

# SKILLS FOR FUTURE ECONOMY SECTOR DEVELOPMENT PROGRAM CAM-SFE-SDF-CS-05 (Various Assessment Studies)

## Terms of Reference for Consulting Firm

### “Cambodia Medium and Long-term Financing Modalities for Skills Development Fund (SDF)”

26 August 2024

#### **1. Background**

Industries consistently innovate as long as globalization persists, necessitating workforce adaptation to remain competitive. In an era of rapid change, the regional institution plays a key role in obliging nations to adapt to these shifting dynamics. Recognizing this imperative, ASEAN has formulated a declaration and roadmap on Human Resources Development for the Changing World of Work. Through this initiative, ASEAN member states collectively acknowledge the importance of skills development and actively promote lifelong learning across the region, leveraging their network and resources.

Responding to the change in socioeconomic and labor market situation, Cambodia has embarked on a new development path toward achieving growth, employment, equity, efficiency, and sustainability. The Royal Government of Cambodia (RGC) reaffirms its strong commitment to the United Nations 2030 Agenda for Sustainable Development Goals (SDGs), which encompasses 17 objectives. Notably, Goal 4 and Goal 8, focus on quality education and fostering decent work and economic growth; the two goals are critical in fostering human capital development. In terms of government effort, the RGC has recently launched a national policy known as the “Pentagonal Strategy” Phase I. The first part of the Pentagon prioritizes human capital development and focuses on 1) enhancement of the quality of education, sports, science, and technology; 2) technical skills training; 3) improvements of people's health and well-being; 4) strengthening of social protection systems and food system; and 5) strengthening of the quality of citizenship of a highly civilized society with morality, equity, and inclusiveness. From international to national policies, the Skills Development Fund (SDF) plays a critical role in taking part to improve the country's skills ecosystem, and forge human capital development.

The Royal Government of Cambodia has established the Skills Development Fund (SDF) in 2018 and recently transformed it into a trust fund in 2023, with the vision of becoming the most trusted financing platform for sustainable and demand-driven skills development. Additionally, the Asian Development Bank (ADB), under the Skills for Future Economy Sectors Development Programme (SFESDP) supports these efforts financially and non-financially. Recognizing the need for long-term financing stability and guided by her vision and mission, SDF will explore diverse funding options and optimize existing resources to decrease reliance on a single funding source to ensure long-term viability in supporting skills development to cater to public and private sector needs and Cambodia's socio-economic development. Thus, SDF will undertake a comprehensive study of medium and long-term financing modalities for Cambodia to fully align with international, regional, and national policies.

#### **2. Purpose of the assignment**

This assignment will explore financing modalities for the SDF, utilizing lessons from international practices and Cambodian experiences. After a study visit to Skills Future in Singapore and HRD Corp in Malaysia, SDF gained valuable insights into skills development funding models. These institutions leverage private sector contributions and multiple income streams instead of relying solely on

government funding, creating a larger pool of funds. The skills development and training levy, managed by multiple government agencies in collaboration with the private sector, ensures that training is high-quality and meets industry needs. The funding also supports a TVET-oriented program and emphasizes additional initiatives such as upskilling and reskilling.

The goal is to adapt successful models to Cambodia's specific needs, ensuring effectiveness, efficiency, and long-term sustainability. This approach aims to encourage industry involvement in skills training, facilitate sustainable skills development, and strengthen the overall skills ecosystem, ultimately contributing to Cambodia's long-term economic growth. With diversified funding approach enhances the sustainability of skill development institutions in line with Cambodia's governmental policy outlined in Pillar 5 of the Cambodian Skills Roadmap 2023-2035. By examining the diverse range of global financing modalities, each shaped by their unique socio-economic contexts, this research will provide the SDF with a framework for comprehensive exploration across different social and economic scenarios.

The specific objectives of this assignment are:

- i) Analyze various financing modalities for the SDF in the medium- and long-term,
- ii) Evaluate all relevant financing modalities for the SDF by assessing cost and benefits, market readiness/willingness, and administrative feasibility, and
- iii) Recommend implementation arrangement and plan for the chosen financing modalities.

### **3. Duration of the Services**

The assignment shall be completed within 6 months after commencement.

