal audits. ADB has an ongoing policy-based concessional loan on strengthening Public Financial Management Programme of USD 30 million which is expected to end in 2022, subject to the approval of a new PFS law. ADB is planning a second phase of the same project, still in the form of a policy-based highly concessional loan, and increasing the amount to USD 40 million. This second phase is scheduled for approval in November 2023.

- AFD has been providing technical assistance to the Ministry of Economy and Finance (ME), including on the preparation of the Public Finance System (PFS) Law promulgated in 2023. AFD started a new phase of technical assistance in September 2023 (third phase) and they will focus their support on secondary legislation implementing the PFS law, on budgetary and accounting reforms, on performance budgeting and on Green Budgeting.

- UNICEF: Support to Public Finance Management Reform in the area of strengthening programme-based and performance-informed budgeting capacities of key social ministries and sub-national administrations. The focus is on development and dissemination of relevant tools, such as budget formulation and execution manuals, and on quality improvement of evidence-based annual budget proposals. Specific focus is on improving budget transparency and accountability in collaboration with MEF, and improving citizens’ access to line ministry and sub-national administrations’ budgets. In addition, the Programme Improving Synergies between Social Protection and Public Finance Management (SP-PFM, multi-country) supports Cambodia, to build sustainable social protection financing strategies. The Programme is funded by the EU, as part of the ILO Flagship Programme on Social Protection, and jointly implemented by the ILO, UNICEF and the Global Coalition for Social Protection Floors (GCSPF).

- JICA provides support to public financial management reform since a number of years, but it recently focused on the area of customs reform. Among the key ongoing activities, JICA is working on a strategic and internationally recognized tool to measure the actual time required for the release and/or clearance of goods (Time Release study 2021), on a cross-border management study, on customs publication printing and also capacity building of General Department of Customs and Excise of Cambodia (GDCE) officers.

- DFAT, as of September 2023, is considering the provision of technical assistance to the Ministry of Economy and Finance (and in particular to GSC PFM) in addition to the support

provided through the WB MDTF on Service Delivery. The details remain to be defined in 2024 along with a possible additional financial contribution to a new WB MDTF.

2. OBJECTIVES & EXPECTED OUTPUTS

2.1 Overall objective

The overall objective (Impact) to which this action contributes is as follows:

Support the implementation of Cambodia's Public Financial Management Reform Programme (PFMRP), including the related strategies and consolidated action plans (CAPs).

2.2 Specific objective(s)

The specific objectives (Outcomes) of this contract are as follows:

Specific objective (Outcome) 1

Provide on-demand technical assistance open to all Government entities targeted by the EU-Cambodia Partnership for Public Financial Management Reform, either in the identified key aspects of the eligibility criteria for the fixed tranche or as part of the institutions identified as key partners for the implementation of the variable tranche indicators. Government entities will include the Ministry of Economy and Finance (MEF) and other key ministries and institutions such as the Ministry of Civil Service (MCS), the Ministry of Education, Youth and Sport (MoEYS) and the National Audit Authority (NAA). The technical assistance will support the above mentioned government entities to formulate, plan and implement reform activities to enhance budget credibility, financial accountability and transparency, strengthen efficient budget-policy linkages (including on Climate Change and Gender) and develop capacity for PFM and service delivery with a focus on domestic resource mobilisation, revenue management (administration and policy), budget comprehensiveness and budget transparency (including budget oversight), public investment management, public procurement, digitalisation through the strengthening of financial management information system (FMIS), accounting and reporting.

Specific objective (Outcome) 2

Provide support to the EU Delegation, including through assessments, feasibility studies, reports, policy analysis to monitor the implementation of the PFM and enhanced accountability for performance in service-delivery reforms in the context of the PFM programme "EU-Cambodia Partnership for Public Financial Management Reform (Stage IV)" as well in relation to the "Transforming Technical Education EU-Cambodia Partnership 2024-2027" and, whenever relevant, of other operations of the EU in Cambodia (including, but not limited to, all other budget support operations) and promote policy dialogue and reform coordination.

2.3 Expected outputs to be achieved by the contractor

The team of experts is expected to assist the EUD in achieving the above objectives, through the delivery of the following outputs:

Output 1: Strengthened institutional capacity for effective policymaking, reform planning and reform implementation for the Ministry of Economy and Finance and for the Ministry of Civil Service (MoCS).

Output 2: Increased capacity of the Ministry of Economy and Finance (MEF) and of Ministry of Education, Youth and Sport (MOEYS) to deliver policy, legislative, regulatory, to strengthen PFM systems and to deliver its services to the citizens in enhanced accountability for performance.

Output 3: National Audit Authority has increased capacity to execute its oversight function.

Output 4: The EU Delegation to Cambodia has increased capacity to facilitate the reform process and make well-informed decisions in particular concerning budget support operations as well as other programmes of the MIP in Cambodia.

