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Terms of Reference

National Senior Water Economics & Public Finances Expert to support the preparation of a study on water governance models and a recommended approach for an improved water governance model in North Macedonia

Programme title:	Groundwater Management, Use and Protection Programme (GWP)
Position title:	National Senior Water Economics & Public Finances Expert to support the preparation of a study on water governance models and a recommended approach for an improved water governance model in North Macedonia
Type of contract	Individual Consultant Contract
Duty Station:	Skopje, North Macedonia / GWP Programme / Skat Consulting Branch in North Macedonia/ Home-based
Duration of contract:	Up to 34 expert days in period of 21 April 2025 – 21 November 2025
Start date:	21 April 2025
Application deadline	15 April 2025

A. BACKGROUND

The Swiss-funded **Groundwater Management, Use and Protection Programme (GWP)** aims at supporting North Macedonia in establishing a sustainable long-term, multi-level, and systematic groundwater management that enables collaborative, effective, and more transparent use of the groundwater resources.

The GWP stakeholders/partners include institutions at central governmental level, research and academia as well as local institutions (e.g. municipalities, public utilities), civil society organisations and the private sector. The **consortium of Skat Consulting and PointPro Consulting** has been mandated by the **Swiss Embassy** in the Republic of North Macedonia (RNM) to implement Phase 1 of the GWP from Jan 2024 – Dec 2027. Two additional subsequent phases may follow subject to successful implementation of the Programme's first phase and fulfilment of the overall commitment of its main national partners.

Skat Consulting Ltd. Is a owner-operated leading Swiss company specialising in international cooperation and is dedicated to making available basic services and ensuring dignified living conditions and a healthy environment for all. Skat Consulting supports governments, the private sector and civil society around the globe in improving people's lives by facilitating lasting solutions in water, building, energy and governance.

PointPro Consulting d.o.o. is a leading management consulting company based in Skopje since 2006 incorporating two business areas: (a) Infrastructure and Sustainable Development and (b) Management Consulting and Corporate Finance.

To facilitate the implementation of the Programme, on a day-to-day basis, a so-called **Programme Facilitation Unit** (PFU) will be hosted together by the Skat Consulting Branch in Skopje and PointPro Consulting. The PFU is responsible for direct implementation of activities.

One of the objectives of the **Groundwater Management, Use and Protection Programme (GWP)** is to consolidate the legal basis and procedures for efficient water governance. The Programme aims to initiate the process of water governance reform in RNM based on a clear vision of the role of the public authorities in the system and a solid legal basis, in line with RNM's socio-economic and political priorities, as well as the need for future sustainable development. The new water governance model and reform process should replace the current fragmented approach with a more comprehensive and highly participatory approach to managing water resources, aligned with the principles of Integrated Water Resources Management (IWRM) and the EU Water Framework Directive (EU-WFD).

The **GWP** focuses its efforts on **creating an enabling environment for good water governance** *inter alia* through **the preparation of a study on water governance options**. The study will analyse the options for a national water governance system and provide recommendations for improved governance based on an in-depth gap analysis. This baseline study will provide a detailed understanding of the current water governance framework; identify strengths, gaps and opportunities for improvement; propose actionable recommendations based on successful national governance models in the region. The study will serve as a basis for subsequent actions, including the drafting of legislative amendments and the implementation of institutional reforms (development of functional analysis and institutional development plan to foster the implementation of proposed water governance model and establish mechanisms for vertical and horizontal integration of stakeholders at national and local levels).

The goal of this assignment is to **support influencing, initiate and build the necessary political will** in North Macedonia, that will drive water governance reform towards a functioning system. The assignment should propose an **appropriate approach for water governance reform** in North Macedonia and sensitise the relevant key stakeholders to the extent that they are able to accept and improve the proposed approach by themselves. The project outcomes should serve as **background documents** that will enable the MoEPP and other relevant line ministries to influence at higher governmental and political levels on the need for reform of existing public policies related to water management, and that will ultimately enable a functioning and financially sustainable model of water governance.

The scope of work requires a team of skilled professionals with compatible qualifications and previous experience in similar projects.

