

Terms of Reference

International Consultancy for Strengthening the documentation and classification of the budget of the Royal Government of Bhutan with special focus on gender

1. Background

- 1.1 The annual budget of the Royal Government of Bhutan (RGoB) is formulated by the Department of National Budget (DNB) with key inputs from the Fiscal Policy Division under Department of Macroeconomic Affairs (DMEA), Ministry of Finance (MoF) in consultation with the budgetary agencies and formal approval is accorded by the Parliament with a supplementary budget for the ongoing year. The budget preparation process is described in the Budget Manual which also describes the structure and classification of the budget. The Budget Policy and Fiscal Framework Statement contains key macro fiscal aggregates including proposed instruments of financing. The National Budget Report contains the fiscal performance of the previous year, revised budget for ongoing year and budget estimates for next year along with domestic revenue projections, expenditure, financing, sector allocations, tax measures, macro-economic performance and outlook and performances of state-owned enterprises.
- 1.2 Today, hydro-power sector is being intensively developed in Bhutan inducing rapid economic activity and growth. It is important to ensure that every segment of the economy and all levels of the Bhutanese population benefits from the anticipated hydropower revenues. Moreover, preservation of the environment is one of the fundamental principles on which the Kingdom of Bhutan flourishes and the Constitution of Bhutan mandates that *“the Government shall ensure that, in order to conserve the country’s natural resources and to prevent degradation of the ecosystem, a minimum of sixty percent of Bhutan’s total land shall be maintained under forest cover for all time”* and it is the fundamental duty of every Bhutanese to *“preserve, protect and respect the environment, culture and heritage of the nation”*.
- 1.3 Initiatives have been taken to promote and mainstream GRPB in the socioeconomic development plans and activities. The MoF, through its Budget Call Notifications, has been notifying the budgetary bodies to take into account gender and poverty (GECDP) while formulating their plans and programs. Section 3.3.4 of the Budget Manual 2016 states that the budget proposals by all Agencies shall consider gender, environment, climate change, disaster and poverty (GECDP) issues which are cross-cutting in nature and highlight in the policy statement.
- 1.4 The RGoB has started (FY 2015/16) producing in-year budget reports – the quarterly Budget Performance Report. Starting FY20/21, these reports are also being published.

2. Statement of Interest

- 2.1 The RGoB, through its Fiscal Policy Division under the Department of Macroeconomic Affairs in the Ministry of Finance, wishes to engage an individual consultant who has international and regional levels of experience and expertise on budget documentation, in particular, application of modern elements of budgeting on aspects of gender responsive budget. International good practices and guidelines should be considered (such as Open

Budget Survey and guidelines of IMF and OECD) for the assignment. The BOOST, a Bank tool for supporting budget, could also be explored.

- 2.2 In the above background, the overall objective of the assignment is to provide technical guidance and hand-holding support to the RGoB on enhancing the contents of the National Budget Report and in-year quarterly Budget Performance Report with respect to Gender Budgeting, and preparing a “Citizens Budget”. This will include strengthening the capacity of civil servants, preparing human resources on these aspects and developing the necessary policy and methodological documents with the objective of reflecting these in the budget preparation process, documentation and in-year reports.

3. Scope of Services, Tasks (Components) and Expected Deliverables

Budget Report

- 3.1 Review the existing budget documentation (the National Budget Report) in line with international good practices (including Public Expenditure and Financial Accountability guidelines, relevant indicators and current PEFA scores¹ as per 2016 Report) and prepare guidelines on preparation of the Budget Report incorporating the gender aspects. These guidelines should include the structure of the National Budget Report and steps for implementation and include meaningful visual analytics.
- 3.2 Identify and recommend the changes that would be required in the Budget Manual of the Financial Rules and Regulations (FRR) and other documents of the RGoB to operationalize the revised National Budget Report structure and contents.
- 3.3 Providing hand-holding support to MoF in implementing the above in one budget cycle and demonstrating the effectiveness of the suggested framework.

Citizen’s Budget

- 3.4 Suggest the modalities for preparing a “Citizen’s Budget” in a non-technical manner to be understood by a large section of the society, considering the guidelines of the Open Budget Survey.

4. Qualification Requirements for the Key Experts and evaluation criteria

- 4.1 The assignment will require a high level of technical competence in the area of designing and implementing government budgeting systems in diverse country settings, expert knowledge in modern budgeting formats and capacity building and institutional reform needs. The international consultant is expected to have the following qualifications and experience.
 - Post-graduate degree in public policy, public finance, development studies, or economics related field from a recognized university
 - At least 15 years’ international experience in various countries in public financial management reforms and particularly in the areas of budget preparation, documentation and analysis and the requirements of the Open Budget Survey and OECD/IMF guidelines on budgets and fiscal transparency

¹ For Example: Bhutan’s score against indicators Medium Term perspective in expenditure budgeting (PI-16) and In-Year Budget Reports (PI-28) was C+.

- Proven track record of successfully completing at least 2 assignments in areas of budgeting reforms covering aspects on gender etc
- Expertise in developing training programs and materials, and conducting training sessions and dissemination workshops
- Familiarity with computer applications on public financial management particularly budgeting systems would be an advantage
- Ability to work with the operational staff and officials at the Secretary level and with Parliamentarians
- Ability to work in an independent manner with efficient workflow
- Fluency in spoken and written English
- Ability to work remotely

Evaluation Criteria

Criteria	Score
Post-graduate degree in public policy, public finance, development studies, or economics related field from a recognized university	(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. One point for each additional year of experience beyond 10 years.
Should have experience of at least one demonstrated assessment related Gender Budgeting.	(Maximum score 40) 20 points for experience of one relevant assessment, 30 points for two assignments and 40 points for more than two PIM assessment.
Fluency in English is mandatory (oral and written);	

5. Payment schedule, Reporting Requirements and Time Schedule for Deliverables

The consultant is expected to spend about 30 working days on the assignment over a period of about 3 months and shall submit the following reports and documentation to Fiscal Policy Division, DMEA:

S.No.	Deliverables	Timeline (expected days for a deliverable)	Percent of payment
1	D1 - Inception Report including broad implementation plan	3 days	10% upon contract signing, 70% on completion of D3, and 20 % upon satisfactory completion of the assignment.
2	D2 - Review and Draft revised format for (a) A section on Gender aspects in National Budget report (b) In-year quarterly budget report (c) citizen's budget report along with submissions as mentioned in paras 3.1 to 3.4 above.	15 days	
3	D3 - Finalize the submissions as described in D2 above.	5 days	
4	D4 - Draft, Discuss and submit a proof of	7 days	

	concept Revised National Budget Report prepared		
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In addition, consultant will hold consultations with relevant government and other officials as required to fulfill the assignment. The consultant will also communicate on regular basis with Mr. Karma M.P Dorji of DMEA (Fiscal Policy Division) and provide weekly updates on issues, constraints and potential solutions to carry out the assignment.

This will be a lumpsum output based contract. In addition, an amount of US\$..... per day will be provided to the consultant to cover the cost of boarding and lodging. In addition, cost of a round-trip economy class tickets will be provided from the home location of the consultant to Bhutan.

6. Client's Input and Counterpart Personnel

(a) Services, facilities and property to be made available to the Consultant by the Client:

i) Support for coordinating with relevant government agency/ official