### **4. Scope of the services**

This assignment has three main tasks as follows:

#### **Task 1. Analyze various financing modalities for SDF in the medium- and long-term**

- Review good practices of Southeast Asian countries and other middle and advanced economy nations regarding financing modality on skills development.
- Examine the best practices of at least four nations such as Singapore, Malaysia, Switzerland, Germany and other nations that have adapted any financing modality to fit the following three economic contexts: lower-middle, middle, higher-middle, and high-income.
- Analyze the financing modality transformation based on the economic growth of specific cases.
- Identify the most feasible financing modalities that are mostly adopted or preferred by the majority of the countries (level of preference).
- Analyze the effectiveness of each financing modality on factors such as labor market outcome evaluation, enterprise impact assessment, the pattern of fund mobilization, fund expenditure, and disbursement from relevant government agencies and other sources.
- Define the term or duration for medium financing modality and long-term financing modality that fit Cambodia's evolving landscape.

**Expected Outcome:** To synthesize the information from each specific international experience, present the primary findings for Task 1, and then consolidate it into a progress report for Task 1.

#### **Task 2. Evaluate all relevant financing modalities for SDF by assessing costs and benefits, market readiness/willingness, and administrative feasibility**

- Based on findings under task 1, opt for/choose financing modalities that are relevant for Cambodia to implement over the medium and long term.
- Identify whether the relevant stakeholders in the skills ecosystem are familiar with/have experience with the financing modalities.
- Conduct the Cost and Benefits Analysis of the chosen financing modalities.
- Identify challenges to enhance readiness and commitment of key stakeholders (e.g., legislative, government, private sector, foreign investors)\_ determine if the market is prepared to engage and participate in the practice of financing modalities.
- Administrative feasibility and practicality: analyze if the governmental body has the capacity for factors such as administrative setup, organizational structure, legal and regulatory framework, resource mobilization, governance mechanism, etc.
  - Sustainability: assess each modality over the medium to long-term considering factors such as repayment obligations, market stability, and regulatory risks in Cambodia
  - Scalability: analyze the potential for each modality to be expanded and replicated from reaching a target group (industry-specific) to achieve a larger-scale impact (national).
- SWOT Analysis: Identifying strengths, weaknesses, opportunities, and threats of implementing each financing modality.

**Expected Outcome:** Shall propose a few financing modalities that are appropriate for medium- and long-term in Cambodia, by emphasizing the willingness of the market toward the financing modalities, administrative feasibility, sustainability, and scalability as well as swot analysis. Following the collection and analysis of the data, present the primary findings to identify any implications, and submit a progress report under Task 2.

**Data Collection:** To conduct this task, the consultants shall consider the following

- *Stakeholder Consultation:* The consultant shall conduct consultations with stakeholders, including but not limited to the government ministries and institutions, development partners, business/industry associations, and sectoral skills councils to collect input for Task 2 and Task 3.
- *Questionnaire and interview questions development:* The consultant shall develop the questionnaire and other tools as necessary including both qualitative (interview) and quantitative approaches to collect the necessary inputs for Task 2 and Task 3.
- *Location of the consultation:* The questionnaire survey and stakeholder consultation shall be conducted in Phnom Penh and other provinces as identified by consultants.
- *Analysis method:* both qualitative and quantitative analysis methods are required.
- *Sample size:* the proportion should represent many sorts of enterprises that align to SDF priorities sectors. The recommended number of representatives from business associations, and business enterprises (small, medium and large-sized) is 500.
- *Timeframe:* strategies and action plans shall be developed, implemented, and completed by the end of Q3 2024.

### **Task 3. Recommend implementation arrangement and plan for the chosen modalities**

The recommendations should cover:

- Medium and long-term plans, and evidence-based strategies that are workable for the different options of financing modalities for Cambodia,
- Key stakeholders involved in each different financing choice,
- Formulating a preparatory plan that provides groundwork so SDF is well-prepared and equipped to enforce the implementation plan effectively (scope, timeline, resources, organizational structure

- Developing the blueprint/implementation plan that includes communication and public outreach, roles and responsibilities of the government agencies and stakeholder engagements, fund mobilization, fund expenditure, and disbursement, monitoring, and evaluation (ensuring transparency, trust, and sustainability)
- Measurement to address certain issues/challenges that may occur in the implementation stage for each proposed option.

### **5. Firm recruitment**

The consulting firm should be based and registered in Cambodia. The method of selecting a consulting firm is aligned with the Consultants' Qualifications Selection (CQS) process of the ADB. The interested firms are to submit an amplified and detailed expression of interest (EOI) in reply to the advertisement which will be posted on ADB CSRN, SDF's channels, and a local advertising portal. A firm with the best-evaluated EOI will be requested for a combined submission of the technical and financial proposal, and subsequently, invited for negotiations. The firm will be engaged if the proposal meets the requirements, and the negotiations are successful.

