

Public Expenditure and Financial Accountability Secretariat (PEFA)

Anamnagar, Kathmandu, Nepal

Request for Expressions of Interest

(Publication Date: 2nd January, 2020)

Country: Nepal

Project: Integrated Public Financial Management Reform Project (IPFMRP)

GrantNo.: TFA 07474 and TFA 07475

Assignment Title: *"Conduct Training Needs Assessment and Develop Action Plans for Establishing Sustainable Institutional Set-up for PFM Capacity Building in the Federal Structure"*

Reference No. : NP-PEFA-127932-CS-QCBS

The Government of Nepal has received a grant from the Multi Donor Trust Fund through International Development Association toward the cost of Integrated Public Financial Management Reform Project (IPFMRP), and it intends to apply part of the proceeds of this grant for Consulting Services for "Conduct Training Needs Assessment and Develop Action Plans for Establishing Sustainable Institutional Set-up for PFM Capacity Building in the Federal Structure" (Contract ID No. **NP-PEFA-127932-CS-QCBS**).

Government of Nepal (GoN) has been engaged for last many years in the process of PFM reform activities. Strengthening the PFM framework is a major priority for the GoN in order to improve overall governance, optimize outputs from public resources, and ensure inclusive, broad based as well as sustainable development. The government is committed to improve and mainstream PFM systems, processes and institutions of the country through various policies, projects and programs. The government has already approved its Public Financial Management Reform Strategy/Program (PFMRP) Phase II (2016/17-2025/26) to strengthen the PFM practices and systems throughout the country. The Consultants (firm) have to work closely with MoF, FCGO, PEFA Secretariat and other concerned offices and officials to undertake a thorough study of the PFM institutional arrangement, and to conduct training needs assessment and develop action plans for establishing sustainable institutional set-up for PFM Capacity Building in the Federal Structure. The new Constitution of Nepal and other relevant regulations should be taken in to consideration for transformation of all the PFM system and process in new structure of government.

The scope of this assignment leverages on but not limited to previous feasibility study on capacity building or PFM training institutions, draft strategy of PFM training center and training institution charter if any in Nepal to develop an implementable comprehensive action plan and design the roadmap for building appropriate integrated institutional set-up for each identified PFM training needs with a view of feasibility and possibility to upgrade and transform the existing PFM training centre to a nodal agency for PFM training ie a PFM Academy. The action plan should also lay out all related challenges ranging from policies, processes, staff capacity, etc. and recommend specific

actions to address identified gaps and to materialize those actions in the form of an institution.

IPFMRP Project, PEFA Secretariat, Ministry of Finance, Nepal now invites eligible national Consulting firms to express their interest in providing the above-mentioned services. Interested firms must provide information demonstrating that they are qualified to perform the required services. The short listing will be carried out based on the following criteria:

- General experiences of the firm (20 percent)
- Relevant experiences of the firm (60 percent)
- Technical and managerial capability (20 percent)
 - The consulting firm should describe its technical and managerial capability which will supplement and contribute to the proposed assignment in not more than 300 words)

The attention of interested Consultants is drawn to paragraphs 3.14, 3.16 and 3.17 of The World Bank Procurement Regulations for IPF Borrowers, July 2016 Revised November 2017 and August 2018 ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest.

Consulting firms may associate with other firms in the form of a joint venture or a sub consultancy to enhance their qualifications. A consulting firm will be selected in accordance with the Consultants Quality and Cost-based Selection (QCBS) Method set out in the World Bank Procurement Regulations.

This REoI notice and ToR can be downloaded from our website: www.fcgo.gov.np or www.pefa.gov.np. Interested consulting firms may obtain further information by sending email to the address below or visiting during office hours. Only the shortlisted firms will be provided with the Request for Proposal (RFP) to submit detailed technical and financial proposals.

Expressions of interest must be delivered in a written form in person or by mail or by e-mail to the address below no later than 16:00 hours, 16th January, 2020.

