

TERMS OF REFERENCE

SUPPORT TO NATIONAL COMMITTEE FOR SUB-NATIONAL DEMOCRATIC DEVELOPMENT TO DESIGN PHASE 2 OF THE NATIONAL PROGRAMME FOR SUB-NATIONAL DEMOCRATIC DEVELOPMENT

FISCAL DECENTRALIZATION SPECIALIST (NATIONAL)

1 BACKGROUND

The Royal Government recognize that governance reform is crucial to achieving its economic and social development goals, in order to achieve the vision of advancing Cambodia to an upper-middle income country by 2023 and a high-income country in 2050. Accordingly, the Royal Government has enacted a broad and deep modernization of the governance system through various reform programs, including the Decentralization and Deconcentration reforms, the Public Financial Management Reforms, the Public Administration Reform, the Judicial System Reform, Legal Reform, and sectoral reform.

Decentralization and Deconcentration Reform, also known as "Sub-National Democratic Development Reform", is a comprehensive governance reform aimed at restructuring the structure and sub-national administrative system. This reform is grounded in the principles of unified administration and democratic development; and emphasizes a clear allocation of functions between ministries, institutions at the national level, and SNAs through the transfer of functions, resources, authorities, and responsibility to the SNAs in public services delivery and local economic development to meet the needs of the citizens within the jurisdiction of each SNAs effectively, transparently, accountable, inclusiveness and socially equitable.

In this context, Decentralization and Deconcentration reforms are interdisciplinary, complex, and challenging, requiring integration with (1) **Political decentralization**, which involves the establishment of sub-national administrative councils elected through liberal multi-party democracy process, aimed at ensuring representation of the voices and interests of the residents within the jurisdiction of each sub-national administrations; (2) **Administrative decentralization**, which involves restructuring of the management system and procedures of the sub-national administration in alignment with the democratic governance and principles of unified administration. This includes the transfer of functions, resources, and authority to sub-national administrations, as well as strengthening their capacity to deliver public services and promote local development, thus better serving the interests of the citizens within their respective jurisdiction and; (3) **Financial decentralization**, which is an arrangement to ensure that sub-national administrations have access to sufficient revenue and financial resources to cover the cost of services delivery and local development. This includes fostering local ownership and creating a robust financial management system at the sub-national level that promotes efficiency, transparency, and accountability to citizens.

Following the successful implementation of NP-1, the Royal Government has developed and launched the 10-year National Program on Sub-National Democratic Development Phase 2 (NP-2) which will last from 2021 to 2030. At present, the NCDD has been administering coordination the implementation of the NP-2, 2025 is the fifth year of the implementation of the NP-2.

The designation and implementation of the NP-2, aims to “Promote public service delivery and democratic development with inclusive, equitable and justice through modernization of sub-national governance, improved process and quality of service delivery to contribute to elimination of poverty and improved quality of life for all citizens”.

To ensure the achievement of this goal, the NP-2 has set a specific objective: “structures and systems of sub-national governance are modern, autonomous, effective, transparent, and accountable in their provision of public services and local development. They will respond to the prioritized needs of the people in their jurisdiction in an equitable and inclusive manner. Each type of SNA will have adequate power and capacity to carry out their functions under the oversight of their councils to strengthen accountability to citizens”.

In order to ensure the achievement of the above goal and objective, the NP-2 has outlined five key strategic components for preparation and implementation as follows:

Component 1: Reform Leadership and Coordination: Focus on continuous strengthening of leadership and coordination mechanisms of decentralization and deconcentration reforms of national and sub-national level to promote ownership and responsibilities of ministries, institutions, and sub-national administration in the designation and implementation of the SNDD reform program in an effective and efficient manner.

Component 2: SNA Structures and Systems: Focus on continuous review and editing structures, management systems, resources, and powers of SNAs according to their characteristics as metropolitan, urban, and rural SNAs by promoting Integration of Information technology systems to promote effective management, public service delivery, and public communication, as well as responding to the rapid evolution of economic activity, urbanization, information technology, urban migration trends, increasing demand for social services, and the need to mitigate the risks posed by natural disasters, climate change and global crises.

Component 3: Human Resources Management and Development: Focus on continuous improvement and strengthening the implementation of the power and responsibility of SNAs in recruiting, managing, and deploying their staff based on their workload and financial flexibility and ensure that each SNA will hire staff with ownership, honesty, and professional qualifications appropriate to their roles and responsibilities and will benefit from the progressive, and professional skills development activities and support.

Component 4: Fiscal Decentralization and SNA Planning and Budgeting Systems: Continuous support SNAs to be provided with predictable and adequate budget resources. This will give them the power and flexibility to allocate those budget resources for the implementation of function and priority work to respond to local citizens' needs that have been determined in the development plans, and investment programs of each SNAs timely and highly effective.

Component 5: Service Delivery and Local Development Component: Focusing on continuous modernization of mechanisms and procedures of public service delivery, local development, and public communication of sub-national administration to improve service public service delivery and local development respond to the needs of the citizens within the jurisdiction of each sub-national administration in an effective, transparent, accountable, socially equitable and Inclusiveness manner.