The following are cross-cutting objectives of the contract. The contractor is expected to take them into account throughout implementation of all tasks:

- **Environmental Protection & Climate Change.** The action will integrate environmental and climate change considerations.
- **Gender equality and empowerment of women and girls.** A gender responsive approach will be applied throughout implementation in all activities undertaken.
- **Human Rights.** Respect for human rights is a fundamental value of the European Union. The various human rights impacts will be taken into consideration and especially as they affect those who are living in the most vulnerable situations (or potentially living in vulnerable situations), marginalised or discriminated against, such as women, youth, the elderly, indigenous peoples and minority communities. A human rights based approach will be applied throughout, ensuring meaningful and inclusive participation, non-discrimination and equality as well as accountability and transparency.
- **Disability.** In all activities all possible measures will be taken to address this issue and ensure an inclusive policy dialogue. Therefore, attention will be paid to ensure and enable the participation of people with disabilities in the activities, and to ensure that the achieved results will be accessible for people with disabilities.
- **Democracy.** Strengthening democracy and enhancing good governance and the rule of law are key principles and their relevance to the topics covered by the action is directly reflected in the design of the action which supports inclusive dialogues, participatory processes, clear and reliable regulatory frameworks, transparency and better access to information.
- **Digitalisation.** The promotion of digital solutions and technologies will be promoted throughout the action where relevant to support the digital transition.

3. ASSUMPTIONS & RISKS

3.1 Assumptions underlying the project

It is assumed that the overarching political climate will remain favourable and the relation between the EU and Cambodia will continue to be based on constructive dialogue and good cooperation spirit.

3.2. Risks

The following risks need to be taken into account:

- **Human rights related risks.** The implementation of policy priorities to be promoted through this action, including accountability and transparency of government's actions, may be challenging without a sufficient human rights based approach;
- **Corruption and external oversight.** Effectively tackling corruption remains a potential risk for the objectives of mobilising further domestic revenue and budget reforms. The National Audit Authority (NAA) strategic plan remains outside the PFMRP creating risk that key accountability and transparency issues are not addressed through support to the PFMRP;
- **Climate change mitigation and adaptation.** Cambodia is one of the most vulnerable countries to climate change in the world, while government capacities and resources, in particular at subnational levels, are very limited, including for green PFM activities;

- **Inclusive growth, inequality and women's economic empowerment potentially** leading to low support for some of the related reform activities in PFM (example: Gender Budgeting; policy and budget analysis calling for increases of social spending);
- **Capacity and Institutional.** Constraints to capacity in the Line Ministries to implement reforms, as well as uneven and uncoordinated progress among the public governance reforms;
- **Public Procurement.** Weak procurement practices leading to leakages and, more broadly, public procurement as a sensitive area of reform;
- The willingness on the part of the Government of Cambodia to engage in constructive dialogue with the EU may represent a risk especially in relation to more politically sensitive subjects;
- Occasionally limited accessibility to source of information by the experts may also be a risk affecting efficient production of the desired analysis.

4. SCOPE OF THE WORK

4.1 General

4.1.1 Project description

The project is designed to support and facilitate the implementation of the Public Finance Management Reform Programme (PFMRP) in Cambodia and in particular of its Stage 4 on performance-based management which intends to deliver broad accountability through better-designed PFM processes and performance-based management. The project also aims at supporting the monitoring and implementation of the EU budget support programmes in Cambodia and in particular of the “EU-Cambodia Partnership for Public Financial Management Reform (Stage IV)” signed on 8 December 2022 (and of any possible successor PFM programme), as well as the implementation of the “Transforming Technical Education EU-Cambodia Partnership 2024-2027” which is expected to be signed in the first half of 2024.

The project will contribute to implement the MIP Priority Area 3 (Good Governance) and to achieve its Specific Objective 1 to improve efficiency, transparency and accountability in management of public funds to improve public service delivery thus underpinning the two other MIP priority areas of Green growth and decent jobs and Education and skills development (MIP Priority Area 2) with the understanding that without a better functioning public financial management, the potential for a transformative impact of all EU interventions in Cambodia would be at risk. The team of experts will support the European Union Delegation to ensure the effective and timely coordination including through the Technical Working Group on Public Financial Management Reforms ², as well as other coordination structures.

Flexible, high quality and timely expertise, and ancillary services, shall be provided by the team of consultants to ensure the successful implementation of assignments in the third priority of the MIP (3) Good governance and the second (2) Education and skills development. In particular, the team of experts shall facilitate the successful implementation of the “EU4PFMCambodia - Institutional strengthening and policy dialogue support in the framework of the EU-Cambodia Partnership for

² Technical Working Groups (TWGs) were established by the Royal Government of Cambodia (RGC) in 2004 to serve as coordinating bodies and partnership dialogue mechanisms that bring together the RGC, development partners, associations and NGOs to support the attainment of national development priorities. Twenty TWGs currently function across a range of sectoral, thematic and major governance reform programmes. EU and MS are actively participating in those TWGs, with the EU serving as the DP facilitator in Public Financial Management TWG and Fisheries TWG.

Public Financial Management Reform” and “Transforming Technical Education EU-Cambodia Partnership 2024-2027”.

In terms of results, this project intends to:

Output 1: Strengthened institutional capacity for effective policymaking, reform planning and reform implementation for the Ministry of Economy and Finance and for the Ministry of Civil Service (MoCS).

- Increased capacity of policy and strategy making departments of the Ministry of Economy and Finance (MEF) to facilitate the reform process and make well-informed decisions;
- Contributions are made to inform dialogue on reforms through studies and on-demand analytical work and the organisation of events leading to strengthening the effectiveness of the public financial management reform;
- Improved MEF staff training and training programmes, on the basis of demand;
- Support to the coordination and implementation of 3+1 reforms is provided (Public Finance Management, Public Administration Reform, Deconcentration and Decentralisation reforms and justice sector reform - need to progress in a well-coordinated and mutually-supporting manner through a joined vision and strategy under CAP4);
- Support to ensure effective dialogue and coordination among all concerned stakeholders from Government, development partners, civil society and the private sector;
- Support to capacity development and institutional building of the Ministry of Civil Service (MCS), including through technical assistance and exchange of public expertise in Public Financial Management;
- Public Administration Reform (PAR) related analytical work is prepared on the basis of demand.