Contact address:

Public Expenditure and Financial Accountability (PEFA) Secretariat
Anamnagar, FCGO Complex, Kathmandu, Nepal
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**Terms of Reference (ToR)
For
Consulting Services to
Conduct Training Needs Assessment and Develop Action Plans for
Establishing Sustainable Institutional Set-up for PFM Capacity Building
in the Federal Structure**

Government of Nepal

Ministry of Finance

Public Expenditure and Financial Accountability (PEFA) Secretariat

Anamnagar, Kathmandu

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Terms of Reference

For consulting services to

Conduct Training Needs Assessment and Develop Action Plan for developing sustainable institutional set-up for PFM capacity building in the federal structure

1. Background

Nepal has been transformed into three tier governments system from one tier system. The transition has demanded several preparations for effective implementation of the governance structural changes. The reforms have been already adopted to embrace the change in processes, institutions and systems which are in pipeline and the most important dimension is human resource development (HRD) without which all other reforms cannot be materialized. Strengthening the Public Financial Management (PFM) framework is a major priority for the Government of Nepal (GoN) to improve overall governance and public service delivery for ensuring inclusive and broad based sustainable development. The government is committed to strengthen and mainstream PFM systems, processes and institutions of the country. The Public Financial Management Reform Program (PFMRP) Phase I (2009/10-2011/12) was formulated with the objective of adopting a holistic government-wide approach to PFM reforms encompassing both the institutional and technical aspects. PFMRP I specified the areas pivotal to strengthening the PFM practices and systems in Nepal with emphasis on PFM capacity building.

As guided by PFMRP I, a Training Needs Assessment (TNA) was conducted in 2015 on PFM capacity in GoN. The major recommendation of the assessment was that although there are 15 institutions providing training to the government staffs, and particularly two, Revenue Administration Training Centre and Nepal Administrative Staff College providing trainings on PFM, there is need for a dedicated training institution for PFM given the lack of resources and due focus on PFM. As the TNA only indicated overall PFM training needs, it recommended a detailed training need assessment for all relevant entities.

The PFMRP Phase II (2016/17-2025/26) approved in February 2016 further recognizes PFM capacity as the central driver for all the planned PFM interventions. This second phase PFM reform strategy has recognized an immediate prioritized reform action of establishing a specialized PFM institution to enhance the capacity of PFM staffs of the government. The effective implementation of the PFM activities in the federal context depends on availability of adequate capacity at all levels. A comprehensive Training Needs Assessment has been planned that will result in a broad roadmap and action plan to ensure such capacity. The assessment will build on findings and recommendation of the Phase I TNA that has recommended a feasibility study to objectively and rationally evaluate the viability and value addition of the proposed dedicated PFM training institution alongwith the formulation of Capacity Development Plan for PFM.

To enhance the PFM capacity development mechanism in federal context, GoN has recently decided to change the Revenue Administration Training Center as a Public Financial Management

Training Centre (PFMTC). The government envisioned this center as a specialized training center for all kind of PFM capacity building activities. Also, the PEFA Secretariat has recently initiated coordination for implementation of Integrated Public Financial Management Reform Project (2018-2020) for overall PFM reform of the country. With observing the situation of involvement of several institutions that are carrying out PFM training on a piece-meal basis and in an unsustainable manner the IPFMRP has underpinned strengthening PFM training capacity of three tiers of government with establishing and implementing a sustainable organizational mechanism for delivering training in a coherent manner guided by good practices from other countries. So an activity under the IPFMRP is designed with conceptualizing to support the establishment of a sustainable organizational mechanism in the field of public financial management to enhance the skill, knowledge, capacity, ability and competency of PFM staff through conduction of professional and specialized training courses and with an unbroken research to develop institutional memory and knowledge management. An institutional set-up catering to all PFM capacity building needs is envisaged. This setup can be based on partnerships with national and international training institutions for PFM professionalization. Hence, these agendas have formed the intersectional platform for both PEFA Secretariat and PFM Training Center to work collaboratively to achieve the measurable result in the form of a dedicated PFM Training Institution which will be a knowledge hub bringing together and leveraging on various available resource pools.

