

# Terms of reference (ToR) for the procurement of services

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**Project title: Good Financial Governance in Georgia (GFG)**

**Project number/cost centre: 23.2128.9 -001.00/3900**

**Country: Georgia**

**Services specified in the tender:** Support selected municipalities (Rustavi, Khashuri, Dusheti, Telavi) in the preparation of annual budget execution reports 2023

## 1. Brief information on the project

Title: Good Financial Governance in Georgia (GFG)

GFG is implemented by *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH* on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Programme Objective: Selected Georgian municipalities plan and implement their budgets in a more result – oriented, gender - sensitive and participatory way.

Fields of Action:

- a) The municipal budget planning system is geared towards cost efficiency and result orientation
- b) Selected municipalities are fully accountable for implementing their budgets
- c) Citizen participation in local budget planning and implementation processes
- d) The majority of Georgian municipalities align their budgets with the goals of the 2030 Agenda.

Commissioning period: 01/04/2023 – 31/03/2027

## 2. Context

The basis of the annual budget execution report by the municipalities are the Budget Code of Georgia and the methodology of program budget preparation approved by the Minister of Finance of Georgia.

Articles 86, 87 and 88 of the Budget Code of Georgia define the deadlines for the preparation of the annual budget execution report of the municipality, the coverage of the report and issues of review and approval of the report by Sakrebulo. Annex 4 of the Order of the Minister of Finance of Georgia #385 of July 8, 2011 defines the structure of the annual budget execution report, the content of the programs and sub-programs presented in the report. Both documents clearly define the list of data and information that should be included in the annual execution report and the time frame to prepare and submit to Sakrebulo.

The recent assessment of municipal PFM according to the PEFA methodology showed that annual budget execution reports prepared by municipalities need improvement. In PEFA assessment indicator PI-8.2-Performance achieved for service delivery, it was noted that the budget execution reports do not include information on the performance of the delivered services.

The objective of the following assignment is to support selected municipalities in the preparation of the annual budget execution reports according to the legislation.

### 3. Tasks to be performed by the contractor

- a. GIZ shall hire service provider for the anticipated contract term, from 04.03. to 04.06.2024
- b. The service provider shall conduct the following work/service:
  1. Ensure advisory support to the selected municipalities in the preparation of annual budget execution reports 2023, that includes the following tasks:
    - Review and Analyze annual budget execution reports 2023 of the selected municipalities:
      - Review the presented information and data in the reports and their consistency with the legislation;
      - Review reports in terms of Gender Responsive Budgeting (GRB) and UN Sustainable Development Goals (SDGs);
      - Based on the review and analysis of the annual budget execution reports identify the issues that are not reflected and/or require further improvement;
    - Elaborate the quality criteria for the annual budget execution reports:
      - how information on changes/impacts of the respective resource expenditures should be collected and reflected in the reports;
      - what should be the procedures for the review and approval.
    - Support selected municipalities to prepare Citizen's guide of annual budget execution reports 2023 and provide respective templates;
    - Support the City Halls and Sakrebulo of the selected municipalities to review and approve reports at the sessions of Sakrebulo;
 

For this purpose provide:

      - the City halls with the template of presentation on annual budget execution reports;
      - the members of the Sakrebulo with the possible important questions to be raised during the review;
    - Support selected municipalities to conduct public hearings on budget execution reports 2023.
  2. Support selected municipalities to report on the achieved results through their web-pages by creating an electronic map:
    - Create the design of an electronic map on municipal performance results;
    - Display the map on the municipal web-pages and publish the information on implemented projects during the previous budget year (showcase the scope of the performance / respective changes/results/impacts of the respective resource expenditures (respective photos).
  3. Formulate a final report including
    - the experiences gained through the assignment,
    - findings
    - challenges, as well as
    - Recommendations for further improvement of annual budget execution reports in municipalities

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During the assessment, the service provider shall actively cooperate with the relevant municipal divisions and obtain all necessary information. In other cases, it is advisable, if it is possible, to obtain information remotely, for this it is possible to use online interviews, interviews, etc.

#### **4. Terms of contract and reporting**

Interim payment will take place presumably until 15.04.2024 based on the submission of the interim report for the assignment.

