Network of Associations of
Local Authorities of South-East Europe

TERMS OF REFERENCE

Lead PFM Expert – Municipal PIFC Assessment and Regional Comparative Analysis

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1. Background

NALAS is the Network of Associations of Local Authorities of South-East Europe. It promotes decentralisation, good local governance and improved municipal service delivery through cooperation with member associations, local authorities, central governments and international partners.

The Smart Finance for Accountable Local Governance project, implemented by UNDP and supported by the Ministry of Finance of the Slovak Republic, aims to strengthen municipal public financial management, financial accountability, budget transparency and citizen engagement in the Western Balkans and Moldova.

NALAS is cooperating with UNDP to conduct two complementary assignments: (i) a regional assessment of municipal financial management and control (FMC), internal audit and the broader public internal financial control (PIFC) environment; and (ii) co-design and testing of practical digital budget transparency solutions in six pilot municipalities.

To implement Component I, NALAS will engage a Lead PFM Expert responsible for developing and operationalising the Municipal PIFC Assessment Methodology, providing technical leadership for the assessment process, guiding Local Experts, ensuring methodological consistency and quality assurance, and consolidating the regional findings and recommendations. The Lead PFM Expert will work in close cooperation with NALAS, the Key Expert and other project experts.

2. Objective of the Assignment

The objective is to provide overall technical leadership for the regional municipal PIFC maturity assessment and ensure that its methodology, underlying evidence, municipal profiles and comparative conclusions are rigorous, consistent, relevant and actionable. The Expert will also provide targeted PFM guidance to link assessment findings with the digital budget transparency pilots.

Specifically, the Expert shall:

- Develop and operationalize the PIFC assessment methodology, tools, indicators and scoring instructions without independently changing agreed project parameters;
- Guide, calibrate and quality-assure the inputs of the Local Experts across participating economies and pilot municipalities;
- Lead regional analysis, preliminary maturity mapping, validation and final evidence-based recommendations;
- Provide PFM-related advice on financial information, transparency and data quality for the digital pilots in coordination with NALAS and the technical lead.

3. Scope of Work

The assignment will be undertaken intermittently, under NALAS supervision and in close cooperation with UNDP, the Key Expert, Local Experts, national institutions and municipalities. Work shall use existing data wherever practicable and avoid unnecessary municipal reporting burdens.

3.1. Develop and validate the PIFC assessment framework

- Develop and consult on a common functional PIFC assessment framework covering institutional arrangements, FMC, internal audit, risk management and follow-up, drawing on relevant international practice and adjusting for national legal differences.
- Prepare practical assessment indicators, evidence and scoring guidance, questionnaires, data-collection templates and a country-context/source inventory; agree the methodology with NALAS and support validation with UNDP and relevant institutions.
- Guide Local Experts in applying the framework through briefing, instructions and common quality standards.

3.2. Coordinate data collection and quality assurance

- Guide Local Experts in collecting and consolidating available national and municipal evidence, including official PIFC, audit and local financial management information.
- Review data completeness, reliability and comparability; address gaps and maintain a structured regional dataset with source references and quality notes.
- Work with the Key Expert and NALAS to resolve methodological and data-submission issues in a timely manner.

3.3. Capacity mapping, validation and regional recommendations

- Apply the agreed framework to prepare municipal diagnostic profiles, maturity/capacity groupings and a comparative regional map, with appropriate treatment of national institutional differences.
- Lead the technical review of preliminary assessments and contribute to targeted consultations with municipalities, CHUs, Ministries of Finance, SAIs, local government associations and other experts.
- Prepare the regional comparative assessment report, identifying key gaps, good practices and prioritised, feasible recommendations for municipalities and relevant national institutions.

3.4. PFM support to digital budget transparency pilots

- Advise on municipal financial information proposed for public-facing digital tools.

4. Deliverables

The Expert will submit the following deliverables, aligned with the updated work plan submitted to UNDP. All reports, templates and supporting datasets shall be provided electronically in English and in editable formats.