Output 2: Increased capacity of the Ministry of Economy and Finance (MEF) and of Ministry of Education, Youth and Sport (MoEYS) to deliver policy, legislative, regulatory, to strengthen PFM systems and to deliver its services to the citizens in enhanced accountability for performance.

- Support to Ministry of Economy and Finance (MEF) to deliver policy, legislative, regulatory and PFM systems reform;
- Support to capacity development and institutional building of the Ministry of Economy and Finance (MEF), including through technical assistance and exchange of public expertise in Public Financial Management;
- Demand driven technical assistance is provided to support the MEF to address emerging strategic policy and/o technical issues and development of legislation in alignment with the PFM strategies and/or with national development priorities;
- Demand driven technical assistance is provided to support institutions/departments working towards achieving objectives in line with:
 - o the PFM budget support eligibility criteria of: (1) public policy; (2) macro-economic stability; (3) Public Finance Management; (4) Transparency and oversight of the budget;
 - o the “EU-Cambodia Partnership for Public Financial Management Reform (Stage IV)” variable tranche indicators relating to domestic revenue mobilisation, budget transparency, public investment management, public procurement, development of the Financial Management Information System (FMIS), budget accountability and external audit;
 - o other Government demand driven requests for specific sectorial support, in particular to promote the implementation of climate change and gender related

policies (i.e. Gender budgeting), and other priorities of the PFM strategic package, of the Consolidated Action Plans (CAPs), or supporting the implementation of the good governance priority area of the Multi-annual Indicative Programme 2021-2027.

- Support to capacity development and institutional building of the Ministry of Education, Youth and Sport (MOEYS), including through technical assistance and exchange of public expertise in Public Financial Management and on overall Education Strategic Plan (ESP) implementation;
- Support to Ministry of Education, Youth and Sport (MoEYS) to deliver policy, legislative, regulatory and PFM systems reform as well as on implementing any reform strengthening its capacity to deliver services to Cambodia's citizens;
- Demand driven technical assistance is provided to support the MoEYS to address emerging strategic policy and/o technical issues and development of legislation in alignment with the PFM strategies, with the broader national development priorities and/or with the Education Strategic Plan (ESP);
- Demand driven technical assistance is provided to support institutions/departments working towards achieving objectives in line with:
 - o the PFM budget support eligibility criteria of: (1) public policy; (2) macro-economic stability; (3) Public Finance Management; (4) Transparency and oversight of the budget;
 - o The variable tranche indicators of the new Education budget support programme which is expected to be launched in the first half of 2024 ("Transforming Technical Education EU-Cambodia Partnership 2024-2027").

Output 3: National Audit Authority has increased capacity to execute its oversight function.

- Support to capacity development and institutional building of the National Audit Authority (NAA), including through technical assistance and exchange of public expertise in Public Financial Management and Public Administration Reform; Demand driven technical assistance provided to support for the NAA to strengthen NAA's PFM and budget oversight functions as identified during the project inception phase conjointly by the beneficiary and the EUD, in consultation with the IMF (and other development partners active in the field);
- Increased capacity to carry out audit of relevant entities information systems, including training and the development of IT audit guidelines.

Output 4: The EU Delegation to Cambodia has increased capacity to facilitate the reform process and make well-informed decisions in particular concerning budget support operations as well as other programmes of the MIP in Cambodia.

- Improved analytical work and stakeholder consultations on national development policies and in particular through annual budget analysis of the main sectors of EU involvement in Cambodia and supporting the EU in the response to current country's needs and policy priorities (Including in particular the 3 MIP 2021-2027 priorities);
- Improved analytical work in PFM in any of the sectors of EU intervention in Cambodia (including, but not limited to, climate change, fisheries, social protection, agriculture) and in sectors particularly relevant to improve service delivery to citizens (health, education);
- Improved EUD analytical work as well as monitoring and reporting on budget support disbursement file(s), including sources of verification and other preparatory documents (i.e. PFM AMR reports);

- Drafted Action Documents (AD) and related documentation (eligibility analysis) for possible future budget support operations;
- Seminars, workshops, meetings, and conferences are organised covering areas of EU intervention in Cambodia (i.e. events on PFM related topics);
- Studies and analysis on Public Financial Management are produced, including notably budget analysis and on mainstreaming of gender and climate change;
- Enhanced monitoring of progress of the implementation of the Sector Reform Performance Contract “EU-Cambodia Partnership for Public Financial Management Reform (Stage IV)” including monitoring of the implementation of the variable tranche indicators;
- Strengthened monitoring of the EU budget support programme on education launched in 2024 (“Transforming Technical Education EU-Cambodia Partnership 2024-2027”), including eligibility criteria, implementation of its variable tranche indicators and on informing annual assessments for the preparation of disbursement files and policy dialogue;
- Enhanced coordination of the budget support component with all complementary measures of the programme, including the Twinning with the National Institute of Statistics (NIS), the Twinning with the General Department of Taxation (GDT), the activities implemented through the World Bank managed Multi-Donor Trust Fund on PFM and Service Delivery (including any successor TF), the EU-SIDA support to Civil Society Organisations (CSOs), any EU provided technical assistance and activities implemented under this project.

