



TERMS OF REFERENCE

- A. Job title:** Consultant: Assistance to the Taxes and Customs Department of the Ministry of Finance in strengthening its overall institutional capacity
- B. Type of position:** International, short-term
- C. Posts Reference:** MNE-10-050
- D. Duty Station:** Podgorica, Montenegro
- E. Duration of appointment:** 8 days between August and November
- F. Contract type:** Special Service Agreement
- G. Deadline for application:** Tuesday, 3rd August 2010, CoB

i. Background:

The Capacity Development Programme (CDP) has been operating since September 2003 as a partnership between the Government of Montenegro, the Foundation Open Society Institute (FOSI-ROM) and the UNDP. The main goal is to assist the Government of Montenegro in meeting its strategic priorities for the European Integration and associated public administration reforms.

As part of its activities, the CDP is an early stage of implementation of a new project titled: “*Strengthening Capacities of Ministry of Finance to efficiently plan, analyze and manage the public finances*”. The two-years Project whose implementation started in summer 2009 is funded by Government of Netherlands. The Project aims to assist the Government of Montenegro, in particular the Ministry of Finance, in strengthening its capacity to efficiently plan, analyze and manage the public finances of the country and consequently to support the country’s aspirations for sustainable development and EU integration. The Project is designed as a capacity building project whose main outcome should be an enhanced institutional and administrative capacity of the Ministry of Finance for financial analysis, management, and fiscal policy development. The Project supports continuous efforts of the Ministry of Finance for upgrading and strengthening the public finance function of the country, thus better serving development goals such as sustainable economic growth and poverty reduction.

The Project has five components:

- (1) Economic and Fiscal Program;
- (2) Budget;
- (3) Tax and Custom;
- (4) International Competitiveness Indicators;
- (5) Insurance – and services looked for through this terms of reference are needed within the framework of the International Competitiveness Indicators component.

The overall objective of the Tax and Customs component of the Project is to support strengthening of institutional capacities of the Tax and Customs Department of the Ministry of Finance as well as of its cooperation with the Tax Administration Office and

Customs Service Office. This objective is even more important in the context of the drastically deteriorated global economic environment in the period since summer 2008 when Montenegro has been faced with a drastic reduction of domestic economic activity and the fall of foreign inflows what has ultimately led to significant decline of public finance revenues. It is within this context that strengthening of the overall institutional capacity of the Tax and Customs Department is of a particular policy priority of the Ministry. There are two functions that need to be upgraded specifically. The first one is the function of fiscal policy analysis. At this moment, the Department has practically no capacity to perform a good analysis of fiscal policy. There is no formal section and job position within its organizational structure of the Department that would provide a regular monitoring and assessment of the implementation of fiscal policy. The second specific function of the Department is its second instance authority function. The Department has to upgrade the quality of decisions (some 50% of decisions are annulled by the Administration Court), shorten the procedures (some cases are sent back and forth between first and second instance for too long), and improve the documentation management process.

ii. Duties and responsibilities:

Objective of the assignment: The objective of the assignment is to assist the Tax and Customs Department of the Ministry of Finance in strengthening its overall institutional capacity, and especially its capacity in the areas of fiscal policy analysis, and the second instance authority.

In more specific terms, the consultant is expected to provide assistance to the Department in:

- i. identifying and assessing the best international practices for institutional setting up of those units / sectors / departments / of the ministries of finance that are responsible for tax and customs issues;
- ii. outlining an organisational structure of the Department that would be best suited to the circumstances in the country with elaboration of job descriptions for all key officials, and
- iii. drafting the program of putting in place the reformed Tax and Customs department of the Ministry accompanied with an action plan that would define activities, such as training of the personnel (the existing one and the one), drafting of the manuals and guidelines, etc., as well as the timing of their implementation.

