TERMS OF REFERENCE
AND TECHNICAL SPECIFICATIONS

I. General information

Assignment name	Short Term International Private Expert Technical Expert on Tax Incentives Evaluation, Modeling
Beneficiary	Ministry of Finance (MOF)
Country	Ethiopia
Total estimated number of days	Approximately 33 working days

II. Context and justification of the need

The Ministry of Finance (MoF) of Ethiopia, through the Technical Assistance to Domestic Revenue Mobilization (MRI) Project financed by AFD and implemented with technical support from Expertise France, is supporting reforms to strengthen domestic revenue mobilization and tax policy success. Ethiopia has rationalized and adopted targeted tax incentives to attract investment in order to , stimulate exports, substitute imports, transfer technology, and create jobs. In order to make the incentive regime targeted and effective, gaps were identified as two broad categories 1) governance and 2) policy gaps. Accordingly, first phase of the reform was correcting the governance gap by centralizing tax incentives under the ministry of finance. The second phase of the reform was the policy gap, which was implemented later. Such two phase of reform implementation has improved the effectiveness of incentives. However, such reforms should be strengthened by strong, evidence and data-based implementation, and monetary and evaluation. With support from partners and research institutes, the Ministry of Finance has recently conducted evaluations of tax expenditures. While these provide a solid basis, they remain partial as do not fully cover all incentives as it only covers border or import related incentives excluding domestic tax incentives such as tax holiday etc, limiting the ability to produce comprehensive reports. Monitoring and administration of granted incentives remain insufficiently structured. Most processes at the Ministry of revenue (MoR) are manual. At the Customs Commission, management is more effective, but reporting to the Ministry of Finance (MoF) is not automated, limiting visibility on revenue losses and compliance. Coverage at the regional level is also limited.

III. Objectives and desired results

1) General objective

The objective of the assignment is to provide high-level international technical expertise to support the Government of Ethiopia in designing and implementing modern tax-incentive data collection, database and management tools, evaluation methodologies, and analytical frameworks consistent with international standards.

2) Specific objectives

1. Assess data requirements and availability; design data templets and establish database framework;
2. International benchmarking and gap analysis of Ethiopia's tax incentive framework
3. Tax incentive forecasting and evaluation methodologies;
4. Tax expenditure report estimation and forecasting tools, models, approaches;
5. Cost-benefit analysis models (including data requirement identification or assessment, design data collection template, database framework establishment);
6. Performance monitoring frameworks;
7. Technical guidelines for effective implementation of Regulation No. 586/2026.

3) Anticipated results

Expected results include an international benchmark and gap analysis; practical ex-ante and ex-post evaluation and cost-benefit methodologies; tax-expenditure report , estimation and forecasting tools; an investment-impact assessment framework; a performance-monitoring framework with measurable KPIs; technical inputs to guidelines and procedures; and training materials that support sustainable use by Ethiopian institutions.

IV. Description of the assignment

1) Planned activities

Working under the supervision of Expertise France and in close collaboration with the Ministry of Finance, the expert will be responsible for carrying out the following tasks:
The expert will:

- Review international experiences and good procedures in tax incentive management;
- Analyze tax incentive frameworks applied in comparable countries;
- Identify policy and governance gaps, risks and opportunities for strengthening Ethiopia's tax incentive governance framework.

A. Development of Tax Incentive Evaluation Framework
The expert will support the design and development of analytical methodologies, including:

- Identify data requirements, assess data availability, design data template, establish database framework;
- Development of ex-ante tax incentive evaluation methodologies and models;
- Design of cost-benefit analysis frameworks for assessing incentive effectiveness;
- Development of tax expenditure report estimation and forecasting models, methodologies;

- Design and preparation of investment impact assessment models;
- Development of analytical approaches to assess: Economic additionality; Employment creation; Investment contribution; Export performance; Technology transfer and Regional development impacts (as part of the Cost-Benefit Analysis).

B. Tax Incentive Performance Monitoring Framework
The expert will:

- Develop a performance monitoring framework for tax incentive beneficiaries;
- Design measurable Key Performance Indicators (KPIs);
- Develop performance agreement templates;
- Recommend quantitative and qualitative performance thresholds;
- Support mechanisms for periodic review and withdrawal of ineffective incentives.

C. Technical Advisory Support
The expert will provide technical advisory services, including:

- Advice on implementation of Tax Incentive Regulation No. 586/2026;
- If necessary, review and provide technical comments on draft guidelines and operational procedures;
- Recommend measures to improve fiscal efficiency;
- Support model testing of evaluation methodologies;
- Review analytical outputs generated through tax incentive databases and monitoring systems;
- Provide recommendations for institutional strengthening.

D. Capacity Building and Knowledge Transfer
The expert will:

- Deliver specialized technical workshops for stakeholders in the Ministries;
- Provide training to tax policy department;
- Review analytical reports prepared by roll player institutions;
- Support knowledge transfer on international tax incentive management practices;
- Develop training materials and practical guidance documents.