4.1.2 Geographical area to be covered

The geographical zone benefiting from the action is Cambodia.

4.1.3 Target groups

Target groups are executive bodies, such as government ministries, departments and agencies as well as oversight bodies (legislative and external audit), when appropriate, both at national and sub-national level. Relevant government training institutes will also be targeted.

Non-state actors (eg. civil society, academic and research institutions, private sector representatives) are also seen as stakeholders and may be targeted if and when justified needs arise.

The final beneficiaries are the citizens of Cambodia who will gain from strengthened management of public funds and increased capacity of public service delivery resulting from improved governance and improved public service administration.

4.2. Specific work

The team of experts is responsible for undertaking the following activities, under the direction and supervision of the Delegation of the European Union to Cambodia and on the basis of specific requests that will be further detailed in the course of the assignment.

The Contractor will be solely responsible for the implementation and internal monitoring of the project including the development of adequate procedures and processes to enable and optimise demand-driven technical cooperation inputs and the transparent and accurate management of incidental expenditures (travel costs and subsistence allowances for experts' and beneficiary missions, outside their normal place of posting etc.).

The Contractor will mobilise over a period of 29 months an in-country team key experts (KE) and non-key experts (NKE) to support on-going Government PFM reforms through early interventions aimed at policy development, policy implementation and institutional strengthening, specifically in the areas of the components outlined under section 2.3:

- KE1 – Team Leader (350 days);

- KE2- Senior Public Procurement Expert (220 days)
- A minimum of 1050 working days of non-key experts (NKE).

The Contractor will provide a detailed methodology as part of the submission of the offer taking into account the following:

- Support to identification, formulation, implementation of technical assistance to the Government of the Kingdom of Cambodia on supporting the Public Financial Management Reform Programme (PFMRP), including relevant cross-cutting issues (and in particular climate change and gender);
- Technical assistance to support PFM reforms within the EU-Government of the Kingdom of Cambodia cooperation and back-up EU budget support programmes during implementation, and in particular, but not exclusively, in support to:
 - All reform areas in the eligibility criteria of the EU-Cambodia Partnership for Public Financial Management Reform (Stage IV) and of the Transforming Technical Education EU-Cambodia Partnership 2024-2027.
- All reform areas in the variable tranche indicators of the EU-Cambodia Partnership for Public Financial Management Reform (Stage IV) (Domestic Revenue Mobilisation, Budget Transparency, Public Investment Management, Public Procurement, Financial Management Information System (FMIS), Budget accountability and external audit) and, on the basis of demand and in relation to PFM indicators, of the Transforming Technical Education EU-Cambodia Partnership 2024-2027. Project/programme monitoring, evaluation, review and learning, including data collection and processing, analysis, project briefs, report writing, infographic;
- Budget Analysis, preparation and exchange of future lessons learnt to support the implementation of any EU programme in Cambodia;
- Studies on relevant PFM issues, on cross-cutting issues (and in particular climate change and gender) and on relevant topics including relevant PFM assessments (PEFA, MAPS, others);
- Support to EU Staff in field missions, when required;
- Facilitate evidence-based and inclusive policy dialogue and stakeholder coordination as well as participate in multi-stakeholder forums and promote strategic partnerships with relevant stakeholders at national level, in particular with other Development Partners (DPs) active in PFM reforms (i.e. WB, IMF, ADB, AFD, UNICEF, SIDA, JICA and others);
- In coordination with the Communication and Visibility team, integrate and complement initiatives on communication of EU-Cambodia cooperation and EU joint program;
- On-demand technical assistance of relevant subjects;
- Translation and interpretation service.

Based on the information that will be provided by the EU, the Contractor shall perform the following management tasks:

- Ensure timely availability of all necessary resources and backstopping and coordination of the team of experts;
- Ensure prompt communication with the EU Delegation;
- Perform administrative, preparatory and ancillary tasks relating to planning, monitoring, reporting on project components, procurement and financial management;
- Perform supporting tasks (administration, logistics for meetings and conferences, etc.);

- These tasks will involve neither the exercise of public authority nor the use of discretionary powers of judgement.

4.3. Project management

4.3.1 Responsible body

The European Union Delegation to Cambodia.

4.3.2 Management structure

4.3.2.1 The EU Delegation (EUD)

The EU Delegation to Cambodia (EUD) will supervise the management of this project and undertake the following main tasks:

- Conduct high level policy discussion and liaison with technical counterparts and senior government representatives;
- Supervise the elaboration of and endorse the AWP and related documents (logical framework and budget) prepared by the Contractor;
- Supervise the implementation of the activities in accordance with EU procedures, in consultation with the Cambodian Authorities and other direct beneficiaries and with Development Partners active in PFM reform;
- Supervise the elaboration of and endorse the specific Terms of Reference drafted by the Contractor for mobilisation of the required NKEs;
- Consult with Cambodian Authorities for the approval of the experts proposed by the Contractor to implement the activities;
- Approve all reports on activities implementation prepared by the Contractor.

The EU Delegation will appoint a Programme Manager to oversee the implementation of the project.

