



REQUEST FOR PROPOSAL (RFP)

NAME & ADDRESS OF FIRM	DATE: September 14, 2022
	REFERENCE: UNDP/RFP/26/2022

Dear Sir / Madam:

We kindly request you to submit your Proposal for **Preparation of Revenue Improvement Action Plans (RIAPs) for Local Governments of 8 pilot municipalities for United Nations Capital Development Fund (UNCDF)**.

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted on or before **1700 hours (Nepal Standard Time), Friday, September 30, 2022** and via email to procurement.np@undp.org.

The technical and financial proposals should be in separate email messages mentioning the following subject lines:

Technical Proposal: UNDP/RFP/26/2022 - Technical Proposal- {Bidder's Name}

Financial Proposal: UNDP/RFP/26/2022 - Financial Proposal- {Bidder's Name}

Your Proposal must be expressed in the English language, and valid for a minimum period of 90 days.

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. ***If you are submitting your Proposal by email, kindly ensure that they are signed and in the .pdf format, and free from any virus or corrupted files.***

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link: <http://www.undp.org/procurement/protest.shtml>.

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link : http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

DocuSigned by:



Ananda Ale

Finance Analyst, UNDP Nepal
2/14/2022

Annex 1

Description of Requirements

Context of the Requirement	As part of the SDG Joint Fund Joint Programme which is being implemented jointly by UNDP, UN Women and UNCDF in 14 pilot municipalities in partnership with MoFAGA, this assignment has been planned to provide TA support to prepare Revenue Improvement Action Plan (RIAP) covering 8 of the 14 pilot municipalities of Nepal. The TA support is being sought from a qualified consulting firm or a company to prepare RIAPs.
Implementing Partner of UNDP	N/A
Brief Description of the Required Services ¹	This request is made to select a qualified consulting firm or company to provide TA support to prepare RIAP in 8 municipalities for UNCDF
List and Description of Expected Outputs to be Delivered	The consulting firm or company is required to deliver the following: Deliverable 1: Submission and acceptance of Inception Report prior to field work (English) Deliverable 2: Submission and acceptance of Draft Revenue Improvement Action Plans (RIAP) of all 8 Municipalities (in Nepali) and one RIAP translated in English. Deliverable 3: Submission and acceptance of Final version of Revenue Improvement Action Plans (Nepali) and an Assignment Completion Report (in English)
Person to Supervise the Work/Performance of the Service Provider	National Programme Coordinator, UNCDF and Programme Officer, UNCDF with support from the task force comprising of Revenue Mobilization section of MoFAGA,
Frequency of Reporting	The consulting firm will submit the update status in writing / or report through joint meeting on a monthly basis and additionally as and when required.
Progress Reporting Requirements	As per the ToR
Location of work	<input checked="" type="checkbox"/> At Contractor's Location in Kathmandu, Nepal and 8 pilot municipalities.
Expected duration of work	60 days (Two Months)
Target start date	October 2022
Latest completion date	December 2022

¹ A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

Travels Expected	Destination/s	Estimated Duration	Brief Description of Purpose of the Travel	Target Date/s
	New RIAP to be developed in the following municipalities: 1. Tikapur 2. Amargadhi 3. Chandannath 4. Ratnanagar 5. Tilathi kailathi 6. Parwanipur 7. Damak 8. Suryodaya	Approx. 10 days in each municipality	For consultations and discussions and working with municipalities to support the preparation of RIAPs	To be determined by firm. Assignment to be completed by December 2022
Special Security Requirements	<input checked="" type="checkbox"/> Others: Not Applicable			
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input checked="" type="checkbox"/> Others: Not Applicable			
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required			
Company Registration Certificate	<input checked="" type="checkbox"/> Required			
Company Profile	<input checked="" type="checkbox"/> Required			
Latest Tax Clearance Certificate	<input checked="" type="checkbox"/> Required			
VAT/PAN Registration	<input checked="" type="checkbox"/> Required (in case of the companies and firms)			
List of similar assignments	<input checked="" type="checkbox"/> Required			

