

USAID's Strengthening Resource Mobilization Activity

Consultant's Terms of Reference

Own source revenues increase 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's Strengthening Resource Mobilization Activity (USAID's Project) 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 USAID's Project. As part of the overall technical assistance (TA) package for capacity building, under the Objective 1, USAID's Project will provide technical assistance to second and third 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 departments to improve accountability.

In the past two years of USAID's Project implementation a total of 39 LSGUs (from the first and second cohort) received direct assistance for improving the organizational and individual capacities of municipal tax and fees administration departments. Moreover, support for identification and registration of unregistered real estate properties and/or new taxpayers was provided to municipal administration and/or municipal teams for field work real estate's registration to 16 LSGUs. The same approach of USAID's Project technical assistance will be provided in the third year of implementation for the second and third cohort of Projects partner municipalities. Thus, the consultant's technical assistance should provide on-the-job training and mentoring support to the second and the third cohorts of partner LSGUs in strengthening organizational capacities of municipal tax administration departments and should support LSGUs in conducting field activities for revising and updating the property tax data base, as per Work Plan under the:

Objective 1: Own source revenue increased:

Activity 1.2.1: Provide mentoring and targeted training to improve the organizational capacity of local tax administrations, and

Activity 1.4.1: Support the revision and update of property tax databases and communal fees registers by identifying and registering new real estate and new taxpayers.

The provision of consultant's services will be part of the TA tailor-made packages provided to the second and third cohorts municipalities. The consultant shall pay due attention to the fact that the TA 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 USAID's Project partner LSGUs (second and third cohort) to increase own source revenue collection by improving the current tax, fees, and charges (overall tax administration) system through diversifying and updating the local tax/fees data base, strengthening organizational capacities of tax departments, and enhancing the planning and collecting of own source revenues.

To provide support in achieving the above objectives and results, the consultant will implement the following tasks:

- Detail analyzes of the current tax and fees administration system, practices and experience in tax and fees administration (what software is in use; is there any additional module to LTAS software (or any other in use) being installed; what activities have undertaken for updating property tax data base) for all second and third cohort Projects partner municipalities (up to 48 including the City of Skopje)
- 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 LSGUs, regarding property tax and fees data base and overall advancing of the LGUs tax administration system.
- Identify any successful practice in USAID's partner 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/departments vertical and horizontal communication and information share or any other activity) and share with the other LSGUs to increase own source revenue collection.
- Explore possibilities for introduction of new local taxes for each of first cohort of LSGUs and increasing property tax rate within current legislation frame.
- 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 second and third cohort of LSGUs including mentoring and coaching to partner LSGUs on property tax and fees data base reevaluation and registration, and collection and overall administration related issues.
- Develop training materials and conduct a one-day interactive workshop with local tax administration on regulatory provisions and step-by-step practical implementation of enforcement procedures in case of overdue unpaid tax obligations from physical and legal taxpayers.

III. Outputs and deliverables

The consultant will provide the following outputs and deliverables:

Output/Deliverable I: Prepare individual reports per each LSGU (from the 24 second cohort partner municipalities (including the City of Skopje) and up to 24 third cohort partner municipalities) on findings from field trips regarding the current tax administration system and their needs. The report shall include: 1) the organizational structure and number of employees working in the tax department; 2) tax administration software and additional modules in use; 3) what taxes and fees are used in each LSGUs individually; 4) any additional taxes, fees and/or charges imposed by the LSGUs, and 5) any other important information regarding own source revenue collection. Additionally, the Report will present identified findings regarding the organizational capacity needs assessment of the LSGUs and will provide information on potential technical assistance for its improvement. Moreover, it will present discussed possibilities for the introduction of new local taxes as well as LSGU's commitment to increase the property tax rate within the current legislation frame.

Output/Deliverable II: Based on the developed curricula for on-the-job training on property tax and fees database update (on-the-job training for tax administration staff and teams for real-estate fieldwork registration activities) deliver on-the-job trainings for interested LSGUs from second and third cohort of LSGUs and prepare individual reports on provided on-the-job training, mentoring and/or coaching regarding property tax and fees data base update and overall tax administration process.

Output/Deliverable III: Prepare materials and PPP for one day interactive workshop/s for municipal tax administration (second and third cohort) on practical application of enforcement procedures for overdue tax obligations from physical and legal entities including report after the workshop which will elaborate the feedback/comments received from the participants, lessons learned and

recommendation for improvements. The report will include final program (Agenda); list of participants; written assignments to participants; overall evaluation with recommendations and lessons learned; and some photos from the event.

Output/Deliverable IV: Prepare a summary report for the provided technical assistance on own source revenues increase through strengthening LSGUs capacities to diversify and update the revenue data base. The report shall be prepared based on the individual reports produced under deliverable I and deliverable II and will summarize all findings and recommendations on organizational capacity needs assessment of the LSGUs, evaluation of the conducted individual on-the-job training on property tax and fees database update, and recommendations from improvement or modification of the proposed training program if needed.

All training materials and reports 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 USAID's Project as needed).

The Consultant will have an intermediate reporting obligation to Objective I Component 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 changes of the reports format.

IV. Period of execution of activities

The engagement will be executed in the period March 1st – December 31st, 2023. The overall consultancy engagement will include 60 workdays:

- Output 1 – 23 days
- Output 2 - 30 days
- Output 3 - 3 days
- Output 4 - 4 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 documents should be submitted to the following e-mail address:

info@ideasdepo.mk no later than February 15, 2023, by 03:00 PM.

Incomplete applications will not be considered for evaluation.