2. Objectives

The objectives of this assignment are:

- i) To conduct a comprehensive training need assessment of PFM capacity at the three tiers of the Government to develop PFM competency framework
- ii) To review all existing and potential training practices and assessments related to PFM capacity building
- iii) To develop a step by step roadmap for establishment of a sustainable institutional set-up including a unified and coherent structure for catering the PFM training needs of the three tiers of the governments and managed by a nodal agency (example an PFM Academy) based on a comprehensive training need assessment such that this roadmap can serve as a basis for the Strategy Note of the Government of Nepal on PFM capacity building in the federal context.

3. Scope of the Services

The scope of this assignment leverages on but not limited to previous feasibility study on capacity building or PFM training institutions, draft strategy of PFM training center and training institution charter if any in Nepal to develop an implementable comprehensive action plan and design the roadmap for building appropriate integrated institutional set-up for each identified PFM training needs with a view of feasibility and possibility to upgrade and transform the existing PFM training

centre to a nodal agency for PFM training ie a PFM Academy. The action plan should also lay out all related challenges ranging from policies, processes, staff capacity, etc. and recommend specific actions to address identified gaps and to materialize those actions in the form of an institution.

Given the broad nature of this assignment, the PEFA Secretariat is looking for consulting service from a team of competitive professionals (reputed Consulting Firm) to work in close consultation with MoF, OAGN, PFMTTC, PPMO, FCGO, NPC, MOFAGA, Department of Customs, Inland Revenue Department, Department of Money Laundering, PEFA Secretariat and other concerned government entities (including some provinces and local level governments) and related officials. The consulting firm needs to undertake a thorough assessment, feasibility study and to develop an implementable action plan for developing an integrated institution to serve the sustainable capacity development plans of PFM staffs of government through effective trainings and to help for the knowledge management for enhancing the institutional memory of PFM training institution through continuous research and development. PFM functions devolved by the new Constitution of Nepal and other relevant laws and regulations to the sub-national level should be taken into consideration for conducting assessment and developing such action plan for the three tiers of the Government. Among other activities, the scope of this assignment will be focused on the following tasks:

3.1 Training Need Assessment (TNA):

1. Identification of Training Needs for PFM personnel based on the job profile of each personnel in the three tiers of the government and in consideration of applicable policies/processes/systems/capacity (refer Annex 1) and for each identified training need – identify required courses (general and specific) based on competency requirement and training modalities with partnership modality as applicable;
2. Review the policies, processes, systems etc. to assess the nature and extent of required PFM competency in three tiers of the government;
3. Assess and review of existing fragmented PFM training practices of different agencies, and training needs of different PFM related institutions;
4. Assess the present capacity in three tiers of the government in consideration of the required PFM competency;
5. Assess existing and potential resources available in the country in the field of PFM capacity building including that of the development partners
6. Develop suitable PFM Competency Framework¹ for the various PFM roles based on Job Analysis.

¹ Competency Framework Definition: A Competency Framework ‘defines the knowledge, skills, attitudes and behaviours that people should have or display to perform effectively (and superiorly) in a role. Competency Frameworks underpin Human Resource Management policies and practices, including recruitment and selection, performance management, training and development, retention and career planning.’

3.2 Gap analysis:

1. Based on identified training needs and competency framework, conduct institutional, resource, capacity and other gap analysis in order to develop PFM professionalization framework to obtain the required capability² to perform the various PFM roles and functions;
2. Assess the feasibility of transforming the existing PFM training center into an integrated PFM academy that can cater all the training needs regarding PFM at the federal, provincial and local level;
3. Assess the resource availability and constraints of the national PFM capacity development including PFM training centre and different PFM training related agencies and their departments (e.g. IRD, DOC, DRI, DML, FCGO, etc.) with feasibility of a unified/coherent structure for PFM training with the PFM Academy playing the role of a nodal agency for administering the PFM training for Government;
4. Assess potential use of IT, e.g. online/mobile app training given the suitability regarding each identified training need and assess the potential of appropriate IT system that can help training, knowledge management, and research and development as well;
5. Assess good practices of other countries as appropriate for developing PFM professionalization framework including the most suitable training courses, training modalities etc;
6. Assess potential areas of partnership with Professional Accounting Organizations³, e.g. ICAN, CIPFA, ACCA for accreditation of the PFM professionalization framework and collaboration with central universities like Tribhuvan University, Kathmandu University and foreign institutions like IMF, SARTAC, INGAF, INTOSAI, ILO, WB training centers etc.,
7. Assess options for suitable qualification requirement for PFM positions to ensure capacity building requirements are integrated in the country's PFM HR management system and PFM professionalization framework
8. Conduct cost-benefit analysis in making above assessments and weighing possible options.

