

Joint Integrated Local Development Programme

Terms of Reference

Job title:	National Consultant on IMC financial incentives
Duty Station:	Chisinau Moldova
Section/Unit:	Joint Integrated Local Development Programme
Type of Contract:	Individual Contract
Duration of Assignment:	3,5 months, 70 days estimated workload.

Job Content

I. BACKGROUND

In the context of local public administration reform and decentralization, the Government of the Republic of Moldova, with the support of JILDP/UNDP committed to actively promote, stimulate and support the application of 'inter-municipal cooperation' (IMC) tools. They aim to increase LPA capacities to create economies of scale among municipalities to better plan for, invest in and deliver qualitative services, as well as to promote economic development.

The actual administrative-territorial organization of the Republic of Moldova is characterized by a very fragmented system: almost 900 first level administrative-territorial units (towns and villages) and 32 second level districts/rayons. Furthermore, ¼ of the 1st LPA level have a population less than 1500 residents, and 86% - less than 5000 residents.

In addition to insufficient financial resources, the limited size of localities is negatively affecting the administrative capacity of LPAs to fulfil their functions and deliver qualitative services to citizens. This entails reduced managerial capacity (greater difficulties in recruiting knowledgeable and skilled staff) and higher per capita costs (diseconomies of scale) in service delivery. These drawbacks have resulted in poorer quality of services, have clouded the citizens' image of local government and are now hampering the local development processes. Consequently, a very significant part of rural LPA (which represent 94% of the total number) do not have sufficient capacities to deliver efficient local public services. These LPAs have neither staff nor necessary financial resources for performing of complex development functions.

In this context, one of the priority measures of the National Decentralization Strategy consists in setting up of a functional mechanism of IMC financial incentives, to encourage the cooperation between small municipalities (the priority action #2.2.7). Consequently, the Ministry of Finance of the Republic of Moldova and the State Chancellery of the Government, in cooperation with the Congress of Local Public Authorities, have been mandated for implementation of this assignment. In this

regard, Joint Integrated Development Programme, at the request of the Ministry of Finances, committed the resources to support the fulfillment of the task.

II. SCOPE OF WORK

The overall objective of the National Consultant on IMC financial incentives (hereinafter Consultant) assignment is to provide substantive expert support in designing the mechanism of IMC financial incentives to encourage the inter-municipal cooperation in the Republic of Moldova. More specifically, the Consultant will review the relevant international experience; assess the related national framework; and formulate a concrete IMC financial incentives mechanism for Moldova, as well as propose legal and regulatory developments/upgrades.

TASKS, DELIVERABLES AND ESTIMATED WORKLOAD

The assignment will require the completion of the following tasks:

#	DELIVERABLES	ACTIVITIES
Stage I: Initiation of the activities		
1.	<p>Output 1: The methodology for elaboration of the financial incentives mechanism to stimulate the IMC, drafted and endorsed by the Ministry of Finance.</p> <p>Estimated workload: 10 days</p>	<p>Drafting the methodology for designing of the financial incentives mechanism to stimulate IMC in the Republic of Moldova:</p> <p>The methodology will target the following key-issues:</p> <ul style="list-style-type: none"> ▪ General methodological approach (concepts and definitions, assumptions, research techniques, sources of information, interviews to be conducted, etc.) ▪ Targeted financial incentives directory: <ul style="list-style-type: none"> ✓ <i>Positive incentives (when the state and donors are encouraging financially the cooperation between LPAs).</i> ✓ <i>Negative incentives (when the state and donors are discouraging financially the LPAs that are not practicing inter-municipal cooperation).</i> ✓ <i>Budgeting incentives (transfers and grants from centralized funds of state budget and other eligible fund).</i> ✓ <i>Fiscal incentives and tax reliefs.</i> ✓ <i>Explicit incentives (when a joint application is a formal condition for access to the grant).</i> ✓ <i>Implicit incentives (where a minimal threshold for the project size is applied to the grant (e.g. the number of people who will benefit or the land area that must be covered, e.g. by an environment project)).</i> ▪ Targeted international experience on IMC financial incentives to be reviewed.
Stage II: Review the international experience in the field		
2.	<p>Output 2: Report on international experience on IMC financial incentives (relevance and applicability for the Republic of Moldova)</p> <p>Estimated workload: 30 days</p>	<p>Review the international experiences on applying the financial incentives for encouraging the inter-municipal cooperation.</p> <ul style="list-style-type: none"> ▪ Recommendation and directives of European institutions (e.g. European Commission, Council of Europe, etc.) ▪ National experiences on applying IMC financial incentives. To be assessed both EU and non-EU experience, related to the administratively fragmented states (e.g. France, Romania, Poland, Czech Republic, Macedonia, Turkey, Italy, Germany, etc.). ▪ Review the impact studies/opinions on applying IMC financial incentives in targeted states. ▪ Review the international academic and practical debates on

