

USAID's Strengthening Resource Mobilization Activity (SRMA)

Consultant's Terms of Reference

Own Source Revenues increased through strengthening LSGUs capacities to diversify and update the revenue data base

Consultant name: the consultant to be selected through public tender

I. Introduction/Background

North Macedonia aspires to be prosperous, self-reliant, and inclusive democratic society, whereas USAID SRMA 2021 – 2026 will assist Macedonia's government institutions to raise and independently manage the necessary administrative, fiscal and policy changes foreseen in the Activity Plan of the SRMA Project. As part of the overall technical assistance (TA) package for capacity building, under the Objective 1, USAID SRMA will provide technical assistance to first cohort LSGUs to increase own source revenues and diversify the revenue base under LSGUs' discretion and enhance the effectiveness of tax and fee collection systems, while strengthening the operational capacity of local tax administration to improve accountability.

The consultant's technical assistance will be based on the LSGUs score card results and identified gaps and will provide support to first cohort of LSGUs in updating and advancing current property tax and fees data base as well overall tax administration system in the following activities as per SRMA Work Plan:

Objective 1: Own source revenue increased:

- Activity 1.2.1: Provide targeted training and mentoring to improve the organizational capacity of local tax administration.
- Activity 1.2.2 Support the revision and update of property tax data base and communal fees register by identifying and registering new taxpayers and new real estates, and
- Activity 1.4.1 Assist pilot LSGUs to explore options for increasing the property tax rate within legal range and advocate for increasing tax range and/or progressive rates of property taxation. Explore options for new local taxes, fees and charges and better municipal asset management in line with the administrative and fiscal decentralization.

The provision of consultant's services will be part of the SRMA TA tailor-made packages provided to the first cohort of municipalities. The consultant shall take a due attention to the fact that the TA packages are tailor made with specifically designed activities to address concrete issues for each municipality.

II. Objective and Scope of the engagement

The objective of this assignment is to enable first cohort of LSGUs to improve and update current tax and fees administration system through improving planning and increasing collection of own source revenues and diversifying and improving property tax and fees data base.

To achieve the above objectives and results, the consultant will implement the following tasks:

- Detail analyzes of each first cohort LSGU's current tax and fees administration system, practices and experience in tax and fees administration: what software is being used, is there any additional module to LTAS software (or any other) being installed, what is being done so far to update inherited property tax and fees data base.
- Identify specific needs related to tax administration departments organizational capacity and provide appropriate assistance for their improvement through mentoring and/or coaching.
- Identify specific needs of each of the first cohort LSGUs, regarding property tax and fees data base and overall advancing of the LSGUs tax administration system.
- Identify any successful practice in SRMA first cohort of LSGUs (or other LSGUs based on expert's knowledge and experience) regarding tax administration system (property tax and fees data base update, tax and fees enforced collection, public awareness raising campaign, use of digital means/platforms, internal sectoral/departmental vertical and horizontal communication and information sharing or any other activity) and share with the other LSGUs to increase own source revenue collection.
- Provide on-the-job training on property tax and fees data base update (training for tax administration staff and teams for field work real estate's registration) for first cohort of 16 LSGUs.
- Provide mentoring and coaching to first cohort of 16 LSGUs on tax administration process (property tax and fees data base reevaluation and registration, and collection and overall administration related issues).
- Explore possibilities for introduction of new local taxes for each of 16 first cohort of LSGUs and increasing property tax rate withing current legislation frame.

The consultant will report directly to Objective 1 Component Lead. The deliverables should be developed in close cooperation with other engaged consultant/s working on Objective 1, and SRMA team.

III. Outputs and deliverables

The consultant will provide the following outputs and deliverables:

1. Report on findings from field trips regarding current tax administration system and their needs for each of 16th first cohort LSGUs (including: organizational structure and number of employees working in tax department; tax administration software and additional modules in use; what taxes and fees are used in each LSGUs individually; additional taxes, fees and/or charges implemented in first cohort LSGUs, and any other important information regarding own source revenue collection).
2. Report on findings regarding organizational capacity needs assessment and provided technical assistance for its improvement for all 16 first cohort LSGUs (individually for each LSGUs).
3. Develop curricula and provide on-the-job training on property tax and fees data base update (on-the-job training for tax administration staff and teams for field work for real estate's registration) for the first cohort of 16 LSGUs.
4. Report on provided mentoring and/or coaching regarding property tax and fees data base update and overall tax administration process.
5. Report on discussed possibilities for introduction of new local taxes, individually for each of the 16 first cohort LSGUs
6. Report on possibilities and commitment of first cohort of LSGUs to increase property tax rate within current legislation frame individually for each of the 16 first cohort LSGUs.

All reports should be developed in English language; training materials should be developed in Macedonian language; mentoring and on-the-job training should be provided in Macedonian language (translation in English or Albanian will be provided by SRMA as needed).

The Consultant will have an intermediate reporting obligation to SRMA Objective 1 Lead and will submit the deliverable(s) as developed. The consultant must be available to respond to the first round of comments and the final round of requests for any change of the reports format. The Consultant engagement will be assessed by fulfilling the following indicators:

- Number of LSGUs receiving USAID/SRMA assistance (on-the-job and/or mentoring) in organizational capacity building (Number of municipal employees trained/mentored),
- Number of LSGUs receiving USAID/SRMA assistance in property tax fees and charges data base update (Number of municipal employees trained/mentored).
- Number of LGUs receiving USAID/SRMA assistance (on-the-job and/or mentoring) increasing property tax rate within legal frame (Number of municipal employees trained/mentored)

IV. **Period of execution of activities**

The engagement will be executed in the period October 1st, 2021 – December 31st, 2022. The overall consultancy engagement will include **45 workdays**:

- Output 1 - 11 day
- Output 2 - 4 days
- Output 3 - 16 days
- Output 4 - 8 days
- Output 5 - 1 day
- Output 6 - 5 days

V. **Qualifications**

Academic qualifications:

- Master's degree in finance, economics, law, public administration, or another related field.

Professional experience:

- At least ten (10) years professional experience in working in or with central and/or local authorities with a focus on municipal finance management and/or specifically with tax administration. (working experience for public revenue office and local government institution is an asset).
- Practical experience in capacity needs assessment and design and provision of mentoring and on-the-job training.

Language:

- Excellent knowledge of English and Macedonian language (knowledge of Albanian language is considered as an asset)

Other criteria:

- Proven ability to work with a tight schedule and deliver the services within the given time frame.
- Experience in working for international donors on similar projects.
- Good communication skills and ability to work with local authorities and in teams.

Intellectual property: All works created under this assignment, including creations, inventions, ideas, designs, copyrightable materials, trademarks, and other technology and rights, shall be works made for hire. The consultant is not allowed to publish any part of the deliverables.

It is envisaged that only individual consultants will be eligible to apply and to be contracted to perform the activities listed in this SoW.

VI. Application procedure

To be considered, the interested applicant needs to submit the following documents:

- Cover letter,
- CV,
- Comparable reference list with similar assignments with contact details of at least 2 references,
- A proposed gross daily rate in USD (inclusive of all costs and taxes).

The requested application documents should be submitted to the following e-mail address:

info@ideasdepo.mk no later than September 14, 2021 by 03:00 PM.

Incomplete applications will not be considered for evaluation.