

**Terms of Reference for a consultant for  
Assessing Public Investment Management (PIM) systems in Bhutan**

**Project/activity name:** Assessing Public Investment Management (PIM) systems in Bhutan

**Source of Funding:** (P162196) PFM-MDF financed Strengthening Public Financial Management Project

**Background:** To improve Bhutan's PEFA assessment<sup>1</sup> Score (PI-11), the RGoB has sourced financing support from the PFM-MDF to carry out studies on the existing PIM system in the country. The PIM assessment is targeted to bring improvements in the Public Investment portfolio by identifying investment inefficiency gaps and recommend targeted policy interventions to the government. PIM assessment and studies is one of the key areas of reforms in public financial management domain undertaken by MoF to improve public investment that can act as a catalyst for economic growth.

The public investment constitutes a substantial part of budget of the government and is also the reason for which the debt is undertaken. Therefore, based on the PEFA assessment and the guidance available internationally, it is important that Bhutan undertakes PIM reforms starting with a PIM assessment and preparation of a road-map, implementing reforms on policies, procedures and capacity building related to PIM.

Public Investment Management review will also help RGoB in identifying issues, if any, and accordingly achieve efficiency gains. Given the importance of this reform area including the significant fiscal implications, Royal Government of Bhutan (RGoB) has decided to undertake PIM reforms starting with a PIM assessment, recommendations for improvement, preparation of a road-map, implementing reforms on policies, procedures and capacity building related to PIM.

**Contract Objectives:**

The objective of the consultancy is to undertake a Public Investment Management Assessment based on **Diagnostic Framework for Assessing Public Investment Management<sup>2</sup> (DF-PIM)**.

**Scope of work/list of deliverables**

The consultant will provide following deliverables:

**Deliverable 1:** Assessment Report based on DF-PIM analyzing the current Public Investment Management practices with emphasis on the legal framework, institutional

<sup>1</sup><https://www.mof.gov.bt/wp-content/uploads/2015/07/PEFA2016Report.pdf>

<sup>2</sup> Anand Rajaram, Tuan Minh Le, Nataliya Biletska and Jim Brumby (2010), World Bank Policy Research Working Paper 5397.

arrangements, basic processes and controls linked to appropriate stages in the planning, budgeting, execution, reporting and auditing processes. The consultant will prepare AS-IS study, Gap Analysis and recommendations on each of the 8 must have of the DF-PIM with a clear road-map for PIM implementation in the country.

**Deliverable 2:** Development of national guidelines for the economic analysis of the investment Projects. Training of about 30 RGoB officials in three batches of not less than 3 days each.

**Timing**

From: November 15, 2020

To: January 15, 2021

**Scope of services:**

Estimated number of days:50

**Supervisory arrangements**

The consultant will report to Mr. Phuntsho Wangdi, Chief Budget Officer, Department of National Budget (DNB), Ministry of Finance, Royal Government of Bhutan

**Fee Claim:** The consultant will work on lump sum cost basis and payment shall be made as per the following installments:-

10% of contract price on submission of inception report

25% of contract price on submission of draft Deliverable 1

30% of contract price on submission of final Deliverable 1

15% of contract price on submission of draft Deliverable 2

20% of contract price on submission of final Deliverable 2

*For each of the deliverables, the consultant is expected to make a presentation to the RGoB officials.*

**The Contract Price:**

The rates quoted by the interested consultant shall be on lump sum basis and include all associated expenses related to the delivery of the services. However, the Hiring Agency shall facilitate for deliberation, consultation, discussion and imparting training to participants from relevant stakeholders.

**Consultant qualifications and experience requirements:**

- Masters in Public Policy or Economics, Chartered Accountant, CPA, ACCA or equivalent
- At least of 10 years' experience in the field of Public Financial Management.
- Should have experience of at least one demonstrated PIM assessment based on a recognized diagnostic framework as team leader/project manager in the last five years.

- Fluency in English is mandatory (oral and written); fluency in *Dzongkha* is a plus.

### Evaluation Criteria

Criteria	Score
Masters in Public Policy or Economics, Chartered Accountant, CPA, ACCA or equivalent.	(Maximum score 25) 15 points for one qualification and 25 points for more than one qualification
At least of 10 years' experience in the field of Public Financial Management.	(Maximum score 35) 10 points for 10 years' experience. Two points for each additional year of experience beyond 10 years. 35 points flat for above 20 Years
Should have experience of at least one demonstrated PIM assessment (mandatory) based on a recognized diagnostic framework as team leader/project manager in the last five years.	(Maximum score 30) 20 points for experience of one PIM assessment and 30 points for more than one PIM assessment.
Fluency in English is mandatory (oral and written); fluency in Dzongkha is a plus	(Maximum score 10) 5 points for English and 5 points for Dzongkha.

### Suggested Reporting Format:

#### Part I. Public Investment Management Systems (PIM) Report

##### 1.0 Introduction

##### 2.0 Assessment

###### 2.1 Investment Guidance & Preliminary Screening

###### 2.2 Formal Project Appraisal

###### 2.3 Independent Review of Appraisal

###### 2.4 Project Selection and Budgeting

###### 2.5 Project Implementation

###### 2.6 Project Adjustment

###### 2.7 Facility Operation

###### 2.8 Project Evaluation

##### 3.0 Conclusions, roadmap and recommendations to improve PIM

#### Part II. Guidelines for the economic analysis of the investment projects