4.3.2.2 Government counterparts

It is expected that the Ministry of Economy and Finance (MEF), notably the General Secretariat of PFM Reform Steering Committee (GSC) will be the key Government counterpart for components 1 and 2 of the project. Arrangements will be established for regular consultation with MEF and other beneficiary institutions over the life of the project as regards the priorities and specific activities under components 1,2 and 4, to ensure strategic coherence with government priorities and for the purposes of monitoring and reporting. The arrangements will be determined through discussions between the EUD and MEF, in which the Contractor will participate, after the signature of the contract. The Team Leader will support the consultation process agreed upon with MEF General Secretariat of PFM Reform Steering Committee (GSC).

Project counterpart for Component 3 is the National Audit Authority (NAA).

Project counterpart for component 4 is the EU delegation to Cambodia.

4.3.2.3 The Contractor

The Contractor will implement the activities under the supervision of, and report to, the EUD. The identification, planning and implementation of activities will require the Contractor to maintain regular close contacts with Government counterparts and, where relevant keeping the EUD fully informed about these contacts. In particular, the contractor will consult closely with beneficiaries as regards the formulation of ToRs and selection of NKEs that will need to be approved by the EUD.

The Contractor will monitor, supervise, and support the project team in Cambodia, and will be fully responsible for all project planning and management functions inclusive of drafting specific ToRs, quality control, reporting, financial management, and mobilisation of experts.

The Contractor will maintain contacts with the EU and Development Partners (DP) active in PFM through the existing coordination structure in Cambodia to ensure that the design of specific activities takes account of other DP-funded programmes.

The Contractor will not make commitments on behalf of the project outside of the framework of the AWP.

4.3.2.5 Project Review Meetings (PRM)

Project review meetings between the Contractor and the EU Delegation will be held regularly (i.e. every two months), in locus or remotely, or more often at the request of the EU Delegation. The periodicity of such meetings will be clarified during the inception phase and a calendar for these meetings should be established.

4.3.3 Facilities to be provided by the contracting authority and/or other parties

No office, secretarial, communication, logistical, transport or visa facilities are to be provided by the EU Delegation.

5. LOGISTICS AND TIMING

5.1 Location

The operation base for this Technical assistance will be Phnom Penh, Cambodia.

The minimum percentage of time which each key expert (KE1(TL) and KE2) should work in Phnom Penh, Cambodia shall be 60%.

Key expert 1 (Team Leader): The assignment is not required to provide continuous expertise throughout the contract period and may vary in intensity during the course of the project. He/she shall be required to be present in Phnom Penh/Cambodia at regular intervals for periods to be agreed with the EU Delegation, following a 60/40 division between work performed in Phnom Penh and home based.

Working days (60%) in Phnom Penh should concentrate on maximising activities with project counterparts (meetings, workshops, etc.) while home-based working days (40%) should concentrate on writing reports and analysis. The KE1 is expected to travel up to 5 times per calendar year.

Key expert 2: The assignment is not required to provide continuous expertise throughout the contract period and may vary in intensity during the course of the project. The expert shall be required to be present in Phnom Penh/Cambodia at regular intervals for periods to be agreed with the EU Delegation, following a 60/40 division between work performed in Phnom Penh and home based. Working days (60%) in Phnom Penh should concentrate on maximising activities with project counterparts (meetings, workshops, etc.) while home-based working days (40%) should concentrate on writing reports and analysis. The KE2 is expected to travel up to 5 times per calendar year.

The planning of presence of experts in Cambodia will need to be regularly discussed and agreed with the EU Delegation. The estimated dates will be agreed in the Annual Work Plans. Given the nature of the assignment, the results of the work will benefit from flexibility of the experts on the timing of the assignment.

Where necessary to achieve the results and specific activities foreseen in these terms of reference, and where formally and specifically requested to do so by the EUD in writing, the expert may undertake short-term missions outside of Phnom Penh.

It is not foreseen that short-term missions outside of Phnom Penh, including KEs and NKEs, will exceed thirty (30) working days per all experts, in total throughout the entire contract duration.

5.2. Start date & period of implementation

The intended start date is 1/07/2024 2024 and the period of implementation of the contract will be 29 months from this date. Please see Articles 19.1 and 19.2 of the special conditions for the actual start date and period of implementation.

Provided they are in conformity with the basic project, new services or works consisting in the repetition of similar services or works, may be entrusted up to 100% of the initial contract to the initial contractor by negotiated procedure without prior publication of a contract notice.

6. REQUIREMENTS

6.1 Personnel

Note that civil servants and other staff of the public administration, of the partner country or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

6.1.1 Key experts

Key experts have a crucial role in implementing the contract. These terms of reference contain the required key experts' profiles. The tenderer shall submit CVs and statements of exclusivity and availability for the following key experts:

Key expert 1 - Team Leader (350 working days)

The expert will oversee the management of the experts' team and project implementation. He/she will ensure coherence, quality and timeliness in the delivery of the outputs and reporting. The Team Leader will be the main interlocutor of the EUD and any other stakeholder in the implementation of the contract/project.