Expected Deliverables
The expert shall provide the following deliverables:
Deliverable 1: International Benchmark Report
Including: Review of international tax incentive governance models; Qualified analysis; Lessons applicable to Ethiopia.
Deliverable 2: Tax Incentive Framework Gap Analysis Report
Including: Assessment of current Ethiopian practices; Institutional and policy gaps; Recommendations for improvement.
Deliverable 3: Tax Incentive Evaluation Framework
Including: Ex-ante and Ex-post evaluation methodology; Cost-benefit analysis model; Investment impact assessment framework.
Deliverable 4: Tax Expenditure Estimation Methodology
Including: Definition of methodology, format of the annual tax incentives report; Calculation approach; Data requirements; Reporting structure;
A documented and reusable calculation template that the Tax Policy Department can operate independently without external support.
Deliverable 5: Performance Monitoring Framework
Including: KPI framework; Ministries monitoring approach; Performance agreement templates.
Deliverable 6: Technical Review Reports
Including: Review of draft guidelines; Review of database outputs; Technical recommendations.

Deliverable 7: Training Materials
Including: Workshop presentations; Technical guidance materials; Practical exercises.
Deliverable 8: Final Technical Recommendations Report
Including: Consolidated recommendations; Updated analytical tools; Roadmap for sustainability.

The expert may also undertake additional technical assignments relevant to successful implementation of the Tax Incentives Management Component, as requested by Expertise France in consultation with the Ministry of Finance and relevant beneficiary institutions.

Phase I: Assessment and Benchmarking

- Outputs: International Benchmark Report; Gap Analysis Report.

Phase II: Framework Development

- Outputs: Tax incentive evaluation models; Cost-benefit analysis tools; KPI and monitoring framework; Technical inputs into implementation guidelines.

Phase III: Testing and Application

- Outputs: Pilot evaluation support; Review of database outputs; Technical validation of analytical tools.

Phase IV: Consolidation

- Outputs: Final recommendations report; Updated analytical models; Sustainability recommendations.

2) Coordination

The expert will work under the overall supervision of Expertise France. The expert will report to: Expertise France Country Direction; MRI Project Management Team. The expert will work closely with Component Coordinator; Ministry of Finance – Tax Policy Department. The expert will coordinate with focal points from: Ministry of Revenue; Ethiopian Investment Commission; Ethiopian Customs Commission and Other relevant government institutions.
The service provider shall designate a single contact person for project implementation purposes.
Mr Benoit TOURTOIS of the Technical Assistance to Domestic Revenue Mobilization Department (MRI) will be the service provider's sole contact person for Expertise France
Tel:+251991199514
E-mail: benoit.tourtois@expertisefrance.fr

A launch meeting will be held after contract award; the exact date will be confirmed by Expertise France.

V. Place, duration and terms of performance

1) Implementation period: From 2026- June 2028

2) Start date: January 01

3) **End date: June 2028**

4) **Effective duration per assignment: A framework Agreement as per the assignment for approximately 33 working days.**

5) **Schedule/programme:**

VI. Required expertise and profile

1) **Number of experts per assignment:** 1

2) **Profile of the designated expert(s) responsible for contract execution**

A. Qualifications and skills:

- Advanced university degree (Master's degree or equivalent) in Economics; Taxation; Fiscal Policy; Development Economics or Related fields.
- Excellent qualities/capacities in:
  - Communication
  - Teamwork and interpersonal skills
  - Knowledge transfer
  - Analysis and reporting
  - Problem identification and resolution
  - Decision-making and taking initiatives
- High proficiency in written and spoken French or English.

B. General professional experience

- Professional experience of Minimum of 12 years of international professional experience in tax policy, public finance or fiscal reforms, notably in Africa.
- Demonstrated experience in Tax expenditure analysis; Tax incentive evaluation; Investment incentive policies; Cost-Benefit Analysis, Fiscal impact assessment.

C. Specific professional experience

- Previous experience working with international organizations such as AFD; IMF; World Bank; OECD; ATAF; TaxDev or Similar development partners or Specific to Ethiopia with the Ministry of Finance.
- Proven experience designing analytical models, cost-benefit analysis, and evaluation frameworks.

VII. Assignment reports

The expert shall submit the agreed deliverables electronically to Expertise France and the designated beneficiary counterparts. Reports and tools shall be clear, practical and reusable by the Tax Policy Department. Submission dates and review periods will be confirmed in the agreed work plan.

VIII. Performance Indicators

Performance will be assessed based on:

- Quality and technical relevance of deliverables;
- Timely submission of outputs;
- Practical applicability of methodologies developed;
- Acceptance by Ethiopian Ministry institutions;
- Compliance with Expertise France quality standards;
- Successful development and testing of evaluation models;
- Adoption of tax incentive reporting methodology and format;
- Availability of evaluation reports supporting future budget processes, including the FY2027/28 budget law.

Additional Information

This assignment is implemented under the Technical Assistance to Domestic Revenue Mobilization (MRI) Project.

The selected expert shall:

Maintain strict confidentiality regarding all information obtained during the assignment and shall not disclose any information without prior written authorization from Expertise France and the Government of Ethiopia.

Perform the assignment with integrity, impartiality and professionalism, avoiding any actual or perceived conflict of interest and complying with the ethical standards of Expertise France and the applicable rules of the Government of Ethiopia.

Transfer all intellectual property rights and deliverables produced under the assignment to the beneficiary institutions and AFD, in accordance with the contractual provisions.

Accept that payments will be made based on satisfactory completion and acceptance of agreed deliverables.

Comply with all applicable travel, security, visa and logistical arrangements established for missions to Ethiopia.

Interested candidates should submit:

- A cover letter;
- An updated Curriculum Vitae highlighting relevant experience;
- A short methodological note describing the proposed approach to the assignment;
- The proposed daily fee rate;
- Contact details for at least three professional references.

The detailed application procedure, submission deadline and contact point will be communicated in the procurement notice.