



**USAID Business Enabling Project in Serbia
JOB DESCRIPTION AND STATEMENT OF WORK**

Position: Program Budgeting and Access to Finance Expert (Consultant)

Employer: Cardno Emerging Markets USA Ltd., Washington DC, Belgrade Representative Office

Location: Belgrade

I BASIC INFORMATION

Project Summary

The Serbia Business Enabling Project (“BEP”) is a seven-year USAID-funded project awarded to Cardno Emerging Markets USA, Ltd. to assist the Government of Serbia to strengthen the business environment, fiscal and macroeconomic management, financial market development, and business education throughout the country. It provides long-term technical assistance and other financial support to help advance legal and regulatory reforms, build institutional and professional capacity, and other activities as may be requested by the GoS. The project is organized around three components, each implemented by a resident team of Serbian and international professionals: Component 1 – Business Regulation and Economic Governance; Component 2 – Macroeconomic Policy and Public Financial Management; Component 3 – Financial Markets Development.

BEP Component 1 helps the GoS and other stakeholders develop a business-friendly regulatory and institutional framework, which will attract more investments, launch more business ventures and increase competitiveness of the Serbian businesses. This includes technical assistance to help counterparts draft or/and implement new regulations, strengthen their institutional capacity, and help to influence policies that shape and streamline the development of the business sector and its role in overall economic development.

BEP Component 2 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. BEP has helped the Ministry of Finance (MoF) to implement program budgeting across central level direct budget beneficiaries.

BEP Component 3, Financial Markets Development, helps Serbian financial markets increase the competitiveness and affordability of financial services, and develop risk management instruments. This includes technical assistance to help counterparts draft or/and implement new legislation, strengthen their institutional capacity, and help to influence policies that will shape the evolution of the financial sector and its role in economic development.



SCOPE OF WORK (SoW)

BACKGROUND TO SOW

Component 1, Objective 2: Business Effectively Partners with Government in Developing and Implementing Regulatory Reform, Task 2: Implement Regulatory Reforms Activity: Promotion of Standard Cost Model Study

In 2015, BEP helped streamline the book of records of retail operations (“KEPU”). The new KEPU Rulebook reduces bookkeeping requirements that were previously unnecessary and expensive, particularly for wholesalers and retailers. USAID BEP assisted the Ministry in drafting the new Rulebook, which now exempts all wholesalers with a double-entry bookkeeping system from the Rulebook regime and allows using electronic keeping of KEPU (instead of previous requirements of printing, stamping and signing KEPU each day, for each store). The implementation of the new KEPU Rulebook started on January 1, 2016. The GoS undertook KEPU reform based on BEP’s analysis and recommendations for regulatory changes.

BEP’s Standard Cost Model Study (SCM) was released in January 2016. This is BEP’s third SCM (the first two were completed in 2011 and 2013), and it allows stakeholders to compare the regulatory burden in 2015 with 2011 and 2013. Thus, we will extensively publicize the SCM via the event and through the media and direct e-mail to GoS partners, business associations, and other stakeholders.

SCM promotion will include promotion of the new KEPU Rulebook. This promotion will include workshops throughout Serbia, assembling accountants, SMEs and inspectors.

Component 2, Objective 1: Improve GoS budgeting, fiscal policy analysis, and financial management efficiency, Task 4: Assist the MoF Budget Department to develop capacity for improved transparency and program budgeting

Activity: Support introduction and implementation of Results-Based Management at MoE and other GoS institutions

With BEP’s significant assistance, program budgeting (PB) was implemented in the 2015 and 2016 GoS budgets, 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 provides a framework for longer-term planning and prioritization. In practical terms, it involves significant changes to the way the budget is classified, compiled, evaluated, prioritized, and ultimately monitored. PB is an approach to budgeting that allows expenditures to be allocated according to intended use. In presenting expenditures this way, the government can better assess how money is spent and whether it is spent in line with high level strategic goals or performance requirements.

During 2016, BEP plans to continue strengthening the PB framework and performance management. This will include technical support to the MoF Budget Department and selected budget users. BEP and the MoE have agreed to “push the envelope” with an activity that leverages program budgeting to



establish Results-Based Management across the ministry and subordinate agencies. This effort is complementing the efforts of the World Bank Competitiveness and Job Creation Project.

We will help the MoE introduce a Results-Based Monitoring and Evaluation System at MoE and agencies under the MoE, such as Development Agency of Serbia, Institute for Standardization, Accreditation Body of Serbia, and Business Register Agency. This includes establishment of PB structures of the selected agencies, performance indicators, and reporting system (program reporting and financial reporting) at the MoE internally, and for reporting of institutions to the MoE. This will be a pilot for introducing an integrated system of budgeting, planning, monitoring and evaluating at other ministries and agencies.

Component 3, Objective 4: Improving access to finance for small and medium-sized enterprises and entrepreneurs, Task 5: Strengthen the capacity of business and professional associations to improve access to finance

Activity: Strengthen the capacity of banking and business sector to improve local access to finance (SMEs Financing Facilitation Initiative)

Serbia suffers from major problems in supply of and demand for credit for SMEs. Some banks have some SME lending products, but they are not adequately publicized around Serbia, and few SMEs understand the products and their potential usefulness. There is little support for SMEs in smaller cities and towns for raising their profile with banks, or for increasing financial literacy and cooperation among businesses, business associations and banks. This leads to inadequate demand which can compromise our work on supply side of finance.