In addition to the five components above, NP-2 will also focus on following cross-cutting issues:

Gender Equality, Social Equity, and Inclusiveness Mainstreaming: Focus on strengthening sub-national administrations in recruiting and managing staff, planning and using resources, and administering public service delivery, and fostering local development without discrimination based on religion, gender, disability, ethnicity, and respond to vulnerable groups in an inclusive and equitable manner.

Climate Change Vulnerability, Disaster Risk Reduction, and Serious Infectious Diseases: Focus on strengthening the capacity of sub-national administrations to study, evaluate, and develop managing plans to effectively respond to vulnerabilities from climate change, disasters, and serious infectious, aiming to support the welfare of the citizens and sustainable development in their communities.

2 FRAMEWORK FOR DESIGN OF THE NP2

The NP-2 has been fully developed and will be implemented in two phases: the preparation and implementation of the first five-year implementation plan cover a period of five years from 2021 to 2025 (IP5-I) and the second five-year implementation plan which will cover the next five years from 2026-2030 (IP5-II). At the moment, the NCDD has been coordinating with relevant ministries and institutions at the national and sub-national administration in the implementation of the IP5-I, 2025 is the fifth year of the implementation of the NP-2.

The IP5-I will come to an end in 2025. Going forward, one of the main tasks of the NCDD and the NCDD-S will be to prepare the next phase of the second five-year implementation plan (IP5-II).

The designation of IP5-II is being led by the National Committee for Democratic Development (NCDD), with the NCDD Secretariat serving as the governing body. The process involves close coordination with relevant ministries, institutions, and sub-national administrations, as well as the mobilization of technical support and funding from development partners and civil society organizations.

During the design of IP5-II, the NCDD Secretariat requires a well-defined team of experts to provide technical support. This team will be tasked with conducting in-depth studies, research, and analysis of relevant data and information, all aimed at informing the comprehensive design of the IP5-II, and to ensure achievement of the goals and objectives outlined in NP-2.

To ensure the comprehensive and effective implementation of IP5-II, several key methodologies must be applied, including:

- Conducting a desk review of policy documents, laws, regulations, reports and other relevant documents, with particular focus on NP-2, report on the result of NP-1 evaluation, report on governance survey, report on the results of the NP-2 Mid-term Review, Policy platform Programs, Pentagonal Strategy-Phase 1 of the Seventh Mandate of the National Assembly. This review aims to gather information and data to evaluate progress, challenges, and highlight priority activities that were not fully implemented during IP5-I and will be carried forward and aligned to guide the preparation and implementation of IP5-II.
- Conducting consultations with management and technical staff of relevant ministries, and institutions at both national and sub-national administration, development partners, civil society organizations and other stakeholders, through the meetings and workshops at both the technical and political level to review, discuss and collect input on key topics and assignments.

The formulation of IP5-II requires a team of experts to provide technical support for study, research, and data analysis, ensuring the comprehensive designation of the IP5-II and ensure the achievement of the goals and objectives of the NP2. The team must include at least six experts, specifically:

- **Team leader (International):** A specialist in Legal and Governance with a Master's degree in Law, Public Policy, Public Administration or Economic, and must have at

least 15 years of work experience, with acknowledges of local government in Cambodia or/and regional of ASEAN countries would be an asset.

- **Institutional Development Expert (National):** Hold a Master's degree in Law, Public Administration Management, Human Resources Management and Development and have work experience related to organizing and developing institutional, staff management and human resource development within the framework of public institution or non-state institutions or related programs/projects for at least 10 years.
- **Fiscal Decentralization Expert:** Hold a master's degree in finance, Public Policy, Public Administration, or Economics, and must have at least 10 years of professional work experience.
- **Legal and Governance Expert (National):** Hold a master's degree in law or public policy or public administration management or economics and must have at least 7 years of work experience.
- **Human Resource Expert (National):** with a master's degree in management, human resource development or education and at least 7 years of work experience related to these tasks.
- **Digital Government Development Expert (National):** with a master's degree in information technology and additional knowledge related to decentralized and decentralization reforms and digital government management, as well as at least 5 years of work experience related to these tasks.

3 DESCRIPTION OF THE ASSIGNMENT

3.1 The Objective

The objective of this assignment is to provide strategic and technical support to NCDDDS in designing the Second Five-Year Implementation Plan (IP5-II) of the National Programme on Sub-National Democratic Development Phase 2 (NP-2) for 2026–2030. The consulting team will lead the design process by reviewing all relevant documents, esp, IP5-I document to identify achievements and challenges, identifying remaining priorities, and ensuring alignment with national goals for decentralization, institutional reform, and inclusive service delivery. IP5-II will present a coherent, results-driven framework with actionable strategies to strengthen sub-national governance, improve public services, and support sustainable, inclusive development.

