

## **Request for proposal for a company OR individual consultant - Description of registration and compliance procedures for micro and small economic units and their workers in Cambodia**

### **Context**

The ILO Recommendation on the Transition from the Informal to the Formal Economy, 2015 (No. 204)<sup>1</sup> calls on member States to design coherent and integrated strategies to facilitate the transition from the informal to the formal economy, and recognizes the need for tailored approaches to address the diversity of situations and the specificity of national circumstances. Supporting enterprise formalization as a means of creating decent work opportunities for workers and economic units in the informal economy is a prominent pillar of the policy recommendations formulated in Recommendation 204.

In line with this, and as part of an integrated strategy, the ILO aims to support Cambodia to roll out a training module on enterprise and job formalization. This module, entitled Formalize Your Business (FYB), aims to build the capacity of micro and small informal enterprises. It consists of two parts: the first part deals with generalities around the topic of formalization (e.g., what is enterprise formalization, why is it important); the second part describes procedures for registering an economic unit and for complying with national requirements in terms of:

- ▶ Enterprise and worker registration (Unit 1)
- ▶ Bookkeeping (Unit 2)
- ▶ Taxation (Unit 3)
- ▶ Social security (Unit 4)
- ▶ Decent work and labour law (Unit 5)
- ▶ Sectoral and cross-sectoral requirements (Unit 6)

Within this framework, the present assignment aims to gather detailed information on registration and compliance procedures for micro and small informal enterprises.

### **Objectives and methodology**

The objective of this assignment is to map out the most common process and touchpoints for registering micro and small informal businesses accordingly with the national requirements. The assignment will support the contextualization of the ILO FYB modules in Cambodia and its implementation. The scope of the mapping must differentiate between (i) own-account workers and (ii) employers/owners of micro/small enterprises.

The mapping should, as much as possible, be generalised and encompassing the multiplicity of industries and economic sectors. Where specific sectoral differences exist (e.g., licensing) the mapping shall precisely indicate it. The ILO team may consider narrowing down the scope to a small number of sectors such as, for example, construction, tourism, accommodation, and F&B.

The assignment will follow a 3-steps methodology, which includes:

- Desk research to gather information on relevant registration and compliance requirements as well as official agencies implicated in different steps of formalization.
- As necessary, field observation or informant interviews with the relevant institutions and agencies responsible for the registration and compliance of economic units and their workers, as well as with formalized/formalizing entrepreneurs.
- A national validation workshop, in order to present the gathered information while also increasing the visibility of the project and further involving stakeholders.

---

<sup>1</sup> The complete text of the Recommendation is available [here](#).

The ILO will provide guidance and technical support, and will propose a list of key topics and guiding questions on which information should be collected. The consultant(s) will adapt the list of key topics and questions to the national context and develop a report on formalization and compliance procedures for enterprises and workers in Cambodia. This report is only intended to describe registration and compliance procedures for informal economic units, not to pinpoint their gaps or strengths. The report should be concise and easy to use. The information can, therefore, be displayed in tables, lists or other formats, where appropriate. The consultant(s) will also be expected to assist in reviewing and adapting the training materials, with a view to ensuring proper understanding and organizing of the collected information.

## Process and activities

| Activities   | Duration (indicative) |
|--|-----------------------|
| <b>Phase I - Desk research</b>   |                       |
| <p><b>1</b> Based on guidance provided by the ILO, <b>compile a draft report on enterprise registration and compliance procedures</b> for enterprises and/or own-account workers. The report should cover all regulations and procedures that apply to micro and small enterprises and workers in terms of bookkeeping, taxation, social security, labour laws and sectoral regulations, at both national and local levels.</p> <p>The report should also include information on the institutions that support business formalization, the support services available, the costs, timeframes and documentation required for each procedure, and useful links. The report should also include reference to the key documents (registration forms, sample contracts, etc.) that will be added as annexes.</p> <p>The desk research will be submitted to the ILO for review and approval.</p> | 5 days                |
| <b>Phase II - Interviews with the relevant agencies, institutions and entrepreneurs</b>  |                       |
| <p><b>2</b> On the basis of the draft report revised by the ILO, <b>adapt and finalize the list of key topics and guiding questions (#1)</b> for information collection, and <b>develop a list of relevant institutions and agencies (#2)</b> for field observation or informant interview. The two lists will be submitted to the ILO for review and approval.</p>  | 1 day                 |
| <p><b>3</b> <b>Conduct field observation or interviews with identified institutions, agencies, and entrepreneurs</b> in order to:</p> <ul style="list-style-type: none"> <li>(1) Gather missing information on enterprise and worker registration and compliance requirements and procedures;</li> <li>(2) Verify, validate and expand the information collected through the desk research;</li> </ul> <p>The information gathering process will be supported by the ILO, for example through a letter introducing the consultant and his or her assignment to the relevant agencies.</p>  | 3 days                |
| <p><b>4</b> <b>Produce a second version of the draft report</b>, revised and enriched based on the information gathered during the interviews.</p>   | 2 days                |
| <b>Phase III - Validation workshop</b>   |                       |