The Team Leader coordinates the work and the delivery of services required for each area of expertise. He/she plans and interacts regularly with the delegation to ensure that the pipeline services of the contract respond to the requirements and that are delivered in a timely manner. He/she will have an overall management and coordination role with respect to experts, staff and activities in Cambodia and will be responsible for the development of Annual Work Programmes and for updating logframes. He/she will interact regularly with MEF, and specified line ministries (i.e. MOEYS, MCS) at technical level and other key stakeholders. He/she advises and supports the planning, design and implementation, review and monitoring of the technical cooperation activities under each of the 4 component activities and the coordination with Development Partners active in PFM and as necessary with the private sector and Civil Society Organisations (CSOs). He/she will be responsible for drafting of ToRs for NKE inputs in close coordination with the Government and EUD, and submitting the TORs and CVs of the proposed NKEs for approval by the EUD. He/she will be responsible for the fulfilment of all reporting requirements contained within these ToR He/she will prepare the agenda and ensure secretariat services for the project coordination meetings.

Qualifications and skills:

- At least Master degree in Economics or equivalent, in Public Policy, Public Financial Management. In the absence of degree, equivalent professional experience in the sector, at least 3 years in addition to the general experience duration;
- Strong inter-personal skills and excellent skills in communication, negotiations and facilitating relations and to work as team player;

General professional experience:

- Minimum of 12 years of professional experience in Public Finance Management, PFM assessments, macro economy, budget transparency and public sector reforms;
- Experience as Team Leader in assignments related to EU funded development cooperation projects;
- Experience in project management including planning, budgeting, implementation and progress monitoring;
- Experience within the past 4 years of drafting good quality key-documents including concise correspondence and ability to defend orally and in writing difficult issues and positions to a variety of stakeholders;
- Strong expertise in monitoring and evaluation of Public Financial Management reforms and monitoring of EU Budget Support programmes, with documented experience in at least 2 relevant projects ;
- Experience within the past 4 years in EU cooperation procedures of project cycle management (programming, identification, formulation, contracting, monitoring and evaluation) and other EU instruments of development cooperation (i.e. Twinning, blending etc.) documented by experience in at least 2 relevant projects;
- Good understanding of cross-cutting issues i.e. human rights, gender, environment and climate change.

Specific professional experience (included in the general experience)

- Experience of at least 10 years in formulation, implementation or monitoring of Sector Policy Support programmes with a budgetary support component, preferably in EU financed programmes.
- Relevant work experience in South East Asia. Working experience and knowledge of Cambodia will be considered an asset.

Language skills:

- Excellent writing and speaking skills in English;
- Strong reporting and writing abilities.

Key expert 2 – Senior Public Procurement Expert (220 working days)

The expert will be responsible for assignments in the areas of reform of public procurement.

Qualifications and skills required:

- At least a Master's degree or equivalent preferably in law, economics, public administration, public finance management, public procurement. In the absence of a Master's degree a professional experience of at least 3 years in a field closely related to the assignment and to development work, in addition to the number of years of general professional experience stated below would be considered as equivalent;
- Good communication and writing skills;
- Good analytical skills on Public Procurement issues, documented by previous experience in public procurement projects and/or in publications on public procurement issues ;
- Strong inter-personal skills and ability to work independently and in a team.

General professional experience:

- A minimum 12 years of professional experience in Public Procurement systems and reforms;
- Minimum of 6 years of experience (included in the general experience) providing technical assistance in public procurement in developing countries with focus in policy development, strategic public procurement frameworks or development of procurement legislation. (Please note that the requirement refer to support in procurement policy development, strategic procurement frameworks and procurement legislation. Direct management of public procurement will not be considered as relevant experience under this criterion);
- Experience in at least 1 project involving development of legislative and regulatory provisions on public procurement;
- Experience within the past 4 years of drafting good quality key-documents including concise correspondence and ability to defend orally and in writing difficult issues and positions to a variety of stakeholders;

Specific professional experience (included in the general experience)

- Knowledge of EU project management procedures through a collaboration to at least one EU-funded project or programme in a leading position is an advantage;
- Relevant work experience in South East Asia;
- Working experience and knowledge of public procurement reforms issues in Cambodia will be considered an asset.

Language skills:

- Excellent writing and speaking skills in English;
- Strong reporting and writing abilities.

All experts must be independent and free from conflicts of interest in the responsibilities they take on.

6.1.2. Non-key experts

A minimum of 1050 working days of non-key experts (NKE) comprising long term and short term Senior and Junior **non-key experts) (900 days for Senior, 150 for Junior)** will be mobilised by the Contractor to enable the project to deliver the results as described in these Terms of Reference, and provide adequate professional inputs to each of the project outputs/components on a demand-driven basis.

The following indicative breakdown of NKE inputs is provided to ensure an appropriate balance of resource allocations to all components.

The use of NKEs for activities under each component will be approved by the EUD on the basis of specific Terms of Reference to be prepared by the contractor in consultation with relevant stakeholders, and CVs of suitably qualified experts.