completed in the past for relevant															
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required														
Currency of Proposal	<input type="checkbox"/> United States Dollars <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency: Nepalese Rupees (NPR.)														
Value Added Tax on Price Proposal ²	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes <input type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes														
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input checked="" type="checkbox"/> 90 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.														
Partial Quotes	<input checked="" type="checkbox"/> Not permitted														
Payment Terms ³	<table border="1"> <thead> <tr> <th>Outputs</th> <th>%</th> <th>Timing</th> <th>Condition for Payment Release</th> </tr> </thead> <tbody> <tr> <td>1st Payment: Inception Report</td> <td>30 %</td> <td>As per ToR</td> <td rowspan="2"> Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider. </td> </tr> <tr> <td>2nd Payment: Draft RIAP of 8 municipalities (in Nepali, including 1 RIAP translated in English)</td> <td>40 %</td> <td>As per ToR</td> </tr> </tbody> </table>				Outputs	%	Timing	Condition for Payment Release	1st Payment: Inception Report	30 %	As per ToR	Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.	2nd Payment: Draft RIAP of 8 municipalities (in Nepali, including 1 RIAP translated in English)	40 %	As per ToR
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² VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

³ UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

	3rd Payment: Final version of RIAPs and an Assignment Completion Report (English)	30%	As per ToR	
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	National Programme Coordinator, UNCDF and Programme Officer, UNCDF with support from task force comprising of Revenue Mobilization Section of MoFAGA			
Type of Contract to be Signed	<input checked="" type="checkbox"/> Purchase Order <input checked="" type="checkbox"/> UNDP's Contract for Services			
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.			
Criteria for the Assessment of Proposal	<u>Technical Proposal: Total Score 700 (70%)</u> <input checked="" type="checkbox"/> Demonstrated evidence of reputation, capacity of the organization and professional experience related to the assignment. 20% <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the assessment and recommendation of action plan 20% <input checked="" type="checkbox"/> CVs of the Team Leader that will be working on the project and his/her expertise in this area and total number of days that will be spent by team leader 30% <input checked="" type="checkbox"/> CVs of the team members that will be working on the project and their expertise in this area and total number of days that will be spent by team members 30% <u>Financial Proposal: Total Score 300 (30%)</u> To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNCDF.			
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider			

Annexes to this RFP ⁴	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3)⁵ <input checked="" type="checkbox"/> Detailed TOR – Annex 4 <i>[pls. specify]</i>
Contact Person for Inquiries (Written inquiries only) ⁷	<p><i>Procurement Unit</i> <i>UNDP Nepal</i> <i>Email: query.procurement.np@undp.org</i></p> <p>Written inquiries must be submitted mentioning RFP Ref: UNDP/RFP/26/2022 before 7 days of date of bid submission. UNDP shall respond to the inquiries through a bulletin posted in UNDP Website: http://www.np.undp.org/content/nepal/en/home/operations/procurement.html. Inquiries received after the above time shall not be entertained.</p> <p>Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers</p>
Other Information <i>[pls. specify]</i>	<p>The Financial evaluation will be carried out only for the technically qualified submission that pass the minimum technical score of 70% (490 points) of the obtainable score of 700 points in the evaluation of the technical proposals.</p> <p>The Financial Proposal and the Technical Proposal <u>MUST BE COMPLETELY SEPARATE</u> and <u>each of them must be submitted individually</u> with different subject line as mentioned above. Failing to submit the Technical and Financial Proposals separately will be treated as non-responsive.</p>

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1.	Expertise of Firm / Organization		140
2.	Proposed Methodology, Approach and Implementation Plan		140
3	Team Leader		140
4	Local Government Revenue Management Experts (four)		280
	Total		700

⁴ Where the information is available in the web, a URL for the information may simply be provided.

⁵ Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

⁶ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

⁷ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

Technical Proposal Evaluation	
1.Expertise of firm / organisation submitting proposal (Points obtainable 140 Points)	
1.1 Reputation of Organisation and Staff (Competence / Reliability)	20
1.2 Litigation and Arbitration history	5
1.3 General Organisational Capability which is likely to affect implementation (i.e. loose consortium, holding company or one firm, size of the firm / organisation, strength of project management support e.g. project financing capacity and project management controls) (30)	20
1.4 Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialised skills.	15
1.5 Quality assurance procedures, warranty	20
1.6 Relevance of:	
- Specialised Knowledge	25
- Experience on Similar Programme / Projects	20
- Work for UNDP/ major multilateral/ or bilateral programmes	15
2. Proposed Work Plan and Approach (Points obtainable 140 Points)	
2.1 To what degree does the Offeror understand the task?	20
2.2 Have the important aspects of the task been addressed in sufficient detail?	20
2.3 Are the different components of the project adequately weighted relative to one another?	20
2.4 Is there evidence that the proposal been prepared based on an in-depth understanding and prior knowledge of the project environment?	20
2.5 Is the conceptual framework adopted appropriate for the task?	20
2.6 Is the scope of task well defined and does it correspond to the TOR?	20
2.7 Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	20
3. Personnel (Points obtainable 420 Points)	
3.1Team Leader (140 points)	
3.1.1 Education Qualification	5
3.1.2Number of years of Experience in preparing revenue improvement plan of LGs	70
3.1.3 Professional Experience in the area of specialisation (Proven Experience in preparing RIAP for Municipalities)	30
3.1.4 Work Experience with local/Government and Development Partners	20
3.1.5 Experience in leading assignments/senior positions and facilitation skills	10
3.1.6 Language Qualifications	5