|   |        |
|---|--------|
| <b>5 Participate in a validation workshop</b> , in order to increase the visibility of ongoing efforts, to widely involve partners in the realisation of the module, and to revise/validate the report based on participants' comments. The contributions expected of the consultant are as follows: <ul style="list-style-type: none"> <li>- Presentation of the information gathering process, draft report and its structure;</li> <li>- Presentation on the micro and small entrepreneurs' journey for formalization</li> </ul> | 1 day  |
| <b>6</b> Based on comments and modifications obtained during the national workshop, <b>amend and finalise the draft report and submit the final report</b> to the ILO.  | 1 day  |
| <b>Phase IV - Development of training materials</b>   |        |
| <b>7</b> Work alongside the ILO training expert to <b>revise FYB training tools</b> (i.e., the learner's manual) based on existing versions and collected information.  | 2 days |
| <b>Total</b> 15 days  |        |

## Deliverables

- 1) The **first deliverable** is the draft report on registration and compliance procedures for micro and small enterprises, based on initial desk research. The report will also include a list of key topics and guiding questions for information collection and a list of relevant institutions and agencies for field observation and interviews.
- 2) The **second deliverable** is the final report containing exhaustive information on registration and compliance requirements and procedures for small enterprises and workers, revised based on comments provided by the ILO and by workshop participants.

### Payment calendar:

- ▶ 1st payment of 50% of the total amount upon reception of the 1<sup>st</sup> deliverable, to the ILO's satisfaction;
- ▶ 2<sup>nd</sup> payment of 50% of the total amount upon reception of the 2<sup>nd</sup> deliverable, to the ILO's satisfaction.

## Duration

The assignment will take place from **April 2024 to July 2024**, with an estimated work duration of **15 days**.

## Required profile

- A good understanding of the informal economy in Cambodia;
- Proven experience and knowledge of the laws, regulations and procedures for the formalization of micro and small enterprises in Cambodia, as well as of the institutions/agencies that support them.
- Proven experience in supporting enterprises in their registration, formalization, and development.
- A capacity to communicate effectively with the representatives of the institutions/agencies involved in formalization.
- Excellent spoken and written English and Khmer language skills.
- Excellent ability to synthesise and organise information.

## Supervision and coordination

The consultant will work under the supervision of the ILO Social Protection Technical Officer.

## Expression of interest

The expression of interest is open to both individuals and companies. Applications will be evaluated separately for individuals and firms. A two-stage evaluation process will be applied, with technical evaluation be done at the first stage. At the second stage the financial proposal of applicants who passed the technical assessment will be done.

### **For individuals:**

Applicants must email the technical proposal (including a workplan and updated CV) to [pn2-socpro@ilo.org](mailto:pn2-socpro@ilo.org) with the subject "Individual technical proposal: Description of registration and compliance procedures".

Applicants must email a separate financial proposal (including the expected number of days and the daily fee only) to [pn2-socpro@ilo.org](mailto:pn2-socpro@ilo.org) with the subject "Individual financial proposal: Description of registration and compliance procedures".

### **For companies or firms:**

Applicants must email the technical proposal (including a workplan and updated CVs of the team members) to [pn2-socpro@ilo.org](mailto:pn2-socpro@ilo.org) with the subject "Company technical proposal: Description of registration and compliance procedures".

Applicants must email a separate financial proposal (including the expected number of days and the daily fee only) to [pn2-socpro@ilo.org](mailto:pn2-socpro@ilo.org) with the subject "Company financial proposal: Description of registration and compliance procedures".

**Note to the financial proposals:** The International Labour Organization, as a United Nations Specialized Agency, enjoys a special tax status in Cambodia. Unless specified in advance in the financial proposal, and agreed in the contract document, the invoices will be submitted exclusive of any amount representing charges, duties or taxes (e.g., value added tax).

**Applications should be sent by April 1<sup>st</sup>, 2024, at 7:00 am.**

### **Annex : Overview of information to be collected by the consultant**

For each unit (6 in total) of Part II of the "Formalize Your Business" manual, the following questions serve as initial guidance for information gathering:

a) **Procedure:** What is/are the registration/compliance procedure(s)?

- Which are the required documents?
- How and where do the procedures take place?
- Which laws or regulations apply to enterprises with regards to registration and compliance?

b) **Actors:** Which administrative bodies are responsible for the procedures and what, if any, formalization services do they offer?

- Describe the roles and functions of these administrative bodies / institutions / agencies

c) **Costs:** What are the costs incurred by registration and compliance?

- Costs associated with enterprise registration
- Costs associated with maintaining compliance overtime

d) **Duration :** What is the amount of time required to ...

- Complete the initial enterprise registration process?
- Maintain compliance with laws and regulations?

e) **Practical support :**

- Are there any special rules/procedures/schemes that apply to informal enterprises and workers? If so, how do they work?
- How does the government (local and national) help (informal) entrepreneurs to comply with regulations?
- How do employers' representatives, business organisations or other formal enterprises support their members/business partners comply with regulations? Do these services also extend to informal entrepreneurs?
- What other practical advice can be offered to informal economic units regarding registration and compliance procedures?