

Annex 4: TOR for Research Firm to Support the Development of Integrated National Financing Framework Finance (INFF) Strategy in Cambodia

Location: Home-based, with possible single mission travel to Phnom Penh and Bangkok, Thailand

Duration of Contract: August-December 2021, up to 125 working days

A. Background and Project Description

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels: inclusive digital economies, connecting individuals, households, and small businesses with financial eco-systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; local development finance, that capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and investment finance, that provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to Sustainable Development Goal-SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a broad diversity of SDGs.

UNCDF are currently implementing a project "*INFF for CSDG achievement*" under the UN SDG Fund that is examining and developing with the RGC a financing strategy and solutions for SDG commitments and reforming the policy sphere and legislative to accelerate the attraction of market and private sector capital to enable the Royal Government of Cambodia to efficiently deliver on their SDG commitments.

As a direct consequence of the global pandemic the RGC is currently implementing a series of broad stimulus policies and public sector investments whilst simultaneously maintaining fiscal discipline. The government is currently embarked on the development of an Integrated National Financing Framework (INFF) exercise to support SDG financing (<https://inff.org>). As a supportive input to the project UNCDF in partnership with UNDP through this consultancy will, under activity 1.2.2 of the project, **Assess the quality and readiness of Cambodia's existing financing framework and develop a financing strategy consistent with the INFF, utilizing the above activities to support new flows to deliver RGC economic and CSDG targets by 2030 (UNDP and UNCDF)**. The mission is to be implemented using a multi-disciplined team that combines research and technical authoring of the finance strategy. The financing strategy will be developed through an investment lens that applies models of blending combinations of public sector, debt finance through capital markets, ODA and private sector finance with particular emphasis on debt financing options to meet the overall financing requirements as projected by UN ESCAP and IMF and building from the UNDP Development Finance Assessment (DFA) 2020

The research firm is expected to provide necessary research information to support the development of a coherent INFF finance strategy for Cambodia.

UNCDF Portfolio in ASEAN

Historically UNCDF has designed and implemented local development initiatives in a majority of the ASEAN member states both at national and sub-national levels. In particular, in alignment to its mandate, UNCDF has mainly operated in the Least Developed Countries, of the ASEAN region including (1) Cambodia, (2) Lao PDR, and (3) Myanmar.

In Cambodia, UNCDF has been engaged extensively in the government's decentralization process through the Ministry of Interior and the National Committee for Sub-National Democratic Development (NCDD) through various initiatives that have

developed the inter-governmental fiscal transfer mechanisms that underpin sub national SDG financing through the public sector budget.

UNCDF is presently working directly with the Ministry of Economy and Finance (MEF) within the spheres of (i) Public Private Partnerships, (ii) Financial Management and Public Policy and (iii) Macro-Economic Support as a component of this program. UNCDF is working in partnership with UNDP, the World Bank, ADB and other Development Partners in this area of work with MEF.

B. Objective of the assignment

The main objective of the assignment is for the research firm to provide research support to the development of the Cambodia SDG financing Strategy to be developed within the framework of the INFF. The research will be demand driven as agreed with the INFF Financing Strategy Technical author and the UNCDF Regional Technical Advisor (RTA) that will include the application of econometric modelling for sector growth potentials and general costing of SDG achievements to be provided.

The generalized framework and components of the INFF financing strategies can be found at <https://inff.org/inff-building-blocks/financing-strategy>. The assignment will follow the framework and integrate the defined components within the framework to generate a high-quality SDG financing strategy for Cambodia.

As described on the INFF web site the financing strategy brings together financing policies, instruments and regulatory frameworks that are related to SDGs and country development. For example, medium-term revenue strategies (MTRSs) and medium-term expenditure frameworks (MTEFs) help address public finance challenges; financial sector development and financial inclusion strategies and related efforts help countries build a bridge between financing policies and the longer-term objectives of the national development plan. A principal reference document will be the UNDP DFA and the National Development Plan and budgets. In addition, the financing strategy will be consistent with other financing, investment, taxation, debt management, macroeconomic, trade and technology public policy and strategy areas.