3.2 Three Local Government Revenue Management Experts (280 Points)	
3.2.1 Education Qualification	20
3.2.2 Experience in developing methodologies and tools to prepare RIAP of LGs and hands on experience preparing RIAPs	120
3.2.3 Professional experience and substantive knowledge in the area of specialisation	80
3.2.4 Work Experience with local/ Government and Development Partners	44
3.2.5 Language Qualifications	16
Grand Total (1+2+3)	700

Annex 2

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁸

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery⁹)

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions :

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following :

- a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) Business Licenses – Registration Papers, Latest Tax Payment Certification, etc.*
- c) Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contract references;*
- e) Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.*
- f) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

B. Proposed Methodology for the Completion of Services

⁸ This serves as a guide to the Service Provider in preparing the Proposal.

⁹ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.

C. Qualifications of Key Personnel

If required by the RFP, the Service Provider must provide :

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and*
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.*

D. Cost Breakdown per Deliverable*

	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	First payment upon submission and acceptance of the Inception Report (in English)	30%	
2	Second payment will be done upon submission and acceptance of draft RIAP of all 8 Municipalities (in Nepali) and one RIAP translated in English.	40%	
3	Final payment will be made after submission of Final RIAPs and an Assignment completion report (in English). (Two hard copies of all reports and electronic copy shall be submitted)	30%.	
	Total	100%	

**This shall be the basis of the payment tranches*

E. **Cost Breakdown by Cost Component: [This is only an Example]**

Description of Activity:	Qty	Unit Cost NPR	Total cost NPR
I. Personnel Services (Remuneration)			
Team Leader (30 Days): -			
Revenue Management Expert (4 Pax @ 25 days): Work experience in LGs			
Revenue Management Associates (4 Pax@ 25 days):			
II. Out of Pocket Expenses (please select only the applicable items)			
1. Travel Costs: Travel to program district and within municipalities for consultants Lump sum amount			
2. Daily Subsistence Allowance <ul style="list-style-type: none"> Team Leader 30 days Consultants: at least a team of two will each spend required no. of days (at least 10) in each municipality. 			
3. Workshop Cost: Two workshops per municipality and validation workshop			
4. Stationery and Printing			
5. Cost associated with the field work such as meetings, interviews and focused group discussion (a detailed breakdown may be presented in a separate sheet)			
III. Other Related Costs			
Total			
VAT 13%			
Total Cost with VAT			

Note:

N.B. Administrative and all other associated costs need to be built into the above headings proportionately.

Proposal will be disqualified if it does not follow the above price schedule format.

Offerors can attach details of the cost breakdown as Annexes

Number of personnel and required days to deliver the services has been set by UNDP as indicated on the table above.

*[Name and Signature of the Service Provider's
Authorized Person]
[Designation]
[Date]*

Annex 3

General Terms and Conditions of Contract

Annex 4**Terms of Reference****Preparation of Revenue Improvement Action Plans (RIAPs) for 8 local governments of SDG Joint Fund pilot municipalities****1. Background**

The SDG Joint Fund programme in partnership with the Ministry of Federal Affairs and General Administration (MoFAGA) is providing technical assistance to 14 pilot municipalities. Among the planned interventions, support is being extended to strengthen local government own sources of revenue. Given that there are many municipalities that are yet to formulate plans to improve their revenue generation and administration, and realizing the importance in preparing RIAP for individual LGs, this Terms of Reference is prepared to procure the services of a competent consulting firm to provide TA support to selected 8 municipalities to prepare a three-year RIAP.

While there are statutory provisions in place mandating municipalities to utilize their full potential and raise their own sources of revenue, generally a majority of municipalities have not fully identified their tax potentials or established a comprehensive database of taxpayers or controlled tax leakages. On the other hand, citizens willing to pay taxes opine that they are not fully satisfied with municipal services and do not take the initiative to clear their taxes in a timely manner.

