

TERMS OF REFERENCE

Job title:	National Consultant to assess the Moldovan legislation on immovable property taxation
Duty station:	Chisinau, Moldova
Reference to the project:	Democracy Programme / Parliament
Contract type:	Individual Contract (IC)
Expected duration of the assignment:	35 working days within a 2,5 months assignment
Starting date:	13 July, 2015

Job content

1. BACKGROUND

In the context of Moldova's efforts towards deeper EU integration, the approximation of tax legislation and systems is of particular importance. According to the Association Agenda between the European Union and the Republic of Moldova and to ensure the implementation of the Deep and Comprehensive Free Trade Area Agreement (DCFTA), the Republic of Moldova shall gradually harmonize the tax legislation in line with EU *aquis*.

The Activity Programme of the Government for 2015-2018 envisages the need to improve the taxation legislation. This need is reiterated in the national fiscal policy, which foresees a review of the natural persons' immovable property taxation legislation to be conducted in 2015.

In EU countries recurrent tax on immovable property revenue is an important source of revenue for local budgets. For countries with developing economies, it is important to establish an effective system of real property taxation in order to create a basis for decentralization of public governance. It is the responsibility of parliamentary Committee on Economy, Budget and Finance (CEBF) to scrutinise the way government operates in terms of taxation policy and to hold it account where performance falls short. Where the Parliament's work identifies inefficiency or ineffectiveness, it should make recommendations for improvement. This can be assured through gathering of evidences on the appropriateness of Government plans and actions, and communicating conclusions and any recommendations for improvement to the Parliament.

In order to assure that Parliament oversight over Government policies and legislation on taxation and valuation of the natural persons' immovable property, is based on evidence and independent analysis, UNDP is looking to hire a national consultant to support the Committee on Economy, Budget and Finance (CEBF) to carry out its legislative and the oversight functions.

2. OBJECTIVE AND EXPECTED OUTPUTS

The expected output for the national consultant's assignment is to support the CEBF in carrying out its legislative and fiscal oversight functions.

The National Consultant will support the Committee in conducting a thorough assessment of the national legislation of the Republic of Moldova on natural persons' immovable property taxation, policies, methods and techniques applied in the taxation and valuation of the immovable property of natural persons.

The national consultant will guide the CEBF in the process of carrying out the gaps analyses of the natural persons' immovable property taxation national legislation, in particular with regards to its compliance with

the EU standards. Subsequently, recommendations shall be provided for improvement of the legislative framework and actions to be taken to bring the legislation on taxation of natural persons' immovable property in line with the EU law and the international instruments mentioned the Association Agreement¹.

Moreover, the national consultant is expected to offer support to the CEBF in carrying out a research to identify the best EU and international practices applicable to the Republic of Moldova in using the revenues from the tax on immovable property for the local budgets, presenting the best methodologies in taxation and valuation of immovable property of natural persons, including the taxation of land depending on the designated use of the land.

In order to achieve the stated objective, the Consultant will have the following responsibilities:

1.1 Prepare a detailed work plan to be applied for respective assignment:

- Undertake a comprehensive desk review of the relevant national legal framework, policies and strategies on taxation and valuation of natural persons' immovable property in the Republic of Moldova and forming of the budgets of the local public authorities;
- Organise meetings with the fiscal authorities in order to identify the fiscal policy objectives and current situation in the area of individuals' immovable property taxation and forming of local authorities' budget.

1.2 Develop a report that will contain the assessment of the current legislative framework in individuals' immovable property taxation:

- Identify the gaps in the legislative framework and backlogs in the transposition of relevant EU norms and standards, provide a list of actions necessary to be undertaken to remedy the identified deficiencies;
- Present recommendations on methods of taxation and valuation of individuals' immovable property to be applied in the Republic of Moldova based on the best EU and international practices;
- Provide a concept on the recommended methods and techniques for using the revenues from the tax on the immovable property for forming local public authorities' budget.

1.3 Strengthen skills for the oversight and legislative functions of the Parliament Standing Committee on Economy, Budget and Finance with regards to immovable property taxation:

- Provide expertise and assistance (develop agenda, informative note, list of questions) in organizing a fact finding field visit to meet the representatives of the Congress of the Local Public Authorities to discuss the forming of local budgets, valuation of the natural persons' immovable property and collect feedback;
- Organize a workshop for the staff and MPs from the CEBF, and other relevant stakeholders on the best practices and methodologies for natural persons' immovable property taxation and valuation in line with best EU and international practices.