To support the above objective, the GWP Programme is looking for a **National Senior Water Economics & Public Finances Expert to support the preparation of a study on water governance models and a recommended approach for an improved water governance model in North Macedonia with excellent relevant knowledge and skills to successfully implement the assignment**.

B. SCOPE OF WORK

The scope of this assignment is to **assess the efficiency of existing water governance models and to draft recommendations for improved water governance as background documents** for the initiation of water governance reform in North Macedonia. The recommendations for improved water governance should provide a basis for the Government of North Macedonia to build political will and drive reform by demonstrating the tangible benefits of improved water governance, focusing on functional water governance structure and financial sustainability. Recommendations should be based on the identification and assessment of water governance models from countries in the region with similar environmental, legal and socio-economic contexts that are best suited to North Macedonia.

The **Senior Water Economics & Public Finances Expert** will be mandated to: (a) support the preparation of a study on water governance models in the region by carrying out all necessary background economic and financial analyses and assessments, (b) support the preparation of

a concept for a new water governance model that on basis of a financial impact assessment of the proposed model and a roadmap for its implementation (financial/fiscal impact assessment cost benefit and financial sustainability and flows) provide recommendations to improve the existing financial/fiscal aspects of the water governance system, and (c) conduct consultations with key stakeholders to present financial models, cost projections and financial flows as well as lead high-level discussions on economic/public finances governance integration to support the decision-making of high-level officials by improving their understanding of the proposed water governance model and its financial benefits.

In conducting the assignment, the **Senior Water Economics & Public Finances Expert** will be coordinated by the International Water Resource Expert and will work closely with the National Senior Water Governance Expert and the Senior Legal Expert. The **Senior Water Economics & Public Finances Expert** will be responsible for support the preparation providing input in development of study on water governance models and a recommended approach for an improved water governance model in North Macedonia, dissemination of results for successful achievement of the assignment's objectives.

C. DUTIES AND RESPONSIBILITIES

Under the guidance of the Team Leader and the Outcome Manager 2, the **Senior Water Economics & Public Finances Expert** shall carry out the following tasks:

Task 1. Study on water governance models.

The service provider is expected to analyse and assess successful water governance models in the region as well as the existing national model in order to provide a basis for the development of recommendations for a new model for North Macedonia. The study should include the following activities:

- **Support the identification of relevant water governance models in the region by assessing the public finance compatibility with national laws and system.**

1.1 Support the Comparative analysis of the identified models on water governance by components, financing of water management and cross-sectoral coordination. The analysis should provide the assessment of the following aspects:

- **Efficiency of the key water governance components** should provide a functional assessment of the main mechanisms of water governance, including water resources management, river basin management and planning, monitoring system, enforcement and implementation of policies/strategies/IWRM plans, permitting and inspection, communication and stakeholder participation, data management (collection, storage, processing, exchange) investments and financing of water management. Together with the efficiency assessment of the individual components of water governance, the analysis should also include the mechanisms and competences within the state authorities and public administration.
- **Efficiency of the financial mechanisms** should analyse the economic instruments (tariffs, taxes, subsidies) and provide an assessment of the cost recovery mechanisms. The assessment should comprise the financial flow and the allocation of funds for the protection, utilization and sustainable management of water resources within all components of water management (planning, regulation, investments and infrastructure development, environmental protection). In addition, the analysis of the models should assess the financial sustainability and potential economic benefits of effective pricing mechanisms and cost-sharing arrangements.
- **Assess the benefits to state budgets** by analysing how these models affect central or local budgets by reducing public spending, increasing revenues and improving the

efficiency of water services. This assessment should if applicable also consider *public-private collaboration* and analyse the financial viability of partnerships focusing on investment, infrastructure and service delivery.

- **Efficiency of cross-sectoral coordination** including the integration of water management and nexus with other sectors (communal services, agriculture, energy and land use) by avoiding policy conflicts and promoting synergies between sectors.

1.2 Conduct analysis of the existing national water governance model that should assess the financial efficiency of the existing system of water governance in North Macedonia, in particular the institutional, regulatory and administrative framework. The analysis should identify the degree of implementation of the existing framework and the gaps in the regulatory and administrative framework. In addition, the analysis should include the political, economic and environmental context of North Macedonia, which should form the basis for the recommendation for improved national model.