In the process of achieving all these objectives the consultant will assign special attention to two specific functions of the Department (at the moment they are both strongly underdeveloped), i.e., to the function of providing fiscal policy analysis and to the function of being the second instance authority within the tax implementation procedure

Job output: The consultant will be responsible for the production of the Report containing at least the following substantial chapters:

Executive summary:

Chapter 1: Description of main institutional characteristics of the Department (mandate, staffing, IT, etc.) with special attention on the fiscal policy analysis function and function of being the second instance authority within the tax administrative procedure (i.e. appeal process);

Chapter 2: Critical assessment of the Department's activity (mandate, staffing, IT performance, relation to other departments within the Ministry and to relevant external institutions, such as Tax authority) by applying regional and international benchmarks as well as international best practices;

Chapter 3; Presentation of institutional characteristics of units / sectors / departments responsible for taxes and customs in those countries that might be interesting from the Montenegro's perspective;

Chapter 4; Institutional structure of the reformed Tax and Customs Department of the Ministry of Finance in Montenegro with optimal organizational structure, business processes, job description elaborated for all the key officials of the Department to reflect all the functions of the tax and customs policy;

Chapter 5; Program for putting in place the reformed Tax and Customs Department of the Ministry of Finance in Montenegro accompanied with the action plan that defines activities, such as training of the personnel (the existing one and the one), drafting of the manuals and guidelines, etc. as well as the timing of their implementation.

Job content: In order to prepare the Report, the consultant's activities will include the following:

- To collect all relevant documents and data available about the Tax and Customs Department;
- To analyse the collected information and other relevant documents;
- To identify the best international practices of those institutional units within the ministries of finance that are responsible for tax and customs issues;
- To draft a proposal for the institutional structure of the reformed Tax and Customs Department of the Ministry of Finance in Montenegro with job description elaborated for all the key officials of the Department;
- To draft a program for putting in place the reformed Tax and Customs Department of the Ministry of Finance in Montenegro accompanied with the action plan that defines activities, such as training of the personnel (the existing one and the one), drafting of the manuals and guidelines, etc. as well as the timing of their implementation.

The Tax and Customs Department of the Ministry of Finance will assign a senior employee to the consultant in order to provide all the required in-house assistance to the assignment.

Timing of the work; The consultant will be engaged under short special service agreement immediately after the completion of the recruitment procedure. The tentative date of engagement will be in the period August and 30 November 2010. The consultant will be required to undertake two missions to Montenegro during the above mentioned period in the total duration of 8 working days. The first mission will be focused on discussions with all the parties concerned as well as on collecting all the necessary information for drafting the Report. The purpose of the second mission will be the presentation of the draft Report to the beneficiary.

iii. Competencies

- Demonstrates integrity by modeling the UN's values and ethical standards;
- Promotes the vision, mission, and strategic goals of UNDP Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- Focuses on result for the client and responds positively to feedback;
- Consistently approaches work with energy and a positive, constructive attitude;
- Demonstrates openness to change and ability to manage complexities;
- Perform any other duty as may be assigned by the Programme Manager

iv. Qualifications and expertise:

- University degree in economics or related discipline (BA or equivalent);
- At least 10 years of professional experience in or with institutions that have been responsible for the design and implementation of tax and customs policies;
- Previous working experience in the Region related to this ToR;
- Excellent communication skills, facility in working with teams;
- Fluency in English;
- Knowledge of the local language would be a distinct advantage;

v. Application Process

Interested applicants are requested to submit their applications to UNDP Office in Podgorica by e-mail to consultancy.me@undp.org by Tuesday, 3rd August 2010,, CoB.

The application should contain:

1. Duly completed **Personal History Form (P11)** can be downloaded from <http://www.undp.org.me/files/jobs/index.html>
2. Cover/Motivation Letter

*The short-listed candidates only would be requested to submit a **letter of interest including a price quotation** indicating the lump sum (in EUR or USD) requested for the work envisaged in the section "Duties and Responsibilities".*

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