Solving these problems would take many more resources than BEP has available. Thus we developed a pilot activity for one municipality that can be introduced in other municipalities.

Last year, BEP assisted Regional Chamber of Commerce Kraljevo – office in Cacak, to implement a pilot program to support access to finance for MSMES in the Cacak area. The pilot activity, dubbed the Initiative for Better Finance (IBF), included a number of initiatives, including education programs for SMEs and banks, analysis and removal of local policy constraints to SME finance, information sharing and matchmaking, and development of municipal financial support for SME finance subsidy programs.

In early 2016, BEP will finish up its work with the City of Cacak on the IBF by helping finalize its new program to support SME finance. BEP has developed the concept for Cacak's finance program, which proposes to use grant funds as supplemental depository collateral for SME loans. BEP next needs to discuss the program with the city government, and finalize it. The City of Cacak would then approve the program and begin implementing it with selected banks.

In the first half of 2016, BEP will also use the materials, experiences, and results from the pilot IBF program to develop a "tool kit" with methodologies and materials to help municipalities organize similar programs. BEP will package the program and provide it to other local governments through the Standing Conference on Towns and Municipalities (SCTM) and National Alliance for Local Economic Development



(NALED). This will be in the form of a case study, readymade materials and guidelines to be distributed to all municipalities across Serbia.

OBJECTIVES

The primary objectives of this assignment for each of the tasks are as follows

DETAILED ACTIVITIES AND TASKS

Detailed activities are covered by the task areas listed below. The Consultant will plan and implement the work schedule in cooperation with the Project, and will report to the BEP Component 1, Component 2 and Component 3 team.

In order to attain the objectives set above the Consultant shall undertake the tasks set forth below:

1. Component 1: Support Promotion of Standard Cost Model Study (up to 2 days)

The **objective** of this STTA is to help promote the reform of KEPU as part of promotion of the SCM.

Tasks

- a. Help Activity Manager develop materials for promotion and further improvement of the new KEPU Rulebook throughout Serbia

2. Component 2: Support introduction and implementation of Results-Based Management at MoE Agencies (up to 15 STTA days)

The **objective** of this STTA is to help establish PB and results-based management in the MoE Agencies.

Tasks

- a. Deliver analyses of MoE PB in 2016 budget
- b. Work with two selected agencies (Development Agency of Serbia, Institute for Standardization, Accreditation Body of Serbia, and Business Register Agency) on establishing PB and PIs in line with PB methodology; this includes facilitation of discussions of the working groups established at the agency level, providing PB training and advisory; established PB structures and PIs will be utilized for 2017. budget development

3. Component 3: Strengthen the capacity of banking and business sector to improve local access to finance (SMEs Financing Facilitation Initiative) (up to 5 days)

The **objective** of this STTA is to strengthen the capacity of banking and business sector to improve local access to finance by providing tools, methodologies and guidance (SMEs Financing Facilitation Initiative)



Tasks:

- a. Assist the Activity Manager in preparation of materials and programs (improving access to finance on the local level toolkit) for business associations, BDSs and other stakeholders who would like to replicate IBF. This will include:
 - All available financial management guides, manuals, tools and education materials for businesses;
 - Guidelines for local constraints assessment, finance fair and rotational trainings organizations;
 - Survey tools for businesses, to be used by business associations, or other stakeholders;
- b. Assist the Activity Manager in organizing of presentations of the toolkit to municipalities and other stakeholders

DELIVERABLES

Specific work products to be developed by Consultant in cooperation with USAID BEP and the stakeholders include:

Component 1: Support Promotion of Standard Cost Model Study

1. Inputs for materials for SCM promotion/KEPU Rulebook promotion and improvement

Component 2: Support introduction and implementation of Results-Based Management at MoE agencies

1. Analyses of MoE PB in 2016 budget
2. Recommendations for PB structures and PIs of two selected agencies.

Component 3: Strengthen the capacity of banking and business sector to improve local access to finance

1. Inputs for toolkit with materials and programs (improving access to finance on the local level toolkit) for stakeholders who would like to replicate IBF.

All deliverables including the final report/memo on activities should be prepared in English.

Drafts of all deliverables need to be supplied for comments to the designated USAID BEP Task Manager before delivery. The Consultant will make adjustments to the deliverables in line with Cardno Emerging Markets' comments within a week after such comments have been provided. The final STTA report should be provided in ten working days after the end of the period of performance.



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Projekat za bolje uslove poslovanja
Business Enabling Project

To Apply.

1. Requirements for eligible candidates:
 - a) Relevant education and minimum of 5 years of expertise and experience in similar positions;
 - b) Excellent English writing skills.

2. Applications including CV clearly showing adequate technical background and relevant work experience should be sent by e-mail to: info@bep.rs, by March 11, 2016 CoB (Close Of Business - day). Only short-listed candidates will be contacted.