

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The transaction technical assistance (TRTA) will engage seven international consultants for 12 person-months and six national consultants for 13 person-months total in accordance with Asian Development Bank’s (ADB) Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Given the varied nature of consulting assignments in the area of public finance management with relatively smaller scale of investment, it is recommended that consultants will be engaged with individual engagement. The consultants will be divided into two groups: due diligence team, and feasibility and ICT design team. Due diligence team will work on the due diligence requirements and project preparation while the feasibility and initial ICT design team will work on delivering initial design of the proposed tax administration and information system (TAIS) and public investment information management system (PIMIS) and preparation of feasibility studies. The team leader will coordinate among these two groups and ensure the delivery of outputs under the technical assistance (TA). The implementing agencies are expected to exercise strong ownership in implementing the TRTA, with full support by the ADB project team members who will take the responsibility of consolidating inputs from individual consultants and produce final reports. An Advance Payment Facility may be used for training and workshop administration by the executing agency.¹ The TRTA will be implemented over the period of December 2017 to July 2018. The outline terms of reference for the TA consultants are described the succeeding paragraphs.

Table 1: Summary of Consulting Services Requirement

Positions	Person-Months Required
International (subtotal)	12.0
<i>Feasibility and ICT Design</i>	
Public finance management ICT specialist (team leader)	3.0
ICT systems specialist	2.5
<i>Due Diligence</i>	
Economic and financial analysis specialist	2.0
Public finance sector specialist	1.0
Environmental specialist	1.0
Civil engineering and procurement specialist	1.0
Financial management specialist	1.5
National (subtotal)	13.0
<i>Feasibility ICT Design Team</i>	
Public finance ICT system expert (deputy team leader)	3.0
<i>Due Diligence Team</i>	
Social development expert	2.0
Financial management expert	2.0
Environmental expert	1.0
Civil engineering and procurement expert	2.0
Project management and capacity building specialist	3.0

ICT = information and communication technology

2. **Public Finance Management ICT Specialist and Team Leader** (International, 3 person-months). Team Leader and Public Finance Management ICT Specialist will be responsible for coordinating the overall TRTA support and activities for both implementing agencies, Mongolian Tax Authority (MTA) and Budget Investment Department of Ministry of Finance (MOF), and delivering outputs of feasibility studies, system design, and definition of system specifications for

¹ The financial management assessment has been conducted on the executing agency, Ministry of Finance. The EA has sufficient capacity and internal control to maintain records.

developing process of tax administration and information system (TAIS) and public investment management information system (PIMIS). The specialist should have sufficient knowledge and experiences on public finance management and ICT system design. He or she should have at least 10 years of relevant experience and have strong English language skills. The specialist should hold a minimum of a master's degree in ICT, public management, system engineering, or a related field applicable to this position. Experience in ADB loan processing in public finance management, especially in developing member countries in Asia, will be a strong advantage. The consultant will serve as the team leader of the international and national consultants and will work closely with the ADB project team to guide, coordinate, and supervise the inputs of each individual consultant; manage stakeholders and workshops; and take the responsibility for delivering all the outputs of the TA. Individually, the consultant will also review the design of ICT systems for TAIS and PIMIS including the specifications of ICT system requirement and provide necessary advisory support. The consultant will also (i) assess the procurement needs of goods and services, (ii) prepare bidding documents and procurement plans with proper contract packaging, and (iii) recommend measures to strengthen the capacity of the executing agency and implementing agencies with regard to procurement. The consultant will also assist the ADB project team in consolidating individual inputs from other consultants and producing loan documents package including a project administration manual (PAM), feasibility studies, and final report to ADB.

3. **ICT Systems Specialist** (International, 3 person-months). The consultant will have at least 10 years of experience in ICT systems related work in the area of public finance management in developing countries, and should hold a minimum of a master's degree in ICT or system engineering or a related field applicable to this position. The consultant will be responsible for assessment of existing ICT systems implemented for tax administration and PIM particularly on the system design, technology adopted for the system development, scalability, security, and maintainability of the system and will provide recommendations on either for addressing the gaps in existing system or develop a new system for TAIS and PIMIS requirements. The consultant will work with MTA and the ICT Center for Customs, Taxation and Finance (ICT state-owned enterprise (SOE)) during the development of necessary software and ICT system, and provide advice to improve the sustainability of the ICT SOE for longer term maintenance and ICT system upgrade for changing needs. The consultant will also assist the team leader and the ADB team in consolidating individual inputs from other consultants and producing a PAM and final report to ADB. The consultant will assist the implementing agencies in completing the feasibility studies for TAIS and PIMIS. The consultant will also assess the procurement needs of goods and services and prepare bidding documents and procurement plans with proper contract packaging, and recommend measures to strengthen the capacity of the executing agency and implementing agencies with regard to procurement.

