**BUILDING EFFECTIVE, TRANSPARENT AND ACCOUNTABLE PUBLIC FINANCIAL MANAGEMENT INSTITUTIONS**

**Project ID No: P176366**

**TERMS OF REFERENCE**

**Technical Assistance for Operationalization of Change Management for Improved Stakeholder Engagement and Communication**

1. **Background**

The Building Effective, Transparent and Accountable Public Financial Management Institutions Project aims to improve the efficiency, transparency and sustainability of public expenditure and increase the effectiveness of revenue administration in North Macedonia. It is financed through a EUR 20 million Investment Project Financing (IPF) from the IBRD and EUR 4.9 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 Project became effective in April 2023 and the component activities, 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 considers both fiscal and climate change sustainability.

The Project has three 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

In particular, it contemplates:

1. Support to public expenditure management reforms, the implementation of new Organic Budget Law and the development of the Integrated Financial Management Information System (IFMIS),
2. Support for the development of new State Aid Management Information System (SAMIS) to be operated by the Deputy Prime Minister’s Office, and
3. Strengthening of tax administration processes and Integrated Tax Information System (ITIS) capabilities in the Public Revenue Office.

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 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. The Project Implementation Unit (PIU) provides full time support to the MoF for the implementation of project activities including the overall project management and coordination, procurement, financial management and reporting, among others.

As a part of the subcomponent 3.1 Operationalization of change management for improved stakeholder engagement and communication, the MoF will hire a consulting firm (hereinafter “The Consultant”) for the provision of technical assistance.

1. **Objectives**

The objective of this consultancy assignment is the provision of technical assistance and support for the successful development and implementation of change management and communication strategies for OBL/IFMIS, SAMIS, and PRO activities.

1. **Scope of Work**

The Consultant (consulting firm) will be responsible for:

1. Collaborating with stakeholders to develop comprehensive change management strategies for stakeholder engagement with integrated communication strategies for OBL/IFMIS, SAMIS and PRO activities targeted at stakeholders within and outside of the Government. This will include direct support to senior management and the establishment of an advisory body focused on the PFM reform agenda including civil society organizations, taxpayers’ associations and private sector stakeholders, and awareness raising on the Project’s actions to support climate change mitigation and adaptation through support to climate-sensitive budgeting and public investment management, and gender budgeting.
2. Development and implementation of learning toolkit for new processes and competencies.
3. Supporting the implementation of change management and communication plans. These plans are to be developed and will include mass and social media support for communications with taxpayers, private sector / state aid applicants, CSOs/media and broader citizens.
4. Supporting the implementation of digital citizen engagement (CivicTech) solutions to improve budget transparency and accountability, as well as encourage media/CSOs/business associations to analyze and report on budget and state aid execution and effectiveness and tax collection based on the information becoming publicly available through the supported systems.
5. Delivery of workshops and team-based coaching support. This is intended to support the uptake of technical training and upgrading of the leadership competency framework.
6. Facilitation support for change management interventions and developing high performance teams within the MoF, Cabinet of the Deputy Prime Minister within the General Secretariat of the Government and PRO, as well as other government institutions using of the systems, to bridge implementation gaps and strengthen incentives and momentum for reforms through the definition and communication of strategic short-term results.
7. Perform any other tasks deemed necessary to complement the above activities for the successful accomplishment of the assignment objective definition and communication of strategic short-term results.
8. **Timing and Inputs**

This assignment is expected to start once the contract is signed by the consulting firm (possibly in April 2024) and be completed within a period of 24 months with possibility of extension.

The Consulting firm is expected to provide minimum 40 person-months (p-m) of total key expert (KE) input within this period, subject to increase in case of extension, through 4 (four) key experts with required qualifications to complete the activities listed above through in-country assistance, coordination, reporting and presentations of the analysis and recommendations to the MoF officials, including: **KE-1:** Team Leader and Change Management Expert; **KE-2:** CivicTech Solutions Expert; **KE-3:** Communication Specialist; and **KE-4:** Training and Team Building Expert. The team should work together with the relevant line ministries and institutions in North Macedonia for a minimum of 30 person-months in total during this assignment (KE-1: 12 p-m; KE-2: 6 p-m; KE-3: 6 p-m; KE-4: 6 p-m). Additionally, non-key experts (NKE) may be proposed by the Consultant to provide backstopping support.

1. **Deliverables and Reports**

The Consultant shall prepare the following deliverables:

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| **No.** | **Deliverable** | **Deadline1** | **Payment2** |
| 1 | **Inception Report** presenting the methodology and work plan of the assignment with clearly defined deadlines, acceptable to the MoF. | Week 3 | 10% |
| 2 | **Monthly Reports** covering all completed activities, deliverables, and challenges during the reporting period. Additionally, these reports will indicate actions to be taken in the following reporting period, including timesheets for each team member and a general summary. The reports will also describe risks identified by the Consultant and approaches to their mitigation. The Consultant shall devise a reporting template in consultation with the relevant counterparts. Each monthly report shall be due by the fifth day of the following month and must be approved by the client. | Every four weeks starting from Week 5 | - |
| 3 | **Review Reports** (**4** reports in total). The Consultant will first submit the draft version of each review report and revise it based on the MoF comments, as necessary. The final version of each report will be submitted after addressing all Client comments.  | Depending on the timeline of each sub-activity  | 60% intotal(15% each in case of 4 reports)  |
| 4 | **Final Report** covering all activities and deliverables, an assessment of the results, and an analysis of the risks encountered in the performance of the assignment and their mitigation. | Month 24 | 30% |