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		<p>development and applying of IMC financial incentives.</p> <p>Draft the Report on international experience on IMC financial incentives (relevance and applicability for the Republic of Moldova)</p> <p>The Report will not exceed 20 pages of briefs, conclusions and recommendations, which will be structured on following parts:</p> <ul style="list-style-type: none"> ▪ IMC financial incentives: European status and tendencies ▪ European recommendations and directives (e.g. European Commission, Council of Europe) ▪ National experiences: <ul style="list-style-type: none"> - France - Romania - Poland - Italy - Germany - Turkey - Macedonia - Etc. ▪ Relevance and applicability of international experience for the Republic of Moldova: conclusions and recommendations <p>Report consultation with the Ministry of Finance, State Chancellery and the Congress of Local Authorities of Moldova (CALM).</p> <p>Endorsement by the Ministry of Finance.</p>
Stage III: Develop the mechanism of IMC financial incentives in the Republic of Moldova (inclusively proposals for legal development/upgrading).		
2.	<p>Output 3: The mechanism of IMC financial incentives in the Republic of Moldova (proposal paper).</p> <p>Estimated workload: 30 days</p>	<p>Assess the national legal framework:</p> <ul style="list-style-type: none"> ▪ Review national policy documents (e.g. National Decentralization Strategy, National Regional Development Strategy, relevant national and regional sectoral strategies, etc.) ▪ Appraise the legal opportunities and constrains in development and applying of IMC financial incentives. <p>Assess the national institutional framework:</p> <ul style="list-style-type: none"> ▪ Centralized funds of state budget (Roads Found, Ecological Found, National Regional Development Found, other eligible funds). ▪ Budgetary process and inter-budgetary affairs. <p>Appraise the conceptual and legal applicability of international experience to the Republic of Moldova.</p> <p>Design the mechanism of IMC financial incentives in the Republic of Moldova (proposal paper). The report will not exceed 20 pages and will be focused on the following:</p> <ul style="list-style-type: none"> ▪ IMC financial incentives: concept and objectives ▪ Relevant international experience ▪ National legal, institutional and financial framework: constrains and opportunities ▪ Recommended IMC financial incentives mechanism for the Republic of Moldova. ▪ Proposals for legislative/regulatory development/upgrading. <p>Note: the recommendations will be formulated in a pro-active and applicative manner (type of possible incentive, responsible institutions, potential financial recourses, the implementation scheme, estimated timeframe, etc.)</p>

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		Report consultation with the Ministry of Finance, State Chancellery and the Congress of Local Authorities of Moldova (CALM). Endorsement by the Ministry of Finance.

All deliverables shall be endorsed by the JILDP/UNDP Local Governance Project Officer. The Consultant will work closely with the JILDP National Consultant on IMC and other relevant Programme officers and experts.

III. QUALIFICATIONS AND SKILLS REQUIRED

I. Qualifications:

- University degree in Finance, Public Administration, Public Policy, Public Law, Economics or other relevant fields

II. Experience:

- Professional working experience (at least 5 years) with substantial recent focus in public finances.
- Professional experience (at least 5 years) related to national policy formulation;
- Experience in IMC related fields.
- Previous experience in working with UN agencies or other international organizations.

III. Competencies:

- Demonstrated capacity of team-orientation work, excellent planning and organizational skills;
- Strong, research, communications and writing skills;
- Fluency in Romanian and English;
- Sensitivity and respect for human rights and gender equality;
- Ability to achieve results and deadlines in a timely manner, maintaining a high standard throughout.

The United Nations Development Programme in 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 non-citizens legally entitled to work in the Republic of Moldova, are particularly encouraged to apply.

Elaborarea mecanismelor financiare de stimulare a cooperării intercomunitare în Republica Moldova și a propunerilor de modificare și/sau completare a cadrului normativ