4. **Economic and Financial Analysis Specialist** (International, 2 person-months). The consultant will have at least 10 years of experience in economic analysis and financial analysis in related work in developing countries. The consultant will hold a minimum of a master's degree in economics, finance, or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The consultant will help the executing agency and ADB project team review the macroeconomic policy environment that will affect the project design and implementation, and assess the economic and financial viability of the investment program by conducting economic and financial analyses and calculating economic internal rate of return and financial internal rate of return. The consultant will also work with Social Development Expert on summary poverty reduction and social strategy (SPRSS).

5. **Public Finance Sector Specialist** (International, 1 person-month). The consultant will have at least 10 years of experience in public finance sector related work in developing countries.

The consultant will hold a minimum of a master's degree in economics, finance, or related fields and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The consultant will support the executing agency and the ADB project team in assessing overall public finance sector with focus on taxation and public investment management and providing public finance sector assessment and analysis.

6. **Environmental Specialist** (International, 1 person-month). The consultant will have at least 10 years of experience in environment related work in developing countries. The consultant will hold a minimum of a master's degree in environment or a related field applicable to this position and will have strong English language skills. The consultant will provide guidance and support to the executing agency in ensuring compliance with the Mongolian Law on Environmental Impact Assessment (1988, amended 2002). This will include preparation of a request for a general environmental impact assessment to the Ministry of Nature, Environment and Green Development. If requested, the consultant will help recruit a national accredited firm to conduct a detailed environment impact assessment for the project. The consultant will help the executing agency and the ADB project team to identify issues related to environment, assess their impacts, and suggest measures of mitigation by preparing initial environmental examination and/or environmental assessment review framework.

7. **Civil Engineering and Procurement Specialist** (International, 1 person-month). The consultant will have at least 10 years of experience in civil engineering and procurement package design related work in developing countries. The consultant will hold a minimum of a master's degree in engineering, management, economics, or a related field applicable to this position and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The consultant will work with the executing agency, the ADB project team, and other consultants to (i) identify and review technical issues related to any civil works under the investment program and recommend proper measures to address any adverse impact, (ii) assess the procurement needs of goods and services, (iii) prepare procurement plans with proper contract packaging, and (iv) recommend measures to strengthen the capacity of the executing agency and implementing agencies with regard to procurement. Specific outputs to be delivered by the consultant will be (i) Project Procurement Risk Assessment;² (ii) Draft Procurement Plan for the Loan; (iii) Draft Bidding Documents for works, IT goods and services, and consulting services; and (iv) training the executing and implementing agencies on ADB procurement procedures.

8. **Financial Management Specialist** (International, 2 person-month). The consultant will have at least 10 years of experience in financial management related work in developing countries. The consultant will hold a minimum of a master's degree in economics or finance, with Chartered Accountant (CA) or Chartered Public Accountant (CPA) certificate and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The consultant will conduct financial due diligence (FDD) in accordance with ADB requirements. The FDD will include conducting a financial management assessment of the executing and implementing agencies, including (i) assessing whether previous financial management assessments have been conducted by ADB or other agencies and, if so, reviewing the results and ascertaining whether these can be used as input; (ii) assessing capacity for planning and budgeting, management and financial accounting, reporting, auditing, internal controls, and information systems; (iii) reviewing proposed disbursement and funds-flow arrangements; (iv) concluding on the financial management risk rating and identifying and confirming measures for addressing identified deficiencies; (v) supporting the preparation and agreement of cost estimates

² ADB. 2015. *Guide on Assessing Procurement Risks and Determining Project Procurement Classification*. Manila

and a financing plan, which are based on verifiable data and are sufficient to support project implementation; (vi) preparing financial projections and conducting financial analyses of the executing and implementing agencies, and incremental recurrent costs, to determine financial sustainability, and reviewing proposed cost-recovery and tariff policies, including affordability; (vii) conducting financial evaluations (financial cost-benefit analyses) including sensitivity analyses of project components that have a cost-recovery objective; (viii) where significant risks are identified to project financial sustainability or viability, proposing relevant financial performance indicators to be incorporated in financial covenants; and (ix) assessing and reaching agreement on financial reporting, auditing, and public disclosure arrangements for the project; and, as appropriate, identifying and agreeing arrangements for receiving financial statements from executing and/or implementing agencies.