1. All dates are after the signature and effectiveness of the contract.
2. The payment schedule is designed for a lump-sum contract based on deliverables. For a time-based contract payment schedule needs to be revised based on the time spent on each task.
3. **Deliverables and Reports**

The Ministry of Finance shall be the Consultant’s **main counterpart** on key substantive matters related to this assignment. The Consultant shall also work closely with the PIU. Interaction with related government entities, as well as the development partners providing technical assistance to the MoF for the implementation of the digital agenda may also be required.

The main counterpart will facilitate the Consultant’s access to the necessary documentary materials as well as access to the key stakeholders to the assignment. In the Consultant’s working relations with the IFMIS Working Body, PRO Working Body and SAMIS Working Body and the MoF officials and other stakeholders, the Consultant will be expected to be self-sufficient and conduct himself/herself in the highest professional manner.

The reports must be submitted in English and Macedonian language in electronic format for review and after approval has been received the Consultant shall deliver the hard copy as well.

The main counterpart shall accept or reject reports (rejection involving substantiation) not later than within 15 working days from the receipt date. In case of no responses from the main counterpart within this period, the submitted report will be considered as accepted by the Client.

1. **Restrictions**

In addition to the standard conflict-of-interest restrictions specified in the consultancy contract, any tangible or intellectual output created under this contract will remain the sole property of the MoF, who will make them available to the concerned development partner including the World Bank for comments. The terms of reference and the correlated products are to be handled confidentially. Re-use of the materials will require the formal, written approval of the MoF.

On the commencement of the assignment, the Consultant will jointly prepare with the MoF a statement of confidentiality that will bind the Consultant to nondisclosure of any information that the Consultant may become knowledgeable of during the course of the assignment.

The Consultant shall deliver the services primarily in Skopje, North Macedonia but may be required to visit other locations in North Macedonia.

1. **Resources Provided**

The MoF shall be responsible for all basic logistics (wi-fi, fixed telephone asset for national calls, printer) and staff office accommodation required to perform the assignment.

The MoF will provide meeting/conference space required to perform the assignment.

The working languages of the Consultant shall be English and Macedonian. Where necessary, the Consultant shall engage interpreters/translators who shall be members of its team. All documentation shall be submitted in English language, and in Macedonian language when requested by the Client. The Consultant shall be responsible for translations from the English into the Macedonian language.

1. **Qualifications**

The Consultant firm must possess, at the minimum, the following qualifications:

1. The Consultant firm must be a legally established and registered entity.
2. The Consultant firm should demonstrate at least 10 years of relevant experience.
3. The Consultant firm must have successfully completed at least two (2) similar Change Management implementation support activities (each worth at least EUR 600,000) within the last seven (7) years (as the main solution provider or main contributor in a joint venture). Successfully completed projects will be presented through a table listing the name of the relevant assignments, short scope of work, contract start and end dates, country/region, and contact reference (name, e-mail, phone number).
4. Proposed technical approach and methodology should be suitable for the assignment.
5. The Consultant firm must be able to mobilize at least four (4) key experts with the necessary skills and experience presented below as well as the project management and backstopping capacity, to ensure the successful completion of this assignment.

The Consultant firm must ensure that the key experts who will perform the listed activities possess the following qualifications:

**KE-1: Team Leader and Change Management Expert** (16 person-months; 12 p-m onsite and 4 p-m remote)

* At least master’s degree in public finance, management information systems, organizational psychology, business administration or equivalent combination of academic qualifications and work experience.
* Proven expertise in organizational change management and experience in designing and implementing comprehensive change management strategies.
* In-depth understanding of change management methodologies, stakeholder analysis, and experience working with governmental organizations.
* International/regional expert with at least ten (10) years of relevant experience
* Demonstrated knowledge and experience on PFM reforms and IFMIS implementation in a governmental environment.
* At least three (3) relevant public sector projects completed over the past ten (10) years, preferably funded by the World Bank, European Union, and similar development partners.
* Minimum 8 years of experience in leading change management initiatives, preferably in the public sector or financial management context.
* Team Leadership Experience.
* Personnel development Experience (hiring, resource planning, performance feedback, etc.).
* Excellent communication skills (both written and oral).
* Strong interpersonal skills.
* Ability to be flexible and work analytically in a problem-solving environment.
* Strong organizational & multi-tasking skills.
* Ability to handle ambiguity and make decisions and recommendations with limited data.
* Solid analytical/problem-solving skills with capability to identify solutions to unusual and complex problems.
* Experience working with senior government or enterprise leadership regarding the implementation of PFM reforms and IFMIS solutions.
* Fluency in English. Fluency in Macedonian will be an advantage.