The objective of this assignment is to support the preparation of Revenue Improvement Action Plan (RIAP) for selected municipalities in which a comprehensive package of support is being provided.

The services of a consulting firm are sought to support respective municipalities to prepare RIAP adopting various methodologies. The consulting firm will provide orientation to concerned stakeholders and elected representatives on the importance of RIAP and support the process of identifying new areas of tax potential, provide options for fixation of tax rates, offer recommendations on reducing revenue leakages and to establish the database of taxpayers. By the end of assignment, all municipalities will have their own individual RIAP indicating a bigger picture of existing revenue status and prospects for future.

Objective of the assignment:

- Provide an orientation on revenue improvement activities to the rural/municipal representatives (Mayor, Deputy Mayor, Chair, Vice Chair and ward chairpersons), members of Revenue Advisory Committee, section heads and staff involved in revenue administration.
- Review, analyse and document the past trend of OSR collected by municipalities and rural municipalities;
- Detailed analysis of key capacity gaps and its' underlying causes to increase OSR by potential source of revenue such as Property Tax, business tax, rental tax, license fee, construction design approval fee, recommendation fees and use of natural resources etc.

- Trend analysis of the OSR contribution¹⁰ in annual budget of municipality
- Trend analysis of the OSR contribution in the annual capital development budget of municipality
- Institutional analysis of organogram, collection and billing system and internal control of revenue administration
- In coordination with respective municipalities support and prepare individual RIAPs of selected 8 municipalities/rural municipalities by potential source of OSR including the revenue improvement strategies.
- Explore new sources of potential revenues which are not yet in practice by municipalities and identify potential of non-tax revenues.
- Identify key capacity gaps in the area of OSR and provide recommendations (both immediate and long term)
- A synthesis review on collection of OSR against the revenue potential, underlying causes and the way forward.

2. Methodology and Scope of Work

This assignment will be carried out through the services of a consulting firm that has relevant experience and required qualifications. The assignment will include the following scope of work. The consulting firms are encouraged to add additional relevant methodologies as deemed appropriate.

2.1 Review of documents and literatures

- Review related documents and literatures used by municipalities such as new federal constitution of Nepal, Local Government Operation Act 2074, Inter-Governmental Fiscal Management Act 2074, National Natural Resource and Fiscal Commission Act 2074, revenue related guidelines of MoFAGA, and relevant plans and documents. Previous budget of respective municipalities.
- Review current guidelines, procedures, operational manuals and reporting system on projection and collection of OSR¹¹
- Assess types of billing system, database of potential taxpayer and use of electronic software for revenue administration
- Assess internal control system and leakages while collecting OSR

2.2 Development of Checklists and Questionnaire

- The consulting firm will develop appropriate checklists and questionnaire to collect data and information across the 8 LG units¹².

¹⁰OSR defined as income which municipalities have authority over and that they have actually collected by themselves. The central transfers, revenue sharing from different sources such as forestry, tourism, electricity and land registration and borrowing will not be counted as OSR.

¹¹ List of reviewed documents should be placed as Annex 5.

¹²All checklists and tools developed by the consulting firm should be included in the Annex 1

2.3 Conduct Workshops and Stakeholder Interview

The consulting firm will organize at two workshops in each respective rural/municipality and one validation workshop. All workshops will target Mayors/Deputy Mayors, Chair/Vice Chair, Chief Administrative Officers, revenue and financial management officers and staff, and other stakeholders to participate in the workshop.

- Organize workshops, presentations, orientations and brainstorming sessions in individual rural/municipality with Mayor, Deputy Mayor, Chair/Vice Chair, ward chairpersons and Municipal officials, representatives of Federation of Nepal Chamber of Commerce and Industry (FNCCI) and other relevant stakeholders including but not limited to departments and agencies involved in economic activity, related to agriculture and tourism sector among others in accordance with the municipality visited. The objective of the workshop would be to enhance knowledge and awareness on importance of OSR. In this workshop, focus will be given to orient on importance of OSR, authorities of municipalities, principles and practices of key taxes, license and business fee. Identification of potential revenues. Further, the capacity gap in raising local revenue, systems and procedures is to be explored and captured in this workshop.
- Interview key informants- Mayor, Deputy Mayors, Chair/Vice Chair, Chief Administrative Officer, Revenue Officers and other key stakeholders.
- Consultative meetings with Federation of Nepal Chamber of Commerce and Industries (FNCCI), businesspeople and other relevant stakeholders including but not limited to departments and agencies involved in economic activity, related to agriculture and tourism sector among others in accordance with the municipality visited.
- Observation of actual procedures, billing system, database of revenue collection.

