**TERMS OF REFERENCE**

**A. Job Title: Local Finance and Budget Consultant** to assist with the elaboration of methodologies and legal and normative frameworks to facilitate the voluntary amalgamation of local public authorities in the Republic of Moldova

**B. Duty Station:** Chisinau, Republic of Moldova

**C. Project reference:** Moldova Country Office/FW Building country resilience to shocks and increasing Government capacity to anticipate crises and recover better

**D. Contract type:** Individual Contract (IC)

**E. Duration of assignment:** Up to 70 working days during October 2023 - March 2024

**F. Background:**

The public administration reform has been a constant concern and priority of the Government of the Republic of Moldova and has been guided by successive comprehensive Strategies since 2005.

The "Prosperous, secure, European Moldova" government programme released in February 2023 outlines the vision of a country with prosperous citizens and strong institutions, with full membership of the European Union. Accomplishing this strategic vision should be done including by effective governance based on strong and efficient central and local authorities, professional civil servants, transparent and modern processes.

The reform will focus on enhancing the efficiency and quality of the public service and structural changes to modernize the state and achieve European integration. The programme further prioritizes among its objectives to advance the reform of public administration at central and local level. Therefore, **the new Public Administration Reform Strategy (PARS) lays out a clear path to advance these objectives related to EU integration, placing a special emphasis on local governance,** and devoting an entire chapter to this important topic.

In June 2022 Moldova and Ukraine were granted the status of **candidate countries for European Union membership**. This status offers a wealth of opportunities for development and reform but also comes with a series of requirements, such as the approval of the Public Administration Reform strategy (PARS) during the first half of 2023, which includes the territorial administrative reform, necessary to ensure sustainable funding for local authorities to deliver quality services to citizens.

A well-functioning public administration is crucial to effectively implement policies and strategies, as well as to ensure transparency and accountability in the use of public funds. This is particularly important for Moldova's aspirations towards European integration, as the country needs to meet certain standards and criteria in terms of governance, rule of law, and economic development.

Reforming public administration in Moldova is envisaged as a complex and long-term process, requiring sustained political will, technical expertise, and resources.

The Public Administration Reform Strategy was developed during Autumn 2022, and, after a broad consultation process, was approved by the Government in March 2023.

One of the pillars of the Strategy is the **reform of the local public administration** that is linked mainly to the facilitation of the **voluntary amalgamation process**. The local public administration reform chapter of the Strategy sets as general objective to increase the capacities of Local Public Authorities (LPAs) to provide equitable, adequate, and accessible public services through their institutional and financial consolidation, as well as through effective local economic and social development policies, taking into full account the interests of the vulnerable and responding to R. Moldova’s EU accession aspirations.

The Government - particularly the State Chancellery and Ministry of Finance, which are the main actors in charge of this PARS component - lack the capacity and partially the resources to initiate and implement these novel and difficult aims of the PARS.

**G. Objective:**

##### The main objective of this consultancy is to support the Government to elaborate the policy and legal framework necessary for the implementation of PARS, particularly the voluntary amalgamation and associated decentralization reforms, by building up the expert support to the State Chancellery and its Central Implementation and Monitoring Unit, and supporting its activities. The **Local Finance and Budget Consultant** will assist with the relevant **policy and legal analysis** and subsequent elaboration of the finance, budgeting and intergovernmental transfers **methodologies and legal and normative frameworks** related to the voluntary amalgamation of local public authorities in the Republic of Moldova.

