

TERMS OF REFERENCE FOR CONSULTANTS

I. OBJECTIVE AND PURPOSE OF THE ASSIGNMENT

1. The objective of the assignment is to: (i) support establishment of a tax policy unit; (ii) strengthen cash management and forecasting; and (iii) support review of the delegated financial authority regime in line with the Public Financial Management (PFM) Act 2019. The technical assistance (TA) is aligned with the priorities of ADB's Strategy 2030 and with the country operations business plan for Pakistan, 2020–2022.

II. CONSULTANT INPUTS AND REQUIRED EXPERTISE

2. The assignment will be implemented by 3 international and 2 national experts comprising a total of 40 person-months of consultant inputs. Consultants will be recruited on an individual basis, following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions. All consultants will conduct activities on an intermittent basis as required. The assignment will be carried out from December 2020 to December 2022.

3. **The International Public Financial Management and Revenue Specialist and Team Leader** will have (i) graduate-level qualification in Economics/Public Policy, (ii) at least 10 years of experience working on public financial management and revenue, (ii) a relevant education background, and (iii) a deep understanding of issues pertaining to government finance in Pakistan. A strong background working in the areas of cash management and internal control systems for public financial management will be preferred. He/ she must also demonstrate strong writing skills, as evidenced by publications of relevant reports and/or articles. He/ she must have strong speaking, and applied training skills. Prior work experience in developing countries, particularly in Pakistan, is required.

4. **The International Public Finance Legal Specialist** will have (i) graduate-level qualification in Law/Economics/Public Policy, (ii) at least 10 years of experience working on public finance Law, (iii) a deep understanding of issues pertaining to government finance in Pakistan and familiarity with the PFM Act 2019. A strong background working in the areas of cash management and internal control systems for public financial management will be preferred. He/ she must also demonstrate strong legal drafting skills. Prior work experience in Pakistan is required.

5. **The International Tax Policy Specialist** will have (i) graduate-level qualification in Economics/Public Policy, (ii) at least 10 years of experience working tax policy design, (iii) a deep understanding of issues pertaining to tax policy and administration in Pakistan. A strong background working in tax policy design and administration will be preferred. He/ she must also demonstrate strong writing skills, as evidenced by publications of relevant reports and/or articles. He/ she must have strong speaking, and applied training skills. Prior work experience in developing countries, particularly in Pakistan, is required. Experience in working with international agencies will be an advantage. Prior work experience in Pakistan is required.

6. **The National Public Financial Management Specialist** must have graduate level qualifications in Economics/Public Policy/Public Finance and at least 5 years of relevant work experience. The specialist will have a strong background in PFM and experience working in Pakistan.

7. **The National Tax Policy Specialist** must have graduate level qualifications in Economics/Public Policy with experience in tax policy and administration and at least 5 years work experience. The specialist will have a strong background in tax policy and experience working in Pakistan.

III. SCOPE OF WORK

8. The consulting team will assess the effectiveness of taxation policies in Pakistan—to promote domestic resource mobilization.

IV. REPORTING REQUIREMENTS

9. The consulting team will submit the following reports to ADB and relevant government authorities:

- (i) An inception report with confirmation of the research scope, approach, and methodology; work plan and detailed implementation schedule; and any recommended adjustments to the terms of reference and timing of the specialists' deployment;
- (ii) Quarterly reports on implementation progress; and
- (iii) Consolidated draft and final reports specified in the TORs of each consultant.

10. The national consultant will assist the team leader/international experts in the preparation, dissemination, and communication of the above-stated outputs.

V. TERMS OF REFERENCE FOR CONSULTANTS

11. **Public Financial Management and Revenue Specialist, International (8.0 person-months, intermittent).** The expert will be responsible for the overall performance of the consulting team and support the MOF with carrying out specific tasks which support operationalization of the PFM Act 2019. The Specialist will have (i) graduate-level qualification in Economics/Public Policy, (ii) at least 10 years of experience working on public financial management and revenue, and (iii) a deep understanding of issues pertaining to government finance in Pakistan. A strong background working in the areas of cash management and internal control systems for public financial management will be preferred. He/ she must also demonstrate strong writing skills, as evidenced by publications of relevant reports and/or articles. He/ she must have strong speaking, and applied training skills. Prior work experience in developing countries, particularly in Pakistan, is required. Major responsibilities include, though not limited to, the following activities:

- (i) Draft review of data entry points from which cash-forecasts will be required which include instructions on cash-forecasts.
- (ii) Draft functional specifications document for inclusion of forecasts in the IFMIS system. This will include development of a functional specifications document with the view to configure the SAP system to start the cash-forecasting system.
- (iii) Organize and ensure delivery of a workshop training for key data providers and officials of the Ministry of Finance on how to forecast cash requirements using various models.
- (iv) Draft review of current system of delegation of financial authority and control—which includes review of existing rules and regulations, laws and other office orders in place.
- (v) Draft policy note on the revised system of financial authority and control providing clarity on the delegated powers and definition of the internal control mechanism.