1.3 Provide input for the development of an indicative approach for an improved water governance model for North Macedonia. The proposed approach should be applicable and effective for the context of North Macedonia.

Task 2: Concept Paper for an improved water governance model.

The **Senior Water Economics & Public Finances Expert** shall **support** preparation of Concept Paper that shall provide recommendations for the improvement of the water governance system in North Macedonia based on the results of the comparative analysis, assessment of the identified water governance models, and the understanding of the existing national water governance and regulatory framework. The recommended approach should be a solution tailored to the specific context of the North Macedonia, focusing on efficient water management, reduction/optimisation of public expenditure, improved budgetary outcomes, sustainable financing mechanisms and improved cross-sectoral coordination. The recommendations should also provide guidelines for the reform process with defined steps and a roadmap for implementation. The Concept Paper shall elaborate the following:

2.1 Provide input for Recommendations for improved water governance model in North Macedonia which shall comprise:

- Recommendations to improve existing financial mechanisms and instruments to ensure sustainable water management and investments with the aim of reducing public expenditure and increasing budget efficiency.
- Recommendations to improve cross-sectoral cooperation in water resources management between government, the private sector and civil society, including the nexus between communal services energy, agriculture, land use, patial and urban planning and other related sectors.
- If applicable, recommend potential *public-private collaboration* and analyse the financial viability of partnerships focusing on water related investment, infrastructure and service delivery.

. The recommendations should be based on the results of a comparative analysis of the selected models in the region and the existing national water governance system, taking into account the associated costs, the sources and allocation of funds, as well as the acceptance of individual activities and competences within the state administration.

2.2 Prepare Financial Impact Assessment of the proposed water governance model detailing the cost savings, revenue potential, long-term budgetary benefits and financial sustainability, through implementation of the following activities:

- Conduct a financial analysis to estimate the potential for cost savings/redistribution resulting from the implementation of the proposed water governance model.
- Assess the revenue potential in the proposed model by examining revenues from

water pricing, water charges and innovative financial instruments, as well as potential financial flows between government authorities.

- Assess the potential for reducing government budget expenditure in the proposed model while improving the efficiency and sustainability of water services, investments and infrastructure.
- Develop financial projections to demonstrate the long-term benefits and financial sustainability of the proposed water governance model.

2.3 Provide input on financial/fiscal aspects for Risk analysis and proposal for mitigation mechanisms that will initially identify impacts that could adversely affect the political dialogue and the smooth implementation of the water governance reform. The paper should also propose mechanisms to mitigate and minimize such risks.

2.4 Provide input on financial/fiscal aspects for the development of a draft roadmap for the implementation of the proposed water governance model, identifying key milestones and responsible entities. The implementation roadmap should be based on a step-by-step approach and outline any necessary changes to existing legislation to support the implementation of the new model and its integration into national frameworks.

Task 3: Consultations with key stakeholders.

This task aims to enhance the understanding of high-level officials of the project outcome (results of tasks 1 and 2). The **Senior Water Economics & Public Finances Expert** is expected to conduct at least 3 meetings/presentations with high-level officials to (i) present the methodology for the assignment, (ii) provide insight into the results of the Study on water governance models (Task 1), and (iii) present the initial recommendations for the improvement of the national water governance model and the roadmap for its implementation (Task 2).

The expert is expected to conduct consultations with key stakeholders to present financial models, cost projections and financial flows as well as lead high-level discussions on economic/public finances governance integration to support the decision-making of high-level officials by improving their understanding of the proposed water governance model and its financial benefits.

The presentations/meetings are intended to help high-level officials (ministers/directors and senior policy makers) understand the tangible benefits of reforming existing water governance systems. By understanding the value of a functional water governance structure and its financial sustainability, officials will be able to advocate more effectively for governance reforms.

Task 4: Final report

Based on the results of the consultations and the comments from key partners/stakeholders on the initial recommendations, the **Senior Water Economics & Public Finances Expert** will provide **input for the final report** with the recommended approach for an improved water governance model in North Macedonia with **a roadmap for its implementation**.

D. DELIVERABLES

The **Senior Water Economics & Public Finances Expert** will be responsible for the following deliverables:

1. Report on Inputs for the Study on water governance models.
2. Report on Inputs for the Concept Paper for an improved water governance model.
3. Report on Consultations with key stakeholders.
4. Report on Inputs for the Final report with recommended approach for an improved water governance model in North Macedonia with a roadmap for its implementation.