2.3 RIAP documentation

Following detailed discussion, the team will work in close coordination with municipal officials in analysis of the municipality data collection requirements, preparation of responsibility matrix timeline. The experts from the consulting firm are to work with a core team of municipality in preparing the RIAP document while providing technical support to municipality staff during the entire RIAP preparation process so as to enhance capacity as well as ownership of the municipality. The RIAP should be prepared in accordance with the RIAP Guidelines prepared by MoFAGA and should include at least 3 years projections. The RIAP should consider existing revenue improvement strategies, identification of all potential sources of respective municipalities, and also indicate clearly how the plans can be implemented.

2.4 Validation workshop

Following the preparation of the RIAP document, the consulting firm will present the final RIAP and receive comments and inputs etc. After this workshop, the consulting firm will finalize the report.

3. Deliverables

Deliverable 1: Submission and acceptance of Inception Report (English)

The consulting firm will submit the Inception Report within two weeks upon signing the contract date. The inception report should cover the understanding of ToR, the methodology to be used, review of literatures, the work plan for field work and submission of deliverables along with the sample tools and checklists to

be used for the assignment. The inception report is to be submitted in English.

Deliverable 2: Submission and acceptance of draft **Revenue Improvement Action Plans (RIAPs)** of all 8 Municipalities (in Nepali) and one RIAP translated in English.

Eight Individual RIAP of selected LGs (comprising of 6 municipalities and 2 rural municipalities) among the pilot municipalities of SDG Joint Fund (to be submitted in Nepali). Additionally, one among the 8 RIAP is to be submitted in English as a sample.

The preparation of the RIAP should be in accordance with guidelines prepared by MoFAGA, and should cover but not be limited to the following key areas:

- Introductory Features of the LG
- Trend analysis on collection of own OSR and its coverage, collection mechanisms and underlying causes of low revenue collection.
- Trend analysis of OSR contribution to annual municipality budget and annual capital development budget
- Explaining the average growth rate; the formula used to calculate growth rate and causes for increasing or decreasing the OSR
- Cost analysis for collection of different forms of tax and non-tax revenue
- Revenue administration capacity of municipality, identify strengths and area for improvements
- Functional Status of Revenue Advisory Committee
- Methodologies for identifying tax potential, increasing tax coverage and Institutional and management dimensions for implementing RIAP for next three years
- Analysis and recommendations for different strategies to raise own source revenue at optimum level at least for three FY to five years
- Include projection for at least three years
- Recommendations for optimum use of municipality existing assets, natural resources (without having negative environmental affect) to raise own source revenue including potential for building Public Private Partnership
- Effective implementation of the action plans
- The review should also include indicators capturing actions to improve own source revenue of the local government in the medium-term expenditure frameworks.

Deliverable 3: Submission and acceptance of Final RIAP and an Assignment Completion Report

The final RIAPs should include the inputs from respective municipalities, MoFAGA and UNCDF on the draft reports. The assignment completion report should cover analysis of all 8 Local Governments (Max.10 pages without annexes). This report should include key steps and methodologies used for preparing RIAP, underlying causes for capacity gaps, functioning of different organizations related to revenue

enhancement, Revenue Advisory Committee, key capacity gaps and issues related to raising OSR. Further, the report should provide strategic recommendations to improve OSR.

The assignment completion report should contain the following detailed annexures:

Annex 1: The consulting firm will provide program schedules, and details checklists used during the RIAP orientation and preparation programme

Annex 2: The annex 2 should include the date, venue and program schedule of the orientation program and list of participants (name, position and telephone etc)

Annex 3: Program schedule include the date and venue of draft report presentation and list of participants (name, position and telephone)

Annex 4: List of Literatures and documents reviewed

The consulting firm will provide all literatures, acts and regulations, ordinances, operational manuals and guidelines that are reviewed or studied during the preparation of RIAP.

Annex 5: Photographs with captions. The firm will provide key photographs of training and workshops, interviews and functioning of revenue sections/department etc

4. Qualification of the Firm, Consultants and Responsibilities

This assignment will be provided to individual company/firm that has related expertise and experience, competent human resources, management capacity and committed to deliver products on time. The methodology, CVs of key personnel involved to prepare RIAP will carry high importance.

