



### **Terms of reference**

**Job title:** National Consultant, Reform of the environmental pollution charge system

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

**Project Reference:** Strengthening capacities to undertake Environmental Fiscal Reform to meet national and global environmental priorities

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

**Expected workload:** 40 days

**Starting date:** 28<sup>th</sup> January 2013

#### **I. Background**

The medium size Project „Strengthening capacities to undertake Environmental Fiscal Reform to meet national and global environmental priorities is financed by the Global Environment Facility (GEF), with UNDP Moldova as GEF Implementing Agency and the Ministry of Environment of the Republic of Moldova as Executing Partner.

This project sets out to build capacities for implementing environmental fiscal reforms (EFR) that will produce increased national and global environmental benefits through the adoption of selected charges, subsidies, fees, fines, taxes and other appropriate instruments. It will initiate and pilot EFR instruments targeted to meeting Rio Convention objectives and ensure their integration within national plans and policies, especially in national taxation and decentralization process in Moldova. The reforms will focus on creating conditions, financial incentives and disincentives, and decreased opportunity costs to undertake actions that deliver environmental outcomes. The expected outcome is that EFR will be adopted as an important element of Moldova’s development policy, whereby improved economic, financial and fiscal instruments and their use would strengthen regulatory and other approaches to environmentally sound and sustainable development, with a particular emphasis of meeting obligations under the three Rio Conventions (Climate Change, Biodiversity, and Desertification). The project will also contribute to and complement a broader national decentralization reform process, including policy planning at the national level, redesigning of competencies and responsibilities of local and sub-national governments and reforming local government revenue systems.

#### **Specific for the assignment**

Environmental charges are mainly regulated by the Law on Payment for Environmental Pollution No. 1540, dated 25.02.1998, with the last amendments made in 2008

(<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311615>). The payments for environmental pollution set in this law serve as the revenue basis for the National and Local Environmental Funds. The rates of the charges for environmental pollution are set by the Parliament. The types of charges for environmental pollution that currently exist in the Republic of Moldova are the following:

- Payment for emission of pollutants of the stationary sources
- Payment for emission of pollutants from mobile sources
- Payment for emission of pollutants by the cars not-registered in the Republic of Moldova
- Payment for discharge of pollutants
- Payment for stocking production waste
- Payment for import of goods that cause environmental pollution when used

The current pollution charge system is overly complicated and targets too many pollutants. The efficiency of applying fees and fines for pollution should be improved significantly by optimizing the existing charge

system and focusing on fewer pollutants and targeting major polluters. Product taxes are currently levied on imported products only and should be enhanced to cover domestic production, consider the introduction of the producer responsibility, and ideally include other important aspects of EU Directives on batteries, end of life vehicles, packaging and electric & electronic equipment and others.

## **II. Scope of work and responsibilities**

### **Scope of Assignment**

The assignment will include analysis of current pollution charge system with a review of existing environmental charges and taking into consideration lessons learnt in international and local practice with the focus on facilitation of eco-technology investments and continued earmarking of charge revenues to the National Environmental Fund.

Besides a desk review of the relevant documents the National Consultant will assist the International Consultant in his two missions to the country in full collaboration with the UNDP Country Office. The missions will include consultations with key partners in the Government of Moldova, responsible for pollution charge system as well as relevant sectorial ministries, including those involved in planning and finance and if needed relevant national institutions, including research and academia.

For the fulfillment of the above-mentioned objectives, a National Consultant will be selected as a response to this ToR in order to support the international consultant in:

- Undertake analysis of existing legal and institutional framework related to the pollution charge system;
- Undertake analysis of environment related policies;
- Elaborate a detail reform concept proposal on an improved pollution charge payment system;
- Provide recommendations on improved legal and institutional framework
- Bring in lessons learnt in international and local practices for efficient pollution charge system operation
- Advise on overall EFR reform efforts and implementation of EFR instruments supported by the project, including oversight of project activities related to the reform of subsidies in the agriculture and energy sector, ensuring overall consistency of proposed reforms

### **Tasks**

The National Consultant will be expected to undertake the following tasks:

1. Assist and support International Consultant in desk review of all relevant documents.
2. Identify and obtain all required policies documents as well as any regulatory act that has to be analyzed under the assignment.
3. Support the preparation of missions, including drafting mission agendas and setting meetings
4. Assist International Consultant in elaboration of the Concept Paper on Pollution Charge System Reform.
5. Under the guidance of the International Consultant, conduct the economic, fiscal and environmental impacts analysis for short and long term periods for proposed charges.
6. Under the guidance of the International Consultant, elaborate amendments to the legal framework and required supporting documents for Governmental approval.
7. Prepare and participate at round table meeting(s) on Pollution Charge System Reform.
8. Throughout the assignment, to ensure a sound consultation process with the local stakeholders.

## Deliverables and timeframe:

	Deliverable	Deadline
1	Support on assessment of existing pollution charge system and potential for improvements based on desk review of legal framework and policy documents	By 15 Feb. 2013
2	Support on elaboration of draft detailed Concept Proposal on Pollution Charge System Reform based on analysis of environmental, economic and fiscal effects of current charges, creating effective links to meet Rio Convention requirements, incl. consultations with national stakeholders	By 28 Feb. 2013
3	Economic and environmental impact assessment and analysis of the cost-effectiveness of proposed recommendations and new instruments for the: <ul style="list-style-type: none"><li>- Short-term period;</li><li>- Medium and long-term period.</li></ul>	By 15 Mar. 2013
4	Support on elaboration of specific recommendations for implementation of most feasible options focusing on issues such as effective and maximized contribution to targets and goals of FCCC, CBD and CCD, and based on national priorities	By 25 Mar. 2013
5	Support the preparation of and participation at round table discussions on the findings and recommendations (1 day)	By 8 Apr. 2013
6	Contribute to the elaboration of recommendations on legal and regulatory framework improvement with formulated amendments and explanatory notes	By 23 Apr. 2013
7	Relevant support on elaboration of final detailed Concept Proposal on Pollution Charge System Reform	By 23 Apr. 2013
8	Ongoing technical guidance and oversight related to other related EFR activities supported by the project.	Ongoing until Dec. 2013

### III. Management Arrangements:

- The National Consultant together with the Project Team will support the International Consultant in obtaining the appropriate national policy and legal documents and in accessing the appropriate stakeholders for consultation on the project implementation.
- The National Consultant and International Consultant will anchor the recommendations in evidence and information extracted from existing national policy documents, international good practices and in stakeholder consultations in-country.

### IV. Requirements for experience and qualification

#### 1. Academic Qualification

- University degree in public finance, economics, environmental management or closely related field.

#### 2. Experience

- At least 5 years substantive professional experience in areas related to environmental taxation, public finance or environmental management;
- Established network of contacts with key project stakeholders, especially on national level;
- Experience on developing sector related policy documents;
- Profound knowledge of the Moldovan environmental protection legislation;

#### 3. Competencies

### Technical work

- Thorough understanding of national policies and programs, fiscal and financial instruments as they relate to pollution charges.
- Demonstrated knowledge, analytical skills and relevant experience in evaluation and implementation of pollution charges, including international aspects and mitigation options.
- Sound, practical understanding of market economics and how a proper pollution charge system can contribute to environmental protection.

- Experience in drafting strategic documents.
- Ability to pick up new terminology and concepts easily and to turn information from various sources into coherent concepts and draft legislation.
- Knowledge on the implementation of EU Directives on batteries, end of life vehicles, packaging and electric & electronic equipment and other environmental harmful products and appliances in Central and Eastern European countries.

### **Partnerships**

- Maturity and confidence in dealing with senior and high-ranking members of international, regional and national institutions.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Good oral communication skills and conflict resolution competency to manage inter-group dynamics and mediate conflicting interests of varied actors.
- Excellent written communication skills, with analytic capacity and ability to synthesize project outputs and relevant findings for the preparation of quality project reports.

### **Results**

- Promotes the vision, mission, and strategic goals of UNDP.
- Builds strong relationships with clients, focuses on impact and result for the client and responds positively to feedback.

Good team player, self-starter, has ability to work under minimum supervision and maintain good relationships.

#### 4. Language requirements:

- Good knowledge of written and oral communication in English;
- Knowledge of Romanian is a must.