Deliverable	Activities	Indicative Timing	Expert Days
D1. Assessment framework and inception package	Develop and consult PIFC assessment framework, indicators and questionnaire/templates; identify source inventory, methodology and provide local expert guidance.	November 2026	5
D2. Regional data and quality review	Consolidate dataset from participating economies and municipalities, with source/quality log, gap review and follow-up actions.	December 2026	5
D3. Municipal capacity mapping and validation	Draft municipal profiles, capacity/maturity groupings and comparative mapping; summarize targeted consultations and validated findings.	January–February 2027	5
D4. Final regional assessment and recommendations	Develop final comparative PIFC report, completed municipal profiles and regional analysis; prioritize institutional recommendations and develop concise PFM inputs to digital-pilot lessons.	March 2027	5

Deliverables shall be reviewed and accepted by NALAS based on technical completeness, quality and traceability of evidence, regional comparability, documented validation and alignment with the agreed work plan. Timelines may be revised depending on progress and NALAS approval.

5. Location

The assignment will be implemented primarily remotely. Physical presence and travel may be required for consultations, technical coordination or other operational needs, subject to prior agreement with NALAS. Any exceptional travel or related expenses must be authorised in writing in advance and shall be governed by the contract, without exceeding the agreed contractual ceiling unless formally amended.

6. Duration and Timeline

The assignment is expected to run intermittently from November 2026 through March 2027. The indicative input is 20 working days, for tender comparison and planning only. No minimum number of days is guaranteed. The actual level of effort will depend on tasks authorized by NALAS and the requirements for timely delivery of the agreed outputs.

7. Reporting and Coordination

The Expert will report to the NALAS Project Lead and work closely with the Key Expert, Local Experts, relevant UNDP counterparts and the Digital Technical Lead. The Lead PFM Expert retains technical leadership of Component I, while the Key Expert facilitates cross-component processes and follow-up. NALAS remains responsible for project management, contractual administration, external reporting and final acceptance of deliverables.

8. Required Qualifications

Qualifications and skills:

- Advanced university degree in public finance, economics, auditing, accounting, public administration or related field;
- Strong analytical, methodological and reporting skills;
- Excellent working English.

General professional experience:

- At least 7 years of relevant experience in finance, public internal financial control and management, audit and quality assurance, including design and implementation of methodologies risk-based assessment of internal control systems, financial reporting, or public governance reform.

Specific professional experience:

- At least 5 years of experience in PIFC, FMC and internal control systems, managerial accountability, risk management and public-sector internal audit, oversight with knowledge of EU candidates institutional contexts.
- At least 3 years of experience on PFM frameworks, rules and procedures and familiarity with PEFA, SIGMA, COSO and IIA principles is an advantage.
- At least 5 years of experience designing and applying assessment methodologies, tools, indicators and scoring systems.
- Experience coordinating expert teams, evaluating data quality, facilitating institutional consultations and preparing actionable policy and capacity-building recommendations.
- Experience in regional or multi-country programmes in the Western Balkans or Eastern Partnership is an advantage

9. Payment Modality

The contract shall be a time-based, daily-fee consultancy, with an indicative input of 20 expert working days. Tenderers shall quote one all-inclusive daily fee in USD, in gross terms as well as the total amount for the assignment. Only personal income taxes under the Laws of North Macedonia will be calculated and paid by NALAS. No minimum number of days is guaranteed. Payments shall be made against approved monthly timesheets and invoices or requests for payment, subject to satisfactory progress and fulfilment of contractual obligations. In addition, for the last payment, a brief final narrative report should be provided and approved.

The deliverables specified in Section 4 shall serve as contractual performance and quality requirements rather than fixed-fee payment milestones. The final payment shall be subject to acceptance of the final deliverable and a brief narrative report. The timeline of the deliverables may be subject to change based on progress over assignments.

10. Ethical, confidentiality, and intellectual property considerations

The expert shall:

- Maintain impartiality and professional independence and avoid conflicts of interest.
- Ensure accuracy, traceability and appropriate handling of information collected.
- Respect confidentiality of all non-public information obtained during the assignment and use such information solely for the authorised project purposes
- Comply with applicable data protection requirements.
- Promote transparent, inclusive and non-discriminatory engagement with municipalities and stakeholders.

All materials, documents, and outputs produced under this assignment shall remain the property of NALAS. The Expert shall identify any pre-existing or third-party materials incorporated into the deliverables and ensure that the necessary permissions or licences have been obtained.

11. Modification of Terms

NALAS reserves the right to modify the terms of the ToR at its sole discretion to respond to evolving project needs or contextual developments.