Specific Objective:

The Fiscal Decentralization Specialist (national) assignment has several specific objectives as follows:

1. Assess key achievements, remaining challenges, and lessons learned from IP5-I (2021–2025) implementation.
2. Develop a results-based framework of Fiscal Decentralization and Public Financial Management at SNA with clear objective, outputs and indicators for effective implementation for IP5-II from 2026 - 2030.
3. Develop the draft activities and priorities for IP5-II, drawing from key national strategies such as the Pentagonal Strategy, PFM framework, the findings of the NP-2 Mid-Term Review, the NP-1 Evaluation, Governance Survey Report and ensure that all cross-cutting issues, including gender, inclusiveness, and climate resilience, digitalization are integrated,

4. Facilitate with MEF and other stakeholder consultations to finalize the draft activities and priorities.

3.2 Scope of Work

Task 1: Inception and Work Planning

- Conduct a kick-off meeting with the NCDD Secretariat to clarify expectations, scope of works, and timeline.
- Develop a detailed work plan and methodology for the assignment, including timelines, responsibilities, and deliverables.

Task 2: Desk Review and Situation Analysis

- Review key documents including the Pentagonal Strategy-Phase 1, PFM framework, NP-2, NP-1 evaluation, governance survey reports, NP-2 Mid-Term Review, related laws, strategies, and regulations
- Analyze, synthesize and identify progress, gaps, and challenges in the implementation of IP5-I and areas needing continuity or further reform.

Task 3: Stakeholder Consultations

Design and facilitate participatory consultations with national and sub-national stakeholders, including:

- NCDD Secretariat and IP5-II Interministerial Technical Working Groups
- Line ministries and institutions
- Selected SNAs (C/P, DMK. C/S)
- Development partners and CSOs
- Capture diverse inputs on priority reforms, service delivery gaps, institutional needs, and emerging challenges (e.g., climate resilience, gender inclusion).

Task 4: Design of Results-Based Framework

- Assist NCDDS in updating and developing comprehensive results framework of Fiscal Decentralization and Public Financial Management at SNA for NP 2 and IP5-II including:
 - Key expected outcomes, outputs and priorities activities
 - Indicators and milestones for monitoring and evaluation
 - Risk management
 - Ensure alignment with national development goals and international best practices in decentralization, PFM reform objectives and local governance.

Task 5: Development of IP5-II Document

- Assist NCDDS in drafting the IP5-II document, focusing on Fiscal Decentralization and Planning/Budgeting component and coordinate with NCDDS to comment on the other components:
 - Reform Leadership and Coordination
 - SNA Structures and Systems
 - Human Resource Management and Development
 - Service Delivery and Local Development
- Ensure the integration of cross-cutting issues into the Fiscal Decentralization and Planning/Budgeting component priority activities, including gender equality, social inclusion, climate and disaster resilience, digital transformation.

Task 6: Review and Validation

- Present the draft IP5-2 to stakeholders for comments and feedback through validation workshops at both technical and political levels.
- Task 7: Finalization and Submission
- Revise and finalize the IP5-II document by incorporating collected comments and feedback.

Support the NCDD Secretariat in preparing the final version for endorsement by the NCDD meeting.

3.3 Key delivery:

Propose and outline a framework which include main activities of:

- Strengthening the responsibility of sub-national administrations in the management, allocation and use of financial resources in an efficient, transparent, accountable, inclusive and socially equitable manner.
- Planning and financial management systems of sub-national administrations to be in line with the characteristics of metropolitan cities, regional administrations and local administrations (urban and rural) and in line with the budget planning framework of sub-national administrations.
- Increasing the financial resources of sub-national administrations through the transfer of resources from the national level and increasing direct sources of revenue.
- Reviewing and improving the management of the current SNA Fund.
- Strengthening the implementation and expanding of program budgeting at sub-national administrations.
- Reviewing Public Private Partnership (PPP) policies to be able to implement at sub-national administrations.

3.4 Language

The outputs will be delivered in English and Khmer which will be the main working language of the assignment. The Consultant must be a Cambodian national and fluent in written and spoken Khmer.

4 EXPERT PROFILE

The successful applicant must have the following qualifications:

- Qualification and Skills: At least Master's degree preferably in law, economics, accounting, finance, public administration or in its absence, an equivalent working experience of minimum of 15 years in these fields.
- General professional experience: Minimum of 12 years professional experience in Public Financial Management.
- Specific professional experience: Minimum of 5 years of experience of providing technical assistance in SNA public financial management or budget system reform preferably in developing countries.
- Additional Experience in at least 1 project developing budget system reform strategy and/or public Financial management preferably in developing countries with a sub-national government focus.
- Soft skills. Strong reporting and writing abilities (consultants are kindly asked to include a list of publications/final reports written by the expert under "other relevant information" of the CV).
- Good communication, interpersonal and reporting skills;
- Good level of computer skills;
- Fluent spoken and written English.

5 LOCATION AND DURATION

The duty station for the assignment will be Phnom Penh, Cambodia.

The total duration of the assignment will be 54 working days. The assignment is expected to start from 1st September 2025 and be completed by 31st November 2025.