The dedicated toolbox that is to be referenced and used for this assignment but which can and should be complimented by innovative tools and components to assure customization for Cambodia can be found at <https://inff.org/resource/integrated-national-financing-frameworks-financing-strategy>

C. Scopes

The research company will make available a team of consultants who will specifically work with the Ministry of Economy and Finance, The Council for Development of Cambodia (CDC), National Bank of Cambodia (NBC), Ministry of Planning (MoP) and Supreme National Economic Commission (SNEC) in partnership with the UNDP country team to provide technical advisory support in the following areas:

1. A work plan indicating timebound milestone deliverables and list of required meetings and consultation to enable the work to be completed;
2. An initial resource matrix that identifies and extrapolates key findings of the INFF diagnostics studies that include; (i) UNCDF stocktake of SDG financing, (ii) UNDP DFA, (iii) IMF Art IV and relevant IMF global economic outlooks, OECD SDG finance reports and polios
3. An initial legislative and policy matrix that identifies and extrapolates key inputs related to new legislation (i.e. PPP Law, Law on Government Securities etc) to inform the finance strategy
4. An outline of the finance strategy (i.e. headings and sub headings) and the introduction section that provides the scope of the financing strategy in alignment to the INFF guidelines
5. Presentation of outline and key points to a technical work group for approval
6. Generation of the INFF financing strategy for Cambodia (30-page target) plus annexes to be agreed (point 4)
7. Generation of synopsis of financing strategy for public consumption (4 to 6 pages)
8. High level Presentation

D. Approach and Methodology

Desk review of existing documents, reports and findings:

- Desk review of the UNCDF stocktake diagnostics report and extrapolation of key document findings
- Desk review of the UNDP DFA and UNCDF capital markets reports

Generation of matrix on key law, policies and strategies:

- Generation of matrix of key laws and government policies that are related to SDG financing (i.e. new PPP law or Law on Government Securities etc)
- Generation of matrix of key policies inc. macroeconomics, tax, esp. central bank policy and Prakas
- Develop map of the proposed financing strategy
- Generate the INFF SDG finance strategy in alignment to the published guideline but ensuring its customization to be fit for purpose for the Royal Government of Cambodia

E. Deliverables and Schedule of Payment

The research firm will make available a team of consultants who will deliver the followings:

a: Deliverable 1 Mission Planning		Disbursement	Deliverable Due Date
Work Plan	Submission of work plan	30%	August 2021
<i>Total Deliverable 1</i>		30 %	
b: Deliverable 2			
	SDG Financing Matrices & Finance Strategy Outline		
	Resource matrix and key out takes contained within a concise 10-page max document	5%	September 2021
	Legislative and Policy matrix and key outtakes contained within a concise 10-page max document	5%	September 2021
	Financing strategy outline (main headings including brief content description) and subheadings with descriptive bullet points that clearly define the scope of the INFF financing strategy and introduction chapter	10%	October 2021
	Presentation of the strategy and agreement from stakeholders related to the structure and focus of the strategy	5%	October 2021
<i>Total Deliverable 2</i>		25%	
c: Deliverable 3 – INFF Finance Strategy			
	Generation of the Cambodia INNFF SDG Finance Strategy	30%	November 2021
	Presentation and stakeholder feedback	5%	November 2021
	Review and final amendments	5%	November 2021
<i>Total Deliverable 3</i>		40%	
d: Deliverable 4 – Finance Strategy Synopsis			
	Synopsis of Finance Strategy for Publication (4 to 6 pages)	5%	December 2021
<i>Total Deliverable 4</i>		5%	
		100%	

F. Provision of Monitoring and Progress Control

The best quality of services delivered will be required to the contractor by UNCDF on the dates stated in the previous section. If UNCDF is not 100% satisfied with the one deliverable, it has the option of terminate the contract.

G. Governance and Accountability

The research firm will make available a team of consultants will work under the supervision of the UNCDF Regional Technical Advisor (RTA) and fully coordinate with UNDP Cambodia and their INFF / DFA consultants and the Resident Coordinators Office (RCO). The RTA who will provide overall direction and guidance of the consultancy and approve key outputs and deliverables. In addition, the consultant will also coordinate and collaborate with the WB, ADB and IMF country offices, Phnom Penh, Cambodia.

Consultancy fees will be paid upon: (i) submission of Certificate of Payment form (ii) review, approval, acceptance of output for each deliverable and (iii) authorization of payment disbursement from Regional Technical Advisor based in Bangkok.

H. Facilities to be Provided by UNCDF

UNCDF will not provide any facilities.

I. Expected duration of the Assignment

The assignment is expected to be up to 125 working days within 6 months from the start date. At the completion each deliverable, the contractor will be required to submit a Certificate of Completion of Work for approval of payment by UNCDF Regional Technical Advisor. It is expected that UNCDF may need 2 to 3 weeks to provide comments and approve/accept outputs.

Expected starting date: 1 August 2021

Expected end date: 31 December 2021

J. Professional Qualifications of Successful Contractors and its Key Personnel

The research firm must make available a team of consultants that have a broad set of suitable competencies and technical capacities that include but not limited to (i) strategy formulation, (ii) economics, (iii) financial markets, (iv) investment, (v) government policy and (vi) legal.

The team will be organised and capable to work in all specific areas of the finance strategy as defined within the INFF financing strategy tool box (figures 1 to 3 inclusive) see <https://inff.org/resource/integrated-national-financing-frameworks-financing-strategy>.