### **6. Team Composition and Qualification Requirements for the Experts**

The consulting firm will need to arrange transportation and accommodation for survey activities and must deploy the following team of experts to carry out the tasks as follows.

#### **A. Team Leader: National Senior Specialist in Applied Economics (1 person, 5 person-months)**

##### **Qualification:**

- At least a Master's degree in Economics, Applied Economics, Public Policy, Development Studies, or a closely related field, PhD highly preferable.
- Minimum of 9 years of experience in economic development research and analysis
- A minimum of 7 years of experience in developing and applying economic models to assess the impact of various interventions is essential.
- Demonstrable experience in evaluating the economic sustainability of development projects and programs.
- Proficiency in analyzing and interpreting economic data, including macroeconomic trends, labor market dynamics, and poverty indicators.
- Have an in-depth understanding of the current legislative
- Demonstrated experience leading and managing research teams.
- Strong analytical of qualitative and quantitative skills, proficient in using econometric software and data analysis tools.
- Excellent communication and writing skills, able to translate complex economic information into clear and concise language for diverse audiences.
- Experience in project management, supervising, and able to control the quality of the study with a high level of accuracy.

##### **Responsibilities:**

- Develop economic models to assess the potential impact of different financing modalities on economic growth, job creation, and skills development landscape.
- Evaluate the medium and long-term economic sustainability of different financing modalities.

- Develop evidence-based recommendations for policymakers and stakeholders on effective financing modalities for skills development.
- Able to review the current legislative set-up for a possible suggested model
- Advocate for policies and strategies that promote sustainable and inclusive skills development in Cambodia.
- Communicate complex economic and financing information clearly and understandably to diverse audiences.
- Stay updated on current research and best practices in skills development and economic development.
- Identify innovative financing mechanisms and partnerships for skills development.
- Contribute to project design, implementation, monitoring and evaluation
- Consider stakeholder perspectives and equity considerations in financing modality selection.
- Maintain and ensure the delivery of the team's work
- Ensure ethical research practices and data accuracy.

**B. Deputy Team Leader: National Finance Specialist for Developing Financing Modalities for Skills Development (1 person, 5 person-months)**

**Qualification:**

- At least a Master's degree in Finance, Economics, Sustainable Financing, or other relevant fields.
- Minimum of 5 years of experience in financing analysis, with a focus on project finance or development finance preferred.
- Experience in designing and analyzing financing models.
- Strong understanding of financing products and instruments, particularly those relevant to skills development.
- Excellent analytical and problem-solving skills.
- Effective communication and collaboration skills to work effectively within the team and with other stakeholders.
- Experience working in the skills development sector and knowledge of the Cambodian financing system and relevant policy frameworks.
- Experience in conducting feasibility studies and cost-benefit analyses for skills development projects.
- Understanding of the financing needs of different stakeholders involved in skills development, such as individuals, training providers, and employers.
- Experience in project management, supervising, and able to control the quality of the study with a high level of accuracy.
- Fluent in communicating in Khmer and English in a professional manner.

**Responsibilities:**

- Evaluate the feasibility and sustainability of different financing modalities in the Cambodian context.
- Compare and analyze different financing options: Consider factors like costs, benefits, risks, eligibility criteria, and potential impact on specific target groups.

- Stay up-to-date on current research and trends in financing and skills development: Monitor relevant publications, and participate in professional development activities.
- Research and analyze best practices and innovative financing approaches: Identify emerging trends and opportunities relevant to skills development initiatives.
- Support communication and collaboration with stakeholders: Participate in discussions with government agencies, training providers, development partners, and other stakeholders to gather insights and build consensus.
- Contribute to project design and strategic planning, and assist with tailoring chosen financing modalities to the specific needs and context of the project.
- Develop evaluation frameworks, and establish criteria to assess the suitability and effectiveness of different financing modalities based on the research objectives and context.
- Work collaboratively with the team to develop innovative and effective financing solutions tailored to the needs of the Cambodian skills development ecosystem.
- Contribute to the development of detailed costing and pricing structures for new financing models
- Provide technical support and guidance to other team members on financing aspects of the research project.
- Prepare reports and presentations, and communicate research findings and recommendations clearly and concisely to diverse audiences, including technical experts and non-specialists...
- Maintain ethical research practices and ensure data accuracy.