3.3 Develop Roadmap and Action Plan for building institutional set-up:

²Learning outcomes - professional skills (e.g., intellectual, technical, non-technical, organizational, personal, interpersonal) & professional values, ethics, and attitudes (e.g., ethical values, professional manner, commitment to high technical standards, skeptical attitude, commitment to continual improvement and life-long learning, appreciation of public interest and social responsibility)

³CIPFA is one of the professional accountancy organizations in the UK and the only major specialist in the world devoted to excellence in public sector governance and financial management. It is responsible for the education and training of professional accountants and for their regulation through setting and monitoring professional standards. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for local government, a significant part of the economy.

1. Develop PFM competency and professionalization framework along with a comprehensive Roadmap and Action Plan for guiding development of required coherent and sustainable institutional set-up (with institutional operational act and regulations) to address identified training need of three tiers of the governments in consideration of short and medium to long term requirements and appropriate framework taking into account the evolving federal context and legal mandate/structure;
2. Based on above feasibility assessment, the Action Plan should include:
 - a. An institutional development plan to upgrade the existing PFM Training centre into nodal training agency i.e. PFM academy which can serve as one stop solution for capacity development of overall PFM spectrum of GoN (refer annex: 1 and 3);
 - b. The development of the operational model of the academy. This will identify (1) the courses that will be delivered in-house at the Academy and the required steps; (2) the collaborations that will be formed to outsource some of the training to in-country training institutions (based on the capacity assessment of the existing in-country training institutions); and (3) the collaborations that will be formed to deliver internationally and regionally recognized qualifications.
 - c. Development of the revenue model to sustain the institution.
 - d. Development of PFM competency and professionalization framework;
 - e. Development of a Documentation Hub for enabling knowledge management mechanism for PFM;
 - f. A change management plan, for transiting to the new institutional set-up for each training need, specifying legal, policy, process, system, structure, human resource or other changes required including proposal of suitable qualification requirements for PFM positions to ensure capacity building requirements are integrated in the country's PFM HR management system and also a step-by-step planned activity specifying responsible entities/persons for each activity;
3. The action plan should be based on:
 - a. Infrastructure and organizational development that includes legal, physical, academic, financial, human resource, technological and environmental assessment;
 - b. Cost-benefit analysis of various possible options and should provide estimate of required resources for each recommended training modality;
4. The Action Plan should also recommend:
 - a. Specific thematic areas in form of feasible strata such as department or faculties and the department structures and the suitable training modality and physical resources for each identified training need as appropriate, e.g. Face-to-Face, Online/ Mobile App, leveraging on human and physical resources of other training institutions in partnership;
 - b. Training approaches and methodologies as appropriate for each training need, e.g. Training of Trainers, Specific nature and extent of training module;

5. Resource Estimation:
Prepare detail cost and time estimation for implementing developed action plan or roadmap;
6. Recommendations:
On the basis of the above assessments, review, study, analysis, prepare a list of doable recommendations.