**KE-2:**  **CivicTech Solutions Expert** (8 person-months; 6 p-m onsite and 2 p-m remote)

* At least a master's degree in computer science, information technology or equivalent combination of academic qualifications and work experience.
* Minimum 10 years of experience in designing and implementing CivicTech solutions, including applications for citizen engagement and transparency.
* Proven track record of successfully deploying digital platforms in government contexts.
* International/regional expert with at least five (5) years of relevant experience in the region or other parts of the world, preferably in developing countries.
* Proven track record of implementing CivicTech solutions, with at least 5 years of experience in the development of digital platforms for citizen engagement.
* Deep understanding of public financial management processes and data security standards.
* Familiarity with open data principles and experience working with government IT systems.
* At least two (2) relevant public sector projects completed over the past ten (10) years.
* Excellent communication skills (both written and oral).
* Strong organizational & multi-tasking skills.
* Fluency in English. Fluency in Macedonian will be an advantage.

**KE-3:**  **Communication Specialist** (8 person-months; 6 p-m onsite and 2 p-m remote)

* At least master’s degree in communication, public relations, journalism, or a related field.
* 10 (ten) years of experience in developing and executing comprehensive communication strategies, with a focus on public sector and government.
* International/regional expert with at least five (5) years of relevant experience in the region or other parts of the world, preferably in developing countries.
* Proven ability to manage crisis communications effectively.
* Strong understanding of digital media trends and proficiency in leveraging social media for public outreach.
* Knowledge of public financial management concepts and the ability to translate complex information for diverse audiences.
* At least two (2) relevant projects completed over the past ten (10) years.
* Excellent communication skills (both written and oral).
* Strong organizational & multi-tasking skills.
* Fluency in English. Fluency in Macedonian will be an advantage.

**KE-4:**  **Training and Team Building Expert** (8 person-months; 6 p-m onsite and 2 p-m remote)

* At least bachelor’s degree in human resources development, organizational psychology, social sciences, organizational development, business administration or equivalent combination of academic qualifications and work experience.
* International/regional expert with at least eight (8) years of relevant experience in the region or other parts of the world, preferably in developing countries.
* Expertise in organizational behavior and design and implementation of change management programs.
* Experience in facilitating workshops, team-building sessions, resolving organizational conflicts, and successfully building and sustaining high-performance teams in governmental or public sector settings.
* At least two (2) relevant projects completed over the past ten (10) years, preferably in the public sector.
* Excellent communication skills (both written and oral).
* Strong organizational & multi-tasking skills.
* Fluency in English. Fluency in Macedonian will be an advantage.
1. **Selection of the Consulting Firm**

The Consultant firm will be selected in accordance with **Quality-and Cost-Based Selection (QCBS)** method set out in the World Bank’s Procurement Regulations for IPF Borrowers (Fourth Edition of November 2020). [[1]](#footnote-1)

QCBS uses a competitive process among short-listed firms that takes into account the quality of the technical proposal and the cost of the services (financial proposal) in the selection of the successful firm.

The MoF will publish Request for Expression of Interest (REoI) and upon evaluation of received EoIs, best evaluated (short-listed) firms will receive a Request for Proposal. Those firms will be called to submit technical and financial proposals for further evaluation.

The consulting firm must meet the following minimum requirements for short-listing:

1. At least ten (10) years of relevant experience (25 points).
2. The Consultant firm must have successfully completed at least two (2) similar Change Management implementation support activities (each worth at least EUR 600,000) within the last seven (7) years (as the main solution provider or main contributor in a joint venture (45 points).
3. Experience in different developing countries and/or transitional economies (15 points).
4. Ability to mobilize at least 4 (four) key experts with necessary skills and experience as well as the project management and backstopping capacity, to ensure the successful completion of this assignment (15 points).

The minimum passing score for short-listing is 75 points. After the shortlisting, the evaluation of the technical proposals will be done in accordance with following criteria:

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| **#** | **Criteria** | **Points** |
| 1 | Experience of the Consultant firm relevant to the assignment. | 5 |
| 2 | Adequacy and quality of the proposed Technology, Methodology and Work Plan in responding to the Terms of Reference. | 40 |
| 3 | Key Experts’ qualifications and competence for the assignment1. Key Expert 1: Team Leader and Change Management Expert [ 18 points]
2. Key Expert 2: CivicTech Solutions Expert [9 points]
3. Key Expert 3: Communication Specialist Expert [9 points]
4. Key Expert 4: Training and Team Building Expert [9 points]

The Key Expert qualifications shall be evaluated according to the following sub-criteria:* General qualifications (general education and experience): 10%
* Specific relevant experience required: 90%
 | 45 |
| 4 | Transfer of knowledge (training) program (relevance of approach and methodology). | 5 |
| 5 | Inclusion of experts from North Macedonia among proposed Key Experts. | 5 |

The minimum passing technical score is 85 points.

The weights given to the Technical (T) and Financial (F) proposals are: T = 80%, and F = 20%.

1. https://thedocs.worldbank.org/en/doc/178331533065871195-0290022020/original/ProcurementRegulations.pdf [↑](#footnote-ref-1)