The support provided by the consultant will consist of performing the following tasks:

* Cooperation with the Ministry of Finance and assistance in coordinating the activities necessary for the analysis and development of amendments associated with the changes required to facilitate the territorial administrative reform, or as a consequence of this reform (voluntary amalgamation).
* Analysis of legislation (such as the Local Public Finance Law), rules as well as formulas that determine intergovernmental transfers and tax rates for shared taxes assigned to LPAs. Proposals for adjustment of transfer formulas, sharing rates, etc., as well as formulation of legislative amendments and modification of associated methodological rules.
* Analysis of compensation and incentive alternatives for elected and local officials in the amalgamation and post-amalgamation process. Proposals for amending the legal framework on salaries and allowances of local elected and civil servants.
* Analysis of the classification methodologies and criteria used by the various state grant programmes for LPAs, such as the Environment Fund, Satul European, etc. Proposals for the modification of criteria, methodologies and funding procedures, so that the newly amalgamated LGUs can have priority access to these funds.
* Analysis of the budgetary framework and the amalgamation process and elaboration of proposals for specific budgetary rules during the transition period in the voluntary amalgamation process. Proposals for related methodological notes.
* Analysis of the due-diligence process related to the institutional consolidation of municipalities following voluntary amalgamation and development of proposals on procedures for the inventory and transmission of financial information, assets, liabilities, debts and claims, etc.
* Participation in all other requested activities of the State Chancellery related to the Public Administration Reform Strategy pertaining to local governments.

**H. Expected Deliverables:**

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| **ITEM NO.** | **TASKS/DELIVERABLES** | **Estimate Workdays** | **Tentative timeframe** |
| **I.** | ***Tasks***  ***Roadmap for the cooperation with the Minister of Finance and other stakeholders in coordinating the activities necessary to facilitate the territorial administrative reform.***  **Deliverable:**   * Roadmap developed and processes facilitated | Up to 10 working days | By March  2024 |
| **II.** | ***Tasks***  Analysis of legislation (such as the Local Public Finance Law), rules as well as formulas that determine intergovernmental transfers and tax rates for shared taxes assigned to LPAs. Proposals for adjustment of transfer formulas, sharing rates, etc., as well as formulation of legislative amendments and modification of associated methodological rules.  **Deliverable:**   * Analytical reports submitted * Contributions to the policy documents related to territorial administrative reform provided | Up to 20 working days | By March 2024 |
| **III.** | ***Tasks***  Analysis of compensation and incentive alternatives for elected and local officials in the amalgamation and post-amalgamation process.  **Deliverables:**   * Proposals for amending the legal framework on salaries and allowances of local elected and civil servants | Up to 10 working days | By March  2024 |
| **IV.** | ***Tasks***  Analysis of the budgetary framework and the amalgamation process and elaboration of proposals for specific budgetary rules during the transition period in the voluntary amalgamation process. Proposals for related methodological notes.  **Deliverables:**   * Proposals for related methodological notes developed | Up to 10 working days | By March 2024 |
| **V.** | ***Tasks***  Analysis of the due-diligence process related to the institutional consolidation of municipalities following voluntary amalgamation and development of proposals on procedures for the inventory and transmission of financial information, assets, liabilities, debts and claims.  **Deliverables:**   * Guidelines developed | Up to 20 working days | By 30 March 2024 |

**J. Organizational Setting:**

The incumbent will work under the direct supervision of the International Advisor on Local Public Administration Reform of UNDP Moldova, in close collaboration with the State Chancellery and the Ministry of Finance. She/he will be part of the team supervised by the Effective Governance Cluster Lead of UNDP Moldova.

**K. Financial arrangements:**

The financial proposal shall specify a total **lump sum** amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. To assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount (including the daily fee, taxes, transportation and number of anticipated working days).

**L. Confidentiality**

Materials provided to the consultant and all proceedings within the consultancy contract shall be regarded as confidential, both during and after the consultancy. Violation of confidentiality requirements may result in immediate termination of contract.

**M. Qualifications and skills required:**

1. Academic Qualifications:

* University degree or above in Finance, Accounting, Public Administration, Law, Business Administration, Social Sciences, or another relevant field.

1. Years and sphere of experience:

* At least 7 years of professional experience in local finance and budgeting in the Republic of Moldova.
* Preferable practical experience in local budgeting and financial management of local public authorities, either at the local or central government level.