E. INPUTS AND TIMETABLE

Task	Description of activities	Tentative Timetable
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Task 1: Study on water governance models.	<ul style="list-style-type: none"> • Input for the Identification of relevant water governance models in the region. • Input for the Comparative analysis of the identified models. • Input for the Analysis of the existing national water governance model. • Input for the Development of indicative approach for an improved water governance model for North Macedonia. 	April – May 2025
Task 2: Concept Paper for an improved water governance model.	<ul style="list-style-type: none"> • Input for the Recommendations for improved water governance model in North Macedonia. • Input for the Risk analysis and proposal for mitigation mechanism. • Input for the development of a draft roadmap for the implementation of the proposed water governance model. 	May – June 2025
Task 3: Consultations with key stakeholders.	<ul style="list-style-type: none"> • Conduct at least 3 meetings/presentations with key stakeholders. 	April – November 2025
Task 4: Final report	<ul style="list-style-type: none"> • Input for the Final report with the recommended approach for an improved water governance model with a roadmap for its implementation. 	November 2025

G. MAIN DELIVERABLES AND PAYMENTS SHEDULE

No	Deliverable/ Activity description	Timeline
Task 1.	Report on Inputs for the Study on water governance models.	April – May 2025
Task 2:	Report on Inputs for the Concept Paper for an improved water governance model.	May – June 2025
Task 3:	Consultations Report with key stakeholders.	April – November 2025
Task 4:	Report Inputs for the Final report with recommended approach for an improved water governance model in North Macedonia with a roadmap for its implementation.	November 2025

The payment for the services will be carried out in upon submission and acceptance of each of the deliverables.

H. REQUIREMENTS AND SKILLS

- Advanced university degree (minimum M.Sc./MA) in economics or public finances, environmental or water management economics.
- At least three similar assignments on financial impact assessment of governance models or other financial and fiscal impact analyses.
- At least 10 years of experience in designing and/or implementing governance or management economics or public finances, water or environmental governance/management is an asset.
- At least 5 years of experience in resource finances planning and management, financial impact assessments, water finance planning is an asset.
- Knowledge of the EU water-related directives.
- Strong experience and knowledge in Southeast Europe's good governance approaches, practices, and customs, is considered an asset.
- Excellent written and verbal communication skills in English.
- Excellent communication, interpersonal skills, and facilitation/moderation skills.

I. TERMS AND CONDITIONS

■ *Language*

Language of products/deliverables is English or Macedonian. The quality of the documents is subject to review prior to approval. High quality proofreading is mandatory.

■ *Travel*

Representatives of the Contractor are expected to travel for the needs of the required research, partaking in meetings and other needs.

■ *Ownership and submission of data, reports and other material produced*

All primary data, reports, visual elements and other products during this assignment shall be made available to Program in electronic format. The Program keeps the right to use all products without any restrictions (e.g., in various publications, websites, presentations).

J. APPLICATION PROCEDURE

Interested offerors are invited to submit the following documents (in pdf format):

- Offeror's letter pertaining the expert confirmation of availability and containing Financial Proposal.
- Financial proposal in MKD.
- Most updated CV with focus on required qualification as well as the details of relevant professional experience.
- At least two favourable references relevant to the assignment

to the following address:

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Contact for more information

Biljana Puleska Janushevska, GWP Programme, Outcome 2 Manager
address: Maksim Gorki no. 16, 1000 Skopje
email: biljana.puleska@pointpro.com.mk

ANNEX 1: OFFEROR'S LETTER CONFIRMING INTEREST AND AVAILABILITY FOR THE ASSIGNMENT

Dear Sir/Madam,

I hereby declare that:

- A) I have read, understood and hereby accept the Terms of Reference describing the duties and responsibilities of *[indicate the purpose of the assignment as per TOR]* under the "Groundwater Management, Use and Protection Programme (GWP) in North Macedonia - Phase 1";
- B) I hereby propose my services and I confirm my interest in performing the assignment through the submission of my CV which I have duly signed and attached hereto as Annex 1;
- C) In compliance with the requirements of the Terms of Reference, I hereby confirm that I am available for the entire duration of the assignment, and I shall perform the services in the manner described in ToR;
- D) I hereby propose to complete the services based on the following payment rate: *[please check the box corresponding to the preferred option]*:
 - An all-inclusive daily fee of *[state amount in words and in numbers (in EUR)]*.
 - A total lump sum of *[state amount in words and in numbers (in EUR)]*, payable in the manner described in the Terms of Reference.
- E) For your evaluation, the breakdown of the abovementioned all-inclusive amount is attached hereto as Annex 2;
- F) I recognize that the payment of the abovementioned amounts due to me shall be based on my delivery of outputs within the timeframe specified in the TOR, which shall be subject to SKAT Consulting's review, acceptance and payment certification procedures;
- G) This offer shall remain valid for a total period of _____ days *[minimum of 90 days]* after the submission deadline;
- H) If I am selected for this assignment, I shall sign a Contract for Consultancy Services with Skat Consulting Ltd. - Branch Office Skopje;
- I) I hereby confirm that *[check all that applies]*:
 - At the time of this submission, I have no active Contract for Consultancy Services or any form of engagement with Skat Consulting Ltd. - Branch Office Skopje;
 - I am currently engaged with Skat Consulting Ltd. - Branch Office Skopje or Skat Consulting Ltd. St. Gallen Switzerland and/or other entities for the following work:

Assignment	Contract Type	Name of Institution/Company	Contract Duration	Contract Amount

- I am also anticipating conclusion of the following work from Skat Consulting Ltd. - Branch Office Skopje or Skat Consulting Ltd. St. Gallen Switzerland and/or other entities for which I have submitted a proposal:

Assignment	Contract Type	Name of Institution/ Company	Contract Duration	Contract Amount

- J) I fully understand and recognize that Skat Consulting Ltd. - Branch Office Skopje is not bound to accept this proposal, and I also understand and accept that I shall bear all costs associated with its preparation and submission and that Skat Consulting Ltd. - Branch Office Skopje will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.
- K) **If you are a former employee of the Skat Consulting Ltd. St. Gallen Switzerland recently separated, please add this section to your letter:** I hereby confirm that I have complied with the minimum break in service required before I can be eligible for an Individual Contract.
- L) I also fully understand that, if I am engaged as a Consultant, I have no expectations nor entitlements whatsoever to be re-instated or re-employed as an employee.
- O) REFERENCES: List three persons, not related to you, who are familiar with your character and qualifications.

Full Name	Full Address, including E-Mail Address and Telephone Number	Name of Organization Business or Occupation

- P) Have you been arrested, indicted, or summoned into court as a defendant in a criminal proceeding, or convicted, fined or imprisoned for the violation of any law (excluding minor traffic violations)?
 YES NO If "yes", give full particulars of each case in an attached statement.

I certify that the statements made by me in answer to the foregoing questions are true, complete and correct to the best of my knowledge and belief. I understand that any misrepresentation or material omission made in the CV or other document requested by the Company may result in the termination of the contract without notice.

DATE: _____

SIGNATURE: _____

NB. You will be requested to supply documentary evidence which support the statements you have made above. Do not, however, send any documentary evidence until you have been asked to do so and, in any event, do not submit the original texts of references or testimonials unless they have been obtained for the sole use of Skat Consulting Ltd. - Branch Office Skopje.

Annexes *[please check all that applies]:*

- CV shall include Education/Qualification, Professional Certification, Employment Records /Experience
- Breakdown of Costs Supporting the Final All-Inclusive Price as per Template

ANNEX 2: BREAKDOWN OF COSTS¹ SUPPORTING THE ALL-INCLUSIVE FINANCIAL PROPOSAL

Breakdown of Cost by Components:

Cost Components	Unit Cost	Quantity	Total Rate for the Contract Duration (MKD)
I. Personnel Costs			
Professional Fees			
II. Travel² Expenses to Join duty station			
Round Trip Airfares to and from duty station	-	-	
Accommodation	-	-	
Others (pls. specify)			
TOTAL (MKD)			0,00 MKD

¹ The costs should only cover the requirements identified in the Terms of Reference (TOR)

² Travel expenses are not required if the consultant will be working from home.