- (vi) Coordinate with the International Tax Policy Specialist to ensure timely submission of deliverables.
- (vii) Quality assurance of all deliverables prepared by consulting team.
- (viii) Liaise with other development partners to ensure complementarity of support being provided under the TA.

12. Public Finance Legal Specialist, International (4.0 person-months, intermittent).

The specialist will be responsible for assisting the Team Leader and International Tax Policy Specialist with identifying roadmap for development of relevant secondary legislation to ensure adequate operationalization of the PFM Act 2019. The Specialist will have (i) graduate-level qualification in Law/Economics/Public Policy, (ii) at least 10 years of experience working on public finance Law, (iii) a deep understanding of issues pertaining to government finance in Pakistan and familiarity with the PFM Act 2019. A strong background working in the areas of cash management and internal control systems for public financial management will be preferred. He/ she must also demonstrate strong legal drafting skills. Prior work experience in Pakistan is required. Major responsibilities include, though not limited to, the following activities:

- (i) Draft review of current system of delegation of financial authority and control—which includes review of existing rules and regulations, laws and other office orders in place.
- (ii) Draft legal reform roadmap for operationalization of the revised system of financial authority and control providing in line with the PFM Act 2019.
- (iii) Diagnostic report on the current organizational structure of tax policy and tax administration.
- (iv) Draft review of legal and regulatory regime with recommendations on legal amendments required to accommodate creation and operationalization of the Tax Policy Unit. This includes review of the FBR Act and rules and regulations to recommend changes require to undertake the shift.
- (v) Support the Team Leader in other tasks as required.

13. Tax Policy Specialist, International (8.0 person-months, intermittent). The specialist will work with the authorities to support the establishment and operationalization of a Tax Policy Unit. The expert will have (i) graduate-level qualification in Economics/Public Policy, (ii) at least 10 years of experience working tax policy design, (iii) a deep understanding of issues pertaining to tax policy and administration in Pakistan. A strong background working in tax policy design and administration will be preferred. He/ she must also demonstrate strong writing skills, as evidenced by publications of relevant reports and/or articles. He/ she must have strong speaking, and applied training skills. Experience in working with international agencies will be an advantage. Prior work experience in Pakistan is required. Major responsibilities include, though not limited to, the following activities:

- (i) Diagnostic report on the current organizational structure of tax policy and tax administration with concrete recommendations on organizational placing for the Tax Policy Unit, agreed upon by all major stakeholders involved.
- (ii) Draft organizational structure of the Tax Policy Unit with clear TORs for different skillsets needed to carry out activities within its mandate.
- (iii) Draft review of legal and regulatory regime with recommendations on legal amendments required to accommodate creation and operationalization of the Tax Policy Unit. This includes review of the FBR Act and rules and regulations to recommend changes require to undertake the shift.
- (iv) Draft a capacity development roadmap for the Tax Policy Unit.
- (v) Assist with the Tax Policy Unit and specific tax policy analysis as requested.

14. National Public Financial Management Specialist (10 person-months, intermittent)

The specialist will have (i) at least 5 years of experience of working on public management in Pakistan, (ii) a relevant education background, and (iii) a deep understanding of issues pertaining to government finance and institutional coordination. He/she will have strong analytical and proven leadership expertise in identifying coordination issues between public sector agencies and proposing solutions. He/ she must also demonstrate strong writing skills, as evidenced by publications of relevant reports and/or articles. He/ she must have strong speaking, team coordination and applied training skills. Major responsibilities include, though not limited to, the following activities:

- (i) Assist the Team Leader to deliver the assignments as detailed in his/her TORs;
- (ii) Contribute to report writing by working on relevant report sections, as and where needed;
- (iii) Organize stakeholder consultations/ workshops/ trainings in consultation with the international consultant and the concerned government officials;
- (iv) Collect background information and data required for preparation of reports and other outputs;
- (v) Liaise with the concerned government departments and officials;
- (vi) Prepare background notes/reports for the international consultants;
- (vii) Ensure quality and integrity of translated documents to be shared with the government; and
- (viii) Assist the government's executing department with implementing the TA.

15. The National Tax Policy Specialist (10 person-months, intermittent).

The specialist must have graduate level qualifications in Economics/Public Policy with experience in tax policy and administration and at least 5 years work experience. The specialist will have a strong background in tax policy and experience working in Pakistan. Major responsibilities include, though not limited to, the following activities:

- (i) Assist the Team Leader to deliver the assignments as detailed in his/her TORs;
- (ii) Contribute to report writing by working on relevant report sections, as and where needed;
- (iii) Organize stakeholder consultations/ workshops/ trainings in consultation with the international consultant and the concerned government officials;
- (iv) Collect background information and data required for preparation of reports and other outputs;
- (v) Liaise with the concerned government departments and officials;
- (vi) Prepare background notes/reports for the international consultants;
- (vii) Ensure quality and integrity of translated documents to be shared with the government; and
- (viii) Assist the government's executing department with implementing the TA.