1. Competencies:

* Good organizational and drafting skills, ability to work under tight deadlines.
* Solid understanding of and ability to apply research tools and techniques, including the ability to analyse and use financial and socio-economic data.
* Demonstrated knowledge of the finance and budgeting legal framework and practices in R. Moldova.
* Good command of Romanian and English languages for the purposes of the assignment.

1. Personal qualities:

* Resourcefulness, flexibility, and punctuality.
* Strong communication and interpersonal skills.

The UNDP Moldova is committed to workforce diversity. Women, persons with disabilities, Roma and other ethnic or religious minorities, persons living with HIV, as well as refugees and other noncitizens legally entitled to work in the Republic of Moldova, are particularly encouraged to apply.

**N. Documents to Be Included When Submitting the Proposals**

Interested individual consultants must submit the following documents/ information to demonstrate their qualifications:

* Offeror’s letter to UNDP confirming interest and availability for the individual contractor (IC) assignment, incorporating financial proposal in Annex 2 (in USD, specifying a total requested amount per working day, including all related costs, e.g., fees, phone calls etc.).
* Proposal (Motivation Letter): explaining why they are the most suitable for the work including previous similar or relevant experience in Projects (please provide brief information on each of the above qualifications, item by item);
* CV with at least 2 references.

**Important notice:** The applicants who have the statute of Government Official / Public Servant prior to appointment will be asked to submit the following documentation:

* + - a no-objection letter in respect of the applicant received from the Government, and
    - the applicant is certified in writing by the Government to be on official leave without pay for the entire duration of the Individual Contract.

**O. EVALUATION**

Initially, individual consultants will be short-listed based on the following qualification criteria:

a. Citizen of the Republic of Moldova;

b. University degree or above in Finance, Accounting, Public Administration, Law, Business Administration, Social Sciences, or another relevant field;

c. At least 7 years of professional experience in local finance and budgeting in the Republic of Moldova.

The short-listed individual consultants will be further evaluated based on the following methodology.

**Cumulative analysis**

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as:

a) responsive/ compliant/ acceptable, and

b) having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

\* Technical Criteria weight – 60% (300 pts).

\* Financial Criteria weight – 40% (200 pts).

Only candidates obtaining a minimum of 210 points would be considered for the Financial Evaluation.

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| **Criteria** | **Scoring** | **Maximum Points Obtainable** |
| **Technical** | | |
| University degree or above in Finance, Accounting, Public Administration, Law, Business Administration, Social Sciences, or other relevant field | Bachelor’s Degree – 50 pts.  Master’s Degree – 60 pts. | **60** |
| Practical experience in local budgeting and financial management of local public authorities, either at the local or central government level | 7 years – 50 pts., each additional year – 10 pts., up to max. 90 pts; | **90** |
| Proven experience in public finance management, conducting research and drafting analytical reports | At least 2 projects – 20 pts; for each additional project – 5 pts; up to max. 55 pts; | **55** |
| Proven experience in public policy development | At least 4 public policies - 40 pts; for each additional policy – 10 pts; up to max. 70 pts; | **70** |
| Fluency in English and Romanian languages | 10 pts. per language,  up to max. 20 pts; | **20** |
| Belonging to the group(s) under-represented in the UN Moldova and/or the area of assignment\* | (no – 0 pts., to one group – 5 pts.) | **5** |
| **Maximum Total Technical Scoring** | | **300** |
| **Financial** | | | |
| Evaluation of submitted financial offers will be done based on the following formula:  **S = Fmin / F \* 200**  **S –** score received on financial evaluation;  **Fmin –** the lowest financial offer out of all the submitted offers qualified over the technical evaluation round;  **F –** financial offer under consideration | | **200** | |

*\* Under-represented groups in UN Moldova are persons with disabilities, LGBTI, ethnic and linguistic minorities, especially ethnic Gagauzians, Bulgarians, Roma, Jews, people of African descent, people living with HIV, religious minorities, especially Muslim women, refugees, and other non-citizens*

Winning candidate

The winning candidate will be the candidate who has accumulated the highest aggregated score (technical scoring + financial scoring)