### **C. Team Member: National Research Specialist (1 person, 5 person-months)**

#### **Qualification:**

- Minimum Master's degree in Economics, international relations, Social Science, Sociology, Development Studies, Education, Public Policy, or other related fields.
- Minimum of 5 years of experience conducting qualitative and quantitative research, including semi-structured interviews, focus group discussions, and other relevant data collection methods.
- Familiarity with best practices and emerging trends in skills development financing mechanisms.
- Have the ability to transcribe and analyze data using appropriate methods.
- Able to write clear and concise reports, synthesis, and summaries of research findings.
- Excellent written and verbal communication skills in both Khmer and English
- Ability to work independently and collaboratively in a team environment, while maintaining high attention to detail and accuracy.
- Experience with impact assessment methodologies and evaluations of financing modalities in a development context.

#### **Responsibilities:**

- Collaborate with the team to develop and refine the research plan, including interview guides, discussion protocols, and sampling strategies for diverse stakeholder groups.
- Ensure research design adheres to ethical research principles and protocols.
- Facilitate discussions and ensure effective data collection, capturing insightful perspectives on various financing options.
- Able to find and analyze legal resources relevant to the suggested financing modalities.

- Analyze and interpret secondary data from various sources to inform and advance the research project
- Develop clear and concise reports and summaries that effectively communicate research findings and recommendations to diverse audiences, both technical and non-technical.
- Contribute to presentations and dissemination of research findings to various stakeholders.
- Conducting literature reviews and staying updated on relevant research in the field of skills development financing.
- Contributing to the development of research tools and materials.

**D. Team Member: National Stakeholder Engagement Specialist (1 person, 5 person-months)**

**Qualification:**

- A Master's degree in Communications, Public Relations, Social Sciences, International Development, or Business Administration is preferred.
- A Minimum of 5 years of experience with public engagement and engaging with diverse publics, including but not limited to government officials, community groups, and the private sector.
- Demonstrated ability to identify, analyze, and map key stakeholders relevant to the project.
- Experience facilitating meetings, workshops, and other engagement activities, ensuring clear and effective communication with diverse stakeholders.
- Ability to navigate different perspectives and facilitate constructive dialogue in situations with potential conflict or disagreement.
- Prior experience working on development projects, in the skills development sector is highly desirable.
- Excellent written, verbal, and presentation skills to effectively communicate complex information to diverse audiences.
- Ability to actively listen to stakeholder concerns, engage in dialogue, and facilitate effective discussions.
- Strong networking skills and the ability to build trust and rapport with stakeholders from different backgrounds.
- Ability to work effectively in a culturally diverse environment and demonstrate sensitivity to different perspectives
- Familiar with relevant technology tools used for communication and engagement (e.g., online collaboration platforms, communication software)
- Excellent in English and Khmer, able to communicate professionally.

**Responsibilities:**

- Forging strong relationships with key stakeholders throughout the research process.
- Identify potential partners who can contribute resources, expertise, or support implementation.
- Negotiate agreements and build collaborative partnerships for sustainable skills development initiatives.
- Monitor the effectiveness of stakeholder engagement strategies and communication efforts.
- Evaluate the impact of the research on stakeholders and their communities.
- Stay updated on best practices and ethical considerations in stakeholder engagement.
- Promote gender equality and social inclusion throughout the engagement process.

- Facilitate knowledge sharing and capacity building among stakeholders.
- Identify all relevant stakeholders impacted by or with an interest in your research, including government agencies, training providers, employers, workers, beneficiaries, local communities, and civil society organizations.
- Map their interests, concerns, and potential influence on the research and implementation of chosen financing modalities.
- Design inclusive and effective engagement strategies tailored to different stakeholder groups.
- Facilitate constructive dialogue and information exchange between stakeholders and the research team.
- Gather stakeholder feedback and perspectives on their willingness to participate in the practice of financing modalities.

**E. Data Analyst: (1 person, 2 person-months)**

**Qualification:**

- At least a master's degree in statistics, data science, or related field
- At least 4 years of professional working experience in quantitative and qualitative data analysis including stakeholder analysis and SWOT analysis
- Experience in data analysis and interpretation of relevant projects will be a plus
- Strong knowledge of education and interpretation of relevant projects will be a plus
- Strong knowledge of education and financing modalities
- Excellent interpersonal and communication
- Excellent written and verbal communication skills in both Khmer and English

**Responsibilities:**

- Conduct data coding and data enter
- Filter and clean the collected data
- Interpret data and analyze results using statistical techniques
- Ensure the analyzed result meets the study's objectives
- Keep the collected data confidential
- Work with the team to develop the data collection tools
- Report to the team leader, deputy team leader, and other specialists.