The team composition required for the assignment along with the corresponding qualifications and experience and person's days are presented below:

4.1 Composition of Team:

4.1.1 Team Leader (one): Duration 30 Days

Qualification and Experience

- Minimum Master's degree in Business Administration, Economics, Local Governance Finance, Business Management and Chartered Accountant. Preference will be given for Mphil and Ph. D in the relevant subject.
- Minimum 10 years of related work experience on local government finance, local government revenue and in the area of Municipal Finance
- Proven Experience in preparing RIAP for Municipalities
- knowledgeable of local government planning process, local government operations
- Work experience in leading positions, as a team lead and strong facilitation skills
- Work experience in managing Government and Development Partners funded LGs projects and programs
- Proficient in written and spoken Nepali and English language

Key Responsibilities

- On behalf of the firm, the team leader will take the overall responsibility to mobilize team, coordinate with different functions and be responsible for the final deliverables
- Liaison with Government Officials, SDG Joint Fund, MoFAGA and UNCDF, respective municipalities and other stakeholders as required
- Prepare RIAP work plan, schedules of workshops and other events along with responsible persons for managing workshops
- Assign Revenue Management Expert as cluster coordinator and supervise his/her work
- Overall responsible to prepare and ensure the quality of the inception report, draft report and final RIAP of individual municipality
- Initiate, organize and participate in the RIAP steering committee and present the status report
- Periodic report to municipal division of MoFAGA with a copy to UNCDF. The team leader will share bi-monthly status report in writing

4.1.2 Municipal/Local Governance Revenue Mobilization Expert (4 persons): (25 days per person).

One Municipal/ Local Governance Revenue Mobilization Expert will take overall responsibility to prepare RIAP of two municipalities. He/she will have to support of one Municipal/Local Governance Revenue Mobilization Associate.

Qualification and Experience

- Minimum Master's degree in Business Administration, Economics, Business Studies, Local Governance, Development Finance
- Minimum five years' experience in Local government planning and financial management, taxation, revenue trainings, experience in LBs financial management framework
- Experience in Municipal revenue potential study, tax and non-tax revenue of Municipalities
- Experience in managing and implementing LG development projects and programs
- Experience in managing training program and facilitating skill
- Proficient in written and spoken Nepali and English language

Key Responsibilities

Under the overall guidance of the Team Leader, the Municipal/ Local Governance Revenue Mobilization Expert will take overall responsibility to prepare RIAP of two municipalities/rural municipalities as assigned by the Team Leader in close coordination with the municipal authorities. Further, the Municipal Revenue Mobilization Expert will ensure the high quality of data, work and guide the Municipal Revenue Mobilization Associate. Throughout the assignment, the Municipal Expert will facilitate and organize training and workshops to municipal officials including elected authorities.

4.1.3 Local Governance Revenue Mobilization Associate (4 persons): (25 days per person).

He/she will closely work and provide support to the Municipal Revenue Expert to prepare RIAP of municipalities.

Qualification and Experience

- Minimum Bachelor's degree in Business Administration, Business Studies, Economics, Local Governance, Public Administration, development finance and any other relevant field.
- Minimum five years of work experience on LGs planning and financial management, taxation, revenue trainings, experience in LBs financial management framework
- Experience in data collection, analysis and report preparation
- Experience in managing training program and facilitating skill
- Proficient in written and spoken Nepali and English language

Key Responsibilities

Under the overall guidance from the Local Governance the Revenue Mobilization Expert, all consultants are required to work closely with municipality officials and should be available immediately to complete the assignment within the given time frame. The consultants are required to encourage municipal officials including elected authorities for their active participation during the entire RIAP process.

5. Quality Assurance

To facilitate the RIAP work, a working group will be formed under the chairmanship of Under Secretary in MoFAGA overseeing resource mobilization coordination section and UNCDF. The consulting firm will submit the regular progress report to the working group. Prior to field visit all checklists and tools developed by the consulting firm should be submitted to for review. The firm will follow the feedbacks and guidance provided by the working group.

6. Other aspects to be considered

MoFAGA along with UNCDF/ UN SDG Joint Fund agencies will assume overall coordination, facilitation and quality assurance of the assignment in close collaboration with MoFAGA.

The primary and analysed data, tables, checklists and other instruments used for this assignment are the assets of respective municipalities and MoFAGA. Therefore, the consulting firm is strictly prohibited to share data pertaining from the assignment (hard copy and electronic version) or in any other forms and RIAP with others without written permission from the MoFAGA with a copy to UNCDF.

Where possible the firms are encouraged to include consultants that have received training on RIAP preparation (by MoFAGA/LDTA).