The profiles of the non-key experts for this contract are as follows:

- Senior experts, with a minimum of 7 years professional experience in relevant field
- Junior experts, with a minimum of 3 years of experience in relevant fields

	% of NKE Total	Indicative Working Days	Notes
Component 1 (Output 1) Strengthened institutional capacity for effective policy making, reform planning and reform implementation for the Ministry of Economy and Finance and for the Ministry of Civil Service (MoCS)	36.1%	380	<i>NKE inputs to be defined and prepared by KE1 to provide technical capacity in the context of institutional development and public sector capacity strengthening for the Ministry of Economy and Finance (including all its General Directorates), as well as the Ministry of Civil Service as relevant.</i>
Component 2 (Output 2) Reform Support in the areas of budget support eligibility criteria and variable tranche indicators of the EU-Cambodia Partnership for Public Financial Management Reform (Stage IV) and of the Transforming Technical Education EU-Cambodia Partnership 2024-2027	33.3%	350	<i>NKEs, to be divided on a need-basis to support reform progress across the four PFM and Education eligibility criteria areas as well as towards the achievement of the variable tranche indicators.</i>
Component 3 (Output 3) Reform Support for the National Audit Authority (NAA)	15.23%	160	<i>NKEs to provide technical assistance to the National Audit Authority (NAA).</i>

Component 4 (Output 4) 15.23% 160 *NKEs to carry out specific analytical tasks upon EUD request.*
Enhancing the Responsiveness of EU interventions – notably budget support but not limited to - in Cambodia

Total **1050 NKE indicative working days**

The contractor shall propose in its offer a pool of long-term/short non-key senior/junior experts/Experts as defined above (including but not limited to the following profiles):

- Public Financial Management
- Public sector reform and Public Administration Reform
- Public Procurement
- Financial Management Information Systems (FMIS)
- Audit (including external and internal)
- IT Audit expert (including auditing of IT systems)
- Budget Analysis and Budget Transparency
- Capacity Building in PFM and of the public sector as a whole
- Education Financing

Other relevant long-term non-key senior/junior expert profiles may be defined during the inception phase.

The Contractor shall describe in its proposal the ideal mix of short and long-term experts (including junior and senior experts) to carry out the tasks which will not be performed by the Key Experts. Knowledge of the local context and local languages shall be prioritised during the selection procedure.

CVs for non-key experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to experts with the required profiles.

The contractor must select and hire other experts as required according to the profiles identified in the organisation & methodology and these terms of reference. It must clearly indicate the experts' profile so that the applicable daily fee rate in the budget breakdown is clear. All experts must be independent and free from conflicts of interest in the responsibilities they take on.

The selection procedures used by the contractor to select these other experts must be transparent, and must be based on pre-defined criteria, including professional qualifications, absence of conflict of interests, language skills and work experience. The findings of the selection panel must be recorded. The selected experts must be subject to approval by the contracting authority before the start of their implementation of tasks.

The Contractor will select and hire NKEs as required and upon approval of the EUD, according to the profiles identified in the specific ToRs that will have to be established and approved by the EUD. The profiles must be clearly defined so it is clear which fee-rate in the budget breakdown shall be applied.

The duration of NKE expert missions under the present ToR is not specified. Within the expert/days resources available for each component the contractor may propose missions of longer or shorter duration, subject to the specific needs in each component, in consultation with beneficiaries and the EUD.

NKEs will have professional and technical profiles that allow them to effectively and efficiently work with national counterparts and experts and consultants of other development partners. The NKEs will be expected to effectively develop synergies and complementary technical inputs to contribute to PFM capacity development, evidence informed legislative and/or policy making, and to introduce new systems and processes to modernise and upgrade planning and performance in service provision.

All NKEs will hold a university degree level, will be fluent in English (plus Khmer if requested) and computer literate, with verifiable and solid relevant professional experience. Previous experience in Cambodia or in South East Asia will be an advantage.

NKEs are expected to be based in Phnom Penh for the duration of their assignment. Experts may - under specific conditions and where formally and specifically authorized to do so by the EU in writing – perform their tasks remotely, either in part or in full. When part of the assignment of the expert is performed remotely, 5 working days can be authorised every 30 working days within the same assignment. Additional remote days will be possible if properly justified and with prior approval by the EU Delegation. Only exceptionally, experts will be mobilised through entirely remote assignments if widely renowned in their domain to provide punctual short-term key legal or technical expertise to specific important issues at stake, and upon prior approval by the EU Delegation.

NKE Profiles

The profiles of the non-key experts for this contract are as follows:

Under Component 1:

NKEs will work on a programme of activities in the area of good governance, public financial management and public administration capacity building including service delivery/education.

Under Component 2:

NKEs will provide high quality support to specific focal areas (PFM and Education budget support programmes, in relation to eligibility criteria and variable tranche indicators), mainly relating to public policy, PFM and budget transparency, as well as macro-economic policy. These NKEs will be expected to provide extensive services during the project's life maintaining continuity of inputs, and building confidence with Cambodian national counterparts. Other NKEs might be mobilised to provide technical cooperation in support of the Working Groups which are relevant to the activities of this project.

Under Component 3:

NKEs will implement specific activities in support of the National Audit Authority (NAA). These activities will be established in close consultation between NAA and the EUD, in consultation with the IMF (to ensure complementarity with capacity building provided by IMF on audit and ICT audit).

Under Component 4:

NKE(s) will be mobilised to support in policy analysis, in the implementation of the current PFM and the preparation of any possible successor PFM programme in 2025 or other budget support operations (Sector Reform Performance Contracts) on a request basis (notably on Education).

6.1.3 Support staff & backstopping

The contractor will provide support facilities to their team of experts (back-stopping) during the implementation of the contract.

Backstopping and support staff costs must be included in the fee rates.

6.2 Office accommodation

The costs of the office accommodation are to be covered by the fee rates.

When available, an office will be provided to both KEs and NKEs by the partner country institutions within the respective partner institution.