#	LIVRABILE	ACTIVITĂȚI
Etapă I: Inițierea activităților		
1.	<p>Rezultat 1: `Îndrumările metodologice` privind elaborarea analizei, agreată cu Ministerul Finanțelor</p> <p>Dedicație: 5 zile/consultant</p>	<p>Elaborarea `Îndrumărilor metodologice` privind elaborarea mecanismelor financiare de stimulare a cooperării intercomunitare.</p> <p>`Îndrumările metodologice` vor clarifica următoarele momente-cheie:</p> <ul style="list-style-type: none"> Metodologia propusă pentru elaborarea analizei și recomandărilor Principii conceptuale privind noțiunea de "stimulent financiar pentru cooperarea intercomunitară" <ul style="list-style-type: none"> ✓ <i>Stimulente catalizatoare - sprijin pentru APL-urile care cooperează.</i> ✓ <i>Stimulente coercitive - constrângeri financiare/`penalizări` pentru APL-urile care nu cooperează.</i> ✓ <i>Stimulente bugetare - transferuri și granturi din fondurile centralizate ale bugetului de stat și alte fonduri eligibile</i> ✓ <i>Stimulente fiscale și înlesniri fiscale</i> ✓ <i>Stimulente explicite (condiționări directe de eligibilitate la o finanțare.</i> ✓ <i>Stimulente implicite - condiționări indirecte de eligibilitate: număr minim de populație/beneficiari, suprafața minimă pentru obținerea finanțării etc.</i> Experiența străină care va fi studiată pentru inspirație (care state vor fi analizate) <p>Coordonarea și agrearea `Îndrumărilor metodologice` cu Ministerul Finanțelor.</p>
Etapă II: Analiza experienței internaționale		
2.	<p>Rezultat 2: Raport privind experiența internațională în aplicarea stimulentei financiare pentru stimularea cooperării intercomunitare (recomandări pentru R. Moldova)</p> <p>Dedicație: 30 zile/consultant</p>	<p>Analiza practicilor internaționale privind existența și aplicarea mecanismelor de stimulare financiară a cooperării intercomunitare</p> <ul style="list-style-type: none"> Recomandări și directive la nivel de instituții europene (Comisia Europeană, Consiliul Europei, etc.) Experiențe naționale privind stimularea financiară a cooperării intercomunitare. Va fi analizată experiența selectivă a statelor-membre UE, precum și statelor din afara UE cu un grad sporit de fragmentare administrativ-teritorială (e.g. Franța, România, Polonia, Cehia, Macedonia, Turcia, Italia, Germania, etc.). Evaluarea rezultatelor de aplicare a diferitor tipuri de stimulente. Dezbaterile internaționale actuale privind problema și oportunitățile de aplicare a stimulentei financiare pentru cooperarea intercomunitară. <p>Elaborarea Raportului privind experiența internațională în domeniul aplicării stimulentei financiare pentru stimularea cooperării intercomunitare.</p> <p>Raportul va prezenta maxim 20 pagini de concluzii și recomandări, care vor fi structurate în modul următor:</p> <ul style="list-style-type: none"> Tendențe actuale în cooperarea intercomunitară în Europa Directive și recomandări la nivel de instituții europene (Comisia Europeană, Consiliul Europei, etc.) Experiențe naționale: aplicări și rezultate <ul style="list-style-type: none"> - Franța - România

#	LIVRABILE	ACTIVITĂȚI
		<ul style="list-style-type: none"> - Cehia - Polonia - Italia - Germania - Turcia - Macedonia - Etc. ▪ Experiențe internaționale relevante pentru Republica Moldova <p>Prezentarea și agrearea Raportului cu Ministerul Finanțelor și alte părți interesate.</p>
Etapa III: Elaborarea recomandărilor privind posibilitățile de introducere a mecanismelor financiare pentru stimularea cooperării intercomunitare		
2.	<p>Rezultat 3: Recomandări privind dezvoltarea mecanismelor de stimulare financiară a cooperării intercomunitare în Republica Moldova și propuneri de modificare și/sau completare a cadrului normativ.</p> <p>Dedicație: 30 zile/consultant</p>	<p>Evaluarea contextului legal național</p> <ul style="list-style-type: none"> ▪ Prevederile documentelor naționale de politici (e.g. Strategia Națională de Descentralizare, Strategia Națională de Dezvoltare Regională, etc.). ▪ Oportunități și limite legale privind posibilitatea unor stimulente financiare (inclusiv fiscale) <p>Evaluarea contextului instituțional național</p> <ul style="list-style-type: none"> ▪ Fonduri centralizate ale bugetului de stat (Fondul Rutier, Fondul Ecologic, Fondul Național de Dezvoltare Regională, alte fonduri eligibile) ▪ Procesul bugetar și relațiile inter-bugetare <p>Evaluarea concordanței experienței internaționale cu cadrul instituțional și legal național.</p> <p>Elaborarea mecanismelor de stimulare financiară a cooperării intercomunitare în Republica Moldova.</p> <p>Raportul nu va depăși 20 de pagini și se va constitui din următoarele capitole-cheie:</p> <ul style="list-style-type: none"> ▪ Stimulente financiare pentru cic: prevederi conceptuale ▪ Relevanța experienței internaționale ▪ Legislația națională: constrângeri și oportunități ▪ Recomandări practice ▪ Propuneri de modificare și/sau completare a cadrului normativ <p><i>Notă: Recomandările vor fi formulate într-un mod pro-activ și aplicativ (posibilități, instituții responsabile, pași necesari de a fi întreprinși, resurse financiare potențial-disponibile, mecanism de implementare, etc.).</i></p> <p>Discutarea și agregarea recomandărilor cu partenerii-cheie (PCDLI/PNUD, Ministerul Finanțelor, CALM, Cancelaria de Stat).</p>