

TERMS OF REFERENCE (TOR)
RECRUITMENT OF AN INTERNATIONAL CONSULTANT FOR PROVIDING
TECHNICAL SUPPORT TO THE ECONOMIC AND FINANCE COMMITTEE (EFC)
OF THE PARLIAMENT OF BHUTAN
(Updated on March 2019)

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| Post Title | : International Consultant for providing technical support to the Economic & Finance Committee (EFC) of the Parliament of Bhutan for reviewing the Budget of the Royal Government of Bhutan |
| Organization | : National Assembly Secretariat, Thimphu (Bhutan) |
| Duty Station | : National Assembly Secretariat, Thimphu (Bhutan) |
| Duration | : 22 days of in-country work between May and December 2019 |
| Type of Contract | : Non-extendable |

1. Background

Adoption of the Constitution of Bhutan in 2008 brought unprecedented reforms and changes wherein critical constitutional governance institutions were established including the formation of the Houses of Parliament. These new structures brought in significant changes to the roles and responsibilities of the two Parliament Houses, vested with representational, legislative and oversight roles. The Parliament of Bhutan comprises of His Majesty the King, National Council of Bhutan (NCB) and National Assembly of Bhutan (NAB). Parliament of Bhutan is a bicameral one with a total of 72 members.

The National Assembly functions in accordance with the Rules of Procedure (RoP) adopted in 2014, which prescribed establishment of 10 standing committees and one joint committee. One of the core functions of Parliament as a democratic institution is scrutiny of the budget proposals presented before it. In 2014, the need for a Finance Committee was felt while deliberating the Annual Budget with the primary role to review, deliberate and debate on the National Budget, National Financial Statements and any other fiscal matters and submit recommendations to the Parliament. Thereafter, the RoP was amended in 2015 and formation of a Finance Committee

was included. The first Finance Committee was established in 2015. The Committee was renamed as Economic and Finance Committee (EFC) with revised terms of reference when the two erstwhile committees (Finance Committee and Economic Development and Private Sector Committee) were combined after the third Parliament was constituted in 2018.

Given that the Finance Committee was established not long ago, the function is still evolving. There is a need for strengthening the technical capacity of the Committee to enable it to be effective in its review and oversight roles. This is particularly important since Parliamentary staff have limited exposure to and understanding of international standards and best practices. As per Bhutan PEFA Report 2016, Bhutan scored “C” under dimensions 18.1 - *Scope of budget scrutiny* and 18.2 - *Legislative procedures for budget scrutiny*. Hence, a need was identified for strengthening the function on legislative review of budgets.

The 2018 National Assembly election witnessed a majority of its members elected (42 out of 47 incumbent members) as first time Parliamentarians. Therefore, efficient techniques of assisting the committee and the Members has come about to be imperative during the course of their term. Assistance in the technical front is the first step in this regard.

2. Objective

The main objective of the assignment is to provide focused, effective technical support to the Economic and Finance Committee (EFC) of the National Assembly of Bhutan during the deliberations of the annual budget and relevant financial reports. The engagement of the expert will expose the Members and the Secretariat Staff of the Committee to the international best practices and exchange of knowledge, enabling them to apply the acquired knowledge in producing good Reports on draft Budgets and other relevant reports.

3. Scope of Work, Expected Outputs and Outcomes

The consultant will provide technical support to the EFC to review the Annual Budget and relevant reports along with legislations, regulations and policies relevant to the report and communicate and advise the EFC in order to identify the current and future skills and knowledge

needed and procedures for the Members of Parliament and staff to become more efficient and effective in its analysis and review functions.

Expected Work and Outputs

The expected outputs from the consultancy is as specified below: -

1. **Review of Budget Report:** Technical backstopping and providing hands-on technical and analytical support to EFC members and Committee Staff in reviewing draft Budget Reports including fiscal policies and medium-term fiscal forecasts for a financial year and preparing a report to Parliament. This deliverable would be carried out during the 10 days available (after the budget presentation to the National Assembly by the Finance Minister) to the EFC for the review of the report and will include working with the EFC to analyze and provide synopses/reports and formulated questions for the executive on the matters referred to the EFC. This will be done across one budget cycle for 2019.

Output: Draft review report on Budget Report tabled in Parliament.

2. **Legislative procedures on budget scrutiny:** Based on the international best practices, examples and experiences gained as part of above deliverable, provide a **Procedures Manual** including SOP/checklist and reference material of good practices for budget scrutiny by the EFC in future and provide related training to the EFC Members and Secretariat Staff.

Output: Procedures Manual on Legislative Scrutiny of Budget in the context of Bhutan and training provided.

Expected Outcome

The expected outcomes from this consultancy services to support EFC include:

1. Enhanced capacity of the Members of the EFC in effectively scrutinizing the budget allocation and its process in line with their terms of reference.
2. Enhanced institutional capacity for the Secretariat Staff in providing professional services to NAB and the Committee.

4. Knowledge Transfer

The Consultant will be intensively engaged with the EFC Members and Committee Secretaries from the National Assembly during the Budget Session to enable the Consultant to share knowledge and experiences in reviewing and making recommendations regarding the annual budget and related reports.

5. Duration of the Work

- a. The consultant is expected to work in-country for 17 days between 17 May 2019 - 15 June 2019 covering one budget cycle for Deliverable 1.
- b. The timeline for Deliverable 2 will be between May and December 2019. The dates for in-country visit will be mutually agreed.

6. Duty Station

- a. The consultant will undertake in-country mode of working (Thimphu, Bhutan). It is mandatory that Consultant be physically stationed in Bhutan for 22 days (about 17 days for Deliverable 1 and 5 days for deliverable 2).
- b. The consultant is expected to use his/her own computer and other equipment required for the task.
- c. A working space shall be provided by the Employer.

7. Required expertise & qualifications of Consultant

The Consultant needs to meet the following requirements:

- a. At least a Masters' degree from reputed institution in Public Finance, Economics and related fields. A Ph.D. will be an added advantage.
- b. At least 5-10 years of prior work experience in dealing with the Budget/financial reporting at an international level.
- c. Demonstrated experience and interpersonalcommunications skills in facilitating group consultations including a proven track record of written, analytical, presentation and excellent reporting skills and capacity building required. Experience of working with Parliamentarians/Legislators or in the area Parliamentary development will be crucial.
- d. Relevant demonstrated regional and international experience in budget preparation, review and monitoring will be required.

- e. Excellent knowledge of English.

8. Payments

Payment shall be made upon the following products deliverables:

| Sl.No. | Deliverables | Percent |
|--------|--|---------|
| 1. | Draft review report on Budget Report tabled in Parliament. | 50% |
| 2. | Procedures Manual on Legislative Scrutiny of Budget in the context of Bhutan and training provided | 50% |