**F. Field Supervisor: (2 persons, 2 person-months each)**

**Qualification:**

- At least a bachelor's degree in social studies, education, economics, or other related fields,
- At least 4 years of working experience in managing surveys and stakeholder consultation,
- Experience in the design of the questionnaire, conducting a quantitative and qualitative survey, consultations with multi-stakeholders, and empirical data collection and analysis,
- Strong knowledge of education, skills development, and funding strategic development,
- Experience in leading the field survey will be a plus,
- Excellent interpersonal and communication skills,
- Willing to travel to provinces.

**Responsibilities:**

- Provide feedback on the work plan and data collection methods,
- Conduct secondary data collection,
- Arrange consultation and interview meetings for the team,
- Lead the questionnaire survey,
- Double-check and ensure the quality of the collected data and keep it confidential,
- Follow up with consulted and interviewed key informants if required,
- Report to the team leader and the deputy team leader.

**G. Enumerators: (6 persons, 2 person-months each)****Qualification:**

- At least a bachelor's in development studies, education, economics, or other related fields,
- At least 2 years of working experience in conducting quantitative and qualitative surveys with multi-stakeholders, especially the enterprises and training institutions,
- Strong knowledge of education, skills development, and funding strategic development,
- Knowledge of online and paper-based data collection tools,
- Good in English and fluent in the Khmer language,
- Excellent interpersonal and communication skills,
- Ability to control and demonstrate a qualitative and quantitative survey,
- Willing to travel to provinces.

**Responsibilities:**

- Provide feedback on questionnaires and work plans,
- Conduct questionnaire testing and questionnaire surveys,
- Ensure effective and efficient performance,
- Double-check the collected data and keep it confidential,
- Follow up with interviewed key informants if required,
- Report to field survey leader.

**7. Reporting Requirements****Reporting Arrangement:**

The recruited consulting firm will be under the direct supervision of and report to the Project Management Unit (PMU) of the Output 2 and 3 for the Skills For Future Economy Sectors Development Program (SFESDP).

**Report Preparation:**

- (i) Prepare inception report which indicates sampling methods, data collection tools, and detailed work plan,
- (ii) Prepare progress report on data collection activities,
- (iii) Prepare draft report and cleaned dataset,
- (iv) Present preliminary findings,
- (v) Revise and finalize the report.

**The number of copies of the report:**

- (i) Hard copies: 10 copies of the final report,
- (ii) Soft copies: 5 USB flash drives which include a final report and cleaned dataset.

**Contact details for submission of Reports:**

To: Ms. Heng Sambath  
 Acting Strategy Manager  
 Skills Development Fund  
 Phone: (+855) 023 901 583  
 Email: [h.sambath@sdfcambodia.org](mailto:h.sambath@sdfcambodia.org)

**8. Expected Deliverables, Timeframe, and Payment**

The final report and cleaned datasets shall be submitted within 6 months after commencing the contract. Upon contract signing, a 10% advance payment will be made to the firm. The specific deliverables, expected timeframe, and payment are expected as below.

No.	Outputs/Deliverables	Expected timeframe	Payment
i	Submission of an inception report, including methods, data collection tools, and work plan	2 weeks after contract signing	15%
ii	Submission of progress report and proposed outline of the final report after completion of data collection	8 weeks after inception report	30%
iii	Submission of the draft report and dataset	6 weeks after the progress report	
iv	Presentation of preliminary findings to SDF team	1 week after the draft report	
v	Submission of a revised draft report	3 weeks after the 1st presentation	20%
vi	Presentation of final findings to the SDF team	1 week after revising the report	25%
vii	Submission of the final report	3 weeks after the final presentation	

**9. Client's Input and Counterpart Personnel**

(a) Property to be made available to the Consultant by the Client:

- (i) PMU will issue a commission letter to the consultant if requested.

(b) Professional and support counterpart personnel to be assigned by the Client to the Consultant's team:

- (i) PMU and Strategy Team will provide advice and comments on the content of the study and questionnaires.

**10. Client inputs, project data, and reports to facilitate the preparation of the Proposals:**

- (i) A list of training institutions, enterprises, and business/industry associations will be provided to the consultant for the questionnaire survey.