

NATIONAL AGENCY FOR FISCAL ADMINISTRATION

Revenue Administration Modernization Project (P130202)

Terms of Reference

Revenue Administration Consultant (RAMP/CS/27)

Background information

The National Agency for Fiscal Administration (NAFA) was created in 2004 to provide a better institutional platform for the many needed operational reforms to promote improved revenue collection in Romania. NAFA is responsible for the collection of most of the country revenues including those related to social security contributions and customs activities. NAFA plays a pivotal role in mobilizing revenues that finance government initiatives in infrastructure and services that benefit all citizens. NAFA has a solid track record of implementing reforms that enhance both service to the taxpayer as well as audit and collections initiatives that are based on risk management and control. NAFA also recognizes that as a young institution it must endeavor to continuously improve itself towards becoming a modern and well-functioning revenue administration based on voluntary compliance – that is supporting and educating taxpayers who choose to meet their filing and payment obligations while targeting non-compliant taxpayers for proper enforcement action.

While much progress has been achieved since its creation, more remains to be done. Despite NAFA's best efforts, overall tax compliance in Romania remains lower than international norms. This implies a relatively high fiscal burden on compliant taxpayers and creates injustice and unfair competition in the internal market. The current system of fiscal administration requires multiple interactions between NAFA and the taxpayer in order to complete even the most basic functions.

With assistance from the World Bank and other development partners, NAFA has embarked on a five-year modernization program to make many productive advances and achieve an internationally recognized high level of performance. NAFA has decided that next reforms will focus on: (1) improving voluntary compliance; (2) fighting tax evasion; and (3) increasing collection efficiency. Specific initiatives to simplify procedures, to improve service, and to deal with non-compliance in both filing and payment will be specific areas of focus. The Revenue Administration Modernization Project (RAMP) is financed by the World Bank with the purpose to directly support these reform efforts.

Romania's economy is evolving rapidly with new challenges emerging continuously that must be addressed. Citizens and businesses increasingly see their time as a limited resource. They rightly demand that their interactions with public services deliver value and that issues are addressed through a single and efficient interaction. NAFA has made considerable progress over the last five years, introduced innovations, and attempted to keep pace with the service delivery demands of taxpayers but progress has been limited by existing technology, business processes, and organizational arrangements. RAMP supports a transformational strategy to take advantage technological advances to provide better public services for citizens and businesses and to do so at a lower cost to the taxpayer.

In the pursuance of this strategy, RAMP has launched a two-stage procurement for the supply and installation of a Revenue Management System (RMS), which would be the core procurement under RAMP. The RMS would be based on a Commercial Off The Shelf (COTS)

solution, supported by a generic hardware platform, database management systems, and complemented by data migration activities from the existing databases. The two-stage procurement process for the RMS is expected to be finalized by the end of 2016, while the system is expected to be implemented over the following 2.5 years. The objective of this initiative is to use established international best practices and business process reengineering embedded in the RMS to drive best practices and business process reengineering within NAFA.

Goal of the Assignment

Via in-depth expertise and experience in the revenue administration field, the Consultant is expected to advise and support the National Agency for Fiscal Administration to achieve the reform of the tax administration in line with international best practices throughout the RAMP lifecycle.

Scope of the Consultancy

The **Revenue Administration Consultant** shall provide specific expertise to support the Project Management Unit (PMU) of RAMP and relevant NAFA departments in performing the following indicative tasks:

- i) Support NAFA in the evaluation of the RMS bids:
 - Provide advice and on-the-job support to the NAFA Committee(s) appointed for the evaluation and negotiation of the RMS bids;
 - Participate in the evaluation committees either in an advisory or formal capacity, if so appointed by the Client;
 - Support NAFA and RAMP staff during the contract negotiation or finalization stage;
- ii) Support NAFA and the PMU in the modernization of the tax administration. To this end, the Revenue Administration Consultant will perform, without limitation, the following activities:
 - Analyse the RMS documentation and review the constraints for their implementation based on the existing national and EU -related regulations;
 - Provide advice on reviewing and amending the laws, regulations and procedures in force, in order to ensure streamlined business processes, eliminate gaps in the operational procedures and bring efficiency to the fiscal administration;
 - Make proposals on business process reengineering in line with the integrated Revenue Management System;
 - In case there are process constraints deriving from the RMS design, advice on the suitable solution to comply with and design the appropriate vehicles and instruments for NAFA to achieve the targeted results;
 - Collaborate with the Information Technology Consultant and NAFA's Business Process Reengineering Team for the enhancement of the Enterprise Architecture in line with the development objectives of NAFA;

- Collaborate with the staff of the RMS supplier on the development and implementation of the business processes to ensure full alignment with tax administration best practices;
 - Design and draft proposals to amend current legislation and regulations in order to match the design of the newly reengineered NAFA processes;
 - Ensure transfer of knowledge to the designated NAFA staff;
- iii) Other project-related tasks related to revenue administration that the Client and the Consultant may agree upon from time to time.

Deliverables and reporting

The main output of the Revenue Administration Consultant will be the delivery of a wide range of technical advice, evaluation reports and other types of documents related to the implementation of the RAMP project and the effective operation of the PMU.

The Revenue Administration Consultant is required to deliver the following:

1. Monthly activity reports describing the activities performed during the past month as well as issues requiring management attention to ensure timeliness and quality of Project activities.

The Consultant will submit the reports to the RAMP Project Manager, who shall approve the Activity Reports as a basis of payment. The reports (in English and Romanian) shall be submitted within 5 working days from the end of the month of reporting.

2. All reports, documents and correspondence prepared by the Revenue Administration Consultant in the performance of the above tasks.

The Revenue Administration Consultant will report to the RAMP Project Manager. The Consultant will carry out her/his work in full cooperation with designated NAFA technical team, RAMP staff and consultants/suppliers contracted under RAMP.

Schedule of Work

The Revenue Administration Consultant shall perform the Services under the contract during the years 2016-2018. The indicative overall effort expected to be performed under the contract is of 18 man-months (6 man-months in each of the following years: 2016, 2017 and 2018).

The commencement date of the services shall be within 2 (two) weeks as from the signature date of the contract.

The Consultant's actual presence at RAMP offices, as well as his/her availability to work remotely, shall be agreed with the RAMP Project Manager at least one month in advance.

In case of necessity and upon approval of NAFA Management, the consultant would have the possibility of additional work downstream depending on the result of the consultancy.

Data, Services and Facilities to Be Provided by NAFA

NAFA will provide office space and will make available all data and project documentation that the Consultant needs for the successful performance of the Services.

Qualifications:

The Revenue Administration Consultant will be selected to provide technical assistance to NAFA and must have proven significant experience in senior positions within EU/OECD tax administrations. The consultant must have well-recognized expertise and experience to advise on 'good practice' features of modern revenue administrations related to both operations and information technology tools.

The Revenue Administration Consultant shall meet the following minimum qualification criteria:

Qualification and Skills:

- University degree in the Business Administration / Economics / Law / ICT /Engineering or other field relevant for the assignment.
- Fluency in English (spoken and written);

Professional experience:

- Minimum of **10 (ten) years** of general professional experience in the area of the assignment;
- A minimum of **3 (three) years** of experience with a national revenue/tax administration, and implementing specific revenue management and tax compliance related processes, based on modern concepts and international best practice. Experience in the EU environment is highly desirable.
- Work experience as consultant/employee in European Commission/OECD/ World Bank/ IMF in tax administration and/or compliance field will be considered an advantage;
- Participation in minimum of **1 (one) project** that provided implementation of COTS Revenue Management System in a tax administration will be considered an advantage.

The project location is in Bucharest, Romania.