The interim report should include the following information:

- Review and Analyze annual budget execution reports 2023 of the selected municipalities:
- Conducting field work in municipalities, which provides for obtaining information necessary for assessment
- Elaborate the quality criteria for the annual budget execution reports

The final payment will be made presumably until 04.06.2024, based on the submission of the final report for the assignment. The final report should include the information defined by the application for procurement of consulting services, as well as the information on accomplishing all tasks envisaged under the work plan.

Reports shall be produced in Georgian. Executive summary shall be delivered in English as well.

#### **5. Submission and Selection of Proposal**

Partner for the consultancy service will be selected based on a competition.

Entrepreneurial (LLC) and non-entrepreneurial legal entities (NLE, NPO) organizations are eligible to participate in the competition.

GIZ is entitled not to consider and disqualify the proposal where the duties of the members of the executing team are directly or indirectly related to the work presented in these assignments.

GIZ reserves the right to check the information indicated in the application. Application will be cancelled in case of inaccurate information.

#### **Selection criteria**

1. Minimum last 5 years of experience and competence of the organization in public financial management (*excellent knowledge of Georgian PFM system and environment*);
2. Adequacy of technical proposal and project implementation methodology;
3. Experience/ability of the organization's team to carry out an assessment outlined in the ToR (*will be defined according to the implemented similar project(s) by the organization's team; this shall be indicated in the CVs of the presented experts*);
4. Budget cost efficiency.

*More detailed information on assessment criteria is provided in the annexed assessment grid.*

## Assignment of personnel

In the period from 04.03.2024 to 04.06.2024 for the implementation of the services described in these ToR up to 7 persons (in total up to 140 expert days) are planned:

Personell	Number of Experts (up to)	Expert days (up to)
Project Manager*	1	25 days
PFM Senior Expert**	3	20 days
IT Expert***	2	20 days
Project Assistant****	1	15 days

## Qualifications of personnel

### \*Project Manager

#### Qualifications of the project manager (with assessment grid number)

- Education (2.1.1): University degree in Economics, Finance and Business or related field
- General professional experience (2.1.2): At least 7 years of professional experience in the PFM sector
- Specific professional experience (2.1.3): Participation in at least 5 similar projects in the PFM Sector
- Leadership/management experience (2.1.4): Project manager of at least 5 similar projects in the PFM Sector.

### \*\*Senior experts 3 members

#### Qualifications of PFM senior expert (with assessment grid number)

- Education (2.2.1; 2.3.1; 2.4.1): University degree in Economics, Finance and Business, Management or related field
- General professional experience (2.2.2; 2.3.2; 2.4.2): At least 5 years professional experience in the PFM Sector
- Specific professional experience (2.2.3; 2.3.3; 2.4.3): Participation in at least 2 similar projects in the PFM Sector.

### \*\*\*Experts 2 members

#### Qualifications of IT expert (with assessment grid number)

- General professional experience (2.5.2; 2.6.2): At least 5 years professional experience in IT Sector

### \*\*\*\*Project assistant

#### Qualifications of project assistant (with assessment grid number)

- General experience (2.7.1): Experience in the project assistant

The tenderer must provide CV-s and a clear overview of all proposed short-term experts and their individual qualifications.

## 6. Requirements on the format of the tender

### 6.1. Technical proposal shall include the following information:

#### 1. Title page

Name and registration number of organization; legal address, telephone number, e-mail address, director of organization, signature and stamp of a director.

#### 2. Project Description

##### 2.1 Project name and implementation period (month/year-month/year)

##### 2.2. project goals and objectives

##### 2.3 Activities defined by the project and implementation schedule

#	Activity	April	May	June	Comment
1	X				<i>If relevant</i>
2	Y				
3	Z				
...	...				

##### 2.4 Persons involved in the project and their functions

Please, indicate the list and functions of persons, who will be involved in the implementation of the project and will be respectively indicated in the budget. Resumes of the respective persons should be attached to the application.

##### 2.5 Annex

Respective Resumes (CV) of the people involved in the implementation of the project should be attached to the application.

Applicant may attach any additional relevant information to the application.

### 6.2. The Financial offer

Please calculate your price bid based exactly on the costing requirements. The specifications for pricing are defined in the attached price schedule which is required to be used for the preparation of the financial offer.

Budget should not contain the costs that are not relevant for the activities envisaged under the project. Ongoing costs of the organisation won't be covered by budget.