The composition of the core team at a minimum must consist of the following key members:

a) A Team leader/ coordinator

Professional experience

- At least 5 years of experience in the development financing sphere in a senior position
- Exhibit an understanding of the country level and global aid architectures to finance the SDGs
- Experience working with ASEAN would be an advantage.

Education:

- At least a Master's degree in economics, business administration or development. A PhD degree will be an added advantage

Language:

- Fluency in English is mandatory. Good command of local language is a plus.

Competencies and skills:

- Proven ability to develop and formulate financial strategies for development and / or finance, referencing public sector budgets and development databases
- Ability to develop standardised policy papers (short version) for government and consumption
- Ability to generate and innovate strategic solution

b) An economist

Professional experience

- At least 3 years of experience in development economics, econometric modelling, research experience will be considered as an asset
- Exhibit an understanding of the country level and global aid architectures to finance the SDGs
- Experience working with ASEAN governments would be an advantage.

Education:

- At least a Master's degree in economics. A PhD degree will be an added advantage

Language:

- Fluency in English is mandatory. Good command of local language is a plus.

Competencies and skills:

- A core understanding of macro-economics and econometrics
- Ability to undertake econometric modelling to develop policy findings and financing propositions using such data

c) An investment specialist

Professional experience

- At least 5 years of experience in finance and or investments, preferably with a finance industry background
- Exhibit an understanding of the country level and global aid architectures to finance the SDGs
- Experience working with public and private sector, investment companies would be an advantage.

Education:

- At least a Master's degree in Business Administration or Finance (not accounting). A PhD degree will be an added advantage

Language:

- Fluency in English is mandatory. Good command of local language is a plus.

Competencies and skills:

- A core understanding of financial markets, financial instruments, debt financing and blended financing techniques and options is required
- An ability to quickly verify the financial feasibility and prioritization of investments in alignment to strategies and finance plans
- An ability to model capital investment finance solutions into sector portfolios
- Demonstrable professional experience in financial sector

d) A national coordinator (can be a dual role for a key expert)

Professional experience

- At least 5 years of experience in research, stakeholder consultations, preferably within development context in Cambodia.
- Exhibit an understanding of the country level and global aid architectures to finance the SDGs
- Experience working with the Government of Cambodia would be an advantage.

Education:

- At least a Master's degree in Business Administration, Economics, Social Sciences or closely related fields. A PhD degree will be an added advantage

Language:

- Fluency in English and Khmer is mandatory.

Competencies and skills:

- A sound understanding of Cambodian development policies and finance
- Demonstrable experience in translational of materials and key stakeholder dialogues

K. Selection Criteria for the Institution

The selection process will follow a cumulative scoring of 70% technical and 30% financial. The minimum passing score of the technical proposal shall be 70%. Technical proposals will be evaluated based on the following criteria and corresponding points. Only firms that obtained minimum technical score of 70 points will be included in the financial evaluation.

Section 1. Bidder's qualification, capacity and experience		Points obtainable
1.1	Research organization capability; Proven project and working experience with at least one of the following development organizations in the region; (i) a UN agency, (ii) any multilateral development bank, (iii) a bilateral development partner from a UN member state (iv) an international or regional research institute specialising in strategic planning and finance or (v) has a proven track record of similar work with the ASEAN member state government or ASEAN.	100
1.2	Project experience and or research-based work focused on SDG financing	100
1.3	Working and project experience in the ASEAN region will be considered as an asset;	50
1.4	Able to work within a multi-stakeholder environment and promote collaborations;	50
Total Section 1		300

Section 2. Proposed Methodology, Approach and Implementation Plan		Points obtainable
2.1	Alignment to Integrated National Financing Framework Finance (INFF) framework	160
2.2	Proposed logical structure and division of labor	140
2.3	Data sources identified	60
2.4	Quality of implementation plan	40
Total Section 2		400

Section 3. Management Structure and Key Personnel		Points obtainable
3.1	Composition and structure of the team proposed. Does the team has sufficient technical expertise to complete the tasks? Are the proposed roles of the management and the team of key personnel suitable for the provision of the necessary services?	100
3.2	Qualifications of key personnel proposed	
3.2 a	Team Leader	60
	- General Experience	
	- Specific Experience relevant to the assignment	
	- Required education	
	- Language Qualifications	
3.2 b	Economist	50
	- General Experience	
	- Specific Experience relevant to the assignment	
	- Required Education	

	- Language Qualifications		
3.2 c	Investment specialist		50
	- General Experience		
	- Specific Experience relevant to the assignment		
	- Required Education		
	- Language Qualifications		
3.2 d	National coordinator		40
	- General Experience		
	- Specific Experience relevant to the assignment		
	- Required Education		
	- Language Qualifications		
Total Section 3			300