4. Reports and deliverables with their timeframe

Following reports and deliverables shall be made available to the PEFA Secretariat through PFM Training Centre after the commencement of this assignment:

Major Activities	Major Outputs	Timeframe
Inception Report & Work Plan	<ul style="list-style-type: none"> • Inception report and tentative work plan must be submitted by the consultant • Approaches and plan of actions to carry out the assignment • Details of Consultant’s resources to be engaged in the assignment • Brief review and confirmation of work plan; identification of issues that may affect work schedule • Any other relevant issues regarding the assignment • The comments and feedback provided by the PFM training centre should be adjusted and incorporated in the final inception report. 	Within 15 days from commencement
Interim/Draft Reports	<ol style="list-style-type: none"> 1. TNA report with results and findings of assessment and identification of PFM training need and development of competency framework covering all activities listed under the scope of services regarding TNA. 2. Report of gap analysis with results and findings of assessment with cost-benefit analysis covering all activities listed under the scope of services regarding gap analysis. 3. Draft report of developed Roadmap and Action Plan for building institutional set- 	<ol style="list-style-type: none"> 1. Within 30 days after the submission date of inception report 2. Within 45 days from submission date of inception report 3. Within 15 days from submission

	up covering all activities listed under the scope of services regarding roadmap development.	date of gap analysis
Validation of Draft Reports/ Final Draft	One workshop to incorporate comments and reviews on draft reports through consultations, discussions, feedback, reviews by PFM Training Centre/PEFA Secretariat and other stakeholders	Within 30 days of Draft reports submission
Final Reports	Final reports	Within 15 days from validation of draft reports and submission of final draft reports
Bi-monthly Meetings	Updates on the progress and key issues	Every fortnight

The submitted final report will be presented to the PFM Reform Steering Committee for approval and implementation.

In addition, the consultant should conduct the assignment in such a way that the skills and knowledge of the entire work be transferred to the assigned officials of PFM Training Centre. The forms of knowledge transfer shall be interactions, workshops, involvement in major activities under the assignment including the field study trips.

5. Working arrangements and Reporting:

The consultant shall work in close collaboration with a dedicated working team headed by the Chief of PFM Training Centre and comprising of representatives from MoF, FCGO, IRD, DoC, OAGN, PPMO, NPC, MOFAGA, PEFA Secretariat etc. The team will guide, facilitate and coordinate as well as review and suggest the consultant in respect of the assignment. A bi-monthly meeting will be organized by the consultant every fortnight in consultation with the Chief of PFM Training Centre in order to present the updates on the progress and discuss about the key issues. Before such meeting, the consultant shall report to the PFM Training Centre about the progress status. All the deliverables (2 copies) of this assignment will be presented to the PFM Training Centre. Necessary correspondences and approvals to the consultant will also be provided through the PFM Training Centre. At least two workshops with participation of stakeholders should be organized by the consultant as mentioned in the deliverables and in consultation with the Chief of PFM Training Centre.

Ministry of Finance, FCGO, PEFA Secretariat, Sub-national Governments (SNGs) and other key stakeholders including development partners involved in PFM reforms may provide suggestions

and feedbacks for the development of the action plan. The suggestion and feedback of the key stakeholders can be provided during progress review meetings or through the consultation workshops. There shall be a minimum scheduled bi-monthly progress status review meetings to be organized by the consultant.

The payments will be made under the recommendation of the Training Chief of PFM Training Centre as per the fulfillment of the requirements.

6. Client's input

The consultant has to manage its own physical and technological environment at its own cost. The major focal points for the work will be PEFA Secretariat and Public Finance Management Training Centre (PFMTC). For discussion and meetings, FCGO meeting hall or PEFA secretariat's office space or PFMTC meeting hall can be provided upon request.

7. Team composition:

The consulting firm will manage the experts' services to accomplish the assignment as follows:

S.N.	Description of Experts	Input (Time)
1.	Team Leader	2.0 Months
2.	PFM Expert	3.5 Months
3.	PFM TNA Expert	1.5 Months
4.	Training Institution Management Specialist – International Expert	2.5 Months
5.	Legal Expert	15 Days
6.	International PFM Expert	15 Days

8. Duration and commencement of the assignment

The assignment should commence as soon as possible, preferably in June 2019, and must have been completed within a period of 4 months within the timeframe mentioned in the deliverables.