¹ Article 53: (...) the Parties recognise and commit themselves to implement the principles of good governance in the tax area, i.e. the principles of transparency, exchange of information and fair tax competition, as subscribed to by Member States at EU level. To that effect, without prejudice to EU and Member State competences, the Parties will improve international cooperation in the tax area, facilitate the collection of legitimate tax revenues, and develop measures for the effective implementation of the above mentioned principles;

Article 54: The Parties shall enhance and strengthen their cooperation aimed at the improvement and development of the Republic of Moldova's tax system and administration, including the enhancement of collection and control capacity, with a specific focus on VAT refund procedures, to avoid accumulation of arrears, ensure effective tax collection and reinforce the fight against tax fraud and tax avoidance.

3. KEY DELIVERABLES AND TENTATIVE TIMETABLE

Nr.	Key deliverables:	Tentative timeframe/deadline
1.	A detailed Work Plan developed	By 15 July
2.	Support to a Fact finding field visit organized by CEBF to the Congress of Local Authorities provided;	By 21 July
3.	A draft Report on the natural persons' immovable property taxation legislation and policies developed;	By 11 August
4.	Workshop for the staff and MPs from the CEBF on the best practices and methodologies for natural persons' immovable property taxation and valuation in line with best EU and international practices.	By 22 September
5.	Analyze comments and suggestions regarding the draft Report on the natural person's immovable property taxation legislation and policies. Complete and present the final Report.	By 25 September

All communications and documentation related to the assignment will be in Romanian. The Parliament will provide the consultant with working space, access to Internet, printer and telephone line. Before submission of the final report, the consultant will discuss the draft documents with the parties involved (i.e. Parliament, UNDP and other stakeholders) so that final products reflect their comments.

4. INSTITUTIONAL ARRANGEMENTS

Management Arrangements: The consultant will work in close cooperation with the UNDP Parliamentary Specialist for substantive aspects of the assignment, and under the direct supervision of the UNDP Senior Project Officer – for administrative aspects. The consultant will report to the Parliament appointed representative and the Parliamentary Specialist of UNDP Democracy Programme. The consultant will work closely with the Committee on Economy, Budget and Finance.

Financial arrangements:

Payment will be disbursed in two instalments as follows:

Payment #1: 50% of the total amount after submission and approval of Deliverable 1 – 3;

Payment #2: 50% of the total amount after submission and approval of Deliverables 4 and 5.

The **timeframe** for the work of consultant is tentatively planned through July – September, 2015.

5. QUALIFICATIONS AND SKILLS REQUIRED

I. Academic experience:

- University degree in Finance, Taxation, Economics. Relevant Master's Degree would be an asset;

II. Knowledge and Experience:

- At least 7 years of relevant professional experience in the field of taxation, counselling and/or implementing legal harmonization processes in the field of taxation.
- Experience in comparative analysis, research, assessment on the implementation of the taxation legislation and policies would be an asset;
- Experience in organizing public hearings at the Parliament or Government level will be strong asset;

III. Competencies:

- Knowledge of the EU and international legal framework on natural persons' immovable property taxation and mechanisms for setting these taxes;

- In-depth knowledge of Moldovan legal framework on taxation, tax policy making, methodologies and techniques, primarily in taxation of natural person's immovable property area and valuation of real estate property;
- Strong analytical and drafting skills;
- Ability to analyze, plan, communicate effectively orally and in writing, draft report, organize and meet expected results, adapt to different environments (cultural, economic, political and social);
- Fluency in Romanian and English. Knowledge of Russian would be an advantage.

Skills: Computer literacy and ability to effectively use office technology equipment, IT tools.

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 non-citizens legally entitled to work in the Republic of Moldova, are particularly encouraged to apply;

6. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS

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

1. Proposal: explaining why they are the most suitable for the work;
2. Financial proposal specifying a total lump sum amount;
3. Duly completed P 11 / CV, including past experience in similar projects and at least 3 references.