6.3 Facilities to be provided by the contractor

The Contractor must ensure that experts are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial, interpreting provision and resources are timely available to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

The contractor must also ensure that experts have access to telecommunications, relevant IT systems inclusive of file storage, printing, scanning and copying facilities.

Although the specific management structure and requested services do not foresee the requirement of establishing a permanent office with the permanent presence of experts in Phnom Penh, the Contractor is free to propose in the Organization and Methodology any setup it considers most appropriate for the successful implementation of the contract.

Activities requested are expected to vary in duration and intensity during the course of the contract. It is therefore, strongly advised to the Contractor to consider a set-up which allows for experts to rely on easily accessible support functions and equipped facilities, especially in Phnom Penh - where it is expected that the vast majority of activities will take place.

This support is to be provided by the contractor within the fee rates of its experts.

6.4 Equipment

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract that is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

6.5. Incidental expenditure

The provision for incidental expenditure covers ancillary and exceptional eligible expenditure incurred under this contract. It cannot be used for costs that should be covered by the contractor as part of its fee rates, as defined above. Its use is governed by the provisions in the general conditions and the notes in Annex V to the contract. It covers:

- Travel costs and subsistence allowances for missions, outside the normal place of posting, undertaken as part of this contract (Max 30 days). If applicable, indicate whether the provision includes costs for environmental measures, for example CO₂ offsetting.
- Costs associated with the organisation of meetings, trainings(10), workshops (8), including in each specific assignment (venue, facilities, catering, printing of background information materials for distribution, invitations, registration, translation and interpretation costs etc.);
- Translation/ Interpretation (from an agreed professional translation services);
- Production of communication and visibility material/items;

The provision for incidental expenditure for this contract is **EUR 200,000**. This amount must be included unchanged in the budget breakdown.

The contracting authority reserves the right to reject payment of per diem for time spent travelling if the most direct route and the most economical fare criteria have not been applied.

Prior authorisation by the contracting authority for the use of the incidental expenditure is needed.

Lump sums

No lump sums are foreseen in this contract.

Expenditure verification

The provision for expenditure verification covers the fees of the auditor in charge of verifying the expenditure of this contract in order for the contracting authority to check that the invoices submitted are due. The provision for expenditure verification for this contract is **EUR 20,000**. This amount must be included unchanged in the budget breakdown.

This provision cannot be decreased but can be increased during execution of the contract.

REPORTS

Reporting requirements

Please see Article 26 of the general conditions. Interim reports must be prepared every six months during the period of implementation of the tasks. The narrative report should be based on the monitoring and evaluation system set up in the contract, using the Logical framework matrix (annex b8g) if included in the contract. In the latter case, a narrative report must inform all the results as measured by the indicators defined in the logical framework. The narrative report must be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the general conditions.

There must be a final report, a final invoice and the financial report accompanied by an expenditure verification report at the end of the period of implementation of the tasks. The draft final report must be submitted at least one month before the end of the period of implementation of the tasks. Note that these interim and final reports are additional to any required in Section 4.2 of these terms of reference.

Each report must consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts, incidental expenditure and expenditure verification.

To summarise, in addition to any documents, reports and outputs specified under the duties and responsibilities of each key expert above, the contractor shall provide the following reports:

Name of report	Content	Time of submission
Inception report	Analysis of existing situation and work plan for the project	No later than 1 month after the start of implementation
6-month progress report	Short description of progress against the achievement of the results as spelled out in the Logframe (attached to the contract, if any). The progress report (technical and financial) should include problems encountered; planned work for the next 6 months accompanied by an invoice and the expenditure verification report.	No later than 1 month after the end of each 6-month implementation period.
Draft final report	Short description of the achievement of the results as spelled out in the Logframe (attached to the contract, if any). The draft final report should include a description of	No later than 1 month before the end of the implementation period.

	the problems encountered and recommendations.	
Final report	Short description of the achievement of the results as spelled out in the Logframe (attached to the contract, if any). The final report should include a description of the problems encountered and recommendations; a final invoice and the financial report accompanied by the expenditure verification report.	Within 1 month of receiving comments on the draft final report from the project manager identified in the contract.

All deliverables produced by KEs and NKEs (reports, analysis etc) must be provided as annexes to the narrative reports for the corresponding periods in which they have been produced.

Submission & approval of reports

One copy of the reports and one electronic version referred to above must be submitted to the project manager identified in the contract. The reports must be written in English. The EUD project manager is responsible for approving the reports.

The Partner country may also be involved in commenting on and approving the reports.

At the end of the project a complete set of electronic files on a suitable media covering all specific activities implemented under the contract is to be provided to the EUD.

MONITORING AND EVALUATION

Definition of indicators

Monitoring and evaluation will be given high priority. Objectively Verifiable Indicators (OVIs) for monitoring and evaluation should be used when measuring the effective and timely implementation of all activities and impact of the project intervention. The contractor will ensure that appropriate and continuous in-project monitoring is undertaken.

Special requirements

Definition of indicators

Project objectives and results as the indicators of success for these actions will be defined in the project log frame to be elaborated by the Contractor as part of the Organisation and Methodology, and updated at the time of preparing the project inception report and AWP. The log frame and indicators will be checked for relevance by the Contractor on a six monthly basis (mid-term review) with any updates being included within the associated progress reports.

The day-to-day technical and financial monitoring will be a continuous process which is part of the Contractor's responsibility.

Special requirements

None

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