Annex 1PFM Areas:

- Macroeconomic Forecasting
- Fiscal Policy, Planning and Budgeting
- Revenue Management: Tax, Non-Tax, Custom, Excise Duty, Post Clearance Audit, Tax Exemption, Revenue Leakage Control, Revenue Risk Management etc.
- Foreign Aid (Grants) and Loans
- Internal Debt and Investment
- Treasury and Cash management
- Public Procurement Management
- Internal Control and Audit
- Public Assets and Liabilities Management
- Financial Accountability and Transparency
- Standard Accounting and Reporting
- Commitment Accounting and Control
- Nepalese Public Enterprises
- Parliamentary Oversight and Final Audit
- Financial Management Information System
- Open Budget and Citizen Engagement
- Fiduciary Risk, Off Budget Expenditures, PFM Performance (PEFA) Assessment, Reform Strategy, PFM Capacity Development, etc.
- Laws, regulations, policies, processes, systems etc. related to above
- Any other areas not included above

Annex 2 Key Qualifications of Consulting Firm and its Team

A. Consulting Firm

The consulting firm should have the experience of at least 5 years of recent working experience in the field of TNA and training management and experience of supporting in developing and operating a successful training institution.

B. Key Qualifications of Consultant team

1. Team Leader: Masters in Management and equivalent, Preferred PhD in HRD, Experience of TNA, working experience in government sector, Working experience of resource person for PFM training, Knowledge of PFM related acts, rules, procedures, guidelines, systems, etc. Skill of developing and designing training programs, courses, its conducting and delivering, working experience of managing training academy or institution at an executive level or equivalent level,
2. PFM Expert-1 (Planning, Budgeting, Procurement, Accounting, Auditing, and Oversight): Masters in Management and equivalent, Working experience in PFM of GoN, Knowledge of GoN's planning, budgeting, revenue and expenditure management procurement, accounting, reporting, auditing functions, Knowledge of PFM related acts, rules, procedures, systems, etc.,
3. PFM TNA Expert: Masters in Management or equivalent, working experience of TNA, working experience of designing of training courses and modalities at institutional level, working experience of resource person for PFM training, Knowledge of PFM related acts, rules, procedures, guidelines, systems, etc., (This input will be used only for TNA)
4. Training Institution Management Specialist-1.: Masters in Management or equivalent, working experience of training institute management, training management, TNA, working experience of designing of training courses and modalities at institutional level, working experience of resource person for PFM training, Knowledge of PFM related acts, rules, procedures, guidelines, systems, etc., Having work experience for development of training institution will be an advantage. (This input will be used for gap analysis and institutional set up and development)
5. Legal Expert-1: Master degree in law (institutional development), skill and knowledge of preparing acts, regulations and directives of training or any relevant institution, experience of preparing and implementing acts and rules of institution, entities, etc.
6. International PFM Training Expert-1: At least 15 years of experience in the area relevant to the assignment; Advanced academic qualification in Accountancy, Economics or Human Resource Management; Minimum of 10 years of international experience in relevant assignment; experience in the design or implementation of training and training institution; Sound knowledge and previous proven experience in the TNA, training and development of government PFM in developing countries; Experience in Asian countries is advantageous; Excellent English language skills both verbal and written

Annex: 3Stakeholder Agencies/Institutions to be consulted:

1. Office of the Auditor General
2. Ministry of Finance (Budget and program, revenue management, international economic cooperation and coordination, economic analysis, public enterprise divisions)
3. National Planning Commission
4. Ministry of Federal Affairs and General Administration
5. Financial Comptroller General Office
6. Public Procurement Monitoring Office
7. Public Accounts Committee Secretariat
8. Inland Revenue Department
9. Department of Customs
10. Department of Revenue Investigation
11. Department of Money Laundering Investigation
12. PFM Training Centre
13. PEFA Secretariat
14. ICAN
15. Relevant Universities
16. Relevant other training institutions
17. Kathmandu Metropolitan (Financial Management Division)
18. Any Province Government (Ministry of Economic Affairs and Planning)
19. Development Partners
20. Any other relevant agency related to the assignment