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Projekat za bolje uslove poslovanja
Business Enabling Project

USAID Business Enabling Project in Serbia
Contract No. 169-C-00-11-00001-00
Scope of Work for
Technical Assistance to the Ministry of Finance in Streamlining
Planning, Evaluation, Prioritization, and Monitoring of Capital Projects

Project Summary

USAID's Business Enabling Project ("USAID BEP"), implemented by Cardno Emerging Markets USA and partners, is a five year initiative launched in January 2011. The purpose of the Project is to help the Government of Serbia improve the competitiveness of the Serbian economy, its macroeconomic position and its private sector businesses. The Project provides technical assistance, training, and other support to improve the business enabling environment, macroeconomic stability, and further develop financial markets. The Project is demand driven: all activities are based on the priorities of the private sector and Government.

USAID BEP Component 2, Macroeconomic Policy and Public Sector Financial Management, helps to advance reforms in financial management and fiscal policymaking that are relevant for business growth and competitiveness. This includes technical assistance to develop better economic forecasts, build capacity in program and performance-based budgeting, improving public debt management, and strengthen public private dialogue and awareness about key policy issues and developments.

The overall aims of USAID BEP work in these areas are to:

- 1) Make better use of public funds
- 2) Strengthen fiscal responsibility, planning, and transparency
- 3) Reduce fiscal risks
- 4) Improve the quality and scope of fiscal analysis and policymaking
- 5) Reduce the impact of government financing on business and the economy at large
- 6) Strengthen compliance with requirements for EU accession

The Ministry of Finance (MoF) is the main public sector counterpart for BEP work under this component.



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Background to SOW

Budgeting practices in Serbia need to be significantly improved to bring about more efficient use of scarce public resources. With USAID BEP's assistance, program budgeting (PB) was implemented in the 2015 GoS budget, as required under the Budget System Law. This budgeting approach presents government finances in a way that enables better measurement of the benefits and costs of how funds are used. It also provides an improved framework for longer-term planning and prioritization of projects.

Building on this effort, the MoF Budget Department (BD) has requested assistance in modifying the procedures related to preparation, evaluation, prioritization, and monitoring of capital projects. Currently, no legal framework has been established in the area of capital expenditure, and there are no official documents that provide guidance for economic analysis of capital projects.

Given the high value of investments in infrastructure as well as the relatively long implementation period, it is necessary to develop a sound medium-term investment plan for Serbia. The introduction of the planning approach and official guidelines for the economic analysis of projects will create the necessary conditions for this plan to be put into place.

During 2015, USAID BEP plans to provide assistance of the Ministry of Finance and relevant line ministries to plan and evaluate capital projects by building and facilitating a partnership approach. Concretely, USAID BEP will assist in drafting a bylaw, methodology and user manual for preparation, evaluation, prioritization, and monitoring of capital projects.

This assignment will be part of the USAID BEP project's Component 2 activities. The assignment includes work under Objective 1, *Improve GoS budgeting, fiscal policy analysis, and financial management efficiency.*

Objective

The objective of this STTA is to assist the MoF BD to: 1) develop a bylaw and methodology regulating capital project preparation, evaluation, prioritization, and monitoring; and 2) develop training materials and build capacity of BD to implement the methodology.



Tasks

The Consultant will plan and implement the work schedule in accordance with the requirements of BEP and BD. He/she will be expected to perform the following tasks during the period of assignment:

Task 1 Draft bylaw and methodology regulating preparation, evaluation, prioritization, and monitoring of capital projects (40 days)

The consultant will be responsible for drafting the bylaw and methodology regulating the following areas:

- **Capital project definition**
 - Detailed criteria will be prescribed specifying what constitutes a capital project and capital expenditure, ensuring compliance with the GFS definition and property accounting of the RS; categories of capital projects will be determined based on their value;
- **Standardized information on capital project proposals**
 - Uniformed data set (standardized format) will be required from the budget beneficiaries in project proposing phase, reflecting thorough project preparation; this will include information on multi-year funding and multiple sources of finance
- **Ex-Ante project appraisal**
 - Required appraisal technique is dependent upon the size of project and prescribed in detail in the Rulebook/methodology for evaluating capital projects; this will include risk analysis and risk mitigation plan;
- **Filtering and prioritizing project proposals**
 - Establish procedure for assessment of project's strategic relevance = the quality and completeness of the project documentation.
- **Monitoring and reporting on capital projects**
 - Establish the monitoring and reporting procedure specifying the roles of the budget beneficiaries, the Ministry of Finance and other stakeholders;

The procedures introduced need to be fully integrated in strategic planning and budgeting cycle and aligned with process for selection of IPA-financed capital projects.



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The bylaw and methodology is to be adopted through the participative process. The consultant should facilitate and guide the discussions of the working group led by the MoF, which includes representatives from the Ministry of Infrastructure, SEIO, SPP, and other stakeholders.

The consultant should explore best-international practices in this area, present the options to the stakeholders, consider local legislation and practices, and tailor the final solution to Serbian specifics. He/she may provide technical input and actively participate in a study tour for the MoF representatives to selected European country with a good track record of managing capital projects.

In delivering Task 1, the consultant will be supported by an international expert in area of capital project planning – through a short term engagement.

Task 2 Develop training materials and build capacity of MoF Capital Planning Unit and budget beneficiaries to implement capital project methodology (10 days)

The consultant should deliver training to build capacity of the MoF Capital Planning Unit and relevant line ministries to implement the provisions of the bylaw and methodology. This will include the development of training plan and materials (based on the methodology) which should cover at least the following modules: project documents preparation, ex-ante assessment, project evaluation and readiness assessment, ranking of projects, monitoring and evaluation, and project close-out. The training is to be delivered through a series of 4-hour sessions (at least five sessions) for small groups, enabling participants to gain “hands-on” experience in capital project management.

The developed training materials will be transferred to the Government’s Human Resource Administration (SUK), to institutionalize the capital project management in the official training curricula for public servants.

The timing of delivery of activities under Task 2 is dependent on official adoption of bylaw and methodology.

Level of effort

Consultant will have up to 50 days of engagement for completion of the tasks.



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Period of Performance

Period of performance of this SoW is from **April 1, 2015 to December 25, 2015**. Maximum number of days under this SoW cannot exceed 50 days.

Activities under Task 1 are expected to be delivered by **July 15**. The timing of delivery of activities under Task 2 is dependent on official adoption of bylaw and methodology.

Deliverables

Specific work products to be developed by Consultant include:

1. Draft bylaw and methodology on preparation, evaluation, prioritization, and monitoring of capital projects;
2. Plan, modules and materials for MoF and budget beneficiaries training;
3. Final report, summarizing results of the consultants' engagement;
4. Participation in outreach activities, if needed

All materials must be prepared in Serbian unless expressly authorized otherwise in writing by the Cardno Emerging Markets representative. Final report must be delivered in English.

Drafts of all deliverables need to be supplied for comments to BD and BEP team. Consultant will make adjustments to the deliverable in line with BD and BEPs' comments within a week after such comments have been provided.

To Apply:

1. Requirements for eligible candidates:

- a. Proven expertise and significant experience in area of capital project management;
- b. Good understanding of issues related to preparation, evaluation, prioritization and monitoring of public sector infrastructure projects;
- c. Proven expertise and significant experience in drafting legislation and methodologies;
- d. Experience in comparative analyses of institutional and regulatory frameworks;
- e. Excellent teaching skills and experience in development of training curricula;
- f. Master degree or higher in relevant area of study (preferably civil engineering)



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- 2. Applications including CV clearly showing adequate technical background and relevant work experience, along with references should be sent by e - mail to: info@bep.rs, by March 16, 2015. Only short - listed candidates will be contacted.**