

ANNEX 1 TERMS OF REFERENCE – PROJECT STEERING COMMITTEE

BUILDING EFFECTIVE, TRANSPARENT AND ACCOUNTABLE PUBLIC FINANCIAL INSTITUTIONS (BETAPFI) (P176366)

Background

Building Effective, Transparent and Accountable Public Financial Institutions Project aims to improve the efficiency, transparency and sustainability of public expenditure and increase the effectiveness of revenue administration in North Macedonia. It will be financed through a EUR 20 million Investment Project Financing (IPF) from the IBRD and EUR 5.5 million in Recipient-executed grant financing from the EU under the European Commission - World Bank Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund. The proposed Project, to be carried out over the course of four years, will pursue a comprehensive approach to strengthening both the expenditure and revenue sides of the public financial management cycle that takes into account both fiscal and climate change sustainability. In particular, it contemplates:

- (i) Support to public expenditure management reforms and the development of the IFMIS and the SAMIS, and
- (ii) Strengthening of tax administration processes and systems in the PRO.

These advances will be supported by activities focused on regulatory and institutional reforms, systems modernization, and capacity building. Given the importance of change management and strategic stakeholder engagement within the reform agenda, related activities will be an integral part of the proposed Project.

The Ministry of Finance (MOF) is the main implementing agency of the Project in close cooperation with the Public Revenue Office (PRO), and Cabinet of Deputy Prime Minister in charge for Economic Affairs.

Project Components:

- Component 1: Supporting Public Expenditure Management Reforms
- Component 2: Strengthening Tax Administration Practices and Systems in PRO
- Component 3: Supporting Change Management, Donor Coordination and Project Management

Steering Committee's Purpose

In order to support the PIU with guidance, institutional co-ordination and oversight on results from project activities and accountability, a Steering Committee (SC) shall be established and meetings shall be held at least twice a year (in March and October). Its key responsibilities are to critically review and discuss project progress and provide advice to PIU on strategic issues related to the project implementation. The PIU is responsible for the logistics and organization of the SC meetings.

Role of the Steering Committee

The SC contributes to the overall oversight and strategic guidance of the programme. It will review the annual work plans and the progress reports and provide key recommendations to PIU on implementing the project activities.

The SC shall perform the following tasks:

- Support the PIU in implementing the project activities and provide guidance in finding solutions to important implementation problems;
- Discuss and exchange information on policy or other relevant issues;
- Contribute to interinstitutional coordination and accountability on project activities and results
- Review on a regular base the achievements of the BETAPFI, review project's progress reports and the annual work plans and provide advice to the PIU.

Establishment of the Steering Committee

On behalf of the Ministry of Finance, each of the national institutions that will benefit from the project (Listed below) shall appoint a representative at the BETAPFI SC, for the whole duration of the project. If the institution or representative wants to withdraw from the BETAPFI SC, then the institution informs the Minister of Finance and appoints a new member. The SC will be established with a Decision adopted by the Minister of Finance. When ever need arises the Ministry of Finance holds the right to invite any line ministry/organ/agency to nominate representative.

Composition of the Steering Committee

The SC will have members from the following institutions:

- Minister of Finance (Chair of the SC),
- Ministry of Finance (Component Manager of IFMIS working body) ,
- Public Revenue Office (Component Manager of PRO working body),
- Cabinet of DPM (Component Manager of DPM working body),
- One representative of the Ministry of Economy,
- One representative of the Ministry of Information Society,
- One representative of the Ministry of Interior (if needed),
- The Project Manager of the PIU (Secretary of the SC).

The World Bank and the Delegation of the EU will have an advisory role to the SC. They will receive the semi-annual progress reports from the SC and hold consultations with the SC as part of the monitoring process.

Each institution member will nominate representative and deputy representative.

No member of the BETAPFI Steering Committee will be allowed to possess a direct or indirect personal interest in a contractor subcontracted for the provision of goods and services.

Reporting

The Project Implementation Unit shall submit all relevant written documents, including reports and work plans, to the Steering Committee, at least 5 (five) days in advance of the meeting date.

The PIU will submit the following reports to the SC for review:

- Semi-Annual Reports, or
- Annual Reports,
- Annual Work Plans,
- Minutes of Meeting of the previous SC meeting.

The BETAPFI SC shall have a quorum for holding meetings only if more than half of the SC members, the representatives from Ministry of Finance (chair of the SC), and PIU are present on the meeting. Recommendations of the SC will be documented by the SC Secretary and distributed to absent committee members.

Steering Committee Secretary

The PIU will act as the Secretary of the SC. The Secretary will ensure the logistical realization of the meeting, including invitations, preparation of venue and documents of the meetings. The PIU will also provide information on project implementation during the SC meeting on request of the SC members.

Steering Committee Meetings

- ***Agenda***

The Tentative Agenda for the SC Meetings shall be proposed by the PIU.

The Agenda shall be reviewed and accepted at the beginning of each meeting.

- ***Scheduling***

SC meetings shall be held at least twice a year (in March and October).

- ***Invitations***

Invitations to SC Members should be sent in timely manner, with the Tentative Agenda attached, including supporting documents (Progress Reports, Reports, Annual Work Plans, Project Document, SC Meeting Minutes, as well as other relevant information).

- ***Chairing***

Minister of Finance or the representative appointed by the Minister of Finance shall chair the SC Meetings, as implementing agency.

- ***Decision Making***

The recommendations of individual members and any consensual conclusions of the SC shall be noted in the Minutes of Meeting.

- ***Minutes***

Minutes of SC Meetings shall be prepared by the SC Secretary.

The draft Minutes of the previous SC Meeting shall be distributed to SC Members for review in a timely manner (not later than two weeks after the meeting date). All members can send comments which additionally can be added to the final version of the Minutes. The final Minutes shall be adopted at the next SC Meeting with majority of votes from those present at the SC meeting.

- ***Register of recommendations***

A Permanent Register of SC Recommendations will be included as Annex to the Minutes of the SC Meetings.