9. **Environment Expert** (National, 1 person-months). The consultant will have at least 10 years of experience in environment related work in developing countries. The consultant will hold a minimum of a master's degree in environment or a related field applicable to this position and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The consultant will help the executing agency and the ADB project team to identify issues related to environment, assess their impacts, and suggest measures of mitigation by preparing initial environmental examination and/or environmental assessment review framework.

10. **Public Finance ICT Systems Expert and Deputy Team Leader** (National, 3 person-months). The consultant will have at least 10 years of experience in public finance management and ICT system development. The consultant will hold a minimum of a master's degree in ICT, engineering, public management, finance, or a related field applicable to this position and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The national consultant will support the ADB team and executing agency in reviewing the business process, initial design of the ICT systems for tax administration and public investment management, and the process of the system development; and advising on actual roll-out of the system and application of new business process through the new ICT system. The consultant will also assist the team leader and the ADB project team in overall coordination and communication during project implementation; consolidating individual inputs from other consultants; and producing feasibility studies, PAM, and final report to ADB.

11. **Social Development Expert** (National, 2 person-months). The consultant will have at least 10 years of experience in social development related work, particularly ethnic minorities in Mongolia. The consultant will hold a minimum of a master's degree in social development or a related field applicable to this position and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The consultant will work closely with the ADB project team to identify social safeguard issues related to involuntary resettlement, indigenous peoples, labor and gender; assess their impacts; and prepare SPRSS, and suggest measures of mitigation for any issues related to social issues with resettlement plans, resettlement framework, ethnic minority development plan, and gender action plan if necessary. The consultant will also work on the identifying how the project will make people benefit from the improved ICT systems for tax administration and public investment management and providing necessary analysis.

12. **Financial Management Expert** (National, 2 person-months). The consultant will have at least 10 years of experience in financial management related work in developing countries. The consultant will hold a minimum of a master's degree in economics or finance, with CA or CPA certificate and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The consultant will support the international financial management specialist,

the executing agency, and the ADB project team in (i) assessing the financial management system of the executing agency and implementing agencies, (ii) designing fund flow and disbursement mechanism of the investment program, (iii) identifying gaps and needs of capacity building including that for managing imprest fund and statement of expenditure procedures, and (iv) recommending measures for improvement and risk mitigation.

13. **Civil Engineering and Procurement Expert** (National, 2 person-months). The consultant will have at least 10 years of experience in civil engineering and procurement package design related work in developing countries. The consultant will hold a minimum of a master's degree in engineering, management, social, economics, finance, law, or a related field applicable to this position and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The national consultant will support the international civil engineering and procurement specialist in identifying and reviewing technical issues related to any civil works under the investment program and recommending proper measures to address any adverse impact, assessing the procurement needs of goods and services and preparing procurement plans with proper contract packaging, and recommending measures to strengthen the capacity of the executing agency and implementing agencies with regard to procurement. Specific outputs to be delivered by the consultant will be (i) Project Procurement Risk Assessment (footnote 2); (ii) Draft Procurement Plan for the Loan; (iii) Draft Bidding Documents for works, IT goods and services, and consulting services; and (iv) training the executing and implementing agencies on ADB procurement procedures.

14. **Project Management and Capacity Building Expert** (National, 3 person-months). The consultant will have at least 10 years of experience in project management and capacity building related work in developing countries. The consultant will hold a minimum of a master's degree in business, management, economics, finance, law, or a related field applicable to this position and will have strong English language skills. Experience in preparing ADB investment loans is desirable. The national consultant will work with the executing agency, implementing agencies, and the ADB project team to (i) identify capacity building needs under the investment program, particularly related to ICT system development for TAIS and PIMIS project management; and (ii) recommend measures to address the capacity gaps by preparing an institutional and capacity development plan covering the executing agency, implementing agencies, Project Management Office, and Project Implementation Units. The expert will be coordinating with ADB team, executing agency, and implementing agencies in organizing the planned capacity development programs and conducting them.